Investor Day 2006
Wholesale Banking
22 November 2006

Road to sustainable growth
It is possible that this presentation could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Standard Chartered’s plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Standard Chartered undertakes no obligation to revise or update any forward looking statement contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.
Wholesale Banking

Mike Rees
Chief Executive Officer, Wholesale Banking
Key messages

- Good progress on our journey

- Client-led strategy is providing significant opportunities

- Good foundation for sustainable growth
Operating profit

Wholesale Banking operating profit

US$m

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Profit US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>591</td>
</tr>
<tr>
<td>2002</td>
<td>795</td>
</tr>
<tr>
<td>2003</td>
<td>933</td>
</tr>
<tr>
<td>2004</td>
<td>1,175</td>
</tr>
<tr>
<td>2005</td>
<td>1,444</td>
</tr>
<tr>
<td>H1 2006</td>
<td>1,316</td>
</tr>
<tr>
<td>2006</td>
<td>950</td>
</tr>
</tbody>
</table>

SCFB
Awards

Euromoney
- Best Debt House in Thailand
  Awards for Excellence 2006

Global Custodian
- Best Agent Bank in Asia
  Global Custodian Agent Bank Survey 2005

The Asset
- Best Structured Trade Finance Bank
  The Asset Triple A Asian Awards 2006

Trade Finance
- Best Trade Finance Bank in Sub-Saharan Africa 2005 & 2006

Global Finance
- Best Bank for Liquidity Management in Africa
  Global Finance 2006

The Asset
- Best Cash Management Bank for South Asia
  The Asset Triple A Asian Awards 2006

Euromoney
- Best Project Finance House in Asia
  Awards for Excellence 2006

Finance Asia
- Best Securitisation House of the Year 2005
Hierarchy of client needs

- **Strategic**
- **Value added**
- **Transactional**
- **Basic lending (or surplus deposit taking)**
Global income pools

<table>
<thead>
<tr>
<th>Category</th>
<th>U.S.</th>
<th>Europe</th>
<th>Standard Chartered major markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>12%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Value added</td>
<td>47%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Transactional</td>
<td>18%</td>
<td>34%</td>
<td>50%</td>
</tr>
<tr>
<td>Lending</td>
<td>23%</td>
<td>33%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15-20%</td>
<td>10-15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15-20%</td>
<td>5-10%</td>
</tr>
</tbody>
</table>

Potential CAGR range (2006-10), %

$270bn
$250bn
$70bn

Note: 2005 Wholesale Banking income pools
Source: Standard Chartered estimates
The growth opportunity

Real GDP Growth 2000-2005, (% p.a.)

<table>
<thead>
<tr>
<th>Country</th>
<th>Wholesale Banking Wallet 2005, (US$bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>50.0</td>
</tr>
<tr>
<td>China</td>
<td>25.0</td>
</tr>
<tr>
<td>Korea</td>
<td>15.0</td>
</tr>
<tr>
<td>India</td>
<td>7.0</td>
</tr>
<tr>
<td>Turkey</td>
<td>5.5</td>
</tr>
<tr>
<td>Taiwan</td>
<td>10.0</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>4.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2.0</td>
</tr>
<tr>
<td>South Africa</td>
<td>3.2</td>
</tr>
<tr>
<td>Iran</td>
<td>1.2</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>5.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>2.8</td>
</tr>
<tr>
<td>UAE</td>
<td>2.0</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1.7</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>2.0</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1.3</td>
</tr>
<tr>
<td>Philippines</td>
<td>1.3</td>
</tr>
<tr>
<td>Egypt</td>
<td>1.5</td>
</tr>
<tr>
<td>Kuwait</td>
<td>0.8</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>0.7</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>0.4</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0.5</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.3</td>
</tr>
</tbody>
</table>
Wholesale Banking strategic intent

The Bank of Choice for Corporate and Institutional Clients for and in Asia, Africa and the Middle East

The Right Partner – Leading By Example

Responsive • Trustworthy • Creative • International • Courageous
Performance and Risk

David Edwards
Chief Operating Officer, Wholesale Banking
Strong growth

Profit before tax CAGR = 25%

US$m

Note: 2005 reported on IFRS basis including SC First Bank, 2004 reported on IFRS basis excluding IAS 32/39
Wholesale Banking expenses

Components of expense growth 2005 vs 2004

- 5%  Investment for future growth
- 4%  BAU / Volume
- 2%  Regulatory / Control
- 11%  Overall

Average JAWS approximately 1%

2003: 1,250
2004: 1,426
2005*: 1,583

* excluding Korea
## Loan impairment

<table>
<thead>
<tr>
<th>US$m</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific impairment provision</td>
<td>(539)</td>
<td>(260)</td>
<td>(250)</td>
<td>(157)</td>
<td>(168)</td>
</tr>
<tr>
<td>Recoveries</td>
<td>138</td>
<td>151</td>
<td>182</td>
<td>159</td>
<td>286</td>
</tr>
<tr>
<td>General / Portfolio provision</td>
<td>10</td>
<td>26</td>
<td>(12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(401)</td>
<td>(109)</td>
<td>(58)</td>
<td>28</td>
<td>106</td>
</tr>
</tbody>
</table>

Gross provision of loans and advances (%)

- **2001**: 2.1%
- **2002**: 0.9%
- **2003**: 0.9%
- **2004**: 0.4%
- **2005**: 0.4%
Asset distribution

US$bn

2004 2005

Collateralised Loan Obligation
Credit Default Swap
Loan Sales
Capital and income growth

<table>
<thead>
<tr>
<th>Category</th>
<th>2005 vs 2004</th>
<th>H1 06 vs H1 05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client income</td>
<td>26%</td>
<td>30%</td>
</tr>
<tr>
<td>Total income</td>
<td>19%</td>
<td>27%</td>
</tr>
<tr>
<td>Risk weighted assets</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Client income growth

Growth %

<table>
<thead>
<tr>
<th>Year</th>
<th>Total income growth (ex. Korea)</th>
<th>Client income growth (ex. Korea)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>14 US$m</td>
<td>10 US$m</td>
</tr>
<tr>
<td>2004</td>
<td>16 US$m</td>
<td>15 US$m</td>
</tr>
<tr>
<td>2005</td>
<td>12 US$m</td>
<td>10 US$m</td>
</tr>
<tr>
<td>H1 06</td>
<td>11 US$m</td>
<td>9 US$m</td>
</tr>
</tbody>
</table>

Average VaR

<table>
<thead>
<tr>
<th>Year</th>
<th>Average VaR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>14 US$m</td>
</tr>
<tr>
<td>2004</td>
<td>16 US$m</td>
</tr>
<tr>
<td>2005</td>
<td>12 US$m</td>
</tr>
<tr>
<td>H1 06</td>
<td>11 US$m</td>
</tr>
</tbody>
</table>
Summary

- Strong performance track record
- Robust infrastructure
- Disciplined expense, risk and capital management
Client Relationships

Alex Thursby
Group Head, Client Relationships
Client income by product

**2002**
- Global Markets: 28%
- Lending: 22%
- Transaction Banking: 50%

**2005**
- Global Markets: 34%
- Lending: 15%
- Transaction Banking: 51%

**H1 2006**
- Global Markets: 39%
- Lending: 12%
- Transaction Banking: 49%

**CAGR**
- 2002 vs 2005: 18%
- H1 2006 vs H1 2005: 30%
Client income by geography

**2002**
- Americas, UK & Group: 20%
- MESA: 14%
- Africa: 13%
- Other APR: 12%
- Malaysia: 4%
- Singapore: 7%
- India: 8%
- Korea: 2%

**H1 2006**
- Americas, UK & Group: 13%
- MESA: 15%
- Africa: 9%
- Korea: 11%
- Other APR: 14%
- Malaysia: 4%
- Singapore: 6%
- India: 12%
### Core bank

<table>
<thead>
<tr>
<th>Service</th>
<th>Core Provider</th>
<th>Second</th>
<th>Third</th>
<th>Fourth</th>
<th>Fifth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lending</strong></td>
<td>43%</td>
<td>25-35%</td>
<td>10%-25%</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Cash Management</strong></td>
<td>64%</td>
<td>22%</td>
<td>8%</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>FX</strong></td>
<td>46%</td>
<td>21%</td>
<td>12%</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td><strong>Fixed Income</strong></td>
<td>33%</td>
<td>21%</td>
<td>14%</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Note: Percentage represents share of customer wallet*

*Source: Client interviews; Greenwich, Booz Allen Hamilton analysis*
Strategic partner & Advisor

Value added

Transactional

Basic lending (or surplus deposit taking)

Coverage

- Senior Banker / Industry Experts
- Top GM / Transaction Banking Experts
- Customised integrated technology solution

- Senior Relationship Managers
- Aligned GM Sales / Transaction Banking Sales
- Customised transaction & electronic solution

- Relationship Managers
- Transaction Banking Sales
- Customer Service Group
- Standardised electronic platform
Income mix

CAGR 2002 vs 2005

<table>
<thead>
<tr>
<th>Segment</th>
<th>2002</th>
<th>2005</th>
<th>H1 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>3%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Value added</td>
<td>25%</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>Transactional</td>
<td>50%</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>Lending</td>
<td>22%</td>
<td>15%</td>
<td>12%</td>
</tr>
</tbody>
</table>

CAGR:
- Strategic: 46%
- Value added: 24%
- Transactional: 19%
- Lending: 4%
Cross-sell

Number of cross-sell clients Q2 2006 vs Q4 2005

3 to 5 products  > 5 products

+ 26 %*  + 44 %*

* Annualised percentage growth
Global flows

Outward FDI from Asia

Commodity flows

Supply chain

Inter Asian flows

New capital / financial centres

Rise of Asia-China & India

Franchise client and product centres

Major centres
Summary

- Wholesale Banking transformed – geographic and product diversity
- Client centric model aiming to be core bank
- Positioned to provide unique client solutions
Local Corporates

Tim Hinton
Global Head, Local Corporates
Local Corporates key indicators

- Number of clients H1 2006 vs 2005: + 20%
- Income H1 2006 vs H1 2005: + 30%
- Product cross sell Q2 2006 vs Q4 2005

3 to 5 products: + 22 %*
> 5 products: + 110 %*

* Annualised percentage growth
Client-centric, consistent strategy

**Vision**
Lead or core bank to our clients
Strong profitable returns

- Clear client segmentation built around two differentiated business models
- Prioritised investment in key growth markets
- Process Efficiency & Standardisation
  - Risk & Credit
  - Sales management
  - Talent

Common, disciplined approach in all markets and areas of the business
Sustainable growth

**2005**
- Others: 33%
- UAE: 11%
- 7% Korea
- 3% Indonesia
- 5% Singapore
- 30% Greater China

**H1 2006**
- Others: 27%
- UAE: 11%
- 9% Korea
- 3% Indonesia
- 5% Singapore
- 33% Greater China

**Income growth + 30%**
Commodity Corporates

Maureen DeRooij
Global Head, Commodity Corporates
Being present in markets where the business is transacted is a critical factor for superior client service and effective risk management.
Serving companies throughout the value chain…
Foundations for our sustainable performance

Projected commodity demand vs economic growth in China

- GDP
- Oil Consumption
- Soybean Consumption
- Population

2003 2010 2015

Source: EIA, USDA
Cash Management

Karen Fawcett
Group Head, Transaction Banking
% Relationships where Standard Chartered is Core Provider

Core Provider: 64%
Second: 22%
Third: 8%
Fourth: Negligible
Fifth: Negligible

2002: 17%
2006: 27%

Source: East & Partners
Successful business model

Focus on our clients
- Deepening relationships
- Working capital solutions

Differentiation through distribution
- Innovative alliances
- Integrated channels
- “The Banker’s Bank”

External recognition
- Best Cash Management Bank for South Asia 2006, The Asset
- Best Bank for Liquidity Management in Africa 2006, Global Finance
Investment focus

- Product Integration
- Open Connectivity
- Efficient Processes
- People

Leveraging on the success of our NETWORK
Project and Export Finance

Will Rathvon
Global Head, Project and Export Finance
Complementary success

Project Finance added in 2003

Up-tier presence with clients

Complementary expertise

Number of deals

- 2003: 10
- 2004: 20
- 2005: 43
- 2006: 48 YTD
Successful and sustainable business

Market leading deals
- Sinopec
- Warid Telecom
- Renewable energy

Fits organisation based on:
- Ideas
- Balance sheet / distribution
- Relationships

Great external recognition
- Deal of Year Awards
- Project finance league tables
- Top 10 in global PF advisory
Future priorities

Business sustainability

Leverage new business ideas

- US$1tn (8-10yrs)
- US$960bn (4yrs)
- US$100bn (5yrs)
India

Bala Swaminatham
Regional Head, Client Relationships, India and South Asia
Income diversification

2002
- Global Markets: 50%
- Transaction Banking: 34%
- Lending: 16%

2005
- Global Markets: 49%
- Transaction Banking: 34%
- Lending: 17%

H1 2006
- Global Markets: 9%
- Transaction Banking: 35%
- Lending: 9%

CAGR
- 2002 vs 2005: 17%
- H1 2005 vs H1 2006: 40%
Cross-sell

Number of cross-sell clients Q2 2006 vs Q4 2005

3 to 5 products
+ 33 %*

> 5 products
+ 76 %*

* Annualised percentage growth
## Transformational journey

<table>
<thead>
<tr>
<th>US$m</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>H1 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>165</td>
<td>243</td>
<td>305</td>
<td>222</td>
</tr>
<tr>
<td>Expense</td>
<td>(77)</td>
<td>(87)</td>
<td>(127)</td>
<td>(70)</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(8)</td>
<td>(5)</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>80</td>
<td>151</td>
<td>185</td>
<td>165</td>
</tr>
</tbody>
</table>
Key messages

- Good progress on our journey

- Client-led strategy is providing significant opportunities

- Good foundation for sustainable growth