

Wholesale Banking and Consumer Banking Day 2012

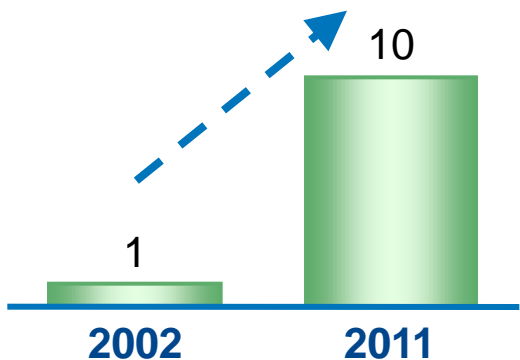
Leading the way in Asia, Africa and the Middle East

Saleem Razvi
CFO, Wholesale Banking

- Client focus remains at the heart of our strategy
- Business remains diversified by product and geography
- Commercial Banking is at the core of our business
- Strong balance sheet and low risk profile maintained
- Expense discipline creating capacity for accelerated investment spend

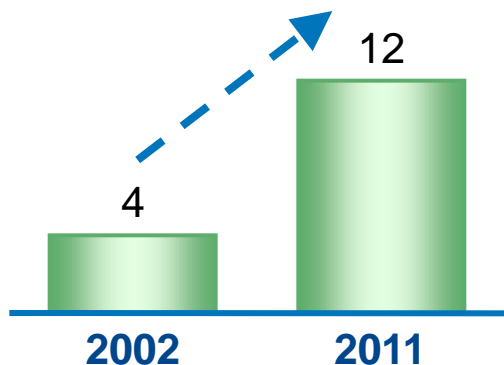
Wholesale Banking has been transformed in terms of scale and increased diversity

Number of countries generating income over US\$250m



- Client focus maintained
- Scale achieved in both products and geographies

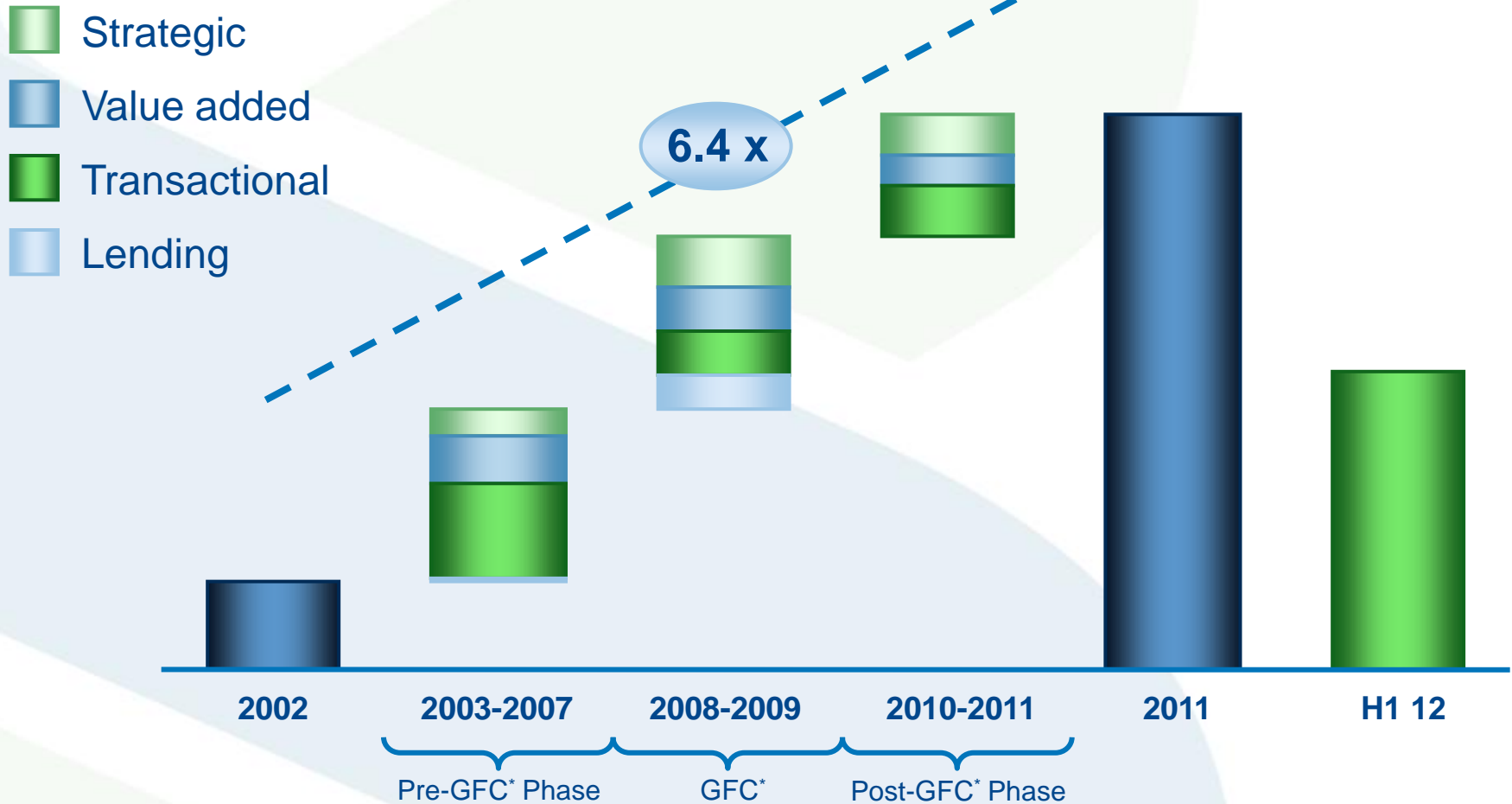
Number of products generating income over US\$250m



- Leading cross border capabilities
- Product offering build out

Client income growth delivered across Wholesale Banking's product set

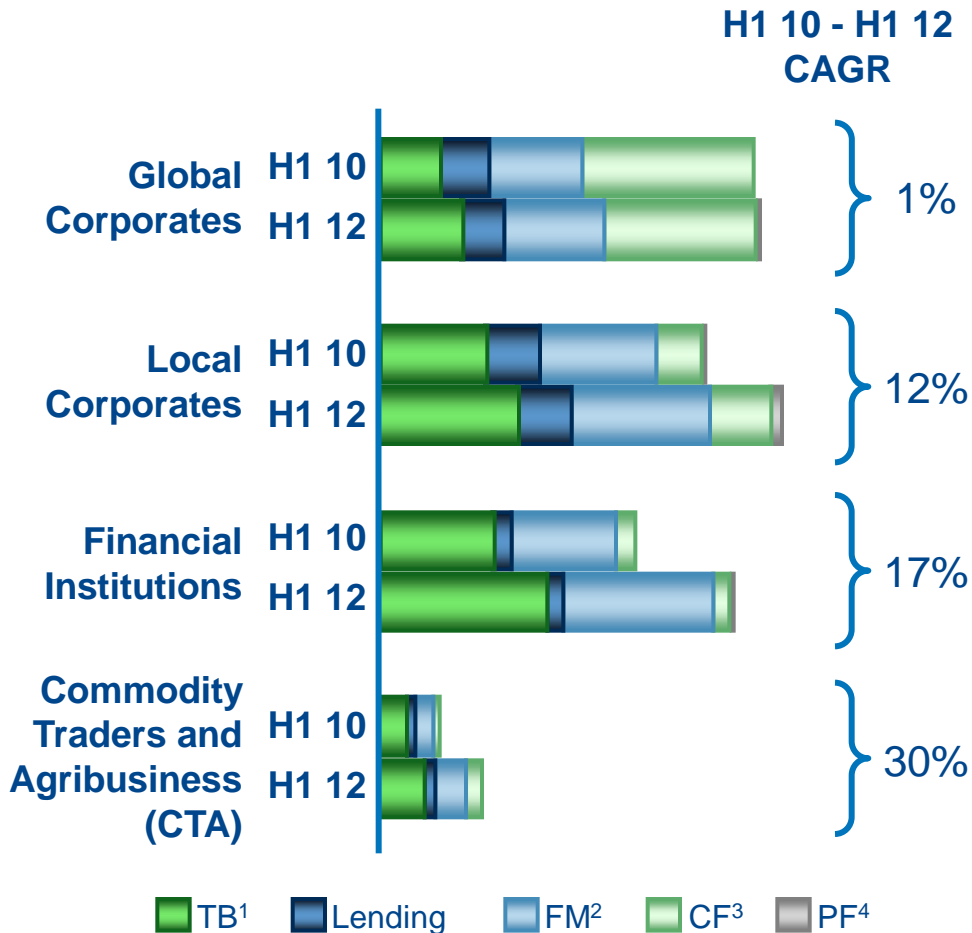
Contribution to client income growth



*GFC – Global Financial Crisis

Client segments are increasingly diversified

Client income



Key areas of focus

- Global Corporates
 - Build deeper “core bank” client relationships
 - Deal pipeline execution
- Local Corporates
 - Strong local franchise
 - Up-tiering client relationships
- Financial Institutions
 - Diversify through Investors, Insurance and Public Sector
 - Investments across TB¹ and ²FM
- CTAs
 - Increase market share as European banks de-leverage

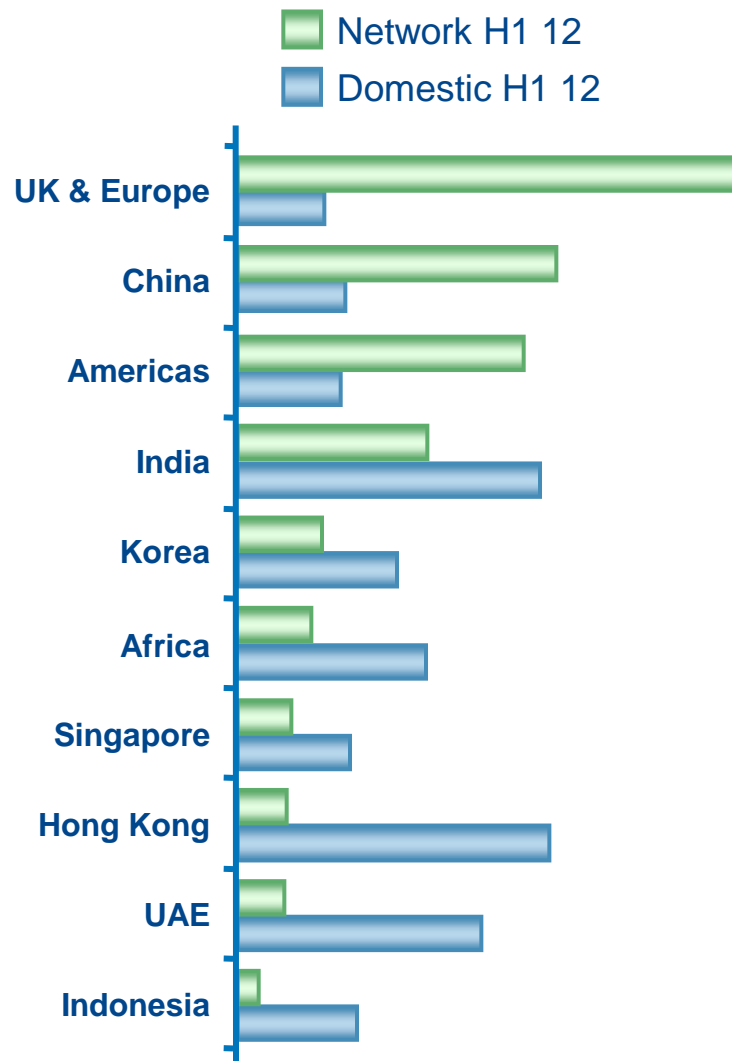
¹TB – Transaction Banking, ²FM – Financial Markets, ³CF – Corporate Finance, ⁴PF – Principal Finance

Deep client relationships driving network income growth

Originated income – network and domestic

H1 10 – H1 12 CAGR %

Network	Domestic
10	5
84	11
12	(6)
74	(21)
3	(3)
13	5
13	3
17	9
33	(1)
(10)	32

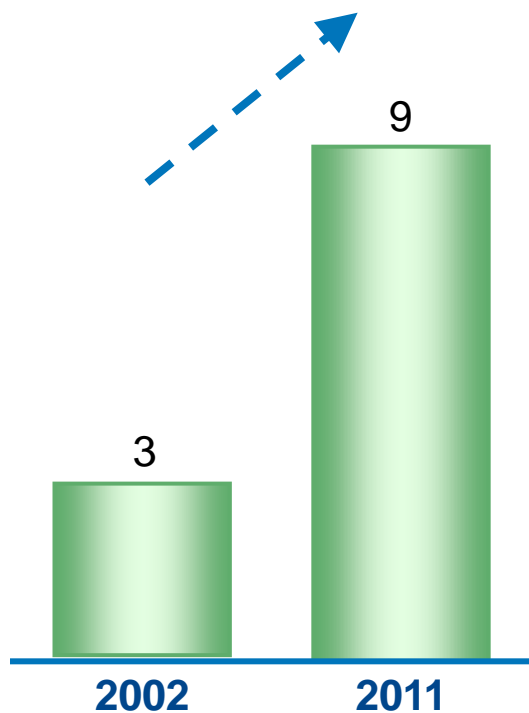


- Network income up 24%*
- Network income now accounts for over half of client income
- Continued network growth in key origination hubs
- China achieving scale
- India domestic slowdown but continued network income growth

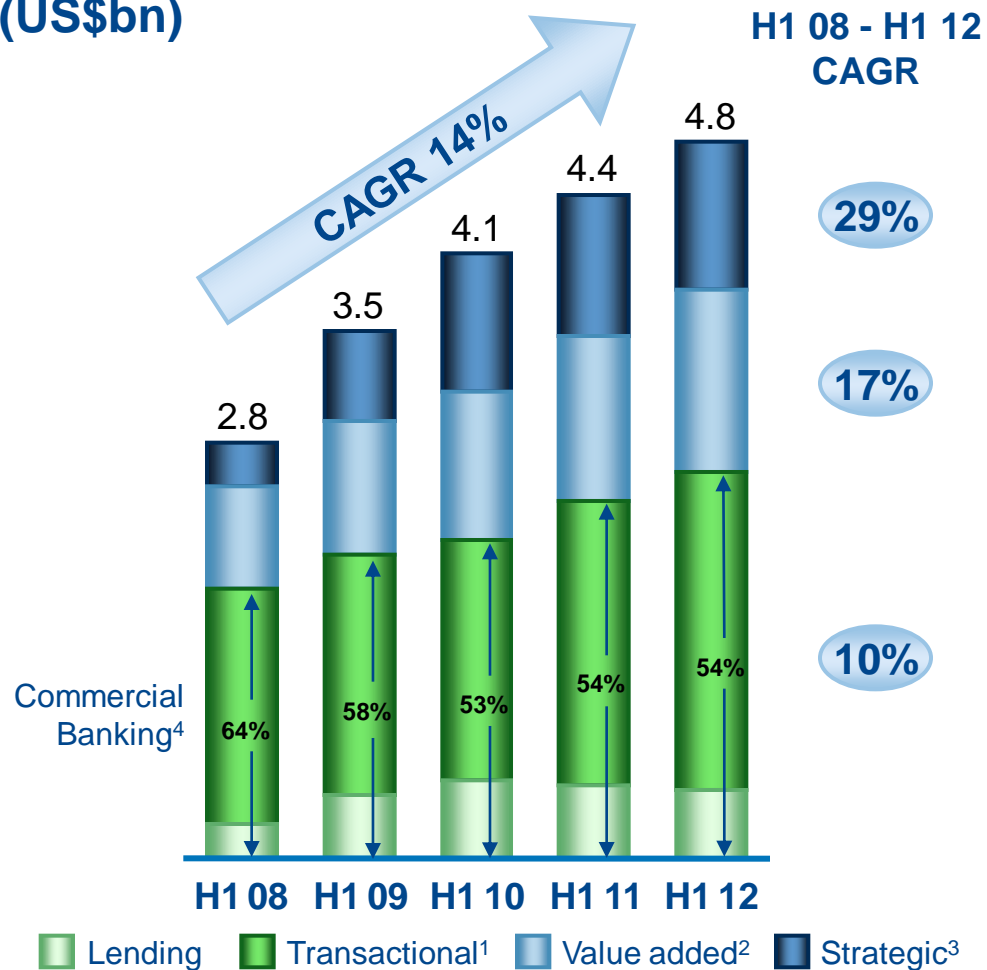
* H1 10 - H1 12 CAGR

Commercial Banking contributes over half of client income

Number of countries with Commercial Banking generating income over US\$100m



Client income (US\$bn)

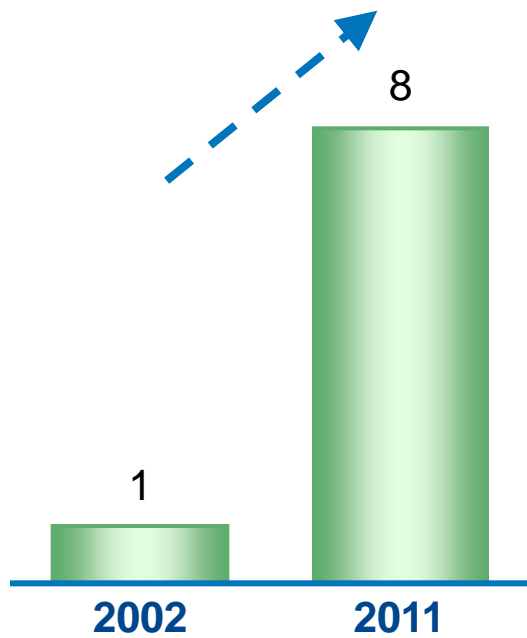


¹Transactional defined as Transaction Banking + flow Foreign Exchange, ²Value Added defined as Financial Markets – Flow Foreign Exchange.

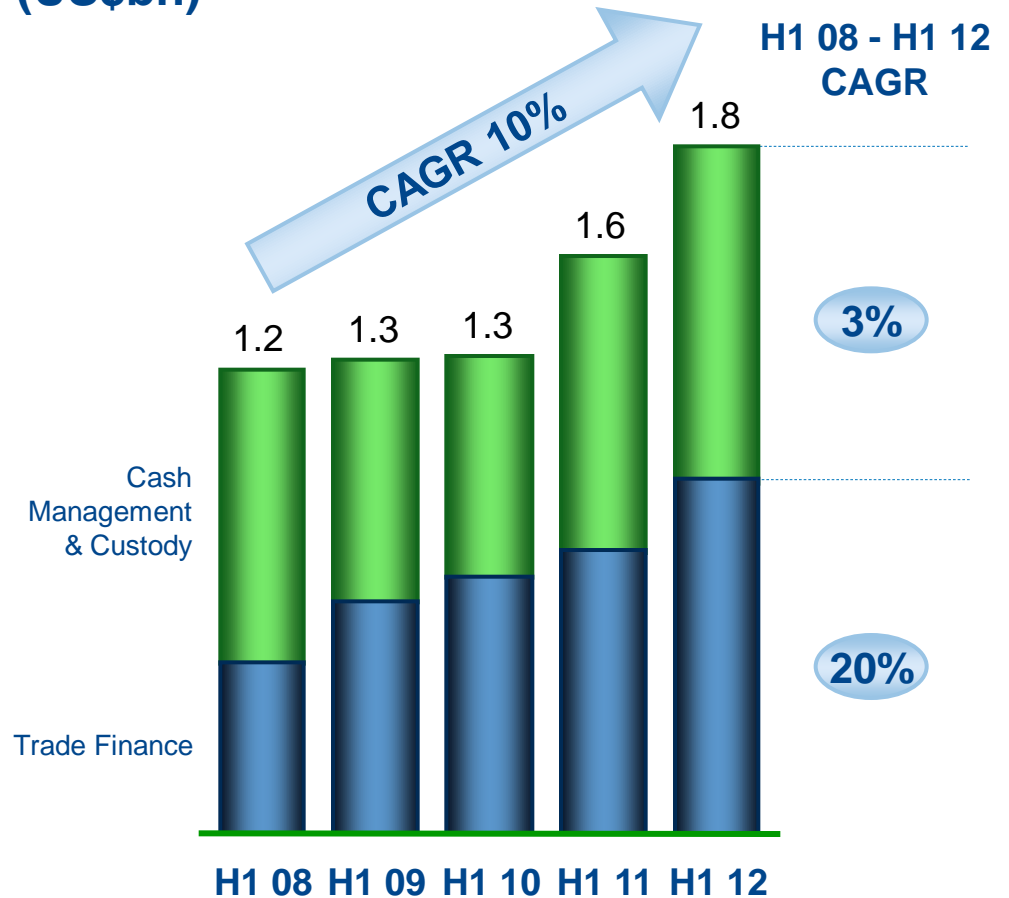
³Strategic defined as Corporate Finance + Principal Finance, ⁴Commercial Banking defined as Lending + Transactional

Transaction Banking has delivered strong and balanced growth

Number of countries generating income over US\$100m

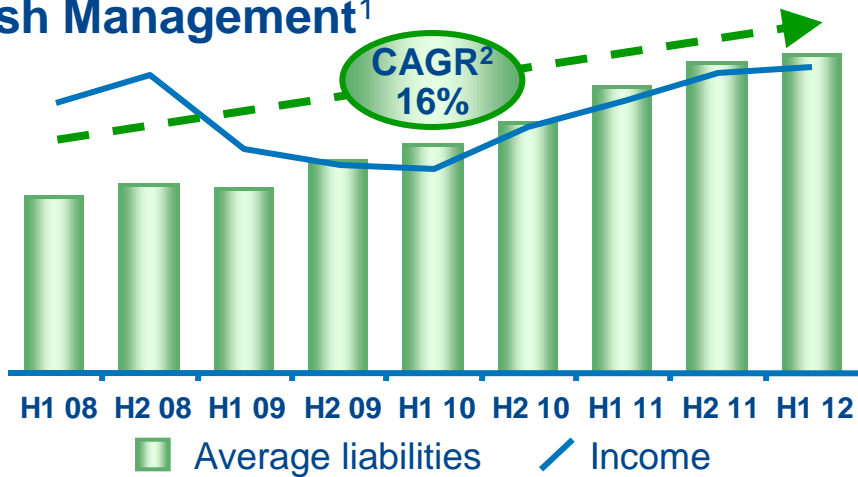


Total income (US\$bn)



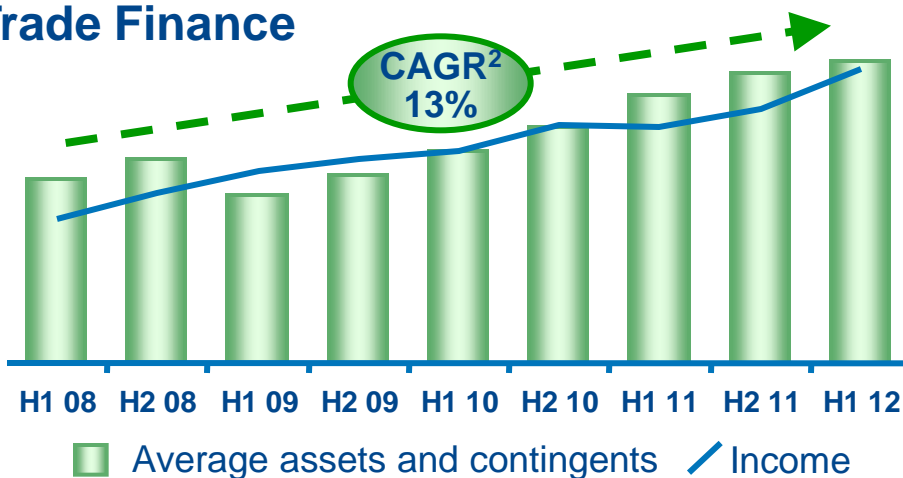
Growth in Transaction Banking driven by increased balances and pricing

Cash Management¹



- Transaction Banking growth has underpinned Commercial Banking income
- Scale of business has increased significantly since start of the GFC

Trade Finance



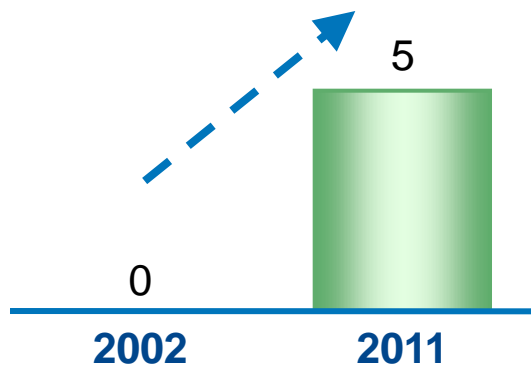
- Significant investment in franchise - people and platforms
- Provides platform to deepen client relationships

¹ Cash Management income includes custody income

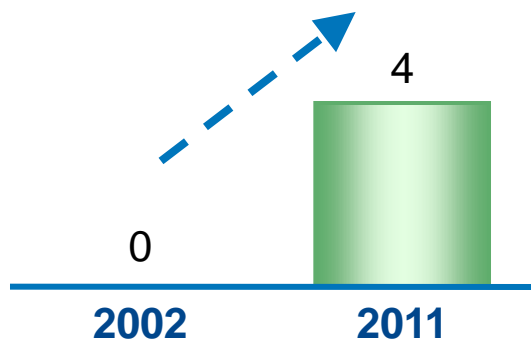
² CAGRs are for average liabilities and average assets and contingents

Corporate Finance has reached scale in key markets

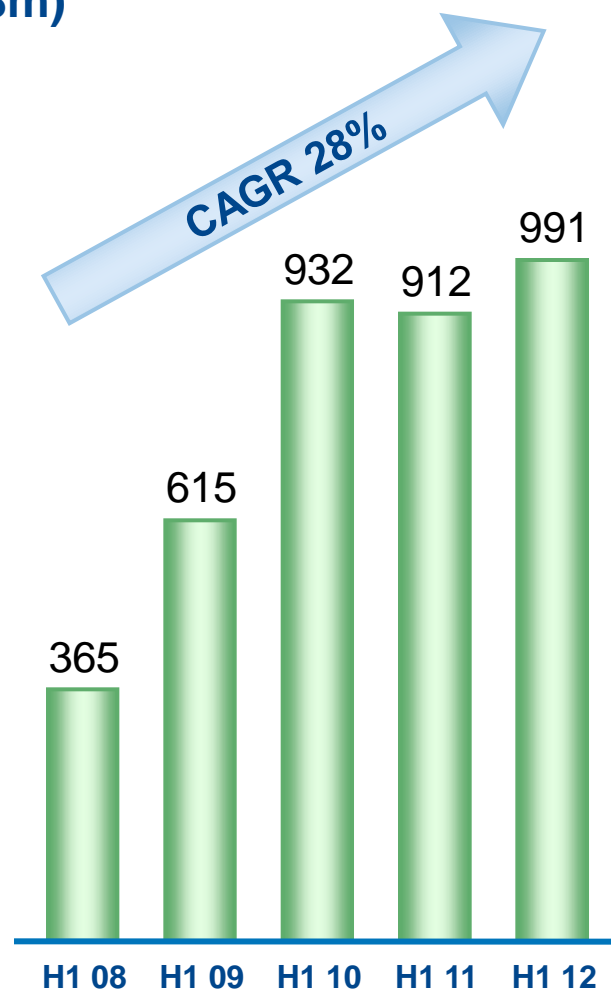
Number of countries generating income over US\$100m



Number of product lines generating income over US\$100m

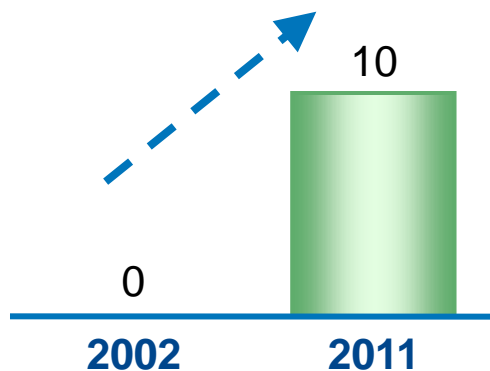


Total income (US\$m)

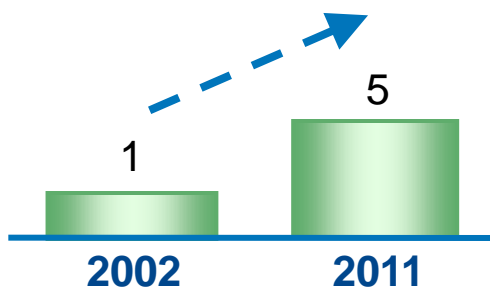


Financial Markets' global product set supports a resilient income stream

Number of countries generating income over US\$100m

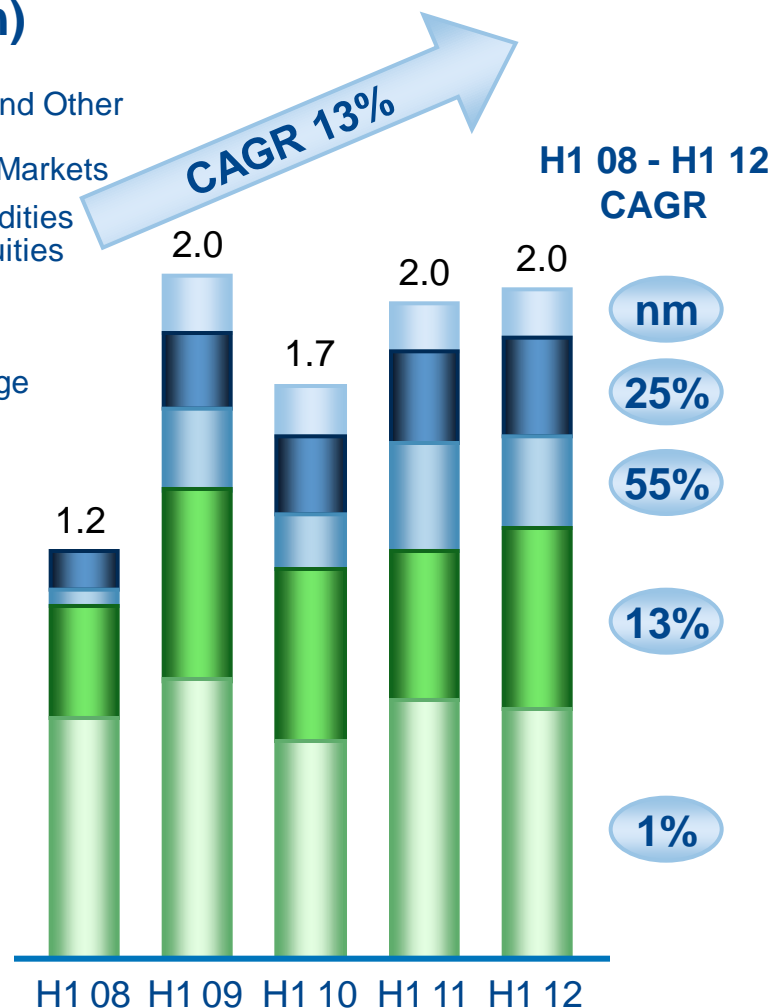


Number of product lines generating income over US\$100m

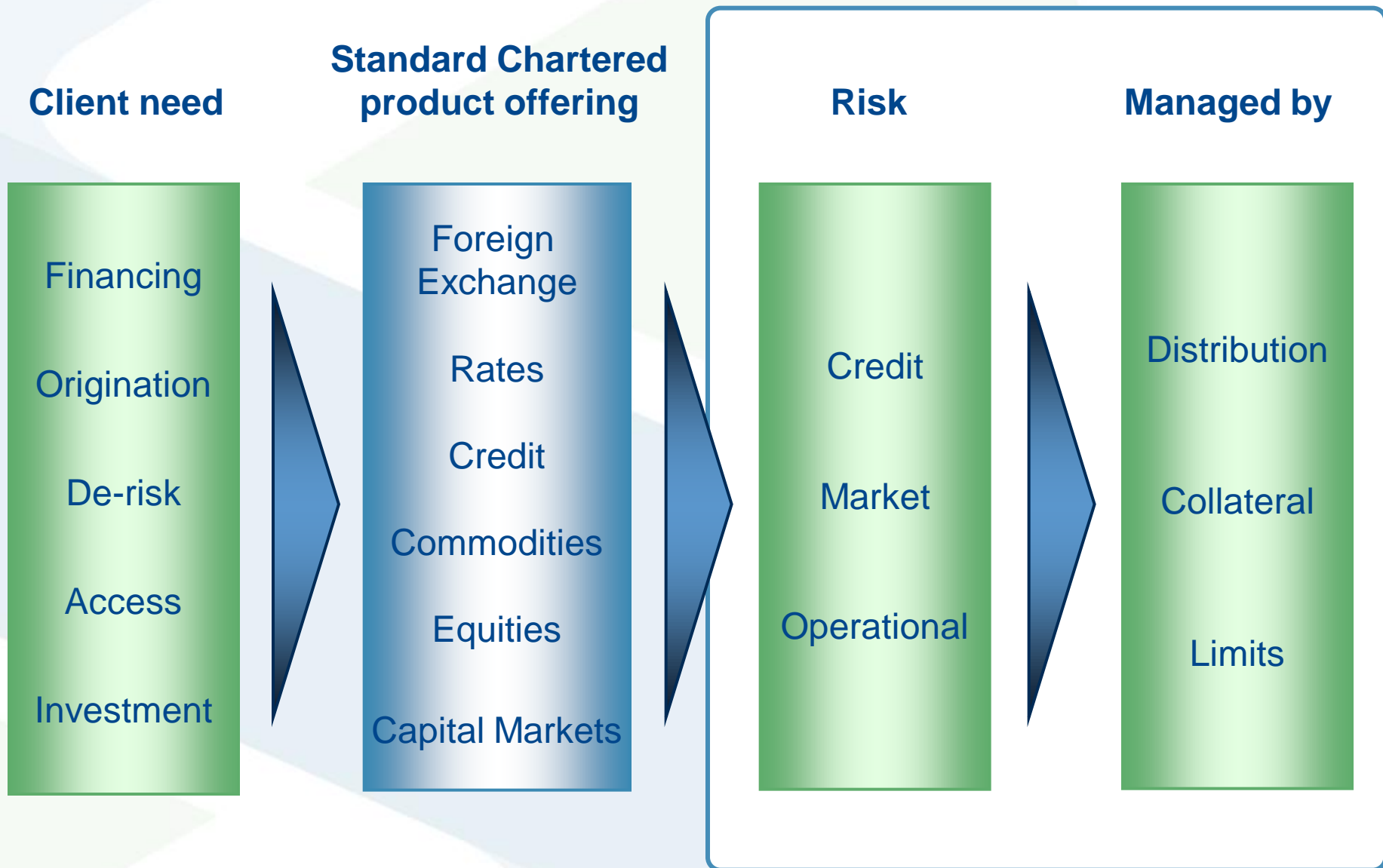


Total income (US\$bn)

-  Credit and Other
-  Capital Markets
-  Commodities and Equities
-  Rates
-  Foreign Exchange



Financial Markets income is underpinned by client needs

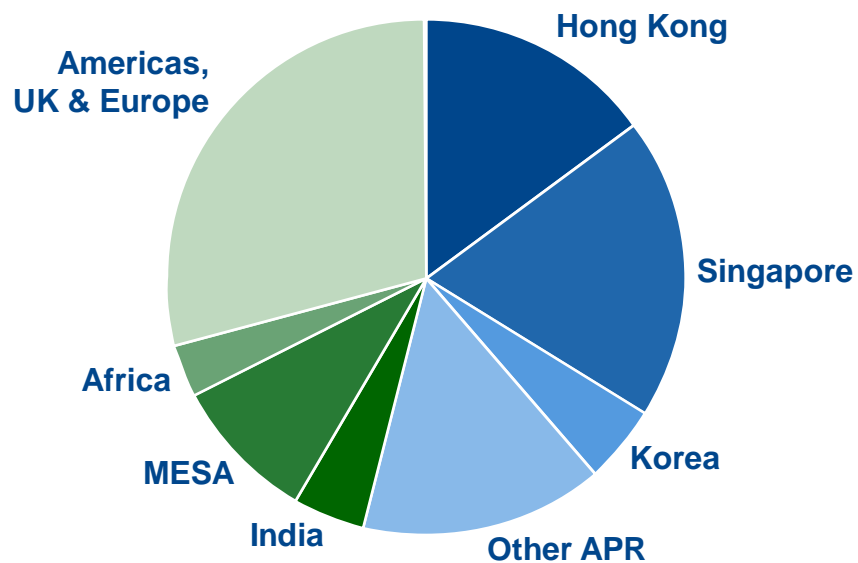


Resulting in a business with a low risk profile

- Low Value at Risk levels relative to assets
- Level 3 assets comprise less than 1% of total Group assets
- 79% of US\$2.5bn Asset Backed Securities portfolio rated A or better
- Underwriting 'Stick' positions on a declining trend

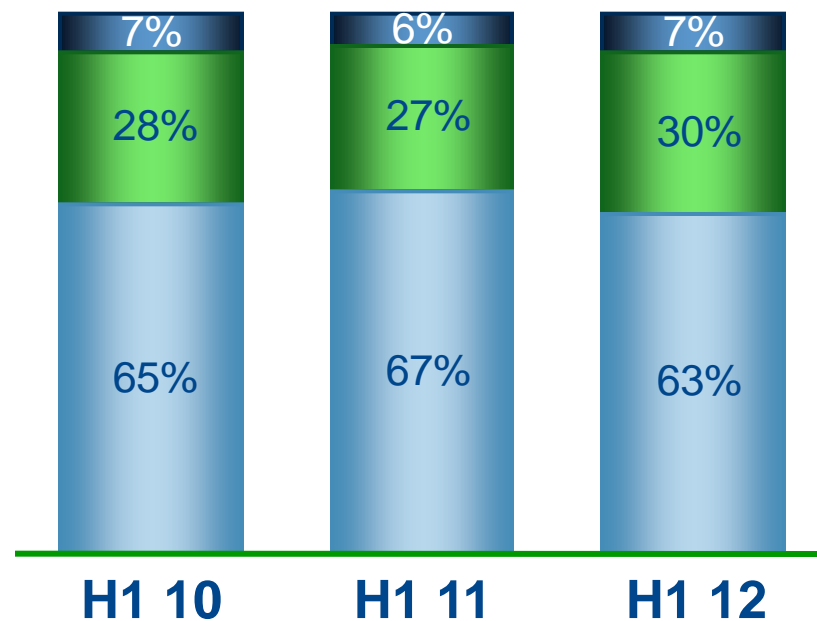
Wholesale Banking portfolio remains high quality

Loans and advances to customers distribution H1 12



Tenor of loans and advances to customers

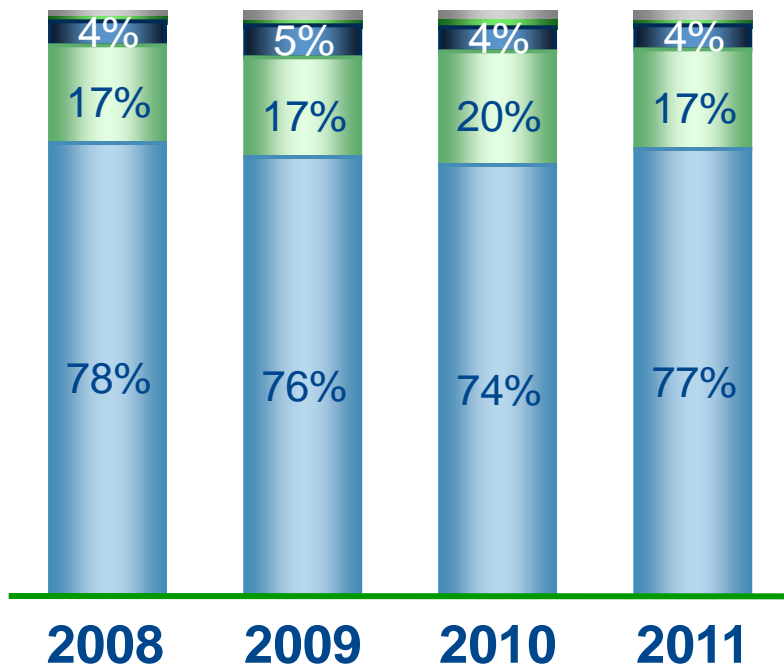
- Over five years
- One to five years
- One year or less



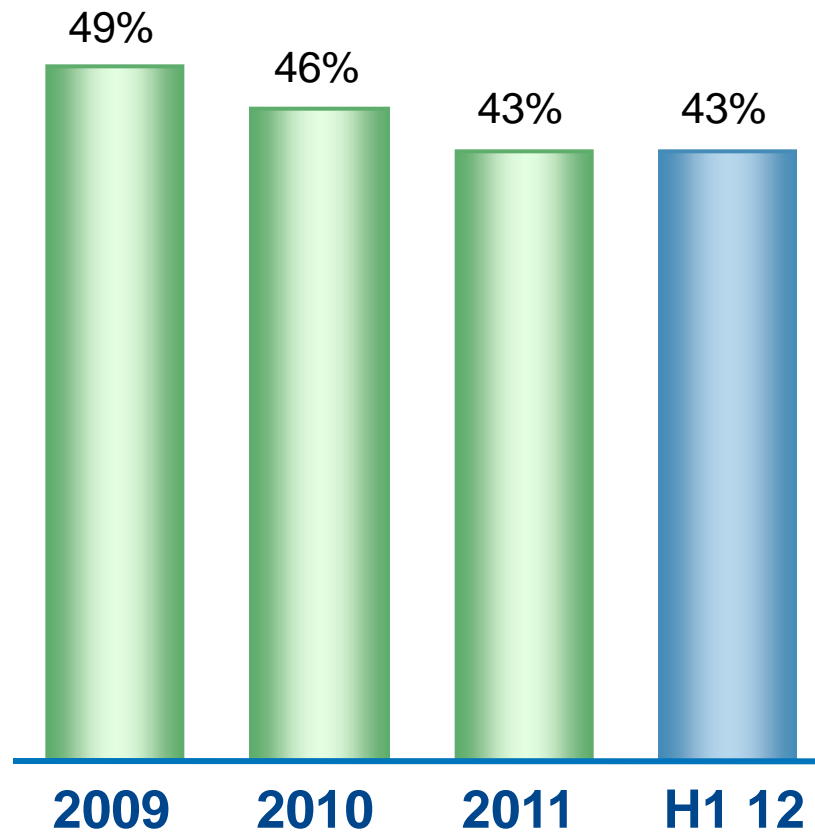
Distribution of EAD by credit grade*

Standard Chartered credit grade

1-5 6-8 9-11 12 13-14



Risk weighted assets Efficiency**

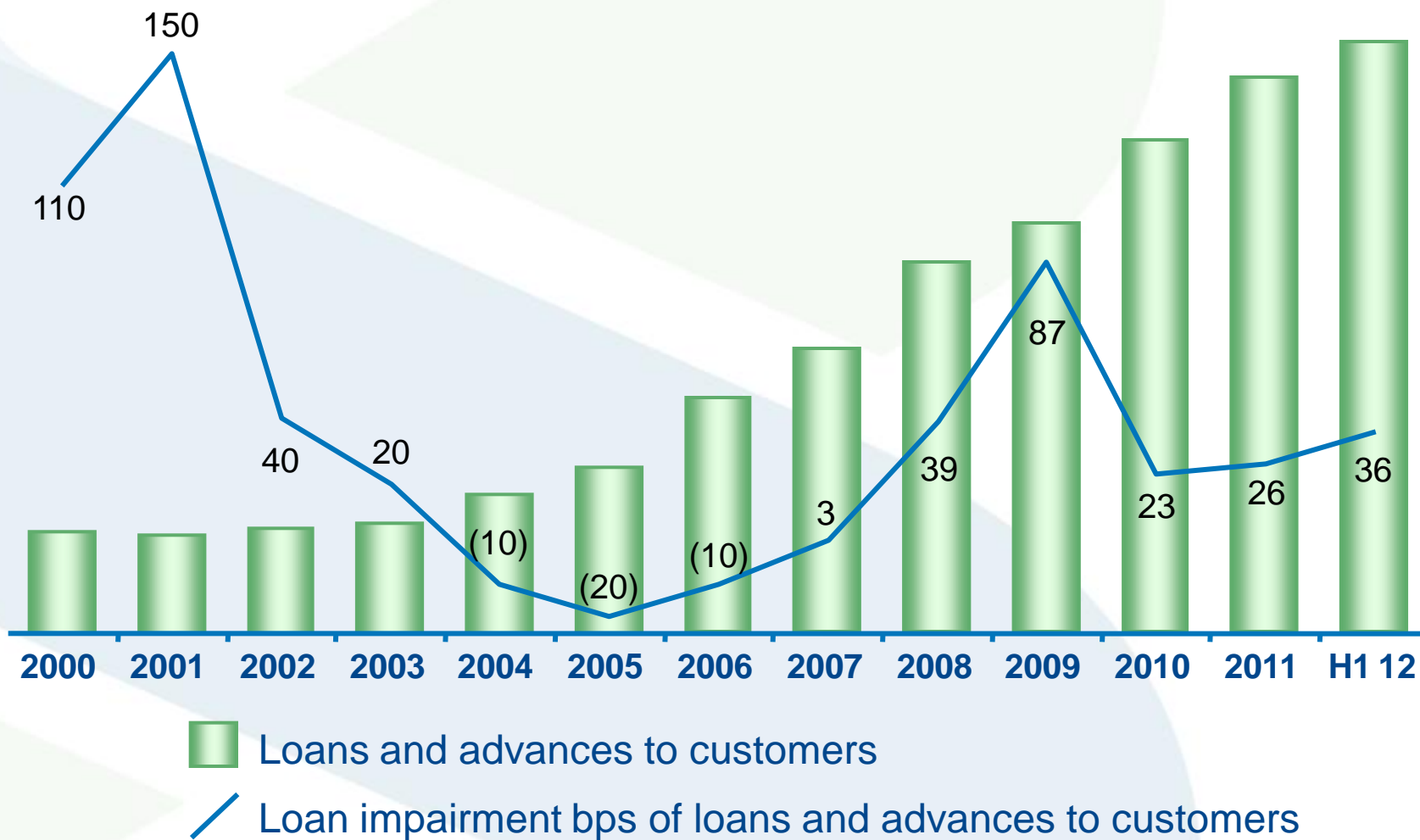


*EAD – Exposure at Default comprises of Central Government and Central Banks, institutions and corporate. Credit grades from 1-5 is equivalent to Moody's Corporate Grades AAA to BBB-, 6-8 is equivalent to BB+ to BB-, 9-11 is equivalent to B+ to B-, 12-14 is NA

**Defined as Wholesale Banking total risk weighted assets / Wholesale Banking total Assets

Loan impairments have risen but remain at low levels

Wholesale Banking loan impairment



Strong expense discipline maintained

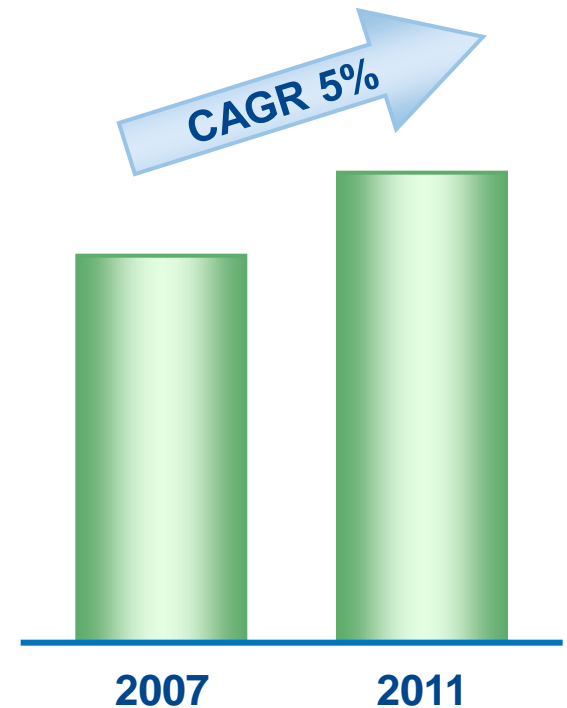
Breakdown of cost income ratio (%)



Creating capacity for increased investment spend

- Infrastructure investments
- Mandatory regulatory investments
- Strategic credit risk solution
- Major platform enhancements
- Network coverage, e.g. China and Africa
- Customer e-commerce and product solutions

Wholesale Banking investment spend (US\$m)



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Q&A