Europe & Americas
Bank of America Merrill Lynch
22nd Annual Financials CEO Conference

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Here for good
Forward looking statements

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Standard Chartered overview

Over 150 years in some of the World's most dynamic markets

70 markets

C. 90% income from Asia, Africa & Middle East

4 client segments and 4 regions

Operating income
$7.2bn

Profit before taxation
$1.9bn

Common Equity Tier 1 ratio
13.8%

Earnings per share
34.4¢

Group performance

2017 Group performance

Operating income
$7.2bn

Profit before taxation
$1.9bn

Common Equity Tier 1 ratio
13.8%

Earnings per share
34.4¢

GCNA

ASA

C&OI

EA

ME

Group income by region

CIB = Corporate & Institutional Banking; CB = Commercial Banking; RB = Retail Banking; PB = Private Banking; C&OI = Central & Other Items

All financial information in this presentation is on an underlying basis
Europe & Americas key messages

- Originates more than a third of Corporate & Institutional Banking income
  - Provides clients access to a unique network across Asia, Africa and the Middle East (AAME)
- Offers AAME clients access to deep Financial Markets through region hubs in London and New York
- The World’s 7th largest US dollar clearer
- An important Private Banking business in London and Jersey
Bringing the value of our network to our clients

San Fran: helping tech and media clients access Asian markets

Jersey: Wealth Management for network HNW clients

NY: assisting an Asian Bank with USD clearing services

US: global broker dealer needing pan Asian securities services

Nordics MNC: delivered a cash liquidity solution for Africa

Germany: helped a car company diversify its Asian funding base

South Asia: London property acquisition for Indian client

China: Arranger for London sub of major Chinese bank

LatAm: providing correspondent banking services in our network

London: providing correspondent banking services in our network

Standard Chartered
Selected client case studies

**Corporate:** Leading European consumer goods company
- Relationships at a central, regional and local level
- Has operations in nearly all our footprint countries
- Full range of products including Rates, FX, corporate lending, Debt Capital Markets (DCM)
- Provide alternative sources of funding to the client’s supplier and distributor network

**Financial Institution:** Major NY HQ bank
- Relationship grew from single product to multiple over 4 years
- We are the client’s primary Asian bank, and its custodian in most Asian markets
- Focus on FX, subscription facilities, hedging and liabilities

**Investor:** US insurance and investment provider
- Relationship grew nearly 50% in 2016
- First choice lead arranger for DCM issuances in Asia
- Focus on DCM, custody and cash management
Progress on strategic priorities

Attract new clients and deepen relationships with existing ones
- 80 new clients on-boarded or in the process of being on-boarded
- 40% of ‘next 100’ clients based in EA
- 35% of Bank’s ‘top 100’ based in EA
- Senior sponsors assigned to help improve client engagement

Serve our clients better in the network
- Sharpened focus on operational excellence: e.g. improved on boarding and credit turn around times
- Upgrades to Relationship Managers (RMs) in the Network
- Targeted investment in operations capability

Enhance capital efficiency, maintain strong risk oversight and improve the quality of our funding base
- Return on risk-weighted assets up year-on-year
- Risk management actions delivering lower impairment
- The EA loan book is predominantly investment grade
- Higher proportion of non-financing revenue

Grow our Private Banking franchise in London and Jersey
- Adding RMs to provide further scale with clients from Africa, Middle East and South Asia
- Launched our UK Resident Non-Domiciled proposition

Deliver our conduct and financial crime risk programmes
- Good progress made in regulatory compliance and remediation programmes
- Enhanced country specific conduct programmes
Europe & Americas summary

• The region will play a vital role in delivering the Group’s strategic priorities

  ▪ Originates over a third of Corporate & Institutional Banking income

  ▪ Improving returns with focus on quality of income

  ▪ Delivering our strong product capabilities and unique network to our clients

  ▪ Delivering financial crime risk remediation programmes

• Clear set of priorities to drive sustainably profitable growth
Q&A
Appendix
Europe & Americas financial performance

## Underlying performance

<table>
<thead>
<tr>
<th>($m)</th>
<th>HY 17</th>
<th>HY 16</th>
<th>HY17 vs HY16%¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>809</td>
<td>817</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(680)</td>
<td>(669)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Pre-provision operating profit</strong></td>
<td>129</td>
<td>148</td>
<td>(13%)</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(63)</td>
<td>(124)</td>
<td>49</td>
</tr>
<tr>
<td>Other impairment</td>
<td>-</td>
<td>-</td>
<td>n.m.</td>
</tr>
<tr>
<td><strong>Underlying profit before tax</strong></td>
<td>66</td>
<td>24</td>
<td>175</td>
</tr>
<tr>
<td><strong>Statutory profit before tax</strong></td>
<td>51</td>
<td>46</td>
<td>11</td>
</tr>
<tr>
<td><strong>Risk-weighted assets</strong></td>
<td>40,365</td>
<td>54,611</td>
<td>(26)</td>
</tr>
</tbody>
</table>

- Significant improvement in underlying profit before taxation resulted from a substantial decline in impairment following earlier actions to reduce exposure to higher risk sectors
- Broadly stable income performance was supported by higher transaction volumes, offset by continued downward pressure on margins and spreads in Lending, Trade Finance and Financial Markets
- Good progress was made in attracting new clients and broadening relationships with existing clients across a suite of products
- Continued progress made in regulatory compliance and remediation programmes

### Income by Key Markets & by Product (US$m)

- **Europe & Americas financial performance**
- **Underlying performance**
- **Income by Key Markets & by Product (US$m)**
- **HY 17**
- **HY 16**
- **TB**
- **FM**
- **CF**
- **Retail**
- **Wealth**
- **Lending**