Leading the way
in Asia, Africa and the Middle East

Steve Bertamini
Chief Executive Officer, Consumer Banking
Key messages

- Consumer Banking transformation on track
- Strong balance sheet and diversified growth
- Macro trends support long term opportunities
- Continuing to invest for long term growth
New capabilities in place or being deployed to deliver the Customer charter

Service

Customer charter

SCB Way

Friendly, fast and accurate service

Solutions to your financial needs

Recognition of your overall banking relationship

Relationship

Trusted Advisor

360 Rewards

Frontline enablers

CEMS, NBC

WM Platforms

KnowledgeOne Analytics & Leads Mgt

Solutions

CVPs

Core Bundles

Note: CEMS – Customer experience management system, NBC – Needs based conversation
Consumer Banking strategic agenda

**PARTICIPATION MODEL**
- Grow HVS and active customers
- Increase CASA\(^1\) and unsecured mix
- Drive product per customer income via SCB\(^2\) Way, bundles and analytics
- Expand and integrate distribution network

**CUSTOMER FOCUS**
- Build digital main bank capabilities
- Leverage brand and service guarantees to dial up NPS\(^3\)
- Deepen and broaden Wealth Management solutions via trusted advisor proposition

**‘BACK TO BASICS’**
- Deliver balance sheet and AUM growth
- Become employer of choice
- Improve productivity and the control environment
- Maintain tight cost and risk discipline

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\(^1\) CASA - Current and saving accounts; \(^2\) SCB - Standard Chartered Bank; \(^3\) NPS – Net promoter score
Leading the way in Asia, Africa and the Middle East

Investor trip 2012

Consumer Banking
Financial Performance

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

Vishu Ramachandran
Chief Operating Officer, Consumer Banking
Key messages

- Balanced growth, greater resilience and attractive opportunities

- Increased focus on risk-return, liquidity and the control environment

- Continuing to invest for long term growth
### Financial performance - 5 years

<table>
<thead>
<tr>
<th>US$m</th>
<th>2006</th>
<th>2009</th>
<th>06 - 09 CAGR</th>
<th>2011</th>
<th>09 - 11 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>4,684</td>
<td>5,629</td>
<td>6</td>
<td>6,791</td>
<td>10</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,641)</td>
<td>(3,709)</td>
<td>12</td>
<td>(4,605)</td>
<td>11</td>
</tr>
<tr>
<td><strong>Operating profit before impairment</strong></td>
<td>2,043</td>
<td>1,920</td>
<td>(2)</td>
<td>2,186</td>
<td>7</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(721)</td>
<td>(1,052)</td>
<td>13</td>
<td>(524)</td>
<td>(29)</td>
</tr>
<tr>
<td>Other impairment</td>
<td>0</td>
<td>(1)</td>
<td>nm</td>
<td>(12)</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>1,322</td>
<td>867</td>
<td>(13)</td>
<td>1,650</td>
<td>38</td>
</tr>
</tbody>
</table>
## Financial performance - HoH

<table>
<thead>
<tr>
<th>US$\text{m}</th>
<th>H1 11</th>
<th>H2 11</th>
<th>H1 12</th>
<th>%</th>
<th>Constant FX %</th>
<th>%</th>
<th>Constant FX %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>3,337</td>
<td>3,454</td>
<td>3,515</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,109)</td>
<td>(2,496)</td>
<td>(2,307)</td>
<td>(8)</td>
<td>(6)</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Operating profit before impairment</td>
<td>1,228</td>
<td>958</td>
<td>1,208</td>
<td>26</td>
<td>27</td>
<td>(2)</td>
<td>1</td>
</tr>
<tr>
<td>Impairment</td>
<td>(215)</td>
<td>(321)</td>
<td>(309)</td>
<td>(4)</td>
<td>(2)</td>
<td>44</td>
<td>50</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1,013</td>
<td>637</td>
<td>899</td>
<td>41</td>
<td>41</td>
<td>(11)</td>
<td>(9)</td>
</tr>
</tbody>
</table>

*Excluding one-offs*:

<table>
<thead>
<tr>
<th>US$\text{m}</th>
<th>H1 11</th>
<th>H2 11</th>
<th>H1 12</th>
<th>%</th>
<th>Constant FX %</th>
<th>%</th>
<th>Constant FX %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>3,337</td>
<td>3,454</td>
<td>3,476</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,195)</td>
<td>(2,317)</td>
<td>(2,307)</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Operating profit before impairment</td>
<td>1,142</td>
<td>1,137</td>
<td>1,169</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Impairment</td>
<td>(266)</td>
<td>(354)</td>
<td>(352)</td>
<td>(1)</td>
<td>32</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>876</td>
<td>783</td>
<td>817</td>
<td>4</td>
<td>4</td>
<td>(7)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

*One-offs include sales of loan portfolios, recoveries on structured notes in Taiwan, Early Retirement Programme and property sale in Korea*
## Income

### By region

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 12 US$m</th>
<th>H1 12 vs H1 11 (%)</th>
<th>Constant FX* %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>674</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Singapore</td>
<td>479</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Korea</td>
<td>588</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Other APR</td>
<td>846</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>India</td>
<td>223</td>
<td>(6)</td>
<td>8</td>
</tr>
<tr>
<td>MESA</td>
<td>371</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Africa</td>
<td>235</td>
<td>16</td>
<td>24</td>
</tr>
<tr>
<td>Americas, UK &amp; Europe</td>
<td>99</td>
<td>39</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,515</strong></td>
<td><strong>5</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

### By product

<table>
<thead>
<tr>
<th>Product</th>
<th>H1 12 US $m</th>
<th>H1 12 vs H1 11 (%)</th>
<th>Constant FX* %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>786</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Mortgages</td>
<td>656</td>
<td>(13)</td>
<td>(10)</td>
</tr>
<tr>
<td>Auto Finance</td>
<td>1,297</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Cards, Personal Loans &amp; Unsecured</td>
<td>1,297</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>639</td>
<td>(3)</td>
<td>(1)</td>
</tr>
<tr>
<td>Others</td>
<td>137</td>
<td>54</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,515</strong></td>
<td><strong>5</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

*FX - Foreign Exchange
Diversified and competitive performance across markets

Income
US$m

<table>
<thead>
<tr>
<th>Region</th>
<th>2009 CB*</th>
<th>2011 CB*</th>
<th>CAGR 2009-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>553</td>
<td>6,791</td>
<td>11%</td>
</tr>
<tr>
<td>Singapore</td>
<td>392</td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>Korea</td>
<td></td>
<td>289</td>
<td>0%</td>
</tr>
<tr>
<td>Other APR</td>
<td></td>
<td>158</td>
<td>6%</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td>330</td>
<td>2%</td>
</tr>
<tr>
<td>MESA</td>
<td></td>
<td>45</td>
<td>4%</td>
</tr>
<tr>
<td>Africa</td>
<td></td>
<td>71</td>
<td>13%</td>
</tr>
<tr>
<td>Americas, UK &amp; Europe</td>
<td>98</td>
<td></td>
<td>(5%)</td>
</tr>
<tr>
<td>Total CB in 2011</td>
<td>1,650</td>
<td></td>
<td>6%</td>
</tr>
</tbody>
</table>

Operating profit in 2011

US$m

<table>
<thead>
<tr>
<th>Region</th>
<th>2011 Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>553</td>
</tr>
<tr>
<td>Singapore</td>
<td>392</td>
</tr>
<tr>
<td>Korea</td>
<td>(41)</td>
</tr>
<tr>
<td>Other APR</td>
<td>392</td>
</tr>
<tr>
<td>India</td>
<td>98</td>
</tr>
<tr>
<td>MESA</td>
<td>146</td>
</tr>
<tr>
<td>Africa</td>
<td>131</td>
</tr>
<tr>
<td>Americas, UK &amp; Europe</td>
<td>(21)</td>
</tr>
<tr>
<td>Total CB in 2011</td>
<td>1,650</td>
</tr>
</tbody>
</table>

*CB - Consumer Banking
Incremental growth opportunities – next 3 to 5 years

- Become digital main bank
- Scale up Hong Kong and Singapore
- Build strategic alliances
- Accelerate Africa build-up
- Focus on SME and Wealth Management
Credit risk performance

- Overall credit quality strong and stable
- Lending mix shifting to SME and Unsecured
- Proven credit management practices
- Loan impairment trends

### Loan impairment* as a % of Consumer Banking Average Net Receivables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2.12</td>
<td>0.72</td>
<td>0.98</td>
<td>1.12</td>
<td>0.55</td>
<td>0.51</td>
<td>0.56</td>
</tr>
</tbody>
</table>

#### 30dpd** / ENR***

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>H1 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2.10</td>
<td>1.39</td>
<td>1.02</td>
<td>1.08</td>
<td>1.02</td>
</tr>
</tbody>
</table>

* Gross loan impairment excluding sales of previously written off portfolios; ** dpd - Days past due; ***ENR - Period end net receivables
Chief Operating Officer imperatives for the next phase

- Optimise risk-return
- Increase liquidity generation
- Simplification through standardisation
- Enhance productivity and control environment
- Continuing to invest for long term growth
# Mortgage performance

## Mortgage balances by region

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2011</th>
<th>H1 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>58</td>
<td>70</td>
<td>69</td>
</tr>
<tr>
<td>Singapore</td>
<td>14</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Korea</td>
<td>35</td>
<td>30</td>
<td>28</td>
</tr>
<tr>
<td>Other APR</td>
<td>19</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

### 09 – 11 CAGR

<table>
<thead>
<tr>
<th></th>
<th>Hong Kong</th>
<th>Singapore</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM compression</td>
<td>~40bps</td>
<td>~45bps</td>
<td>~23bps</td>
</tr>
<tr>
<td>HI 12 market share</td>
<td>14%</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>H1 12 Loan impairment / Average net receivables</td>
<td>&lt;1bps</td>
<td>&lt;1bps</td>
<td>&lt;1bps</td>
</tr>
<tr>
<td>H1 12 Risk adjusted RoRWA *</td>
<td>~7%</td>
<td>~3%</td>
<td>~6%</td>
</tr>
<tr>
<td>H1 12 Loan to value ratio</td>
<td>43%</td>
<td>45%</td>
<td>48%</td>
</tr>
</tbody>
</table>

*Risk adjusted RoRWA = (Income – expected loss) / risk weighted assets*
Mortgage priorities

- Hold market share, other than Korea
- Key driver of main bank relationship
- Increase bundled sales
- Differentiate on service delivery, channels
- Grow at pace with current and saving accounts
- Robust risk management with low loan to value ratio
Unsecured portfolio geographically diversified

Total portfolio

Unsecured portfolio

Mix by product

(5%) SME 9%
1% Others
90% Cards, Personal Loans & Unsecured

Mix by geography

Americas, UK & Europe 1%
MESA 8%
India 3%
Africa 4%
Other APR 28%
27% Korea
Singapore 9%
20% Hong Kong

08 - H1 12 CAGR

Unsecured portfolio

Geographically diversified

Unsecured

Fully and partially secured

Total portfolio

2008 2010 H1 12

Unsecured 19% 15% 18%
Fully and partially secured 81% 85% 82%

2008 2010 H1 12

81% 85% 82%
Cards, Personal Loans & Unsecured portfolio characteristics

**Income / ANR** and **LI** / **ANR**
- 2007: 12.0%
- 2008: 11.0%
- 2009: 12.3%
- 2010: 12.1%
- 2011: 11.5%
- H1 12: 11.0%

**Income – LI** / **ANR**
- 2007: 4.0%
- 2008: 4.5%
- 2009: 5.5%
- 2010: 2.7%
- 2011: 2.0%
- H1 12: 2.2%

30+ days past due
- 2007: 3.1%
- 2008: 3.0%
- 2009: 2.9%
- 2010: 2.3%
- 2011: 2.2%
- H1 12: 2.1%

### Risk adjusted RoRWA
- Total Consumer Banking: ~5%
- Hong Kong, Singapore, other APR: ~4-8%
- MESA: ~8%
- Korea: ~2%

*ANR - Average Net Receivables; ** LI - Loan impairment*
## Unsecured priorities

<table>
<thead>
<tr>
<th>Credit Cards and Personal Loans</th>
<th>Business Installment Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversified innovative channels</td>
<td>Focus on small business customers in scale markets</td>
</tr>
<tr>
<td>Differentiated experience</td>
<td>Entry product to build relationship</td>
</tr>
<tr>
<td>Industry leading products</td>
<td>Enhanced credit criteria</td>
</tr>
<tr>
<td>Active portfolio management</td>
<td>Less than 15% of total SME asset portfolio</td>
</tr>
<tr>
<td>Risk based pricing</td>
<td></td>
</tr>
</tbody>
</table>
Continue to simplify Consumer Banking through standardisation of seven high impact areas

- Improve customer experience, speed to market
- Deliver strategic goals in cost effective and scalable manner
Investment: 2009 - 2012

- **Branding and marketing spend**
- **Mobile and online**
- **Customer-focused systems**
- **Branch projects**
- **Frontline and sales staff**
- **Regulation and controls**
Key messages

- Balanced growth, greater resilience and attractive opportunities

- Increased focus on risk-return, liquidity and the control environment

- Continuing to invest for long term growth
Investor trip 2012

High Value Client Coverage (HVCC)

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

Shayne Nelson
Global Head, High Value Client Coverage
and Chief Executive Officer, Private Bank
Key messages

- Opportunities from significant wealth creation in our footprint
- Strong HVCC income growth positioning us to be a key Consumer Banking growth driver
- We are capturing business and individual wealth needs
- One Bank collaboration is creating synergies
High Value Client Coverage

Private Banking

SME Banking

Priority Banking

Personal Banking

Note: Program criteria are indicative and vary by countries based on local market environment
Wealth by region
AUM\(^1\) in US$tn

<table>
<thead>
<tr>
<th>Region</th>
<th>2011 AUM (US$tn)</th>
<th>2016F AUM (US$tn)</th>
<th>CAGR (11-16F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>38</td>
<td>42</td>
<td>2%</td>
</tr>
<tr>
<td>Asia(^2,) Africa and the Middle East</td>
<td>34</td>
<td>37</td>
<td>2%</td>
</tr>
<tr>
<td>Europe</td>
<td>5</td>
<td>8</td>
<td>1%</td>
</tr>
<tr>
<td>Eastern Europe, Latin America</td>
<td>18</td>
<td>19</td>
<td>9%</td>
</tr>
<tr>
<td>Japan</td>
<td>28</td>
<td>46</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>123</td>
<td>151</td>
<td></td>
</tr>
</tbody>
</table>

Source: BCG Global Wealth Report 2012; \(^1\)Includes all wealth bands; \(^2\)Excludes Japan

Strong wealth creation in our footprint
Large contribution from business owners

Sources of wealth
2010, in%

Global average  Asia Pacific

<table>
<thead>
<tr>
<th>Source of Wealth</th>
<th>Global average</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock options and other</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Investment performance</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Inheritance</td>
<td>17</td>
<td>23</td>
</tr>
<tr>
<td>Income (Salary and bonus)</td>
<td>22</td>
<td>11</td>
</tr>
<tr>
<td>Business ownership</td>
<td>46</td>
<td>57</td>
</tr>
</tbody>
</table>

Source: Merrill Lynch Capgemini Asia-Pacific wealth report 2011; ¹ Excludes Japan
Business performance

HVCC income 09-11 CAGR 18%

Priority Banking
SME
Private Banking

2009
2010
2011
HVCC is a key income driver

Share of Consumer Banking income

- HVCC
- Personal Banking*

<table>
<thead>
<tr>
<th>Year</th>
<th>HVCC</th>
<th>Personal Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>2010</td>
<td>21%</td>
<td>56%</td>
</tr>
<tr>
<td>2011</td>
<td>15%</td>
<td>54%</td>
</tr>
</tbody>
</table>

*Includes Personal Banking, Preferred Banking and Consumer Finance
One Bank collaboration areas

**Clients**
- Private Bank - Origination Client Coverage
- SME - Private Bank and Priority Banking
- Medium Enterprises - Middle Market
- Transaction Banking – Employee Banking

**People**
- Culture
- People movements
- Training

**Products and services**
- Financial Markets – Wealth Management
- Direct access for ultra high net worth clients
- Transaction Banking – Employee Banking

**Infrastructure**
- SME Banking and Wholesale Banking platforms
- Distribution – shared branches
- Shared IT infrastructure
Key messages

- Opportunities from significant wealth creation in our footprint

- Strong HVCC income growth positioning us to be a key Consumer Banking growth driver

- We are capturing business and individual wealth needs

- One Bank collaboration is creating synergies
Key messages

- Opportunities from significant wealth creation in our footprint
- Strong performance since launch
- Deliver a compelling client value proposition
High net worth\(^1\) wealth per region
AUM in US$tn

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2016F</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Europe</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Japan</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Asia, Africa and the Middle East</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Latin America</td>
<td>9</td>
<td>49</td>
</tr>
<tr>
<td>Eastern Europe, Latin America</td>
<td>4</td>
<td>66</td>
</tr>
</tbody>
</table>

11-16 CAGR

- North America: 2%
- Latin America: 13%
- Asia, Africa and the Middle East: 11%
- Europe: 3%
- Japan: 2%

\(^1\) Defined as individuals with liquid assets above US$1m
\(^2\) Excludes Japan
Source: BCG Global Wealth Report 2012

Strong millionaire growth in Asia-Pacific\(^3\), Africa and Middle East
AUM\(^4\) in US$tn

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2016F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over US$100m</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>US$1-100m</td>
<td>7</td>
<td>47</td>
</tr>
<tr>
<td>Less than US$1m</td>
<td>46</td>
<td>51</td>
</tr>
</tbody>
</table>

11-16 CAGR

- Over US$100m: 17%
- US$1-100m: 12%
- Less than US$1m: 8%

\(^3\) Excludes Japan
\(^4\) Total financial wealth

Strong wealth creation in our footprint
2011-2016F

- Japan
- Eastern Europe
- Latin America
- Asia, Africa and the Middle East
- North America

Source: Internal Report
8 Private bank countries
Additional 2 trust company locations in Guernsey and Cayman
Milestones since launch

2007-2010: Install
- Launch of the Private Bank (2007)
- AMEX acquisition (2008)
- Platform upgrade (2010)

2011-2012: Tune
- Over 30% YoY AUM growth (09-10)
- Latin America divestiture (2011)
- Disciplined tail management (2011)
- HVCC created (2011)
- Outstanding Private Bank Asia Pacific (2012)
Business performance

AUM
US$bn

CAGR 15%

2009 2010 2011 H1 12

Income

CAGR 22%

2009 2010 2011 H1 12
Diversified income stream

Income by product
US$m

CAGR 22%

2009 2011

Insurance and other 50%
Funds 31%
Equity and bonds 36%
Structured products 33%
Foreign Exchange (including Premium Currency Investments) 6%
Deposits 14%
Lending 33%

09-11 CAGR
Like any enduring legacy, wealth is built on the lessons you share.
The world’s best international Private Bank in and for Asia, Africa and the Middle East

Our compelling value proposition

Strong and stable partner
- Among the world’s safest banks
  - Standard & Poor's: AA-
  - Fitch: AA-
  - Moody’s: A1

Connecting clients to Asia, Africa and the Middle East

Leveraging One Bank

Strategic
Value added
Transactional
Basic lending
# Our business priorities

## Participation model

**Net new money**
- Drive new client growth from referrals and upgrades
- Strengthen offshore hubs and develop onshore presence via Private Banking or Private Wealth
- Capture economic corridor opportunities
- Inorganic growth

## Client focus

**Income growth**
- Build digital main bank capabilities
- Deepen trusted advisor status
- Client specific pricing and discount management
- Offer a product shelf that performs throughout market cycle

## ‘Back to basics’

**Productivity**
- Become employer of choice
- Strengthen control environment
- Pace of investments balanced to income growth
- Drive correct segmentation, optimising cost to serve
- Share platforms and infrastructure with Consumer Banking and Wholesale Banking
Regional strategies

- **Share of business**
  - **Asia**: ~2/3
  - **Africa**: ~1/3
  - **Middle East**: ~1/3

- **Strategic focus**
  - **Asia**:
    - Hub strategy from Singapore and Hong Kong
    - Onshore presence in South Korea; onshore China and Taiwan covered through Priority Private Wealth Services
    - Collaboration with Wholesale Banking for ultra high net worth relationships
  - **Africa**:
    - Hub strategy from UAE, London, Jersey, Geneva
    - One Bank collaboration with SME Banking and Wholesale Banking
    - Increase penetration into key markets
Key messages

- Opportunities from significant wealth creation in our footprint
- Strong performance since launch
- Deliver a compelling client value proposition
Leading the way
in Asia, Africa and the Middle East
Leading the way
in Asia, Africa and the Middle East

Foo Mee Har
Global Head, Priority and International Banking
Key messages

- Key contributor to liquidity and Wealth Management income
- Well-positioned in the fastest growing markets
- Delivering diversified and sustainable growth
- Investing to become our clients’ Trusted Advisor
Global Priority Banking business

PRIORITY Banking

Americas, UK & Europe
- Jersey

Africa
- Kenya
- Nigeria
- Ghana
- Uganda
- Zimbabwe
- Zambia
- Tanzania
- Botswana

MESA
- UAE
- Bahrain
- Qatar
- Jordan
- Oman
- Lebanon

India
- Bangladesh
- Sri Lanka
- Nepal
- Pakistan

Other APR
- Taiwan
- China
- Japan
- Indonesia
- Malaysia
- Thailand
- Brunei
- Philippines
- Vietnam

Hong Kong

Korea

Singapore
Asia, Africa and the Middle East: fastest growing and the 2nd largest region by 2015

Affluent segment’s AUM\(^1\) by regions US$tn

- **2011**
  - North America: 18
  - Western Europe: 6
  - Asia\(^2,\) Africa and the Middle East: 8
  - Central / Eastern Europe and Latin America: 2
  - Japan: 6

- **2015F**
  - North America: 22
  - Western Europe: 10
  - Asia\(^2,\) Africa and the Middle East: 9
  - Central / Eastern Europe and Latin America: 6
  - Japan: 2

**CAGR 6%**

**11 – 15 CAGR**

- **Central / Eastern Europe and Latin America**: 9%
- **Asia\(^2,\) Africa and the Middle East**: 12%
- **Western Europe**: 3%
- **North America**: 5%

Affluent AUM\(^1\) in Standard Chartered markets, 11–15 CAGR

- **China**: 14%
- **India**: 13%
- **Indonesia**: 12%
- **UAE**: 11%
- **Hong Kong**: 10%
- **Singapore**: 9%
- **South Korea**: 8%

**Source:** Datamonitor Wealth Management Database

\(^1\) Defined as individuals with US$0.1-3m onshore AUM

\(^2\) Excludes Japan, Australia and New Zealand
Younger, more confident, international and technology savvy affluent clients

- New generation of confident and ambitious affluent
- Preference to hold cash, gold and properties
- Increasingly international in outlook
- Rising adoption of digital channels

Source: FuturePriority Survey
Intense competition among local, regional and international players

**Local**
- ICBC
- KB
- Maybank
- State Bank of India

**Regional**
- DBS
- CIMB Bank
- ICICI Bank
- ANZ

**International**
- HSBC
- CITIBank
Focus on all-weather income streams to increase resilience of Wealth income

- **Priority Wealth Management income**: CAGR 20%
- **MSCI Asia ex-Japan**: CAGR 7%
- **Equities income**: CAGR 12%
- **Non-equities income**: CAGR 24%

*Source: Bloomberg*
Robust, diversified growth in income, balance sheet and AUM

### Income by product

**US$m**

<table>
<thead>
<tr>
<th>Product</th>
<th>H1 09</th>
<th>H1 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>Deposits</td>
<td>37%</td>
<td>32%</td>
</tr>
<tr>
<td>Non-equities</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Equities</td>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>

**CAGR**

- Lending: 18%
- Deposits: 24%
- Non-equities: 21%
- Equities: 12%

### Loans and advances to customers

- **CAGR**: 31%

### AUM

- **CAGR**: 10%

**H1 09**

- Loans and advances: H1 09
- AUM: H1 09

**H1 12**

- Loans and advances: H1 12
- AUM: H1 12
Broad-based geographical growth

Income by region

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 09</th>
<th>H1 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>Africa</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>MESA</td>
<td>4%</td>
<td>12%</td>
</tr>
<tr>
<td>India</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Other APR</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Korea</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Singapore</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1%</td>
<td>12%</td>
</tr>
</tbody>
</table>
To be a trusted advisor to our clients, by building long-term relationships centered around their needs

**Unique, differentiated value proposition**

**Recommend solutions based on my needs**

**Recognise my total banking relationship, including my family and business**

**Connect me to global opportunities, and to my account when I travel**
Top priorities

Grow clients

Right Client Coverage

Operating rhythm

Well-diversified income
Key messages

- Key contributor to liquidity and Wealth Management income
- Well-positioned in the fastest growing markets
- Delivering diversified and sustainable growth
- Investing to become our clients’ Trusted Advisor
Leading the way
in Asia, Africa and the Middle East

Tim Hinton
Global Head, SME Banking
Key messages

- Major growth area for the Bank

- Significant engine of liquidity

- Broad-based business with clear potential to deliver sustainable growth across our footprint

- Attracting and retaining the best talent is key to our success
SME Banking – client profile

Wide range of client types and sizes, with two differentiated coverage models

- **ME** – Medium sized enterprises
- **SB** – Small businesses
- **RM** – Relationship managers

~10% of customers
~60% of income

~ 90% of customers
~ 40% of income

* RM - Relationship managers  **ME – Medium sized enterprises  ***SB – Small businesses
## SME Banking – business profile

### Overall size and scale – 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>SME</th>
<th>Share of Consumer Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>&gt;US$1.3bn</td>
<td>~20%</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>&gt;US$33bn</td>
<td>~22%</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>&gt;US$19bn</td>
<td>~16%</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>&lt;US$0.1bn</td>
<td>~16%</td>
</tr>
</tbody>
</table>
## SME Banking - strategy and key priorities

### Participation model
- Focus on Top 15 markets and key sectors
- Two differentiated coverage models
- Better use of branches and new business sales
- Cross-border expertise

### Customer focus
- Become main bank and more relevant to our clients
- Superior service and needs-based solutions
- Digital capabilities
- Drive the One Bank agenda, especially client referrals

### ‘Back to basics’
- Improve RM effectiveness
- Strengthen our risk monitoring capabilities
- Simplify processes to improve client and staff experience
- Continuous investment
Broad-based business, growing steadily

Income by region

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2009</th>
<th>09-11 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td></td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>Singapore</td>
<td></td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>Other South East Asia*</td>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>Africa</td>
<td></td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>UAE</td>
<td></td>
<td></td>
<td>4%</td>
</tr>
</tbody>
</table>

* Other South East Asia = Malaysia, Indonesia, Thailand, Brunei, Vietnam, Philippines
Customer deposits growth since 2009

SME customer deposits and margin

- Liabilities
- Net interest margins

US$bn

CAGR 13%

2009 2010 2011 H1 12

Deposit margins have remained stable
CASA* balances constitute ~60% of SME’s total customer deposits

* CASA - Current and saving accounts
Margin compression has meant slower income growth, but margins stable since 2011.
- Largely consistent asset mix since 2009 but Trade and Working Capital’s share to increase going forward

- More than 80% of SME assets remain fully or partially secured
Stable credit performance

Loan impairment remains at historically low levels, no material increase in 2012

*EAR/ENR = Early Alerts / End of period Net Receivables
Focus on client needs and solutions

**Working capital**
- Facilitating clients’ cash flow management
- Providing full support and quick turnarounds

**Business expansion**
- Helping to protect clients’ businesses
- Making surplus cash work harder for our clients

**Risk management**

**Yield enhancement**
Significant room to grow our market shares

Estimated market size - US$bn

<table>
<thead>
<tr>
<th>Country</th>
<th>Estimated Market Size (US$bn)</th>
<th>Standard Chartered Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>10</td>
<td>1%</td>
</tr>
<tr>
<td>Korea</td>
<td>8</td>
<td>2%</td>
</tr>
<tr>
<td>India</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td>Africa</td>
<td>2</td>
<td>7%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2</td>
<td>9%</td>
</tr>
<tr>
<td>UAE</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Singapore</td>
<td>1</td>
<td>9%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Standard Chartered estimates
Notes:
1. Wallet sizes and shares are estimated and based on the addressable SME market for each country.
3. India’s market size is based on 16 cities (Tier I and II) only.
4. China's market size is based on 14 cities (where we are present) only.
Competition primarily from local banks

Local
- ICBC
- ICICI Bank
- CIMB BANK
- RAKBANK
- KEB
- mandiri

Regional
- DBS
- Barclays

International
- HSBC
- CitiBank
Synergies with Wholesale Banking

Clients
- Annual transfer process
- Collaboration to bank the suppliers and distributors of Wholesale Banking clients
- Gateway program for customers of Bank clients

People
- Talent and people moves
- Training programs
- Culture
- Opportunities for diverse careers

Products and services
- Leverage Wholesale Banking capabilities in Cash and Trade, Financial Markets, Straight2Bank
- Synergies between Transaction Banking and Employee Banking

Systems and distribution
- Common systems in Trade, Payments, Collections, Credit, Client Management Information System and general IT infrastructure
- Use of Consumer Bankings branch network, joint SME / Wholesale Banking centres (e.g. in China)
Key messages

- Major growth area for the Bank
- Significant engine of liquidity
- Broad-based business with clear potential to deliver sustainable growth across our footprint
- Attracting and retaining the best talent is key to our success
Leading the way
in Asia, Africa and the Middle East

Steve Bertamini
Chief Executive Officer, Consumer Banking
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 and reward overall banking relationship

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

Deliver sustainable operating performance
Key messages

- Consumer Banking transformation on track
- Strong balance sheet and diversified growth
- Macro trends support long term opportunities
- Continuing to invest for long term growth