Q119 performance update
On the right path to achieve our financial targets…

- Q119 performance gives us confidence that we are on the right path to achieve our financial targets
- Financial performance highlights:
  - Underlying profit before tax of $1.4bn up 10%; or up 12% on a constant currency basis
  - Operating income of $3.8bn down 2%; or up 2% on a constant currency basis
  - Operating expenses down 2% to $2.4bn; or up 1% on a constant currency basis
  - Credit impairment more than halved to $78m; underlying credit metrics continued to improve
- Regulatory approval received to start buying back shares for up to $1bn
- Resolved legacy conduct and control issues including the termination of all compliance monitorships
- Global macroeconomic outlook remains uncertain but there were encouraging signs of improvement in sentiment towards the end of the first quarter
### Financial performance highlights

<table>
<thead>
<tr>
<th>($m)</th>
<th>Q119</th>
<th>Q418</th>
<th>Q118</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q418</td>
<td>Q118</td>
<td>Better/(Worse) %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>3,813</td>
<td>3,595</td>
<td>3,873</td>
<td>6</td>
<td>(2)</td>
</tr>
<tr>
<td>Operating expenses¹</td>
<td>(2,415)</td>
<td>(2,512)</td>
<td>(2,469)</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>UK bank levy</td>
<td>-</td>
<td>(324)</td>
<td>-</td>
<td>(nm)</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit before impairment &amp; tax</td>
<td>1,398</td>
<td>759</td>
<td>1,404</td>
<td>84</td>
<td>-</td>
</tr>
<tr>
<td>Credit impairment</td>
<td>(78)</td>
<td>(332)</td>
<td>(191)</td>
<td>77</td>
<td>59</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(2)</td>
<td>(21)</td>
<td>(24)</td>
<td>90</td>
<td>92</td>
</tr>
<tr>
<td>Profit from associates &amp; JV</td>
<td>66</td>
<td>26</td>
<td>68</td>
<td>nm</td>
<td>(3)</td>
</tr>
<tr>
<td>Underlying profit before tax</td>
<td>1,384</td>
<td>432</td>
<td>1,257</td>
<td>nm</td>
<td>10</td>
</tr>
<tr>
<td>Provision for regulatory matters</td>
<td>(186)</td>
<td>(900)</td>
<td>-</td>
<td>79</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring &amp; other items</td>
<td>44</td>
<td>(392)</td>
<td>(70)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Statutory profit before tax</td>
<td>1,242</td>
<td>(860)</td>
<td>1,187</td>
<td>nm</td>
<td>5</td>
</tr>
<tr>
<td>Net Interest Margin (%)²</td>
<td>1.56</td>
<td>1.57</td>
<td>1.59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CET1 ratio (%)</td>
<td>13.9</td>
<td>14.2</td>
<td>13.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying RoTE (%)</td>
<td>9.6</td>
<td>(1.9)</td>
<td>8.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying RoE (%)</td>
<td>8.5</td>
<td>(1.7)</td>
<td>7.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Solid performance in conditions less buoyant than at the start of Q118
- Positive income-to-cost jaws on both a reported and a constant currency basis
- Asset quality overall has improved YoY and remained stable in the first quarter
- Regulatory provision of $186m reduced the CET1 ratio by 7bps
- CET1 ratio before the impact of the proposed buy-back was 30bps lower than at FY18
- RoTE improved 100bps, reflecting increased profitability

¹ Excluding UK bank levy
² Statutory net interest income divided by average interest earning assets, annualised
## Client segment & geographic region income

<table>
<thead>
<tr>
<th>Q119</th>
<th>($m)</th>
<th>YoY¹ (%)</th>
<th>Q119</th>
<th>($m)</th>
<th>YoY¹ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate &amp; Institutional Banking</td>
<td>1,790</td>
<td>3</td>
<td>Greater China &amp; North Asia</td>
<td>1,527</td>
<td>(2)</td>
</tr>
<tr>
<td>Retail Banking</td>
<td>1,265</td>
<td>(6)</td>
<td>ASEAN &amp; South Asia</td>
<td>1,046</td>
<td>(3)</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>371</td>
<td>6</td>
<td>Africa &amp; Middle East</td>
<td>708</td>
<td>4</td>
</tr>
<tr>
<td>Private Banking</td>
<td>149</td>
<td>3</td>
<td>Europe &amp; Americas</td>
<td>359</td>
<td>(19)</td>
</tr>
<tr>
<td>Central &amp; other items</td>
<td>238</td>
<td>(20)</td>
<td>Central &amp; other items</td>
<td>173</td>
<td>59</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td>3,813</td>
<td>(2)</td>
<td><strong>Total Group</strong></td>
<td>3,813</td>
<td>(2)</td>
</tr>
</tbody>
</table>

¹ YoY variance is Q119 vs. Q118, better/(worse)
CET1 lower as profits offset by RWA growth

**CET1 ratio (%)**

- FY 18: 14.2%
- Profit after tax: 0.3%
- Dividend: -0.1%
- RWA: -0.5%
- Other: 0.0%
- Q1 19: 13.9%

- CET1 ratio ~30bps lower on FY18
- Profits net of dividends were offset by an increase in RWA
- Further and final charge of $186m to resolve legacy conduct & control issues reduced the CET1 ratio by 7bps
- $1bn share buy-back is expected to reduce CET1 ratio in Q219 by ~35bps

**Risk-weighted assets ($bn)**

- FY 18: 258.3bn
- Credit RWA: 8.0bn
- Market RWA: 2.4bn
- Operational RWA: -0.5bn
- Q1 19: 268.2bn

- RWA up $9.9bn on FY18 to $268bn
- Higher credit RWA mainly associated with asset growth
- Market RWA increase primarily related to seasonality
- Credit RWA includes a one-off IFRS16 impact of $1.4bn
Standard Chartered Group – simplified legal structure

Standard Chartered PLC
BBB+/A2/A
(S&P/Moody’s/Fitch)

Medium Term Senior
Tier-2
Legacy Tier-1 and CRR AT1
Equity

Standard Chartered Bank
A/A1/A+
(S&P/Moody’s/Fitch)

Medium Term Senior
Structured Products
Legacy Tier-2
CP/CD

SCB Hong Kong
A+/A1/-
(S&P/Moody’s/Fitch)

CP/CD
Structured Products

Principal Branches

Indonesia
India
Japan
South Africa
UAE
UK
US

Principal Subsidiaries

China
Korea
Germany
Malaysia
Nigeria
Pakistan
Singapore
Taiwan
Thailand
Kenya

100%
100%
100%
100%
98.99%
100%
100%
99.87%
74.3%

SCB AG (Germany) ratings are provisional at Moody’s.
Singapore ratings reflect the expected transfer of the CIB, Commercial and PvB business from the Singapore branch to the Singapore subsidiary.