

**1Q'22**  
**Results Presentation**  
28 April 2022



standard  
chartered

# A strong performance in a volatile and unpredictable environment

## 1Q'22 Summary

- Total income up 9% on a constant currency basis (ccy) and excluding DVA
  - Record<sup>1</sup> quarter in Financial Markets, up \$0.4bn or 27% (ccy, ex-DVA)
  - Wealth Management down \$0.1bn or 17% (ccy) in challenging environment
  - Net interest income up 10% (ccy)
- Underlying PBT up 5% (ccy), with a return on tangible equity of 11.1%
- Capital remains strong with CET1 ratio of 13.9%

## Strategic Update

- Encouraging early progress on our five strategic actions outlined in February
  - **CCIB drive improved returns:** Income RoRWA up 1.1%pts YoY to 6.4%; \$6bn of 3 year \$22bn targeted RWA optimisation initiatives executed in 1Q'22
  - **CPBB transform profitability:** Added 98k mass retail partnership clients in 1Q'22
  - **Seize China opportunity:** China-ASEAN corridor network income up 35% YoY
  - **Creating operational leverage:** \$72m of gross structural cost savings delivered in 1Q'22
  - **Shareholder distributions:** \$750m share buy-back ~80% completed
- Refocusing resources in the AME region into existing and new markets which have the greatest scale and growth potential
- Sustainability: Enhanced roadmap providing further clarity on how we will achieve net zero in our financed emissions by 2050, including ending legacy direct coal financing globally by 2032

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# Strong top line growth, positive jaws driving a 5% increase in PBT

(\$bn)	1Q'21	1Q'22	YoY <sup>1</sup>	ccy <sup>1</sup>
Net interest income	1.7	1.8	8%	10%
Other income (ex-DVA)	2.3	2.4	6%	8%
<b>Operating Income (ex-DVA)</b>	<b>3.9</b>	<b>4.2</b>	<b>7%</b>	<b>9%</b>
DVA	-	0.1	Nm <sup>1</sup>	Nm <sup>1</sup>
<b>Operating income</b>	<b>3.9</b>	<b>4.3</b>	<b>9%</b>	<b>11%</b>
Operating expenses	(2.5)	(2.6)	(6)%	(8)%
<b>Pre-provision operating profit</b>	<b>1.4</b>	<b>1.6</b>	<b>14%</b>	<b>16%</b>
Credit impairment	(0.0)	(0.2)	Nm <sup>1</sup>	Nm <sup>1</sup>
Other impairment	(0.0)	(0.0)	Nm <sup>1</sup>	Nm <sup>1</sup>
Profit from associates	0.0	0.1	34%	37%
<b>Underlying profit before tax</b>	<b>1.4</b>	<b>1.5</b>	<b>4%</b>	<b>5%</b>
Restructuring	(0.0)	(0.0)	76%	75%
<b>Statutory profit before tax</b>	<b>1.4</b>	<b>1.5</b>	<b>6%</b>	<b>7%</b>
<b>Risk-weighted assets (RWA)</b>	<b>277</b>	<b>261</b>	<b>(6)%</b>	
Net interest margin (NIM) (%)	1.22	1.29	7bps	
CET1 ratio (%)	14.0	13.9	(10)bps	
Liquidity coverage ratio (LCR) (%)	150	140	(10)%pts	
<b>Underlying RoTE (%)</b>	<b>10.8</b>	<b>11.1</b>	<b>30bps</b>	

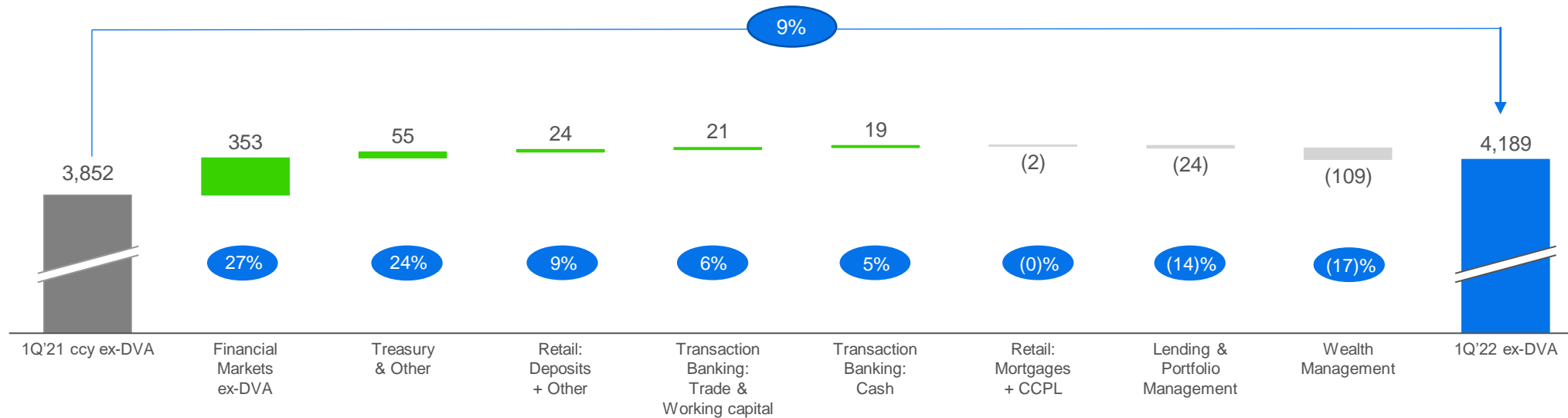
- 1Q'22 income up 9% ex-DVA at ccy
- Expenses 6% higher, 8% at ccy, 1% positive jaws
  - Higher performance-related pay accruals together with increased investment driving YoY increase
  - Cost-to-income ratio down 2%pts to 62%
- Credit impairment charge of \$200m vs \$20m in 1Q'21
  - \$160m related to China CRE exposures
  - \$107m Sri Lanka sovereign ratings downgrade
  - \$104m release of management overlays, \$239m remaining
- Loans and advances to customers down \$3bn / 1% QoQ; up \$4bn excluding impact of RWA optimisation and FX
- RWA reduced \$10bn in 1Q'22, including \$6bn of CCIB optimisation initiatives
- Return on tangible equity of 11.1%
- Capital is strong and the Group remains highly liquid
  - CET1 of 13.9% down just 20bps since FY'21 after 100bps of regulatory changes and share buy-back

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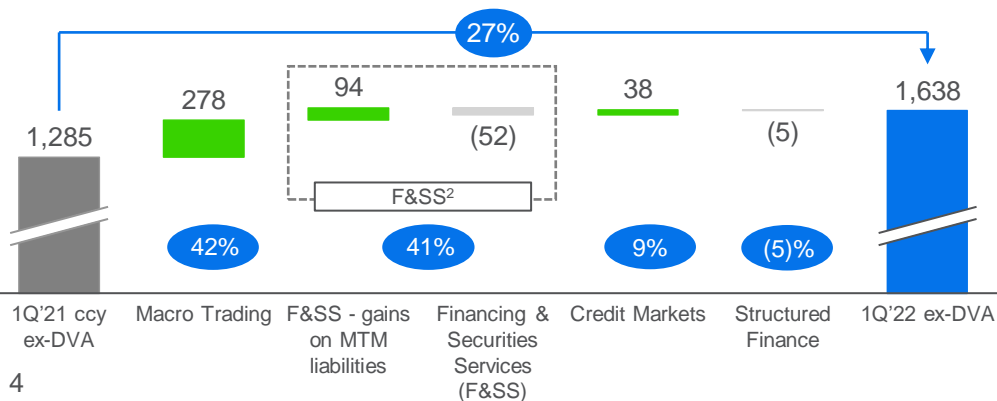
# 1Q'22 income up 9% (ex-DVA at ccy) as record FM income offsets weaker WM

## Income 1Q'22 vs 1Q'21<sup>1</sup> – Product view (\$m)

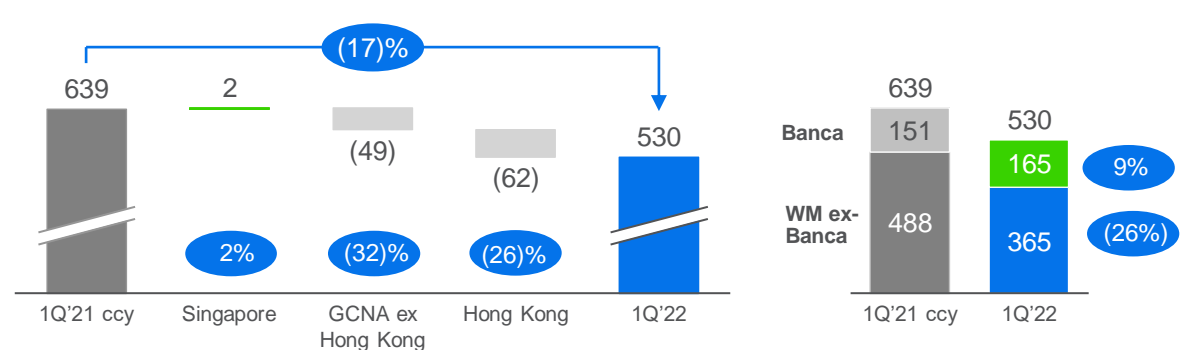


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## Financial Markets 1Q'22 vs 1Q'21<sup>1</sup> – Driver view (\$m)



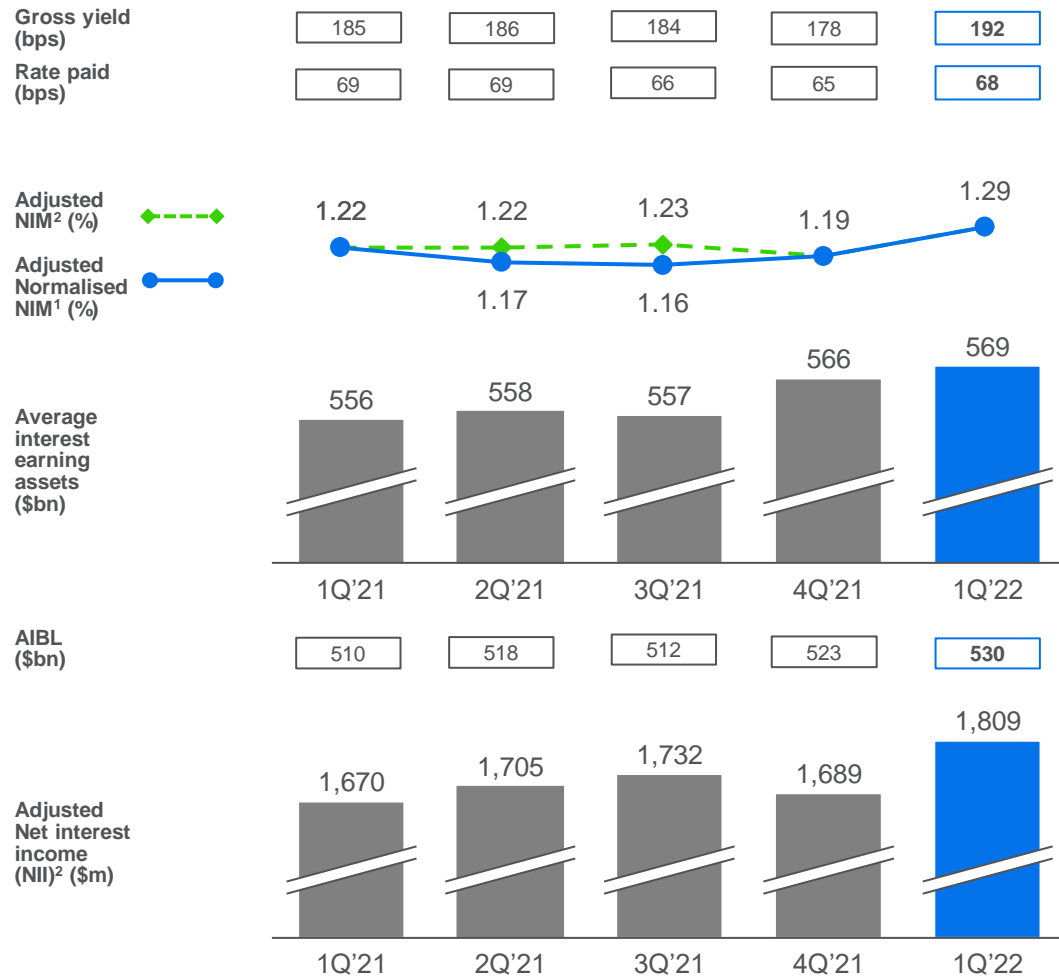
## Wealth Management 1Q'22 vs 1Q'21<sup>1</sup> – Driver view (\$m)



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# Strong NII growth driven by hedging, volumes and improving margins



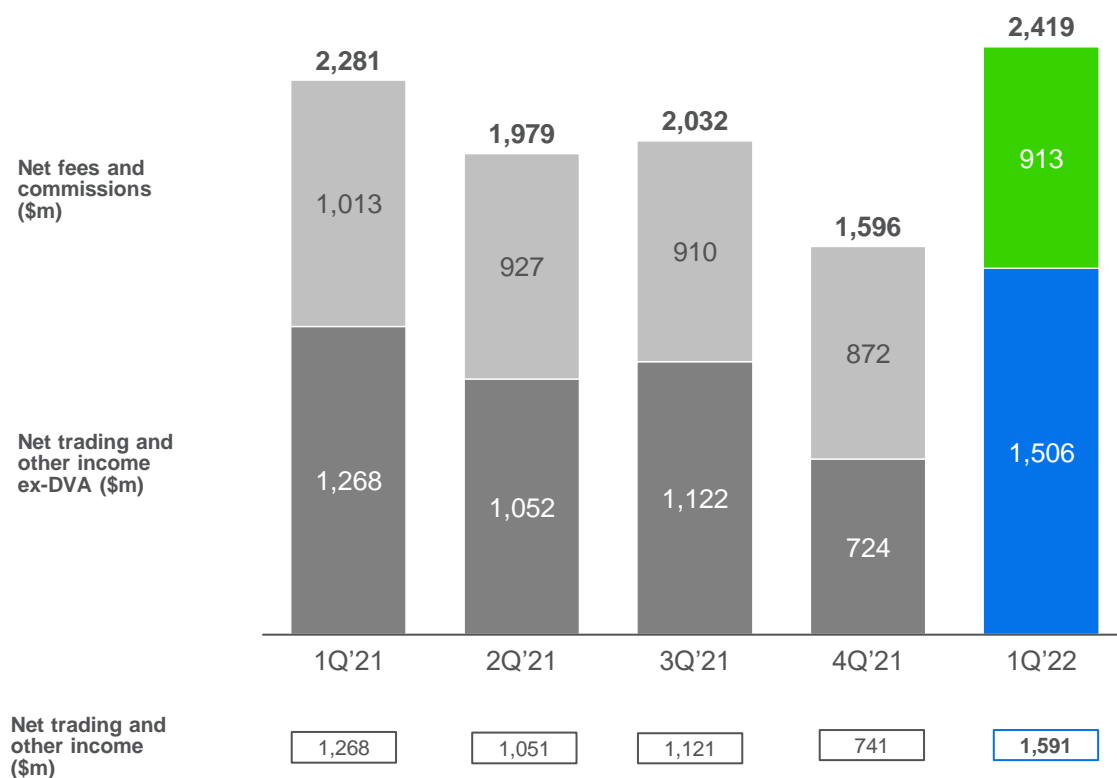
- 1Q'22 NII \$1.8bn up 8% YoY, 10% at ccy
  - AIEA up \$13bn / 2%; AIBL up \$20bn / 4%
  - NIM up 7bps / 6%
- 1Q'22 NIM 129bps up 10bps / 8% QoQ
  - ~3bps: ~\$40m NII from Treasury hedges
  - ~7bps: Increase in interest rates including Hong Kong with HIBOR 3M up 29bps
- Expected drivers of NII in 2022
  - Expect low to mid-single digit asset growth in 2022...
  - ... and further NIM progression with the outlook for the full year average likely to be nearer 140bps
  - Impact of next 100bps rate rise reduces from:
    - Increasing deposit betas
    - Hong Kong mortgage margins reaching the prime rate cap
    - Some of the rate rise benefit already being captured by Treasury hedges

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# 1Q'22 Other income<sup>1</sup> ex-DVA up 8% ccy on strong FM performance

Other income<sup>1</sup>, statutory basis (\$m)



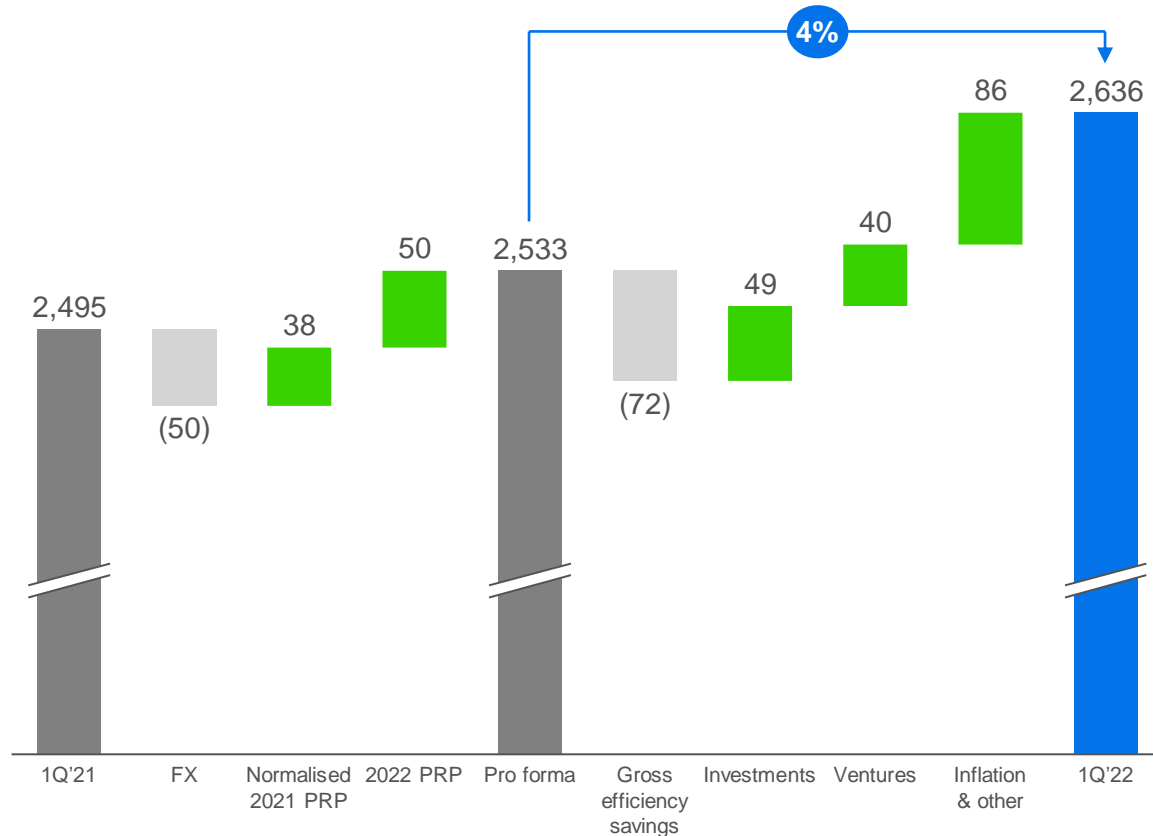
- Net fees and commissions down 8% YoY at ccy
  - CPBB down 17% YoY due to lower Wealth Management income
  - CCIB down 1% YoY mainly driven by lower Credit Markets income in Financial Markets
- Net trading and other income up 21% at ccy, ex-DVA
  - Stronger FM income, up 34% (ex-DVA) in particularly favourable market conditions with high levels of customer flows and volatility, and elevated commodity prices...
    - ... partially offset by lower Treasury realisation gains
- FM investor event planned for June

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# Expenses up 8% ccy; 4% adjusting for ccy and PRP movements

Total operating expenses 1Q'22 vs 1Q'21 (\$m)



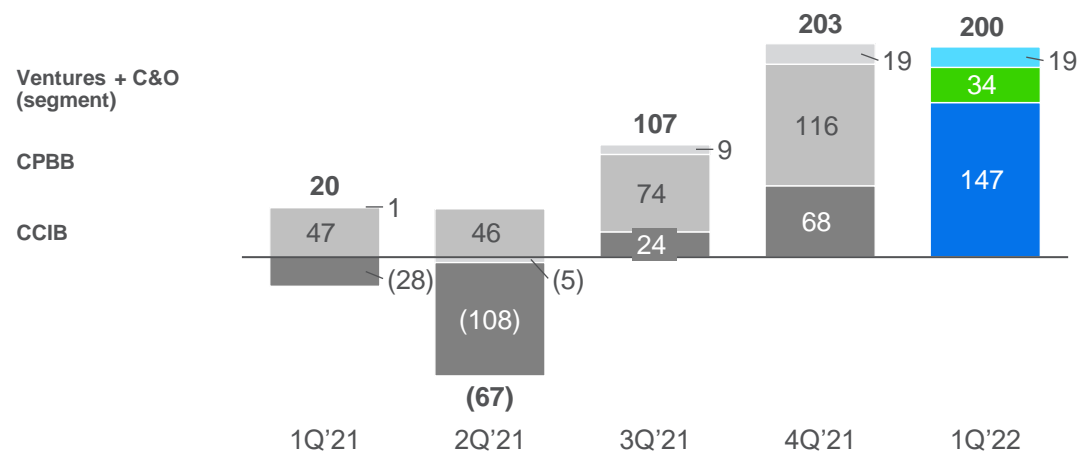
- Expenses 6% higher YoY; 8% ccy
- 4% ex ccy, 1Q'21 and 1Q'22 PRP adjustments
  - Inflation ~4% broadly in-line with economic forecast for Asia<sup>1</sup> of 4.4% for 2022
- Efficiency savings funding investment
  - Overall cash investment spend up 21% YoY
  - Ventures segment expenses doubled YoY
- \$72m of \$1.3bn 3-year gross expense reduction target delivered in 1Q'22
  - ~\$30m from process digitisation including closing a further 22 branches in CPBB
  - ~\$30m from organisational simplification initiatives and premises optimisation
- FY'22 operating expenses are expected to be slightly higher than the previously guided \$10.7bn as a consequence of the impact of the higher income growth expectations on performance related pay; we continue to expect to deliver positive income-to-cost jaws

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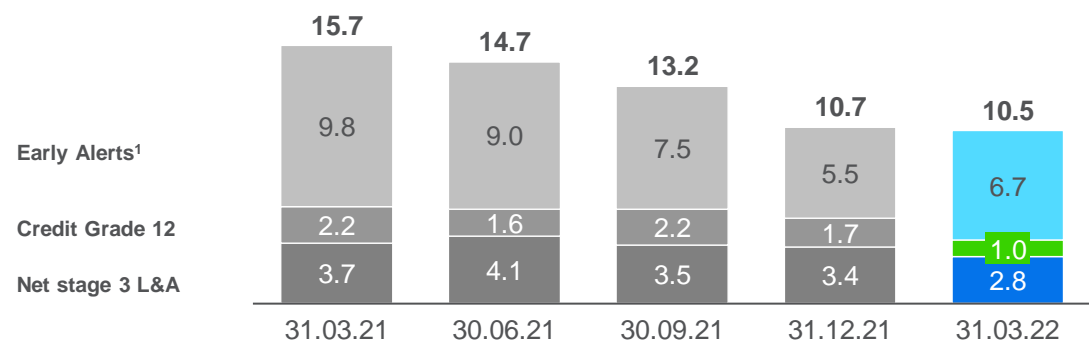


# Underlying credit impairment remains low but uncertainties remain

## Credit impairment (\$m)



## Credit quality (\$bn)



- Credit impairment \$200m
  - \$160m related to China CRE exposures
  - \$107m Sri Lanka sovereign rating downgrade
  - \$104m net release of the management overlays
- Management overlays of \$239m
  - COVID \$153m; China CRE \$86m
- High-risk assets<sup>2</sup> down \$0.2bn in 1Q'22
  - Early Alerts up \$1.1bn, mainly in the China CRE and Commodity Traders sectors
  - CG12 + Net Stage 3 accounts down \$1.3bn
- Strong cover ratio<sup>3</sup> of 78%, up 3%pts since 31.12.21
- Slight improvement in days-past-due<sup>4</sup>: 30 days and 90 days down 3bps

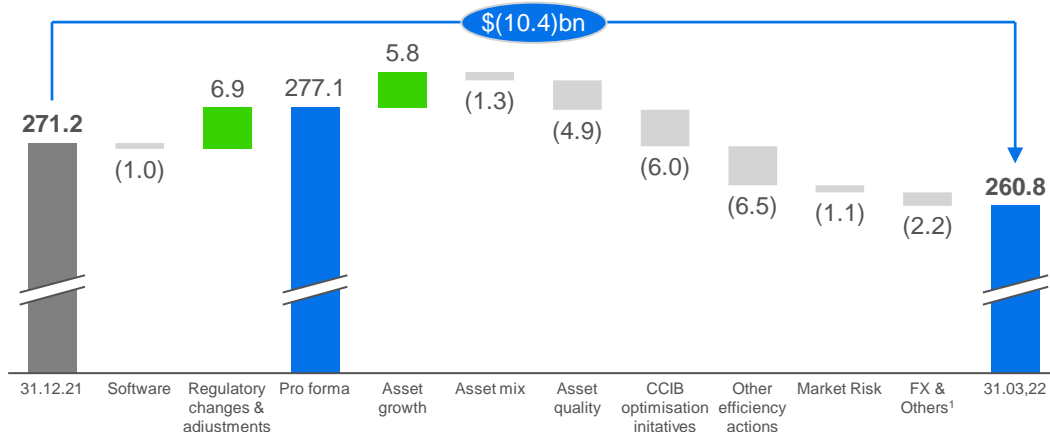
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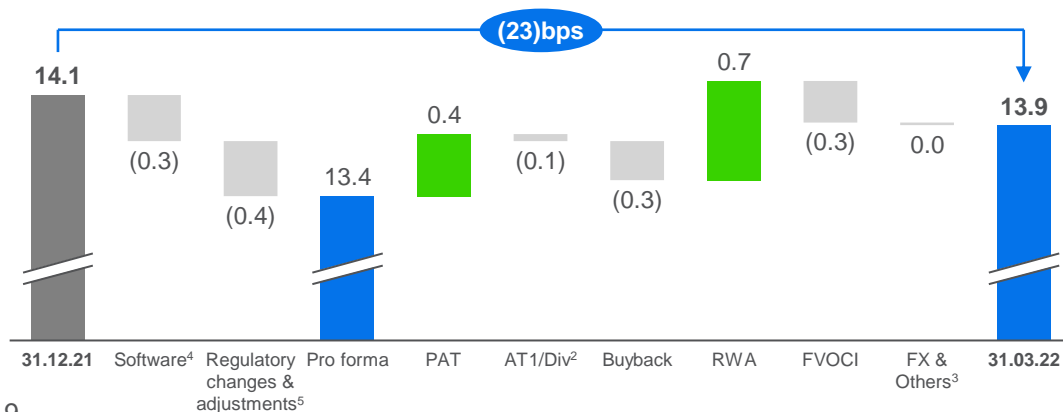


# CCIB optimisation initiatives push RWA down; CET1 top of range

Risk-weighted assets (RWA) (\$bn)



CET1 ratio (%)



- RWA down \$10bn (4%) from 31.12.21
  - \$6bn adverse impact of regulatory changes & adjustments and cessation of software relief
  - \$6bn asset growth in Trade and FM
  - \$6bn reduction from CCIB optimisation initiatives; \$7bn reduction from other efficiency actions
  - \$5bn positive credit migration
- FY'22 RWA expected to be broadly similar to FY'21
- CET1 at the top of 13-14% target range
  - 100bps reduction from regulatory changes and \$750m share buy-back, ~80% complete
  - FVOCI 30bps reduction due to effect of rising yields on Treasury securities portfolio
  - Offset by profits (40bps) and RWA reductions (70bps)
- UK Leverage ratio of 4.4%, well ahead of regulatory minimum of 3.7%

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# Conclusion – looking ahead

## 2022 Guidance

- The Group delivered a strong 1Q'22 performance in turbulent conditions...
- ... making encouraging early progress on our 5 strategic actions outlined in February
- Whilst recent geopolitical events have strengthened the outlook for rates albeit making the outlook for the pace of economic recovery less predictable
- Consequently, for FY'22:
  - Income growth is expected to slightly exceed the previously guided 5-7% range
  - Operating expenses are expected to be slightly higher than the previously guided \$10.7bn as a consequence of the impact of the higher income growth expectations on performance related pay; we continue to expect to deliver positive income-to-cost jaws
  - Credit impairment is expected to start to normalise towards the medium-term loan-loss rate range of 30-35bps
  - We intend to operate dynamically within the full CET1 13-14% target range

## 2024 RoTE

- On track to deliver 10% return on tangible equity by 2024, if not earlier



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## Sustainability

Strategic actions progress, Macroeconomic indicators, Interest rate outlook, Commodity related sectors, China exposure, AME Overview, Summary of guidance

Ventures

Notes, abbreviated terms and important notice



# Strong progress against our net zero and Sustainable Finance commitments

Net zero pathway enhanced<sup>1</sup> in March 2022 following engagement with our stakeholders

## Our aims

### Reduce emissions

*Net zero financing by 2050, with 2030 interim targets for carbon-intensive sectors  
Net zero by 2025 for our operations*

### Capital and Finance transition projects

*Mobilise USD300 billion in green and transition finance between 2021 and 2030  
\$1bn SF income in the medium term*

### Accelerate new solutions

*Lead and drive industry dialogue and practice, use this to support our clients*

## 1Q'22 Achievements (unless otherwise stated)

- Named eight further sectors for target setting 2022-24, with eventual coverage of 73% of our overall 2020 absolute financed emissions baseline
  - Confirmed expanding coverage to include facilitated emissions from Capital Markets activities by 2023 AGM
  - Communicated ending globally legacy direct coal financing by 2032
  - Announced intention to commit to a specific timeline for move to absolute oil & gas emissions, to be communicated at 2023 AGM
- Sustainable Finance (SF) income up 92% and Assets up 66% YTD Feb'22 YoY
  - Facilitated \$2.9bn of Green and Transition finance
  - Executed market first sustainability linked loans for clients in semiconductor and cultural sectors
  - Structured and arranged EUR2.4bn UK Export Finance backed green financing for the high-standard electrified Ankara–Izmir Railway line in Turkey (largest sustainable, civil infrastructure deal of the UK Gov)
- Continued product launches including the expansion of green mortgages in Vietnam
  - Adding 55 headcount to support net zero delivery, including key hires in Transition Acceleration Team
  - Joined Partnership for Climate Accounting Financials / PCAF



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# Strategic actions: Progress against 2024 targets

	Description	2024 targets	1Q'22 result
<b>CCIB:</b> Drive improved returns	<ul style="list-style-type: none"> <li>CCIB Income RoRWA: 160bps improvement from 4.9% in 2021 to 6.5%</li> <li>RWA reduction of \$22bn by 2024</li> <li>Hold RWA flat to \$163bn</li> <li>Financial Institution clients % of CCIB income: from 41% in 2021 to 50%</li> </ul>	6.5% \$22bn (2022 to 2024) \$163bn 50%	6.4% \$6bn \$157bn 45%
<b>CPBB:</b> Transform profitability	<ul style="list-style-type: none"> <li>Improve cost-to-income ratio from 76% in 2021 to ~60%</li> <li>\$500m of cumulative gross business savings 2022-2024</li> <li>Increase straight through processing rate from 66% in 2021 to 90%</li> <li>Grow Affluent AUM from \$250bn in 2021 to ~\$320bn</li> <li>Grow Mass Retail clients by 1.8x</li> </ul>	~60% \$500m (2022 to 2024) 90% \$320bn 1.8x growth	71% ~\$30m (updated at 1H and FY) \$240bn +98k mass retail partnership clients
<b>Seize China opportunity</b>	<ul style="list-style-type: none"> <li>Double China onshore and offshore profit before tax</li> <li>Invest \$300m in growth opportunities and strategic priorities</li> </ul>	Double PBT \$300m (2022 to 2024)	(103)% (updated at 1H and FY)
<b>Create operational leverage</b>	<ul style="list-style-type: none"> <li>Improve cost-to-income ratio from 70% in 2021 (ex UK bank levy) to ~60%</li> <li>Gross expense reduction of \$1.3bn</li> <li>Restructuring charges of \$0.5bn</li> </ul>	~60% \$1.3bn (2022 to 2024) \$0.5bn (2022 to 2024)	62% \$72m \$8m
<b>Deliver substantial shareholder returns</b>	<ul style="list-style-type: none"> <li>Shareholder returns in excess of \$5bn from 2022-2024</li> </ul>	>\$5bn (2022 to 2024)	\$750m share buy-back ~80% complete



# Stage 1 and 2 credit impairments

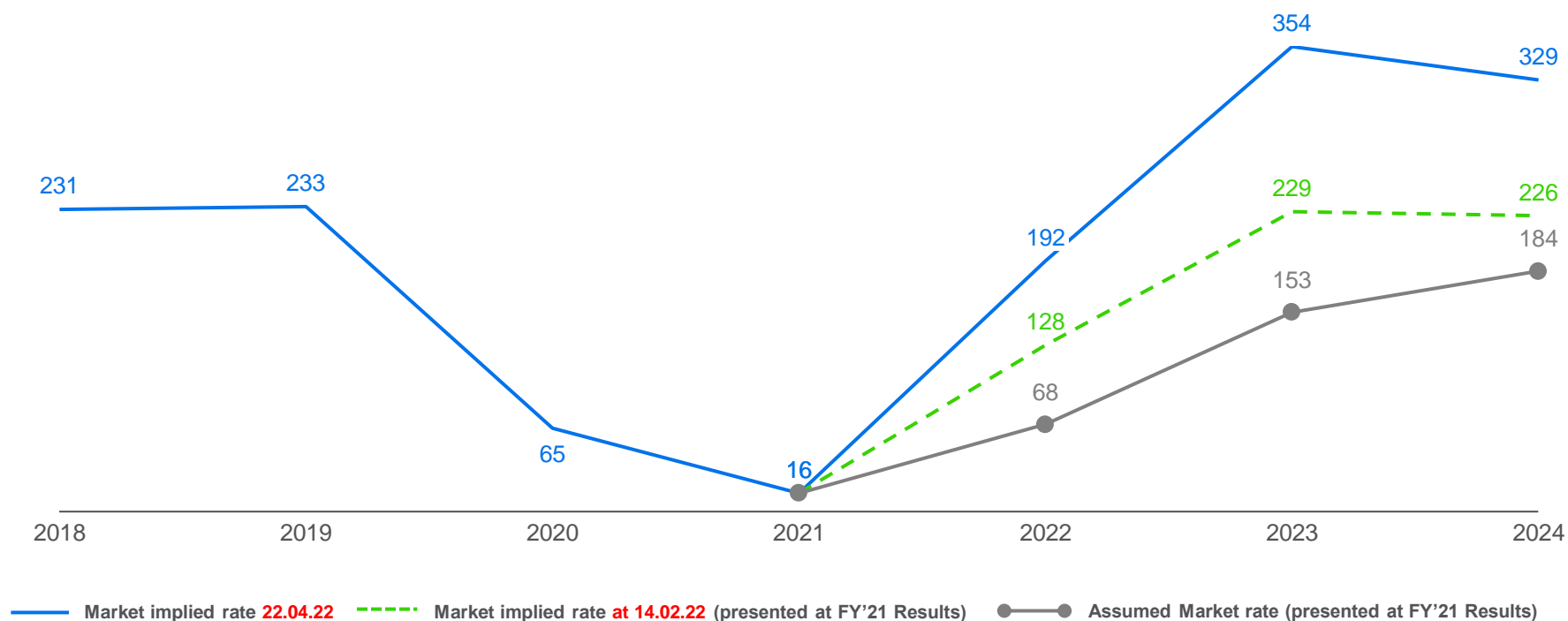
## Changes to baseline forecasts<sup>1</sup> for key footprint markets

	4Q'21 ⇒ 1Q'22 <sup>1</sup>					Crude price Brent, bbl
	China	Hong Kong	Korea	Singapore	India	
GDP (YoY): 2022 Forecast	5.6% ⇒ <b>5.3%</b>	3.0% ⇒ <b>1.2%</b>	2.7% ⇒ <b>2.9%</b>	3.6% ⇒ <b>4.1%</b>	6.9% ⇒ <b>8.0%</b>	\$66.6 ⇒ \$94.2
GDP (YoY): 2023 Forecast	5.5% ⇒ <b>5.5%</b>	2.5% ⇒ <b>3.2%</b>	2.5% ⇒ <b>2.5%</b>	2.5% ⇒ <b>2.8%</b>	5.5% ⇒ <b>5.5%</b>	\$60.0 ⇒ \$83.0
GDP (YoY): 5 year average base forecast	5.4% ⇒ <b>5.2%</b>	2.6% ⇒ <b>2.6%</b>	2.5% ⇒ <b>2.4%</b>	2.5% ⇒ <b>2.5%</b>	6.4% ⇒ <b>6.2%</b>	\$63.7 ⇒ \$92.1
Unemployment: 5 year average base forecast	3.4% ⇒ <b>3.4%</b>	3.8% ⇒ <b>3.9%</b>	3.3% ⇒ <b>3.3%</b>	3.1% ⇒ <b>3.1%</b>	N/A ⇒ N/A	
3 month interest rate: 5 year average base forecast	2.8% ⇒ <b>2.5%</b>	1.5% ⇒ <b>2.4%</b>	1.6% ⇒ <b>2.1%</b>	1.4% ⇒ <b>2.2%</b>	5.4% ⇒ <b>5.7%</b>	
House prices (YoY): 5 year average base forecast	4.0% ⇒ <b>3.4%</b>	3.1% ⇒ <b>3.4%</b>	2.7% ⇒ <b>2.5%</b>	3.6% ⇒ <b>3.5%</b>	7.1% ⇒ <b>7.1%</b>	



# The interest rate increase outlook has strengthened since we reported our FY'21 results on the 17th February, 2022

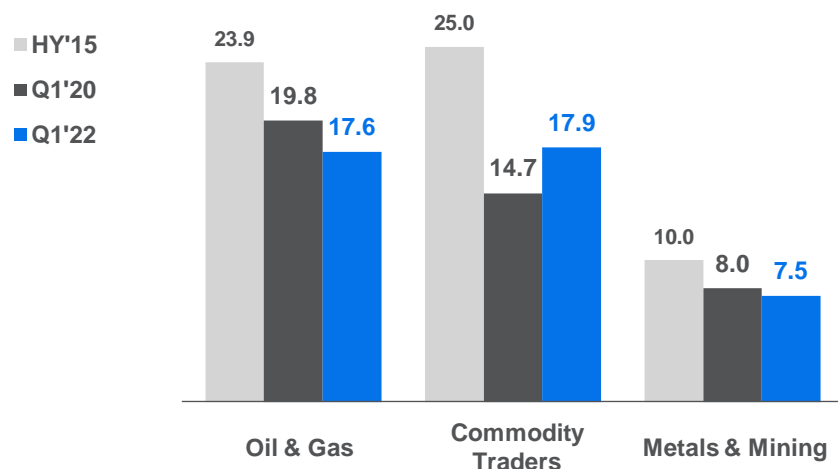
3-month USD rate (LIBOR)<sup>1</sup> (bps)





# Commodity related sectors: resilient & well-positioned

Net nominal<sup>1</sup> (\$bn)



% of sector exposure

HY'15 ► Q1'20 ► Q1'22

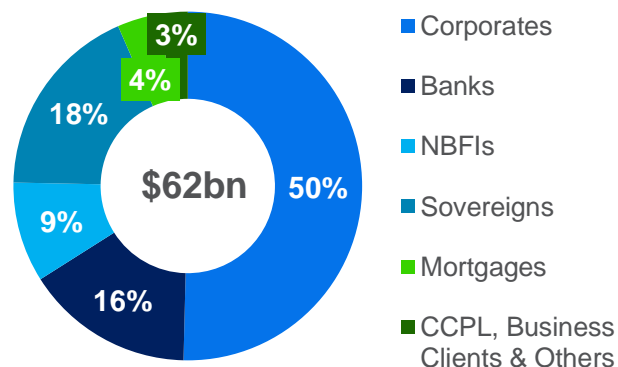
Tenor < 1 year	39% ► 47% ► 65%	88% ► 93% ► 95%	57% ► 71% ► 80%
Investment grade <sup>2</sup>	46% ► 58% ► 74%	30% ► 42% ► 50%	22% ► 31% ► 53%
High risk assets <sup>3</sup>	14% ► 12% ► 8%	11% ► 7% ► 8%	39% ► 19% ► 13%

- Portfolios expected to be resilient to higher, more volatile commodity prices
  - Portfolios significantly de-risked since 2015: now focused on larger clients...
  - ...with stronger balance sheets, better able to withstand market volatilities
  - CCIB portfolio review on impact of higher prices: a few clients onto Early Alert but no material flows into NPLs so far
- Increased margin calls due to volatility, but the risk is manageable; some clients benefitting from price increases
- Industries with significant commodity inputs are being closely monitored:
  - Aviation: higher fuel cost may delay recovery but intra-regional US/EU travel demand near 2019 levels and with positive signs in long haul and Asian markets, >50% to 'flag carriers' / state-owned / investment grade airlines
  - Building, Construction & Engineering: ~60% unfunded trade facilities (e.g., performance guarantees / bid bonds) and mainly short tenor
  - Auto & Components: ~68% investment grade<sup>2</sup> and with short tenor

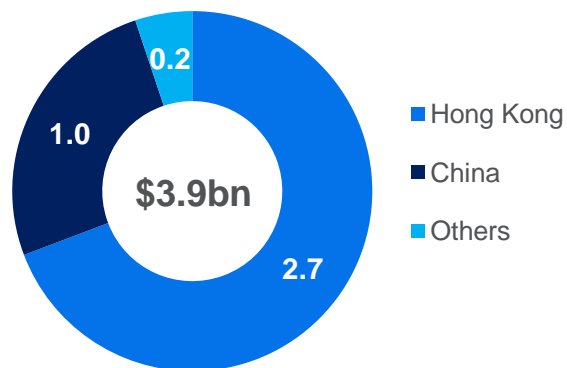


# China Exposure

## China ultimate parent company exposure<sup>1</sup> (\$bn)



## China Commercial Real Estate Exposure by booking location<sup>1,2</sup> (\$bn)



## Resilient China book

- 76% of CCIB exposure is investment grade
- 76% of corporate exposure is <1 year tenor
- 88% of bank exposures to top 5 banks<sup>3</sup>; 84% <1 year tenor
- 89% of bank and non-bank financial institutions (NBFI) exposures and 42% of corporate exposures to State Owned Enterprises
- \$15.8bn Loans & Advances (L&A) to Customers financially booked in China: low stage 2 and 3 as % of L&A at 0.6% and 0.1% respectively

## China CRE portfolio being actively managed

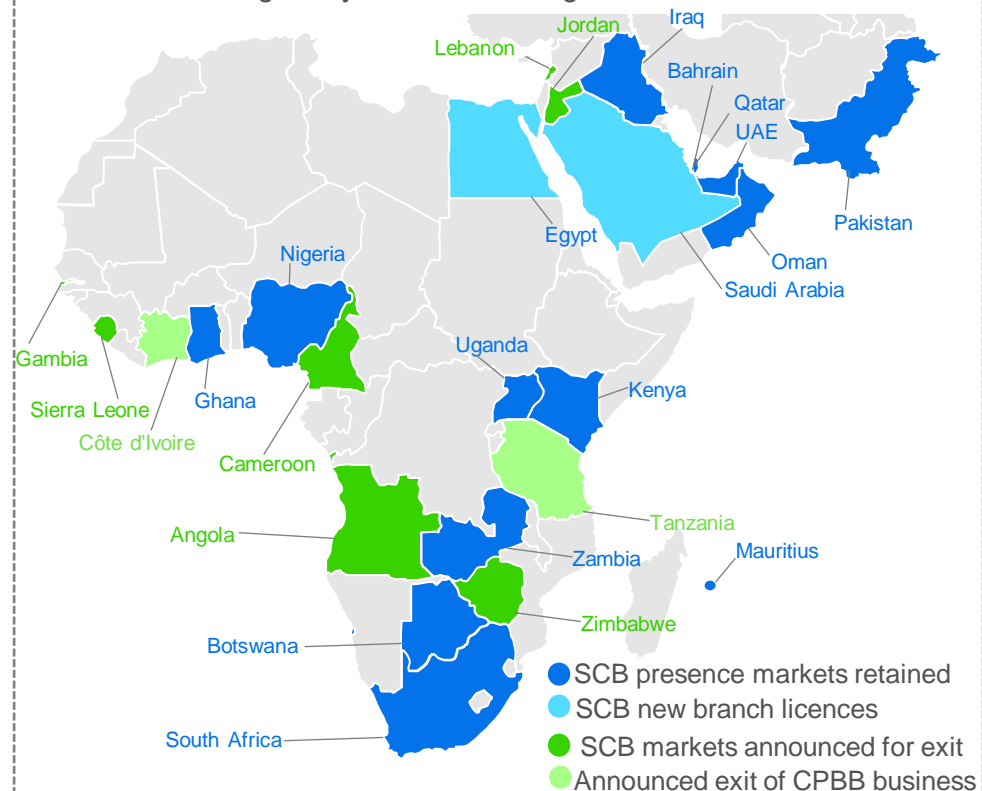
- Exposure reduced by \$0.1bn to \$3.9bn, mainly from sub-investment grade clients
- Additional \$160m impairments taken and management overlays reduced to \$86m from \$95m
- 24% of the portfolio on Early Alert<sup>4</sup> for closer monitoring and management
- 19% investment grade<sup>4</sup>, >50% secured with LTV < 50%
- Some policy measures recently introduced to support the industry



# Update on Africa and the Middle East (AME) Region

## Refocusing and simplifying our presence in AME

- Redirecting resources within AME to those areas that can have the greatest scale and growth potential, including the new markets of Saudi Arabia and Egypt...
- ... exiting seven markets...
- ...and focusing solely on the CCIB segment in two more



## AME Highlights

- AME performance continued to be strong in 1Q'22
  - Income up 12% (16% ccy)
  - PBT up 59% (66% ccy); highest since 2015
  - RoTE of 13.2%
- AME RoTE excluding exit businesses ~50bps higher
- Recently opened first branch in Saudi Arabia and obtained preliminary approval for a banking licence in Egypt
  - Combined GDP is 3X, and trade flows 4X, those of the exited markets
- No change to Group restructuring cost guidance (\$500m over 3 years) for the exit from these markets

### AME Region (pre-exit impact)

\$m	1Q'22	YoY inc/(dec)	YoY ccy inc/(dec)
Income	659	12%	16%
Expenses	(403)	3%	5%
Impairment	46	nm	nm
PBT	302	59%	66%
RoTE (%)	13.2	5.3ppt	nm



# Summary of guidance

	2022 Guidance	2021 - 2024 Guidance (unless otherwise stated)
<b>Income</b>	<ul style="list-style-type: none"> <li>FY'22 income growth is expected to slightly exceed the previously guided 5-7% range</li> <li>Further NIM progression with the outlook for the full year average likely to be nearer 140bps</li> </ul>	<ul style="list-style-type: none"> <li>Income is expected to grow 8-10% CAGR over the next three years, 5-7% from underlying growth and a further 3% from rising interest rates</li> </ul>
<b>Expenses</b>	<ul style="list-style-type: none"> <li>FY'22 operating expenses (ex-UK bank levy) are expected to be slightly higher than the previously guided \$10.7bn as a consequence of the impact of the higher income growth expectations on performance related pay; we continue to expect positive income-to-cost jaws</li> </ul>	<ul style="list-style-type: none"> <li>2% positive income-to-cost jaws (on average per annum) before the impact of rising interest rates</li> <li>FY'24 cost-to-income ratio of ~60%</li> <li>\$1.3bn gross structural expense reduction to create investment capacity</li> <li>Restructuring charges of ~\$0.5bn</li> </ul>
<b>Impairment</b>	<ul style="list-style-type: none"> <li>Credit impairment in FY'22 expected to start to normalise towards the medium-term loan-loss rate range of 30-35bps</li> </ul>	<ul style="list-style-type: none"> <li>Loan-loss rate expected to normalise to 30-35bps over the medium-term</li> </ul>
<b>Effective Tax Rate</b>		<ul style="list-style-type: none"> <li>Effective Tax Rate is expected to normalise to mid-20% level over time</li> </ul>
<b>Lending</b>	<ul style="list-style-type: none"> <li>Low to mid-single digit percentage growth in FY'22</li> </ul>	<ul style="list-style-type: none"> <li>~3% CAGR growth, negatively impacted by CCIB asset run-off</li> </ul>
<b>RWA</b>	<ul style="list-style-type: none"> <li>FY'22 RWA expected to be broadly similar to FY'21</li> </ul>	<ul style="list-style-type: none"> <li>Low single-digit percentage growth over time</li> <li>CCIB RWA to remain at \$163bn, aided by \$22bn exit of low returning RWA</li> <li>Day 1 impact of Basel 4 now expected to be ~1-2% of RWA, though timing is uncertain</li> </ul>
<b>Capital</b>	<ul style="list-style-type: none"> <li>We intend to operate dynamically within the full CET1 13-14% target range</li> </ul>	<ul style="list-style-type: none"> <li>We intend to operate dynamically within the full CET1 13-14% target range</li> <li>Plans to return in aggregate in excess of \$5bn to shareholders by 2024</li> <li>We expect to be able to increase the full-year dividend per share over time</li> </ul>
<b>RoTE</b>		<ul style="list-style-type: none"> <li>Refreshed strategic actions and rising interest rates delivering 10% RoTE by 2024, if not earlier</li> </ul>



# Appendix

## Sustainability

Strategic actions progress, Macroeconomic indicators, Interest rate outlook, Commodity related sectors, China exposure, AME Overview, Summary of guidance



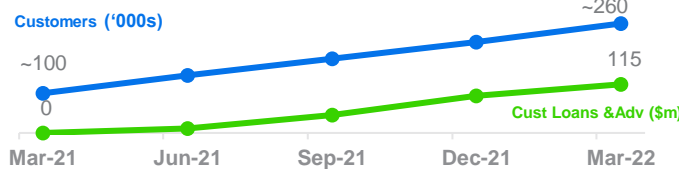




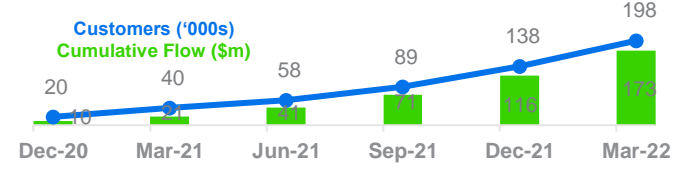






## Ventures

Notes, abbreviated terms and important notice



# Ventures: Progress Update

Launched ventures gaining traction as reflected in client adoption and flows

	Venture	Description	Progress / Update	KPI
 <p>Digital banking and lifestyle</p>		<p>Mox is a cloud-native, mobile only, digital bank</p> <p>Launched as a Joint Venture with HKT, PCCW and Trip.com in September 2020</p>	<ul style="list-style-type: none"> <li>Customers now over 300k (Q1 2022 ~260k), up 100k from 2021 exit</li> <li>Processing 1 million transactions for Mox credit per month</li> <li>Highest rated banking app on App Store with 4.8 rating</li> </ul>	
		<p>CardsPal aims to be the leading credit card Deals Marketplace that connects users, merchants and banks, creating hyper-personalised experiences and curated offerings</p>	<ul style="list-style-type: none"> <li>355k downloads as at Q1 2022</li> <li>Upcoming launch of deal marketplace in Q2 2022 expected.</li> <li>~400 merchants onboarded to date</li> <li>#1 Lifestyle app in Singapore Playstore / 4.8 rating in App Store</li> </ul>	
 <p>SMEs and world trade</p>		<p>B2B digital commerce platform addressing the growth challenges of SMEs by connecting buyers and sellers and providing access to financing and business services</p>	<ul style="list-style-type: none"> <li>Q1 2022 GTV \$58m (annualised \$230m). FY 2021 \$106m</li> <li>~200k customers on platform (140k FY 2021)</li> <li>BNPL and Supply Chain Finance offerings launched</li> <li>Expansion into new markets underway in Kenya, Vietnam and Malaysia.</li> </ul>	
 <p>Online economy and payments</p>		<p>Next generation payment platform for e-commerce players through omni-channel payments solutions. Zai formed after the combination of Currency Fair and Assembly Payments in September 21</p>	<ul style="list-style-type: none"> <li>Q1 2022 TPV \$1.4bn (FY 2021 TPV \$6.3bn)</li> <li>~180k customers onboarded as of Q1 2022</li> <li>Launched in new markets such the US, UK and UAE as well as new products on track.</li> </ul>	
 <p>Digital assets</p>	 	<p>Zodia Custody is an end-to-end institutional-grade custodian for digital assets / crypto-currency</p> <p>Zodia Markets is a digital asset brokerage / exchange platform for institutional and corporate clients</p>	<ul style="list-style-type: none"> <li>Custody - Q1 2022 AUC at \$305m</li> <li>Growth expected to accelerate with new clients and as additional crypto assets supported</li> <li>Markets - Testing underway</li> <li>Regulatory application pending approval</li> <li>Expansion into new markets underway</li> </ul>	<p><b>Zodia Custody - Live</b></p> <p><b>Zodia Markets – H2 2022</b></p>

## Ventures Targets

Increase income by \$400m to \$500m by 2024

Grow Retail and SME client base 5X over the medium-term<sup>1</sup>






Generate volumes and payment flow growth of 50X over the medium-term

Ventures expected to break even by 2025





















# Ventures: Progress Update continued

Expanding portfolio with a number of newly announced ventures

	Venture	Description	Progress / Update	Expected launch
 SMEs and world trade	TASConnect	A bank agnostic supply chain finance platform that unlocks significant value for organisations, by providing end to end automation, visibility and control of their trade and supply chain ecosystems	<ul style="list-style-type: none"> <li>• Launch February 2022 with Lenovo as a partner and first anchor client</li> <li>• Signed MOU with Diners Club.</li> <li>• Revenue generation expected in Q2 2022</li> </ul>	Live
	OLEA	JV Partnership with Linklogis. Trade asset distribution and securitization platform focusing on tapping the alternative funding sources from institutional investors	<ul style="list-style-type: none"> <li>• Partnership with Refinitiv &amp; Seabridge TFX to offer short-term trade finance solutions for suppliers dealing with large buyers.</li> </ul>	Live
 Capabilities as a service	letsbloom	Cloud-platform-as-a-service and a marketplace of business apps for financial institutions and fintechs to build, test and launch financial products	<ul style="list-style-type: none"> <li>• Commenced onboarding institutional clients with early revenues booked.</li> </ul>	Live
 Digital banking and lifestyle	AUTUMN	Open digital platform empowering clients across their retirement journeys, key features include financial aggregation, wealth advisory, health-tech & other adjacent needs.	<ul style="list-style-type: none"> <li>• Obtained in-principle approval for Financial Adviser's license</li> <li>• Onboarding of brokerage and investment partners/providers underway.</li> <li>• Franklin Templeton as a partner – provides access to curated financial literacy content and investment insights</li> <li>• Q1 2022 Assets Under Influence (AUI) \$1.3bn and 11k downloads</li> </ul>	Live
	trust	Second separately licensed digital bank in Asia, after Mox in Hong Kong. Launched as a Joint Venture with NTUC in September 2021	<ul style="list-style-type: none"> <li>• Testing progressing and has provided Trust with learnings on client experience, authorisation and customer service.</li> </ul>	H2 2022
 Online economy and payments	nexus	Nexus is a plug-and-play business as a service (Baas) solution, enabling banking and financial services at scale for any e-commerce platform's customers	<ul style="list-style-type: none"> <li>• Core capabilities are live and ready for launch pending regulatory approval</li> <li>• Received keen partner interest from our key markets</li> <li>• Will announce a second market during 2022</li> </ul>	H2 2022
 Sustainability and inclusion	Shoal	A UK based marketplace for sustainable financial and consumer products	<ul style="list-style-type: none"> <li>• MVP is sustainable deposits, in partnership with Starling Bank</li> <li>• Testing commenced with internal users</li> </ul>	H2 2022
	myZoi	UAE based myZoi provides a safe, efficient, regulated avenue for migrant works to enable cross-border funds transfer	<ul style="list-style-type: none"> <li>• Regulatory application underway.</li> <li>• Discussions with Bangladesh partner in progress</li> </ul>	H2 2022



# Summary of portfolio of ventures and investments across six high conviction themes

	Theme	Ventures	Minority Investments
 <p>Digital banking and lifestyle</p>	<p>Individual consumers need to integrate finance into their digital lifestyles for finance to be effective at helping them address their needs</p>		
 <p>Online economy and payments</p>	<p>Economic growth is partly predicated on the rise &amp; integration of the online economy, which the banking industry need to do a better job in servicing</p>		
 <p>SMEs and world trade</p>	<p>World trade is more important than ever to increase welfare and enable GDP growth. However, SMEs still suffer from lack of inclusion and access to financial system</p>		
 <p>Digital assets</p>	<p>Digital assets are here to stay but in need of a sustainable and safe infrastructure, which banks are better positioned to provide</p>		
 <p>Capabilities as a service</p>	<p>Process oriented banks have developed core capabilities for themselves which could be used more broadly in business, provided they are made best in class</p>		
 <p>Sustainability and inclusion</p>	<p>Most corporates including banks, have yet to fully integrate sustainability and financial inclusion into their business models</p>		





# Appendix

## Sustainability

Strategic actions progress, Macroeconomic indicators, Interest rate outlook, Commodity related sectors, China exposure, AME Overview, Summary of guidance

## Ventures

**Notes, abbreviated terms and important notice**



# Notes

These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
2	1. Record quarterly Financial Markets income 2017-2021
3	1. YoY = year-on-year variance is better/(worse) other than for RWA, CET1 ratio and LCR, which is increase/(decrease) / Ccy = constant currency / Nm = Not meaningful; change rates for NIM, CET1 ratio, LCR and RoTE are basis points change year-on-year
4	1. Income growth on a constant currency basis and excluding debit valuation adjustment (DVA) 2. F&SS: Financing & Securities Services
5	1. Normalised NIM excludes a \$96 million interest income catch-up adjustment reported in 3Q'21, and \$75m in 2Q'21 in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement 2. Income Statutory basis; the Group in 2019 changed its accounting policy for net interest income and basis of preparation of its net interest margin to better reflect the underlying performance of its banking book. See notes to the financial statements in the 2019 Annual Report for further details
6	1. Other income is on a statutory basis
7	1. Source: Standard Chartered Global Research
8	1. Early Alerts (Non-Purely Precautionary) (EA(NPP)) are on a net nominal basis 2. High-risk assets in this context means exposures classified in EA(NPP), CG12 and Net Stage 3 3. Cover ratio for 31.03.22 after collateral 4. Consumer, Private & Business Banking client accounts that are 30 or 90 Days Past Due



# Notes

These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
9	<ol style="list-style-type: none"><li>1. RWA FX &amp; Others includes FX of \$(2.3)bn, Operational RWA of +\$0.1bn, MRWA model changes \$(0.4)bn</li><li>2. AT1/Dividend includes a foreseeable dividend accrual in respect of the interim 2022 ordinary share dividend in the third quarter</li><li>3. CET1 FX &amp; Others include excess EL (7)bps partly offset by other movements +5bps</li><li>4. The total benefit to CET1 from the revised treatment of software assets as of 31<sup>st</sup> Dec 2021, 32bps is rolling off from 1<sup>st</sup> Jan 2022 following PRA guidance</li><li>5. The UK PRA SA-CCR rules have gone live on 1 January 2022. The SA-CCR Basel standard has been implemented in the UK by PRA Policy Statement PS22/21 (Oct 2021) and PS 17/21 following consultation paper CP 5/21 (February 2021). Chapter 8 of CP 5/21 covers the implementation of the Basel standard on Counterparty Credit Risk into the PRA Rulebook requiring firms without IMM permission to use the Standardised Approach to Counterparty Credit Risk (SA-CRR) to calculate counterparty credit risk RWA, for the leverage ratio and large exposures purposes. PRA rules do not deviate substantially from the Basel standard. On the post model adjustment (PMA), the PRA has adopted new standards for IRB models which are intended to introduce specific elements of conservatism and make modelled outcomes more consistent across institutions and changes to how default is defined and PD and LGD are estimated. We are required to take the estimated RWA impact of these changes into our numbers from 1 January 2022 and ahead of approval of the new IRB models themselves. SA-CCR ,PMA and IFRS9 together has ~(38) bps impact to CET1</li></ol>
12	<ol style="list-style-type: none"><li>1. <a href="#">our-road-to-net-zero.pdf (sc.com)</a></li></ol>
15	<ol style="list-style-type: none"><li>1. Forecasts based on SCB Research as at 28 February 2022</li></ol>
16	<ol style="list-style-type: none"><li>1. Forward rates sourced from market data as at 27.4.22 and 26.1.22 using period average rates</li></ol>
17	<ol style="list-style-type: none"><li>1. Net Nominal basis (see selected technical and abbreviated terms page 28)</li><li>2. Investment grade % is on a net nominal basis</li><li>3. High-risk assets in this context means exposures classified in EA(NPP), CG12 and Net Stage 3</li></ol>
18	<ol style="list-style-type: none"><li>1. Net Nominal basis (see selected technical and abbreviated terms page 28): based on where the ultimate parent entities and credit responsibility is</li><li>2. Booking location includes exposures where the ultimate parent entities and credit responsibility is in China and to entities outside of China but with substantial cashflow generated from China</li><li>3. By Tier 1 Capital as of 31 December 2021</li><li>4. % in Early alert (non-purely precautionary) and investment grade % are on a net nominal basis</li></ol>
27 22	<ol style="list-style-type: none"><li>1. Target includes clients in the Consumer, Private and Business Banking segment</li></ol>



# Selected technical and abbreviated terms

Term	Definition
<b>Affluent activities</b>	Personal banking services offered to affluent and emerging affluent customers
<b>ADR</b>	Advances-to-Deposits ratio
<b>AIBL</b>	Average interest-bearing liabilities
<b>AIEA</b>	Average interest-earning assets
<b>AIU</b>	Assets Under Influence
<b>bps</b>	Basis points
<b>CASA</b>	Client current accounts and savings accounts
<b>ccy</b>	A performance measure on a constant currency basis is presented such that comparative periods are adjusted for the current year's functional currency rate
<b>CCIB</b>	The Group's Corporate, Commercial & Institutional Banking client segment
<b>CET1</b>	Common Equity Tier 1 capital, a measure of CET1 capital as a percentage of RWA
<b>CG12</b>	Credit Grade 12 accounts. Credit grades are indicators of likelihood of default. Credit grades 1 to 12 are assigned to performing customers, while credit grades 13 and 14 are assigned to non-performing or defaulted customers
<b>CIR</b>	Cost-to-Income ratio
<b>C&amp;O</b>	Central & Others segments
<b>CPBB</b>	The Group's Consumer, Private & Business Banking client segment
<b>CRE</b>	Commercial Real Estate
<b>DPD</b>	Days-Past-Due: one or more days that interest and/or principal payments are overdue based on the contractual terms
<b>DVA</b>	Debit Valuation Adjustment: the Group calculates DVA on its derivative liabilities to reflect changes in its own credit standing
<b>EA (NPP) / Early Alerts</b>	Early Alerts: a non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring or attention by management
<b>EM</b>	Emerging Markets
<b>FI</b>	Financial Institutions, e.g. banks, insurance companies, funds, brokers
<b>FM</b>	The Group's Financial Markets business
<b>IRoRWA</b>	Annualised income return on risk weighted assets
<b>L&amp;A</b>	Loans & Advances to customers
<b>LCR</b>	Liquidity Coverage Ratio

Term	Definition
<b>Loan-loss rate (LLR)</b>	Total credit impairment for loans and advances to customers over average loans and advances to customers
<b>MREL</b>	Minimum requirement for own funds and eligible liabilities
<b>n.a.</b>	Not applicable
<b>Network activities</b>	Corporate and institutional banking services offered to clients utilising the Group's unique network in 59 markets across Asia, Africa and the Middle East
<b>Net nominal</b>	Net Nominal is the aggregate of loans and advances to customers/loans and advances to banks after impairment provisions, restricted balances with central banks, derivatives (net of master netting agreements), investment debt and equity securities, and letters of credit and guarantees
<b>NFI</b>	Non-Funded Income
<b>NII</b>	Net Interest Income
<b>NIM</b>	Net Interest Margin: net interest income adjusted for interest expense incurred on amortised cost liabilities used to fund the Financial Markets business, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss
<b>Nm</b>	Not meaningful
<b>NTB</b>	New to bank clients
<b>PBT</b>	Underlying profit before tax
<b>PPOP</b>	Pre-Provision Operating Profit: income net of expenses but before impairments
<b>PRP</b>	Performance related pay
<b>P&amp;L</b>	Profit and loss statement
<b>QoQ</b>	Quarter-on-Quarter change
<b>RoTE</b>	Return on Tangible Equity: the ratio of the current year's profit available for distribution to ordinary shareholders to the weighted average tangible equity, being ordinary shareholders' equity less the average goodwill and intangible assets for the reporting period. Where target RoTE is stated, this is based on profit and equity expectations for future periods
<b>RWA</b>	Risk-Weighted Assets are a measure of the Group's assets adjusted for their associated risks
<b>tn</b>	Trillion
<b>WM</b>	The Group's Wealth Management business
<b>YoY</b>	Year-on-Year change
<b>YTD</b>	Year-to-date
<b>%pt</b>	Percentage point



## Important Notice

This document contains or incorporates by reference “forward-looking statements” regarding the belief or current expectations of Standard Chartered PLC (the “Company”), the board of the Company (the “Directors”) and other members of its senior management about the strategy, businesses and performance of the Company and its subsidiaries (the “Group”) and the other matters described in this document. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions are intended to identify forward-looking statements.

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