Investor trip 2012

Group Day

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

Pam Walkden
Group Treasurer
Highlights

- We have a diverse balance sheet, both in assets and liabilities
- Our capital base is strong
- We are highly liquid
- Our balance sheet is a key differentiator
- We are well placed to deal with today’s regulatory challenges
We have a diversified and conservative balance sheet

Total assets
US$624bn\(^1\)

- Loans and advances to banks: 25%
- Wholesale Banking loans and advances to customers: 25%
- Consumer Banking loans and advances to customers: 20%
- Investment securities: 17%
- Loans and advances to banks: 12%
- Derivatives: 10%
- Other assets: 8%
- Cash at central banks: 8%

Loans and advances to customers distribution
US$279bn\(^1\)

- Americas, UK & Europe: 18%
- Singapore: 19%
- Other APR: 18%
- Korea: 14%
- Other: 18%
- MESA: 7%
- Africa: 2%

\(^1\) As at 30 June 2012
Underpinning our approach to banking

Basics of banking

Capital

Liquidity / funding

Risk management

Costs
How the committee structure works

- Board
- Court
- Board Risk Committee
- Group Asset and Liability Committee
- Liquidity Management Committee
  and
  Capital Management Committee
- Country Asset and Liability Committee
- Wholesale Banking Balance Sheet Committee
- Consumer Banking Balance Sheet Committee
Strong capital position

Capital ratios (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Core Tier 1</th>
<th>Tier 2 and Tier 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 08</td>
<td>6.1</td>
<td>2.4</td>
</tr>
<tr>
<td>H1 10</td>
<td>4.3</td>
<td>2.2</td>
</tr>
<tr>
<td>H2 10</td>
<td>9.0</td>
<td>11.8</td>
</tr>
<tr>
<td>H1 11</td>
<td>15.5</td>
<td>4.4</td>
</tr>
<tr>
<td>H2 11</td>
<td>17.9</td>
<td>4.0</td>
</tr>
<tr>
<td>H1 12</td>
<td>17.6</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Tier 1:
- H1 08: 8.5
- H1 10: 13.4
- H1 12: 16.9

Core Tier 1

Tier 2 and Tier 3
A challenging regulatory environment

- **Primary Loss Absorbing Capacity (PLAC)**
- **Non-Equity**
- **Equity**
- **Surcharge**

- **Base**: 4.5%
- **Conservation Buffer**: 2.5%
- **Counter Cyclical**: 4.5%
- **Globally Systemically Important Bank**: 4.5%
- **Independent Commission on Banking**: 1 - 4%

**Surcharge**: 1 - 2.5%

**Total**: 15 – 19.5%
Bail-in debt should be a **resolution** tool, not a recovery action.

We favour a **retrospective statutory** overlay to existing debt - contractual bail in will require re-issuing debt and market uncertainty.

We have **no intention** to issue contingent capital.

If a retrospective statutory regime is implemented, we currently expect that **Group would not need to issue any new debt** to meet bail-in requirements.
How do we allocate capital?

- **Capital allocation**
  - Geographies should initially meet an internal hurdle rate when applying for capital.
  - Geographies with returns under this rate must justify any application for capital e.g. strategic importance.
  - Capital allocations are decided by the Capital Management Committee, with appeal to the Group Asset and Liability Committee.

- **Hurdle rates**
  - In order to (1) maintain/grow the Core Tier 1 ratio (2) fund risk weighted asset growth and (3) fund the Group dividend, a Group average profit after tax return on risk weighted assets must be achieved.
  - The internal hurdle rate is based on the Group average return on risk weighted assets of circa 2%.
Liquidity

- Strong advances to deposits (A/D) ratio consistently sub 100%
- Consistently strong liquid asset ratio
- Balance sheet built on the right type of deposits
- Focus on management through the geographic lens
Our approach to liquidity

- Fund before you lend
- Self-sufficiency
- Diversity
Strong and diverse funding base...

Total liabilities
US$624bn*

Customer deposits
US$360bn*

- Classifications and percentages:
  - Shareholder funds: 7%
  - Subordinated liabilities and other borrowed funds: 3%
  - Debt securities in issue: 10%
  - Other liabilities: 6%
  - Derivatives: 9%
  - Bank deposits: 7%
  - 58% Customer deposits

Geographical breakdown:
- Hong Kong: 25%
- Singapore: 18%
- Korea: 10%
- Other APR: 18%
- Americas, UK & Europe: 16%
- Africa: 3%
- MESA: 7%

*As at 30 June 2012
Strategic and tactical metrics and indicators

- **Maximum cumulative outflow:**
The amount of net cash inflow/ outflow from all on-balance sheet and off-balance sheet items under normal conditions over the next 30 calendar days. Normal conditions mean BAU customer behaviour for withdrawal and repayment of assets / liabilities.

- **Wholesale borrowing limit:**
A limit governing the amount which the Treasury operation can raise in the Wholesale / Inter-bank market, including intra-group and custodial funds. Typical to cover short term liquidity.

- **Swapped funds:**
Non-domestic funds swapped into local currency.

- **Stress testing and contingency planning:**
8-day calendar name-specific stress run in each country on a daily basis.

- **A/D ratio:**
Corporate and retail loans as a % of the Corporate and retail deposits.

- **Commitments guidelines:**
Amount of customer undrawn committed facilities.

- **Medium term funding ratio:**
Ratio of liabilities with maturity over 1 year to assets with maturity over 1 year.
Strong liquidity position

Strong liquidity position and a low customer asset to deposit ratio have been maintained

Current and Savings Accounts (CASA) are an important part of the Group’s total deposit base

* Total deposits includes deposits by banks
Strong through the geographic lens too

Stress liquidity*

Peak cumulative outflows  Marketable securities

Minimum net cash flow over 8 days

*As at 28 September 2012
Limited refinancing*

Maturity profile of senior debt and capital securities

US$ bn

2012 2013 2014 2015 2016 2017

Capital securities Senior debt

Notes: * Capital refinancing has been modeled based on first call date
Recovery and resolution planning

- Standard Chartered is supportive of the concept and general approach.
- We have worked very closely with host and home regulators to develop a recovery and resolution plan that is consistent with our “One Bank” business model.
- All 6 modules have been approved by the board of Standard Chartered PLC and submitted to the FSA.

- Executive summary
- Recovery plan
- Group structure and key legal entity information
- UK Economic Function Identification Matrix
- UK Critical Function Contingency Analysis
- Plans to overcome barriers to satisfactory resolution
Key messages

- Conservative and diversified balance sheet gives us our strength

- Our balance sheet remains a key differentiator
  - Diversified assets and liabilities
  - Conservative capital and liquidity management

- Capital and liquidity strength places us well for the future…
Leading the way
in Asia, Africa and the Middle East

Richard Goulding
Group Chief Risk Officer
Key messages

- The Group continues to be well diversified across
  - Products and customer segments
  - Geographies
  - Industries

- Emerging trends and concentrations are regularly discussed and escalated to appropriate committees

- We continue to maintain a diligent approach to risk management and control
Maintaining resilience
- Diversified portfolio
- Diligent approach to risk management
- Long term trends

Prevailing external challenges
- Weakening global growth
- China economic slowdown
- India policy paralysis
- Global deleveraging
- European sovereign crisis
- Middle East and North Africa political transformation
- South Africa mining exposure
- Korea Personal Debt Rehabilitation Scheme
Maintaining resilience
Diversified portfolio

- Group exposures are highly diversified across customer segments, geographies and industries
- 70 countries; 26,000 Wholesale Banking clients; over 13m Consumer Banking customers, of which 500,000 SME clients
- 63% of Wholesale Banking loans and advances to customers have tenor less than 1 year, including high quality ALM (Sovereign and investment grade Financial Institutions) and Trade Finance

Note: As at June 2012
*Countries with cross-border outstanding where they exceed 1% of total assets; ** Industry classification of corporates - based on exposure at default
Diligent approach to risk management

- Strong governance framework led by the Board
- Risk appetite reviewed alongside strategy

**Strategy**
- Business strategy
- Forecast risk profile
- Risk return decisions

**Risk appetite (RA) assessment**
- Compliance to RA statement
- Stress testing
- Asset mix review

**Feedback**
- Underwriting / portfolio standards
- CAD approvals*
- Target RoRWA** at client / product / portfolio level

**Monitoring**
- Review forecast to RA compliance
- Correlations and concentrations
- Appropriate return for risk

* CAD - Credit Approval Document  ** RoRWA - Return on risk weighted assets
Diligent approach to risk management

- **Proactive approach to risk**
  - Continuous assessment of DEFCON status
  - Thematic analysis, stress tests and monitoring of markets for early signs of macro-economic shifts
  - Tightening of portfolio / underwriting standards and governance where necessary

**Stress tests conducted at Group portfolio level**

- Standard Chartered initiated stress tests
- Regulatory stress tests

**Stress tests**
- Conflict in the Middle East
- Event risk: Korean Peninsula
- Regulatory overcorrection
- Reverse stress test
- Capital inflow controls
- UST yields
- IMF FSAP** stress tests
- FSA CPP*** stress tests
- Hard landing for China
- Generic “asset bubble”
- The Middle East conflict - An update
- Base Metals Price Slump
- Sharp USD Appreciation
- FSA CPP**

**Events**
- North Korea shells Yeonpyeong Island
- Beginning of the Middle East North Africa unrest
- S&P downgrades the US
- China reduced 2012 GDP* growth forecast
- China’s industrial production grew at the slowest rate since September 2009

* GDP – Gross Domestic Product; **FSAP – The Financial Sector Assessment Program; ***CPP – Core Prudential Programme
Diligent approach to risk management

- Concentration management supports portfolio diversification
- Lower concentration of exposure in large corporates

Cluster ratio with net EAD >10% of GCR**

Top 20 corporate exposures

*WB – Wholesale Banking; ** GCR – Group Capital Ratio
Diligent approach to risk management

- Big ticket underwriting client focused
  - Existing clients
  - Resilient business models
  - Relationship deepening with aim of developing high value added ancillary business
  - Event driven financing of client’s life cycle

- Underwriting decision driven by credit appetite for the individual client

- Credit assessment independent of underwriting decision

- Underwrite only what we are comfortable to hold to maturity if necessary

- Underwriting positions and aggregate stick positions controlled through limits
Long term trends - Wholesale Banking Early Alerts (EAR)

- Movement to EAR based on potential weakness or in response to certain event triggers
- H1 12 EAR comprised mainly of a small number of large client groups in India and the Americas, UK & Europe

A large proportion of the increase in EAR in H2 11 is related to precautionary measures taken with respect to corporate clients in India.
Wholesale Banking loan impairment levels increased in H1 2012, however remain significantly lower than the peaks in 1999 and 2009.
Long term trends - Consumer Banking portfolio quality

- Consumer Banking credit quality remains strong and stable
- Risk mitigation actions include
  - Tightening underwriting standards
  - Increasing early collection intervention
  - Upgrading analytical tools

### 30dpd and 90dpd delinquencies

- **2008**: 2.10%
- **2009**: 1.39%
- **2010**: 1.02%
- **2011**: 1.08%
- **H1 12**: 1.02%
- **Q3 12**: 1.10%

<table>
<thead>
<tr>
<th>Year</th>
<th>30dpd (LHS)</th>
<th>90dpd (LHS)</th>
<th>30dpd (RHS)</th>
<th>90dpd (RHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>0.99%</td>
<td>2.10%</td>
<td>0.41%</td>
<td>0.41%</td>
</tr>
<tr>
<td>2009</td>
<td>0.61%</td>
<td>1.39%</td>
<td>0.40%</td>
<td>0.41%</td>
</tr>
<tr>
<td>2010</td>
<td>0.41%</td>
<td>1.02%</td>
<td>0.40%</td>
<td>0.39%</td>
</tr>
<tr>
<td>2011</td>
<td>0.40%</td>
<td>1.08%</td>
<td>0.40%</td>
<td>0.41%</td>
</tr>
<tr>
<td>H1 12</td>
<td>1.02%</td>
<td>1.02%</td>
<td>0.40%</td>
<td>0.41%</td>
</tr>
<tr>
<td>Q3 12</td>
<td>1.10%</td>
<td>0.41%</td>
<td>0.40%</td>
<td>0.41%</td>
</tr>
</tbody>
</table>
Long term trends - Consumer Banking loan impairment

- Consumer Banking loan impairment increased after exiting a cycle low in H1 11, however remains at a low level
- Pockets of localised pressure in a few markets in our footprint
Gradual shift to Wholesale Banking business, but overall shape of portfolio has remained stable in recent years

Consumer Banking growth from footprint countries and strategic acquisitions

Wholesale Banking growth in Trade Finance and Corporate Finance

Wholesale Banking portfolio less concentrated to Corporates

Note: Calculation excludes portfolio impairment provisions

* Loans and advances to Sovereigns includes cash and balances at central banks
Long term trends - Consumer Banking unsecured lending

- Unsecured proportion of Consumer Banking nominal is 18%, lower than the levels in 2008 (20%)

- Our strategy is to grow unsecured products in select core markets with established credit bureaus

- Focus is on
  - Upgrading analytical tools
  - Deepening relationships through product bundling
  - Optimising diallers and collection intensive care units

![Consumer Banking exposure trend chart]

<table>
<thead>
<tr>
<th>Year</th>
<th>Unsecured</th>
<th>Partly Secured</th>
<th>Secured</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>20%</td>
<td>10%</td>
<td>70%</td>
</tr>
<tr>
<td>2008</td>
<td>20%</td>
<td>7%</td>
<td>73%</td>
</tr>
<tr>
<td>2009</td>
<td>16%</td>
<td>8%</td>
<td>76%</td>
</tr>
<tr>
<td>2010</td>
<td>15%</td>
<td>8%</td>
<td>77%</td>
</tr>
<tr>
<td>2011</td>
<td>17%</td>
<td>9%</td>
<td>74%</td>
</tr>
<tr>
<td>H1 12</td>
<td>18%</td>
<td>9%</td>
<td>73%</td>
</tr>
</tbody>
</table>
Long term trends - credit quality

- Average credit grade for the Group is stable
- Overall credit quality improved between December 2010 and June 2012, driven by placements with highly rated Banks and Financial Institutions

Weighted average credit grade

<table>
<thead>
<tr>
<th>Year</th>
<th>Weighted Average Credit Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>5.84</td>
</tr>
<tr>
<td>2007</td>
<td>5.36</td>
</tr>
<tr>
<td>2008</td>
<td>5.41</td>
</tr>
<tr>
<td>2009</td>
<td>5.58</td>
</tr>
<tr>
<td>2010</td>
<td>5.71</td>
</tr>
<tr>
<td>2011</td>
<td>5.60</td>
</tr>
<tr>
<td>Jun 12</td>
<td>5.51</td>
</tr>
</tbody>
</table>

Note: Credit grades from 1-5 is equivalent to Moody’s Corporate Grades AAA to BBB-, 6-8 is equivalent to BB+ to BB-, 9-11 is equivalent to B+ to B-, 12-14 is NA
Long term trends - maturity profile

- 48% of Group loans and advances to customers mature in less than 1 year

- Increase in Wholesale Banking weighted average maturity driven by longer tenor Corporate Finance and Financial Markets transactions

Loans and advances to customers with maturity less than 1 year

Wholesale Banking weighted average maturity
Long term trends - market risk

- No proprietary trading teams; majority of own account income derived from market making activities
- Daily trading income / average VaR* comparatively consistent over past 3 years
- In 2010 daily trading income / average VaR* increased due to sharp drop in average VaR* resulting from fall in volatility (after 2008 Lehman’s crisis)

**Daily trading income / average VaR***

<table>
<thead>
<tr>
<th>Bank</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK Bank A</td>
<td>64%</td>
<td>23%</td>
<td>86%</td>
<td>71%</td>
<td>91%</td>
</tr>
<tr>
<td>UK Bank B</td>
<td>42%</td>
<td>63%</td>
<td>62%</td>
<td>105%</td>
<td>19%</td>
</tr>
<tr>
<td>US Bank A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Bank B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Bank C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Bank D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>German Bank A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swiss Bank A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swiss Bank B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore Bank A</td>
<td>19%</td>
<td>16%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*VaR – Value at risk
Prevailing external challenges
Prevailing external challenges

1. Weakening global growth
2. China economic slowdown
3. India policy paralysis
4. Squeeze in liquidity through global deleveraging
5. European Sovereign crisis
6. MENA* political transformation
7. South Africa mining exposure
8. Korea – Personal Debt Rehabilitation Scheme (PDRS)

* MENA: Middle East and North Africa
Prevailing external challenges

- Weakening global growth
  - Impact assessment by regular stress tests
  - Reviewed core portfolios
  - Exposure capping, limit reduction, increased security, exit vulnerable accounts

- China economic slowdown
  - Portfolio is short tenor, driven by trade finance and ALM placements to high quality counterparties
  - Reviewed China steel producers and anticipatory actions in solar sector

- India policy paralysis
  - Closely managing the India book
  - Reduced exposure to telecom sector
  - Working with key promoters to facilitate repayments
Prevailing external challenges

**Global deleveraging**
- Identified “at risk” clients
- Proactively addressed client refinancing risks over last 18 months
- Exposures with refinancing risk reduced by more than one third

**European sovereign crisis**
- Close monitoring continues
- No direct sovereign exposure to GIIPS*
- European scenario action group established
- Contingency plans to respond to scenarios

**Middle East and North Africa (MENA) political transformation**
- Actively monitoring the situation
- Expect some restructuring to continue
- Exposures in Bahrain, Syria, Egypt, Libya and Tunisia less than 0.5% of total assets

*GIIPS – Greece, Ireland, Italy, Portugal and Spain*
Prevailing external challenges

South Africa mining exposure
- Maintaining close vigilance
- Exposure is less than 0.3% of Wholesale Banking loans and advances to customers

Korea Personal Debt Rehabilitation Scheme
- Tightened front end credit underwriting
- Identification and monitoring of high risk customers
- Increased early targeted intervention
Key messages

- The Group continues to be well diversified across
  - Products and customer segments
  - Geographies
  - Industries

- Emerging trends and concentrations are regularly discussed and escalated to appropriate committees

- We continue to maintain a diligent approach to risk management and control
Leading the way in Asia, Africa and the Middle East
Leading the way
in Asia, Africa and the Middle East

Jan Verplancke
Chief Information Officer and
Group Head, Technology and Operations
Investment in technology as a driver of future competitive advantage

- **Global:** Group Technology and Operations (‘GTO’) is global, covering all businesses, functions and geographies

- **Investing in the back-end:** Globally resilient, integrated, automated and standardised platforms to underpin future income momentum

- **Investing in the front-end:** Enhanced engagement with our sales force and customers/clients via optimised and differentiated channel capabilities

- **Industrialisation:** Driving efficiency in support spend that maximises headroom for investments and innovation
Global scale with delivery at the country level through Country CIOs

Group Chief Information Officer (CIO)

Wholesale Banking CIO

Consumer Banking CIO

Group Functions CIO

Technology

Global Sourcing

Operations
Our technology and operations resources

<table>
<thead>
<tr>
<th>Technology</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global hubs</strong></td>
<td>2 global data centres (UK and Hong Kong)</td>
</tr>
<tr>
<td>2 regional data centres in Africa (Kenya and Ghana); over 100 in-country facilities</td>
<td></td>
</tr>
<tr>
<td>~12,000 servers, ~90,000 PCs, ~12,000 iPhones</td>
<td></td>
</tr>
<tr>
<td>~900 corporate systems, of which ~250 are high criticality</td>
<td></td>
</tr>
<tr>
<td>~2.6 petabytes of data storage</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional centres</th>
<th>Regional hubs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2 global data centres (UK and Hong Kong)</td>
</tr>
<tr>
<td></td>
<td>~5,800 staff*</td>
</tr>
<tr>
<td></td>
<td>2 regional data centres in Africa (Kenya and Ghana); over 100 in-country facilities</td>
</tr>
<tr>
<td></td>
<td>~2,600 staff*</td>
</tr>
<tr>
<td></td>
<td>~2,400 staff*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In-country technology</th>
<th>In-country operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1,900 staff*</td>
<td>~8,100 staff*</td>
</tr>
</tbody>
</table>

*Staff includes full time employees and non-employed workers as at 30 September 2012
Key messages

Investment in technology as a driver of future competitive advantage

- Global: Group Technology and Operations (‘GTO’) is global, covering all businesses, functions and geographies

- Investing in the back-end: Globally resilient, integrated, automated and standardised platforms to underpin future income momentum

- Investing in the front-end: Enhanced engagement with our sales force and customers/clients via optimised and differentiated channel capabilities

- Industrialisation: Driving efficiency in support spend that maximises headroom for investments and innovation
An analogy… the Sagrada Familia
Our Core Banking program has been rolled out across 39 countries

- Reduce disparate systems across markets and replace with a common core banking system globally

- Process started in 2002 and is now 84% complete

- Targeting end state of a single common version of our electronic basic banking system (‘eBBS’) in 44 countries

- Plans for Hong Kong and Singapore alignment to complete the roll out
Global roll out of a cost effective, scalable trade processing platform with rich functionality

Trade Finance – income* and operations cost (US$m)

Operations cost income ratio and productivity

Operations cost income ratio (LHS)  Productivity (volume in ‘000 / FTE)

2008  2009  2010  2011

Income
Operations cost

Trade port LIVE
Standalone system

We now have the same system-product capabilities across 36 out of 37 of our Trade Finance booking locations

*Trade Finance income includes Wholesale Banking and SME
eOps – virtual data entry

Digitisation, automation and virtualisation
Compliance - A major focus of investment over a sustained period

- Over the last 7 years we have invested heavily in our compliance footprint, with a total investment well in excess of US$110m, over the period

- Investments include the Introduction of Chinese character name screening

- Ongoing investments in the retention and surveillance platforms to capture and monitor all critical forms of electronic communications
What’s next…UNITY: enhancing and standardising our product and service capabilities across 46 markets to create a Global Cash Management Bank

<table>
<thead>
<tr>
<th>Liquidity management</th>
<th>Account services</th>
<th>Enhanced reporting</th>
<th>Global pricing and billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best of breed sweeping and pooling Client Self Service client gets complete, timely and transparent information</td>
<td>Sophisticated deposit offerings, transparency and management information support</td>
<td>Integrated reporting for client support and operations staff</td>
<td>Enrichment for better tracking and views Rollout to remaining markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Receivables management</th>
<th>Virtual accounts</th>
<th>Payments and collections</th>
<th>Working capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables management solution complete with all reconciliation abilities</td>
<td>Platform supporting bill and utility type collections Rollout to remaining markets</td>
<td>Transformation of core payments and electronic collections across the Bank</td>
<td>Tool for corporates to have unified view of all receivables and payables and do simulative cash and working capital planning</td>
</tr>
</tbody>
</table>
What’s next … FX* / ALM transformation

What is it
- Multi-year program to replace system infrastructure and streamline global operational processes with an efficient end-to-end solution for the FX* and ALM businesses

Operations
- 43 countries will be centralised on 2 front to back instances, one for FX*, the other for ALM
- Booking will be maximised on a single global entity, removing the need for significant inter-entity volumes
- The cost of processing an FX* trade will be reduced by 5%
- Continuous “round the world” processing will be enabled

Technology
- 25 installations of front and back office applications will move to 2
- Potential throughput will be increased to as much as 1,000 trades per second
- The technology estate will be simplified (507 connections to 94)
- 2 legacy systems will be decommissioned

* FX - Foreign Exchange
What’s next ... Enterprise Data Management (EDM): using data better while reducing interface cost and complexity

- We have embarked on a multi-year journey to better leverage the rich depth of data in our processing systems and to reduce our cost of building interfaces

*CRM refers to Customer Relationship Management ; **RMWB refers to the relationship manager work bench
Key messages

Investment in technology as a driver of future competitive advantage

- Global: Group Technology and Operations (‘GTO’) is global, covering all businesses, functions and geographies

- Investing in the back-end: Globally resilient, integrated, automated and standardised platforms to underpin future income momentum

- Investing in the front-end: Enhanced engagement with our sales force and customers/clients via optimised and differentiated channel capabilities

- Industrialisation: Driving efficiency in support spend that maximises headroom for investments and innovation
Engaging our customers in Consumer Banking - service and product functionality across geographies

Customer Experience Management System (CEMS)

Innovative mobile and internet banking

State of the art ATMs

Customer Origination System and Standard Account Opening

Needs based conversation

Capture at Source and automation

Building world class capabilities direct to the hands of our customers through whatever channel they choose

Making sure frontline are equipped with the best tools and find it easy to provide the service customers want and expect
CEMS - our award winning sales and service platform in Consumer Banking

- **Incoming calls handled at contact centers**
  - 2010: 4,485
  - 2011: 5,842
  - Sep 12**: 9,159
  - 30% increase
  - 57% increase

- **New sales leads**
  - 2010: 1,945
  - 2011: 6,382
  - Sep 12**: 8,227
  - 228% increase
  - 29% increase

- **New sales booked by relationship managers and PFCs* in branches**
  - 2010: 150
  - 2011: 1,246
  - Sep 12**: 1,624
  - 731% increase
  - 30% increase

- **Service requests completed at call centre and branches**
  - 2010: 603
  - 2011: 1,138
  - Sep 12**: 2,323
  - 104% increase
  - 89% increase

- **Sales conversation held by relationship managers and PFCs* in branches**
  - 2010: 465
  - 2011: 4,619
  - Sep 12**: 5,331
  - 893% increase
  - 15% increase

- **New solutions sold by relationship managers and PFCs* in branches**
  - 2010: 200
  - 2011: 1,960
  - Sep 12**: 2,793
  - 880% increase
  - 43% increase

*PFC – Personal Financial Consultants; ** Sep 12 - YTD September 2012
## Mission digitisation

<table>
<thead>
<tr>
<th>Metric</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 (YTD Aug)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Markets</strong> with digital banking presence</td>
<td>31</td>
<td>34</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td><strong>Active online customers</strong></td>
<td>1.46m</td>
<td>1.85m</td>
<td>2.22m</td>
<td>2.49m</td>
</tr>
<tr>
<td>who have logged in once in the last three months</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Real eStatements</strong> that are sent with paper suppression as a percentage of all statements</td>
<td>24%</td>
<td>36%</td>
<td>44%</td>
<td>48%</td>
</tr>
<tr>
<td><strong>Active mobile banking customers</strong></td>
<td>n/a</td>
<td>4%</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>as a percentage of total active online customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net promoter score</strong> based on customer feedback of promoters - detractors</td>
<td>n/a</td>
<td>n/a</td>
<td>60</td>
<td>63</td>
</tr>
</tbody>
</table>
Moving from servicing to online sales - monetising our investments

**Presence**

- **0 markets** 2010
- **5 markets** 2011
- **6 markets** August 2012
  - Singapore, Hong Kong, India, Indonesia, Malaysia and Korea

**Capability**

- Credit Cards (new and existing customers)
- Personal Loans (new and existing customers)
- CASA **(existing customers)**
- First in the market Online Approval in Principle (AiP)
  - India
- 30m Personal Loan (PL) disbursal and online AiP for cards - Korea
- PL via Facebook
  - Bahrain (Online AiP)
- First in the market
  - Straight through processing
  - Singapore

**Performance**

- **0% online share** 2010
- **Online share** 2011
  - 6% Credit Cards
  - 3% Personal Loans

**Online share** August 2012 YTD

- **8% Credit Cards**
- **4% Personal Loans**

*Online share represents the % penetration of accounts sourced via Online Channels; ** CASA – Current and Saving Accounts
Breeze mobile platform in Hong Kong
– in 18 months we created a family

- 1st mobile banking platform launched with revolutionaryised user interface

- 1st in market convergence, all-in-one home-buying app also available on Android

- 1st in market native app for stock trading platform

- 1st in market delivers deals and differentiated offers for card holders and non-card holders

- Locate ATMs and branches using maps and augmented reality view
Journey beyond the desktop to bring technology on the move for front office staff

Key business benefits

- Relationship managers can approve credit changes while on the move - faster execution of transactions
- Sales staff can view the entire Trade Finance portfolio of a client - driving business by improving limit utilisation
- Viewing opportunities i.e. transactions which can be potentially converted into assets and contingents - driving revenue
Increasing use of electronic channels

Over 47k clients globally processing over US$200bn monthly
- Over 95% of payment transactions are electronic
- Over 60% of trade transactions are electronic
- Over 1k mobile logins and over 10k mobile authorisations

Award winning electronic banking platform
- Straight2Bank | Web - Internet based electronic banking
- Straight2Bank | Link - PC based banking with electronic connectivity
- Straight2Bank | Access - Host to host connectivity, i.e. Enterprise Resource Planning systems
- Straight2Bank | Mobile - Transaction authorizations on-the-go

- Best Integrated Corporate Bank site in Asia, Middle East & Africa
- Best Online Cash Management in Middle East and Africa
- Best Trade Finance Services in Middle East and Africa
- Best Information and Security Initiatives in Middle East & Africa
- Best Corporate/ Institutional Internet Bank in China, Ghana, India, Kenya, Malaysia, Nigeria, Singapore and UAE
What’s next….Enabling relationship managers (RM) through the RM workbench

- The workbench provides a unified experience for client facing staff to see a consolidated view of their clients as well as initiate and track key business processes electronically.
What’s next…
engaging further on social media

- Using social media for customer service; product/service promotions; branding, sponsorship and sustainability; media relations; recruitment and alumni activities
- Engaging through interest-focused groups (e.g. India and UAE Food Explorer Facebook pages)
Key messages

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- Industrialisation: Driving efficiency in support spend that maximises headroom for investments and innovation
Scalable support spend creating investment headroom and operational efficiencies

- At 3.7% of revenues for 2011, technology support costs at Standard Chartered are an industry low
- Maintained at these levels notwithstanding growing complexities, regulations, increased technology penetration and usage
- Scalable technology support has created headroom for investment and driven operational efficiency

![Graph showing technology support costs over years with relevant data and statistics.](image-url)
Sustained positive jaws, positively impacting the Bank’s cost / income ratio

GTO has delivered sustained positive jaws to revenues over the last 8 years...

...and helped shave 3.9% points off SCB’s* cost: income ratio (11.8% to 7.9% of revenues)

* SCB – Standard Chartered Bank
Accolades - spanning the spectrum of back-end to front-end

<table>
<thead>
<tr>
<th>Back-end</th>
<th>Front-end</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Institutional Investor" /></td>
<td><img src="image2" alt="CRM Excellence Awards" /></td>
</tr>
<tr>
<td><img src="image3" alt="CIO ASIA" /></td>
<td><img src="image4" alt="CCAS" /></td>
</tr>
<tr>
<td><img src="image5" alt="Banking &amp; Payments ASIA Trailblazer Awards 2012" /></td>
<td><img src="image6" alt="Best Internet Bank Award 2011" /></td>
</tr>
<tr>
<td><img src="image7" alt="500 InformationWeek" /></td>
<td><img src="image8" alt="Global Finance" /></td>
</tr>
<tr>
<td><img src="image9" alt="AFEC ASIAN Financial Services Congress 2012" /></td>
<td><img src="image10" alt="Global Mobile Awards 2011" /></td>
</tr>
<tr>
<td><img src="image11" alt="FIIA Financial Insights Innovation Award" /></td>
<td><img src="image12" alt="ASIAN Banking &amp; Finance" /></td>
</tr>
</tbody>
</table>
Key messages

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Investor trip 2012

Strategy and Corporate Development

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

Anna Marrs
Group Head of Strategy and Corporate Development
Key messages

- At Standard Chartered, Group Strategy and Corporate Development are integrated functions that facilitate the growth plans of the Group.

- We work on a broad set of strategic topics, ranging from optimising and growing the business to navigating a rapidly-evolving external environment.

- Questions and discussion.
Standard Chartered believes a robust and consistent strategy can be a differentiator in banking.

Strategy is about making choices, trade-offs; it's about deliberately choosing to be different.

Michael Porter
What’s important in banking strategy now?

- “The real economy”
- The balance sheet
- Regulation
- Competitors - old and new
- Choices
- The “how” as well as the “what”
Strategy and Corporate Development are integrated functions…

... which help to progress the organic and inorganic strategy of the bank.
The function is staffed by a mix of strategy, banking and M&A* backgrounds

<table>
<thead>
<tr>
<th>Example profiles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group Head, Wholesale Banking Strategy</strong></td>
</tr>
<tr>
<td>- Former partner from Boston Consulting Group, Asia</td>
</tr>
<tr>
<td>- Four years with Bain &amp; Co. in London</td>
</tr>
</tbody>
</table>

| **Group Head Strategy, West** |
| - Former CEO of Standard Chartered Bank, Europe |
| - Former Group Head of Taxation |

| **Managing Director, Group Corporate Development** |
| - 5 years at GE Capital |
| - 12 years at BZW Credit Suisse in the investment banking division |

| **Group Head, Strategy and Corporate Development** |
| - 15 years experience in banking / financial services |
| - 8 years at McKinsey, last 3 as a Partner in the Global Banking Practice, leading the firm’s banking strategy working group |

* Mergers and Acquisitions (M&A)
The work we do includes a range of regular reviews and ad hoc high-impact topics

Examples

- Engaging on strategy with the board
  - Annual strategy board
  - One Bank strategy
  - Competitor analysis

- Developing and refining product or topical strategy
  - Digital banking
  - Swaps dealer strategy

- Updating strategic priorities for regions or countries
  - China strategy
  - Africa strategy

- Tactical problem-solving and execution support
  - Country strategy execution diagnostics
  - SME industry insight generation and pitch books development
Key messages

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- Questions and discussion.
Our annual strategy board meeting sets a set of high-level priorities for the next year

Key inputs
- Senior management and expert discussions
- Historical financial performance review across markets / businesses and forward-looking projections
- Capital and balance sheet reviews
- Market research and forecasts
- Regulatory landscape studies
- Peer analysis

Main themes to pursue
1. Improve returns and optimise the use of our balance sheet
2. Continue to invest in future growth markets
3. Strengthen the Group’s core engines of Hong Kong and Singapore
4. Maximise the benefit of our network
5. Navigate the regulatory headwinds
6. Stay at the forefront of technology trends

Strategy board
June 2012
How can we improve returns and optimise the use of our balance sheet?

Income growth and average return of selected markets

Income growth
08-11

Average risk-weighted return*
08-11

* Average risk-weighted return = Operating profit before tax divided by risk weighted assets
Improving returns - careful allocation of capital and other scarce resources

Criteria for measuring market attractiveness

### Key metrics

#### Market

- **Macro economic**
  - Gross Domestic Product growth
  - Banking revenue pool growth

- **Growth**
  - Income growth
  - Operating profit growth; profit after tax growth

- **Profitability**
  - Return on risk weighted assets
  - Return on Equity

- **Connectivity**
  - Network income / total managed income

#### Internal metrics

- **Liquidity**
  - Advances-to-deposits ratio
  - Net US$ funding

- **Capital**
  - Net equity generation

- **Investments**
  - Share of investment
How can we ensure we continue to invest in future growth markets?

<table>
<thead>
<tr>
<th>Key growth markets</th>
<th>Recent performance (income, US$m)</th>
<th>Market growth forecast¹</th>
</tr>
</thead>
</table>

¹ 2012-2016 banking revenue pool growth estimates by McKinsey

**Continued investment to ensure alignment with growth**

**Geographic coverage**
- “Africa 100”
- On-going expansion of China network

**Infrastructure / platform**
- Unity Cash Management platform build-out
- Straight2Bank on-going upgrades
How can we strengthen the Group’s core engines of Hong Kong and Singapore?

**Income growth of key markets**
(08-11 CAGR, US$bn)

**Critical to the Group due to**
- Sizeable retail deposit bases
- Scale that translates to strong profitability
- Dividend remittance to the Group
- Role as regional hubs for the Group in North East Asia and South East Asia respectively

**Investment needs to be maintained as** we build out smaller high growth markets given opportunities
How do we ensure we maximise the benefit of our network?

Major trade corridors (2008 vs. 2030)

Importance of network increasing and continually strengthened

Wholesale Banking network income as % of total Group income

2008: 16%  
2011: 24%

*MENA - Middle East and North Africa; **Asia excluding China, India and Japan
How do we most effectively navigate the banking regulatory headwinds?

<table>
<thead>
<tr>
<th>Major regulatory changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prudential</strong></td>
</tr>
<tr>
<td>▪ Basel III</td>
</tr>
<tr>
<td>▪ Prudential Regulation Authority</td>
</tr>
<tr>
<td><strong>Recovery and resolution</strong></td>
</tr>
<tr>
<td>▪ The European Commission Crisis Management Directive</td>
</tr>
<tr>
<td>▪ CPSS*/IOSCO** paper on recovery and resolution of financial market infrastructure</td>
</tr>
<tr>
<td><strong>Supervisory changes</strong></td>
</tr>
<tr>
<td>▪ Financial Conduct Authority</td>
</tr>
<tr>
<td>▪ European Banking Authority and the European Securities and Markets Authority</td>
</tr>
<tr>
<td><strong>Structural changes</strong></td>
</tr>
<tr>
<td>▪ Localisation</td>
</tr>
<tr>
<td>▪ Central Counterparty Clearing</td>
</tr>
<tr>
<td>▪ Ring-fencing</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
</tr>
<tr>
<td>▪ UK Bank levy</td>
</tr>
<tr>
<td>▪ EU-wide financial transaction tax</td>
</tr>
<tr>
<td><strong>Customer protection</strong></td>
</tr>
<tr>
<td>▪ Banking fees</td>
</tr>
<tr>
<td>▪ Bundling of products</td>
</tr>
<tr>
<td>▪ Retail investment products</td>
</tr>
</tbody>
</table>

*CPSS – Committee on Payment and Settlement Systems; **IOSCO – International Organisation of Securities Commissions
How do we lead in technology?

Technology has the potential to transform banking - how do we ensure we are on the forefront of this trend?

Key innovation priorities

- Digital distribution
- Payments
- Big data
- Serving SMEs
- Global trade
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Questions and discussion