

Investor trip 2012

Group Day

Leading the way
in Asia, Africa and the Middle East



Investor trip 2012

Capital and Liquidity

Leading the way
in Asia, Africa and the Middle East



Leading the way

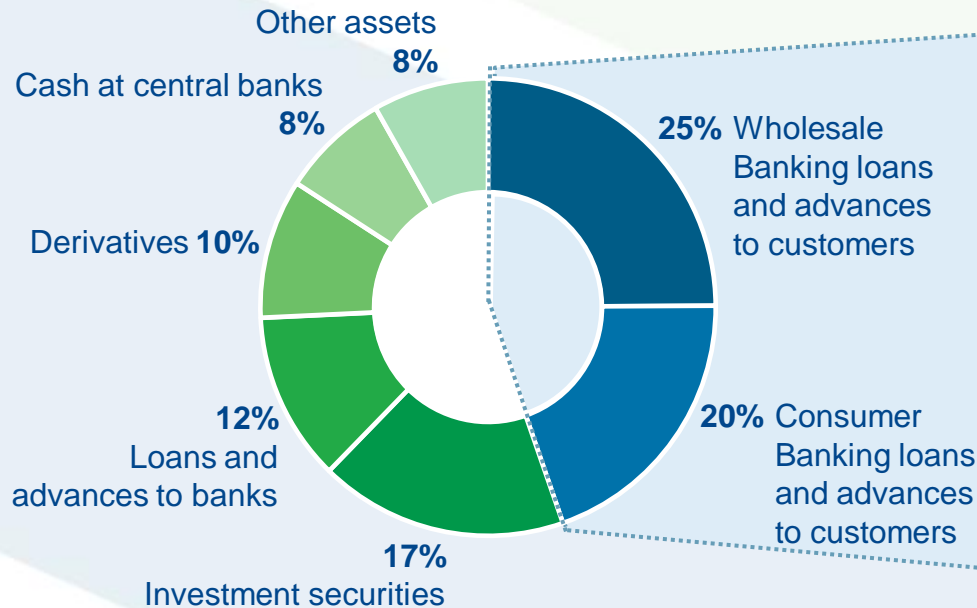
in Asia, Africa and the Middle East

Pam Walkden
Group Treasurer

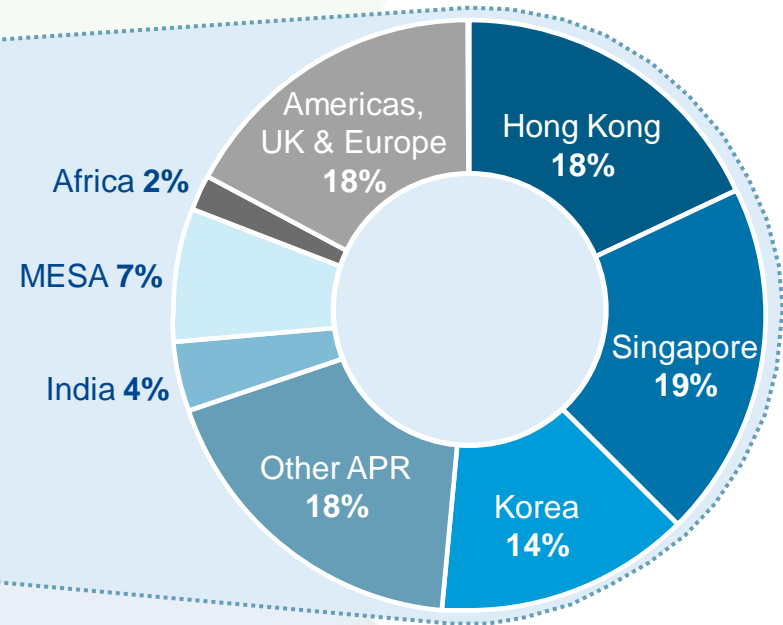
- We have a diverse balance sheet, both in assets and liabilities
- Our capital base is strong
- We are highly liquid
- Our balance sheet is a key differentiator
- We are well placed to deal with today's regulatory challenges

We have a diversified and conservative balance sheet

Total assets US\$624bn¹



Loans and advances to customers distribution US\$279bn¹



¹ As at 30 June 2012

Basics of banking

Capital

Liquidity / funding

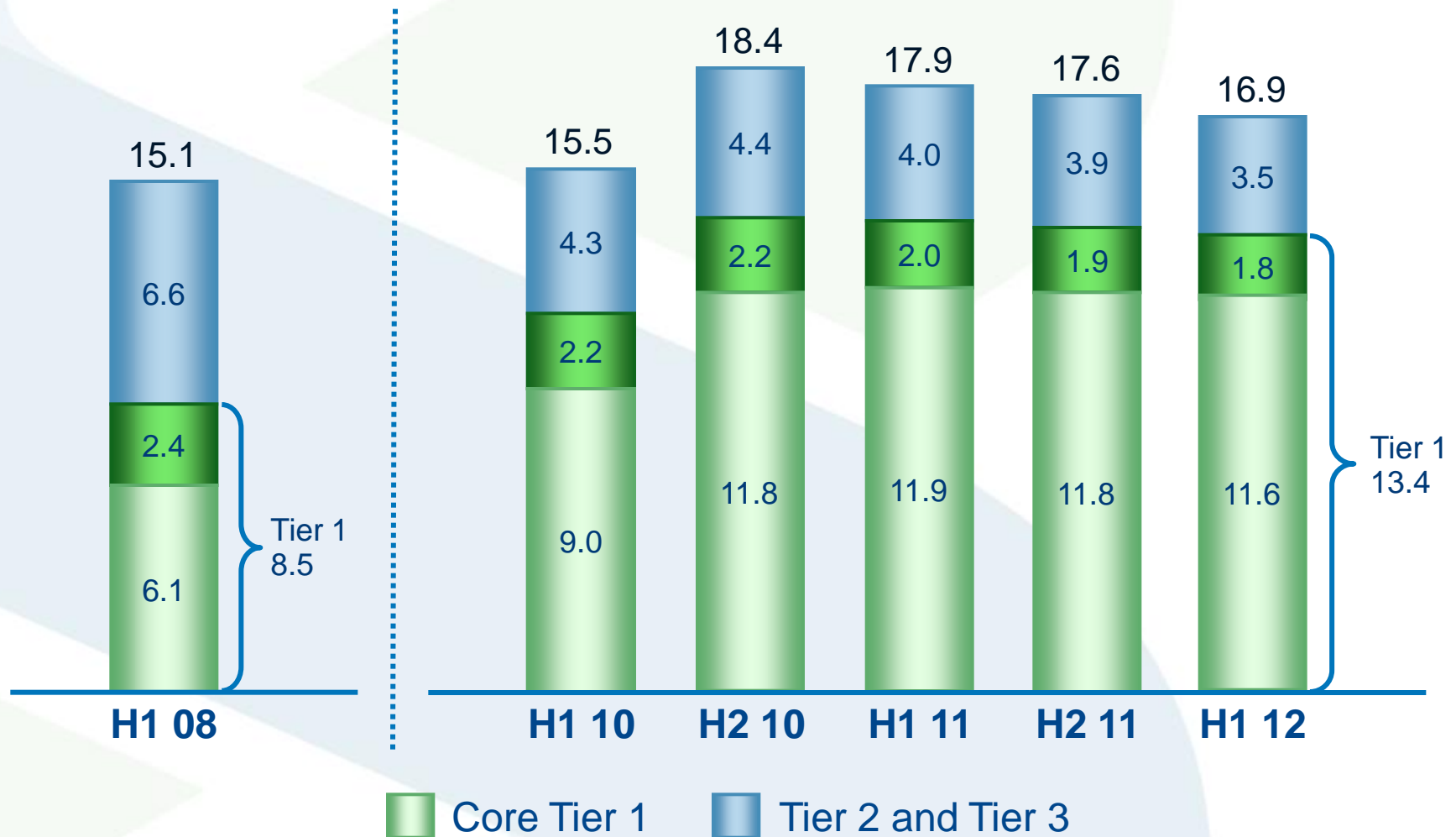
**Risk
management**

Costs

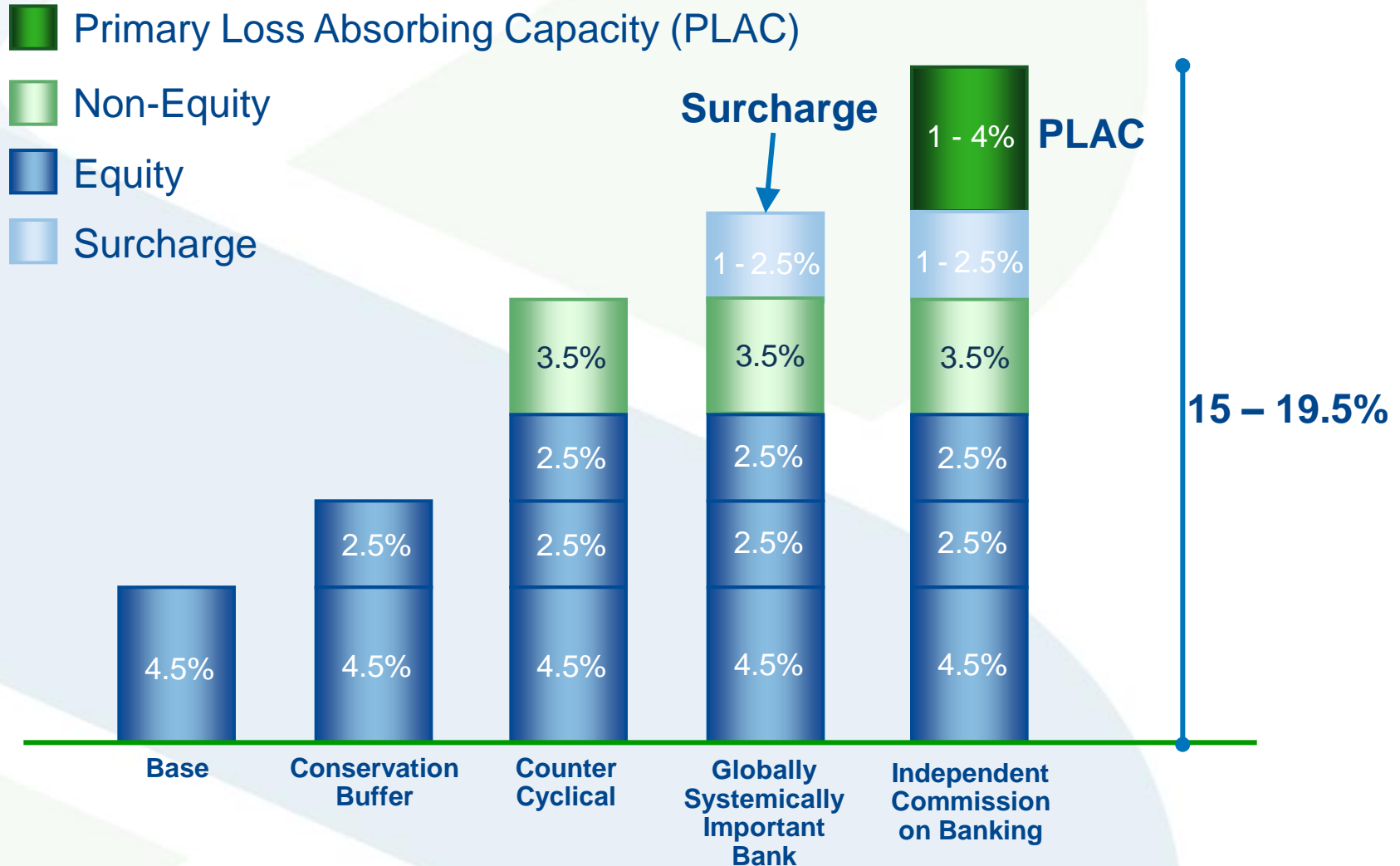
How the committee structure works



Capital ratios (%)



A challenging regulatory environment



- Bail-in debt should be a **resolution** tool, not a recovery action
- We favour a **retrospective statutory** overlay to existing debt - contractual bail in will require re-issuing debt and market uncertainty
- We have **no intention** to issue contingent capital
- If a retrospective statutory regime is implemented, we currently expect that **Group would not need to issue any new debt** to meet bail-in requirements

■ Capital allocation

- Geographies should initially meet an internal hurdle rate when applying for capital
- Geographies with returns under this rate must justify any application for capital e.g. strategic importance
- Capital allocations are decided by the Capital Management Committee, with appeal to the Group Asset and Liability Committee

■ Hurdle rates

- In order to (1) maintain/grow the Core Tier 1 ratio (2) fund risk weighted asset growth and (3) fund the Group dividend, a Group average profit after tax return on risk weighted assets must be achieved
- The internal hurdle rate is based on the Group average return on risk weighted assets of circa 2%

Basics of banking

Capital

Liquidity

- Strong advances to deposits (A/D) ratio consistently sub 100%
- Consistently strong liquid asset ratio
- Balance sheet built on the right type of deposits
- Focus on management through the geographic lens

Risk
management

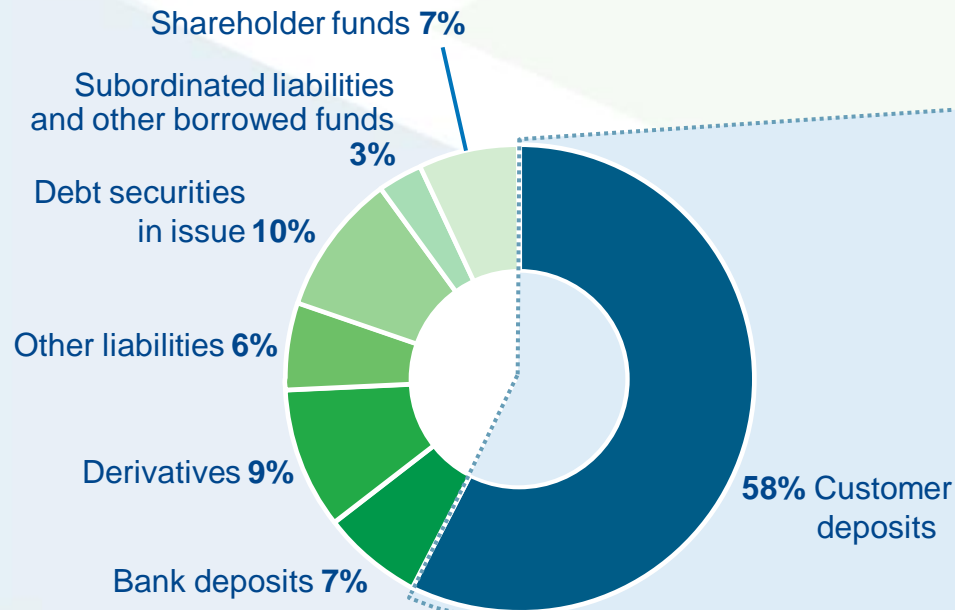
Costs

- Fund before you lend
- Self-sufficiency
- Diversity

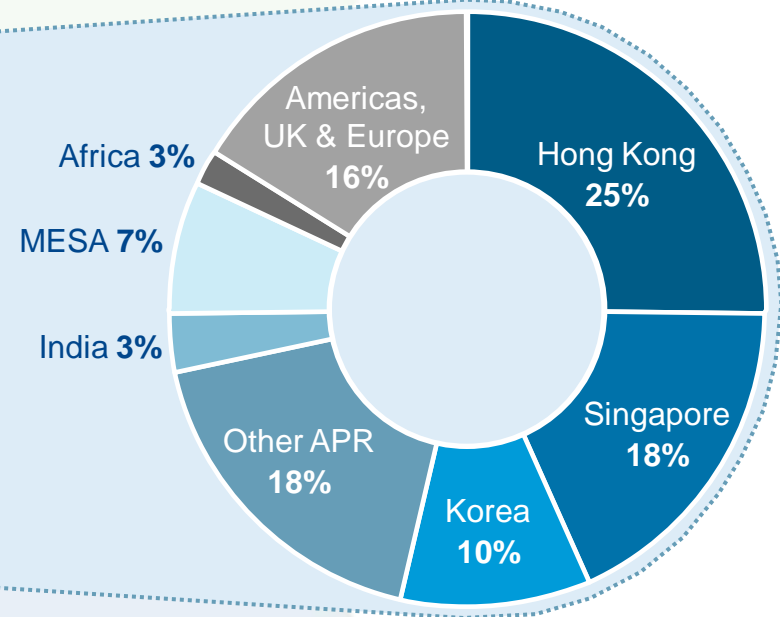
Strong and diverse funding base...



Total liabilities US\$624bn*



Customer deposits US\$360bn*



- **Maximum cumulative outflow:**

The amount of net cash inflow/ outflow from all on-balance sheet and off-balance sheet items under normal conditions over the next 30 calendar days. Normal conditions mean BAU customer behaviour for withdrawal and repayment of assets / liabilities

- **Wholesale borrowing limit:**

A limit governing the amount which the Treasury operation can raise in the Wholesale / Inter-bank market, including intra-group and custodial funds. Typical to cover short term liquidity

- **Swapped funds:**

Non-domestic funds swapped into local currency

- **Stress testing and contingency planning:**

8-day calendar name-specific stress run in each country on a daily basis

- **A/D ratio:**

Corporate and retail loans as a % of the Corporate and retail deposits

- **Commitments guidelines:**

Amount of customer undrawn committed facilities

- **Medium term funding ratio:**

Ratio of liabilities with maturity over 1 year to assets with maturity over 1 year

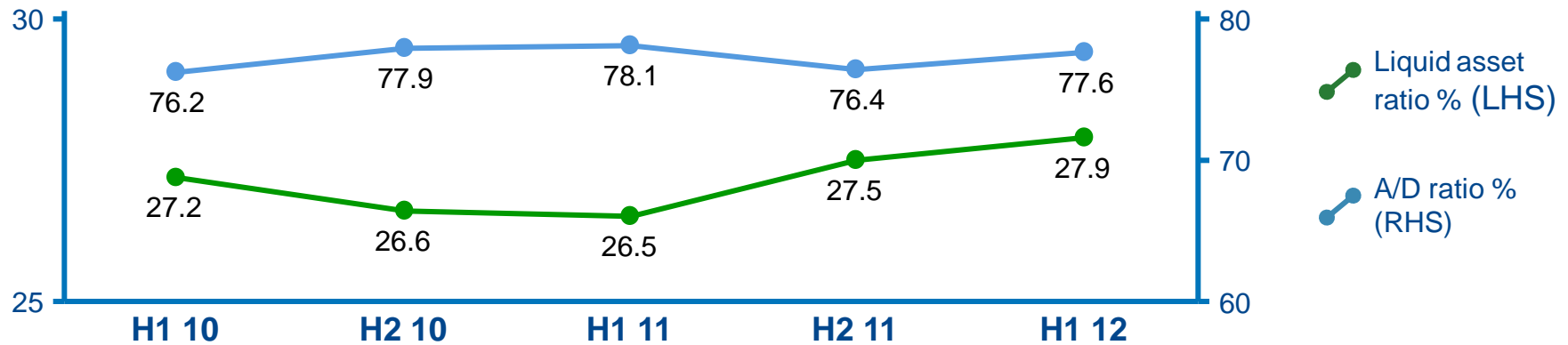


Tactical

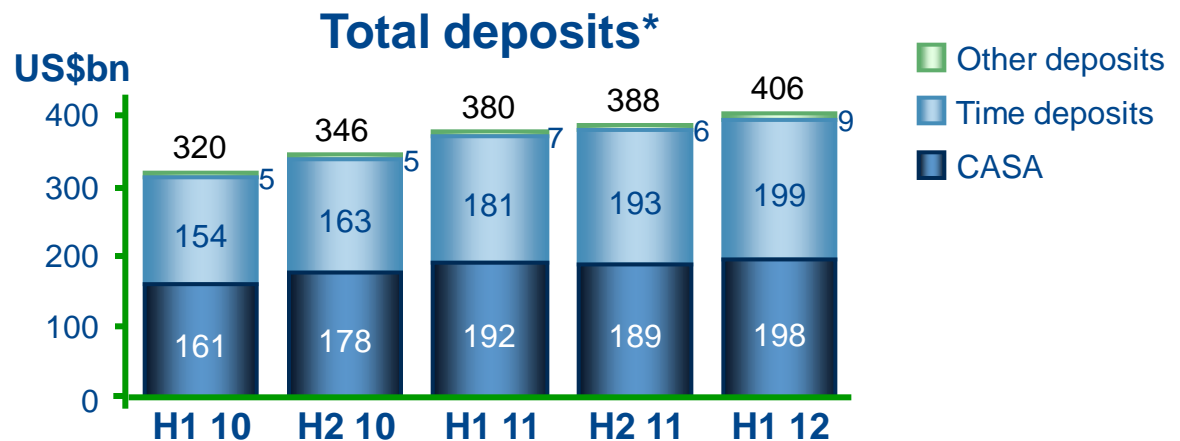


Strategic

Strong liquidity position and a low customer asset to deposit ratio have been maintained



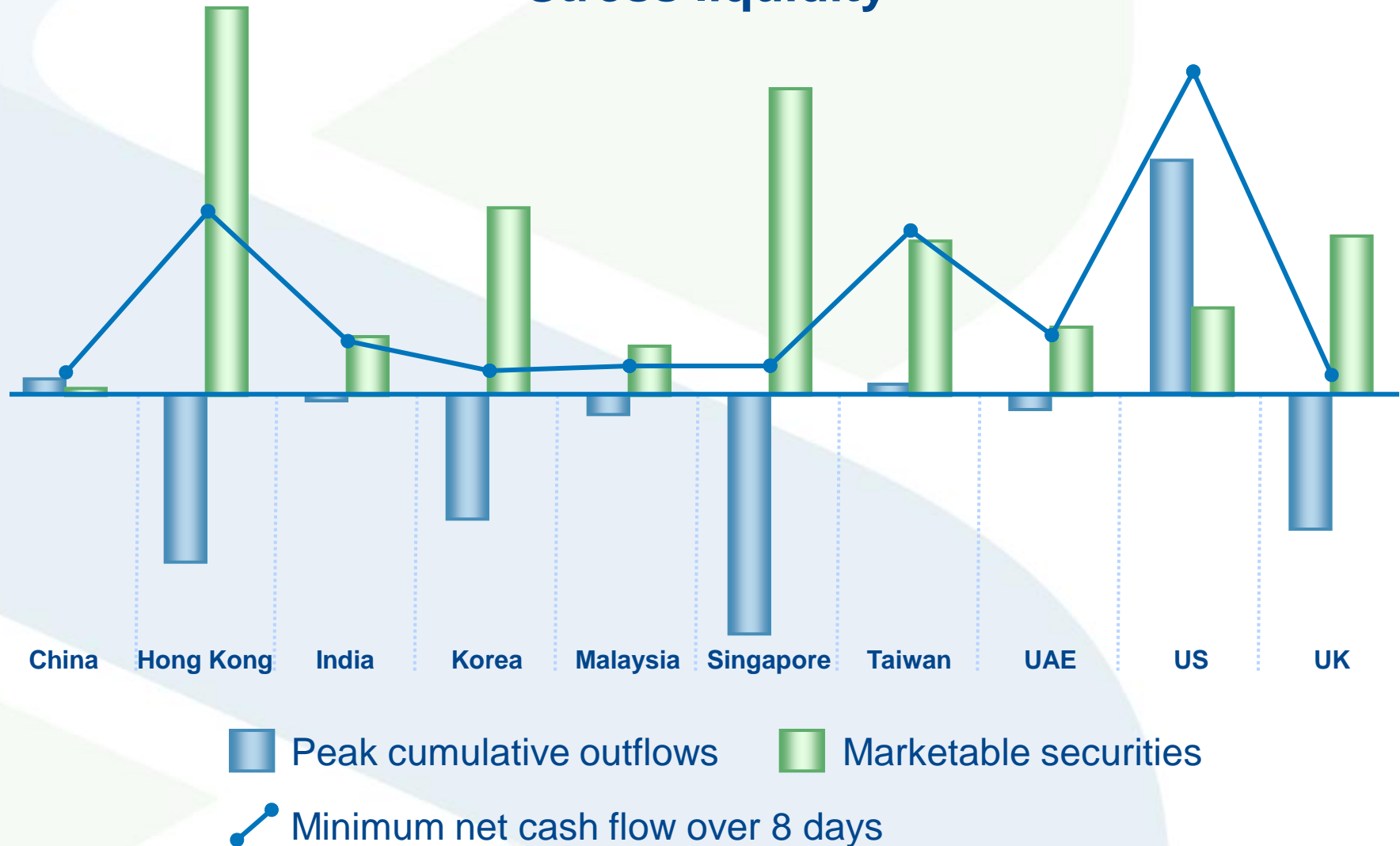
Current and Savings Accounts (CASA) are an important part of the Group's total deposit base



* Total deposits includes deposits by banks

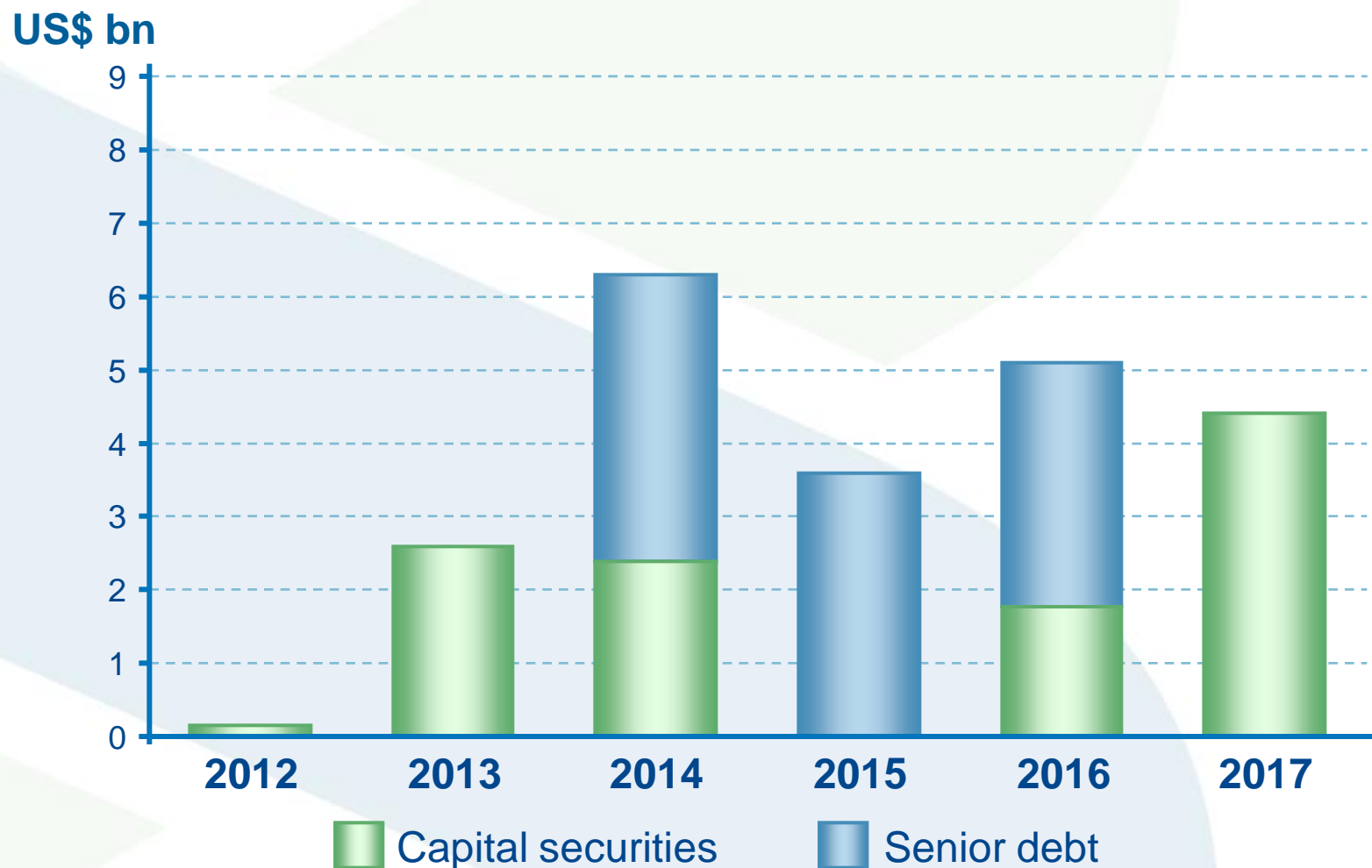
Strong through the geographic lens too

Stress liquidity*



*As at 28 September 2012

Maturity profile of senior debt and capital securities



Notes: * Capital refinancing has been modeled based on first call date

- Standard Chartered is supportive of the concept and general approach
- We have worked very closely with host and home regulators to develop a recovery and resolution plan that is consistent with our “One Bank” business model
- All 6 modules have been approved by the board of Standard Chartered PLC and submitted to the FSA
 - Executive summary
 - Recovery plan
 - Group structure and key legal entity information
 - UK Economic Function Identification Matrix
 - UK Critical Function Contingency Analysis
 - Plans to overcome barriers to satisfactory resolution

- Conservative and diversified balance sheet gives us our strength
- Our balance sheet remains a key differentiator
 - Diversified assets and liabilities
 - Conservative capital and liquidity management
- Capital and liquidity strength places us well for the future...

Investor trip 2012

Risk

Leading the way
in Asia, Africa and the Middle East



Leading the way

in Asia, Africa and the Middle East

Richard Goulding
Group Chief Risk Officer

- The Group continues to be well diversified across
 - Products and customer segments
 - Geographies
 - Industries
- Emerging trends and concentrations are regularly discussed and escalated to appropriate committees
- We continue to maintain a diligent approach to risk management and control

Maintaining resilience

- Diversified portfolio
- Diligent approach to risk management
- Long term trends

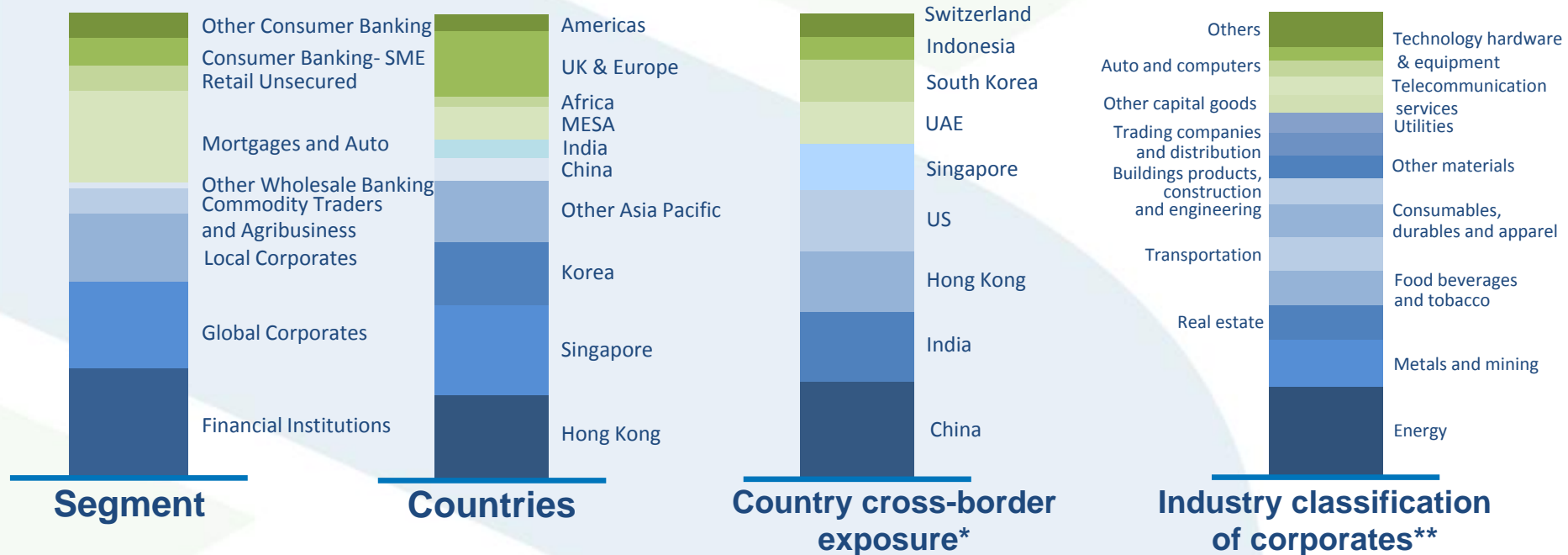
Prevailing external challenges

- Weakening global growth
- China economic slowdown
- India policy paralysis
- Global deleveraging
- European sovereign crisis
- Middle East and North Africa political transformation
- South Africa mining exposure
- Korea Personal Debt Rehabilitation Scheme

Maintaining resilience

Diversified portfolio

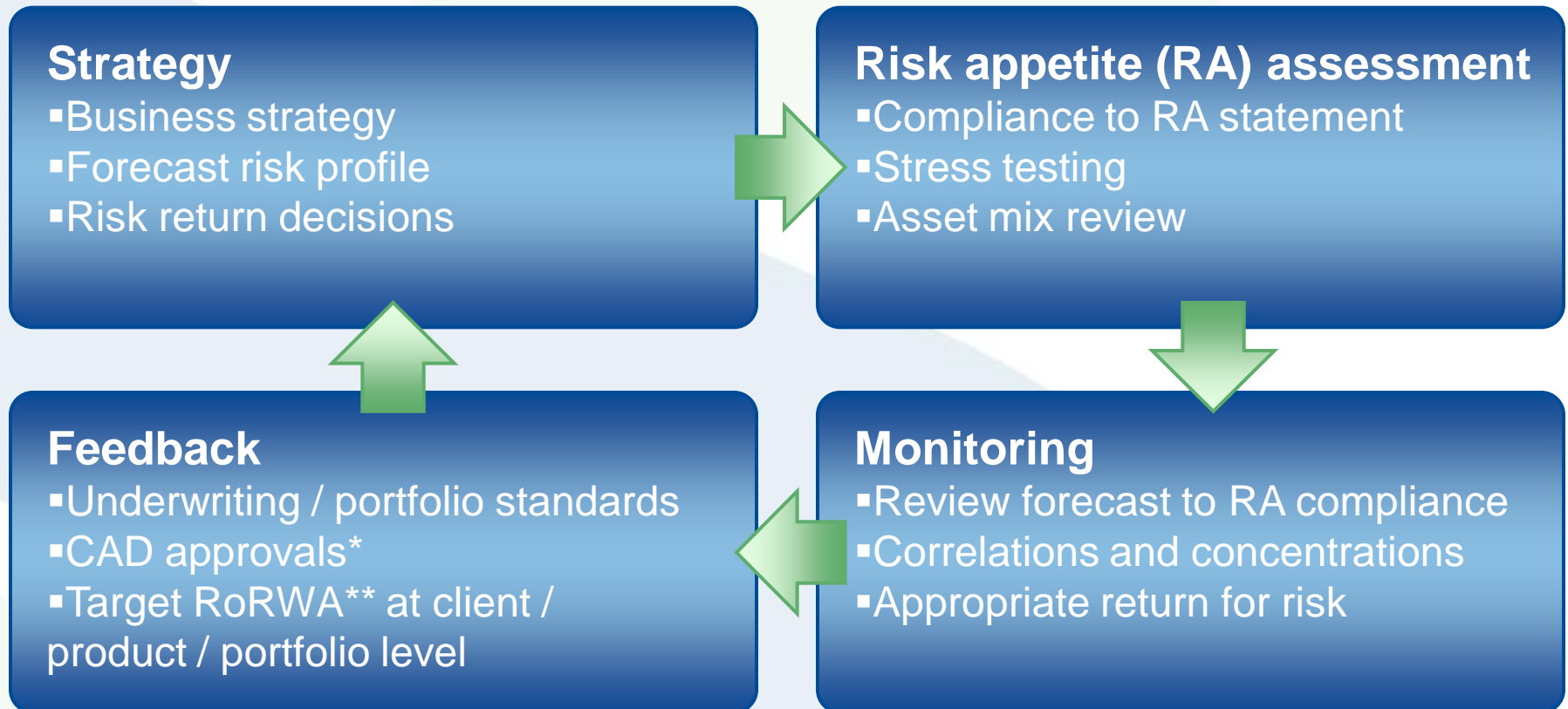
- Group exposures are highly diversified across customer segments, geographies and industries
- 70 countries; 26,000 Wholesale Banking clients; over 13m Consumer Banking customers, of which 500,000 SME clients
- 63% of Wholesale Banking loans and advances to customers have tenor less than 1 year, including high quality ALM (Sovereign and investment grade Financial Institutions) and Trade Finance



Note: As at June 2012

*Countries with cross-border outstanding where they exceed 1% of total assets; ** Industry classification of corporates - based on exposure at default

- Strong governance framework led by the Board
- Risk appetite reviewed alongside strategy



* CAD - Credit Approval Document ** RoRWA - Return on risk weighted assets

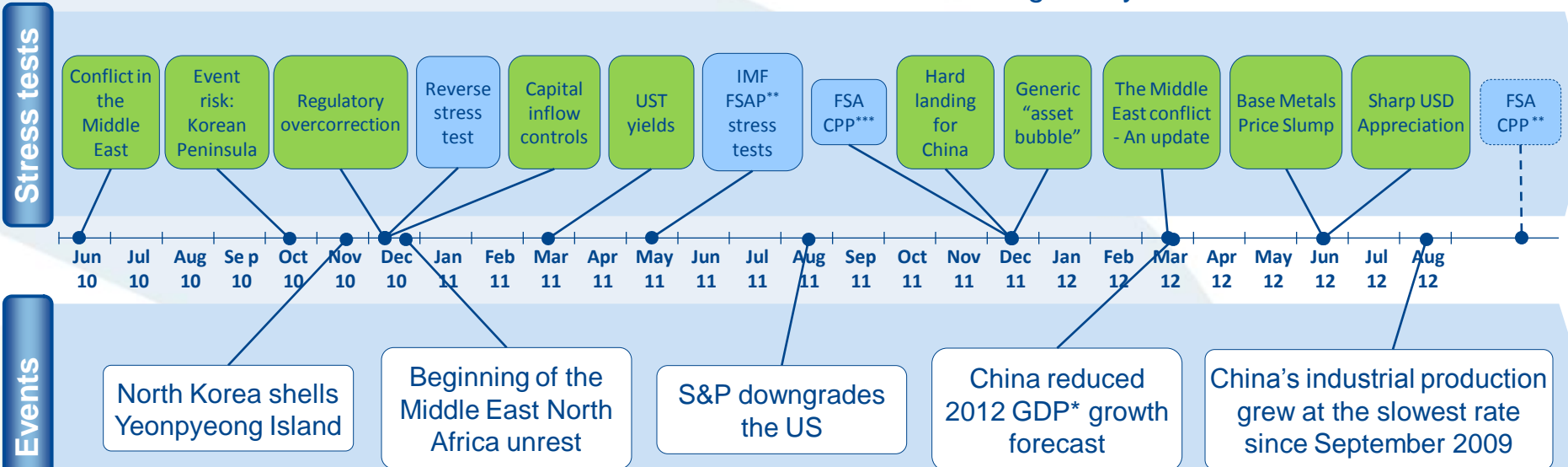
■ Proactive approach to risk

- Continuous assessment of DEFCON status
- Thematic analysis, stress tests and monitoring of markets for early signs of macro-economic shifts
- Tightening of portfolio / underwriting standards and governance where necessary

Stress tests conducted at Group portfolio level

Standard Chartered initiated stress tests

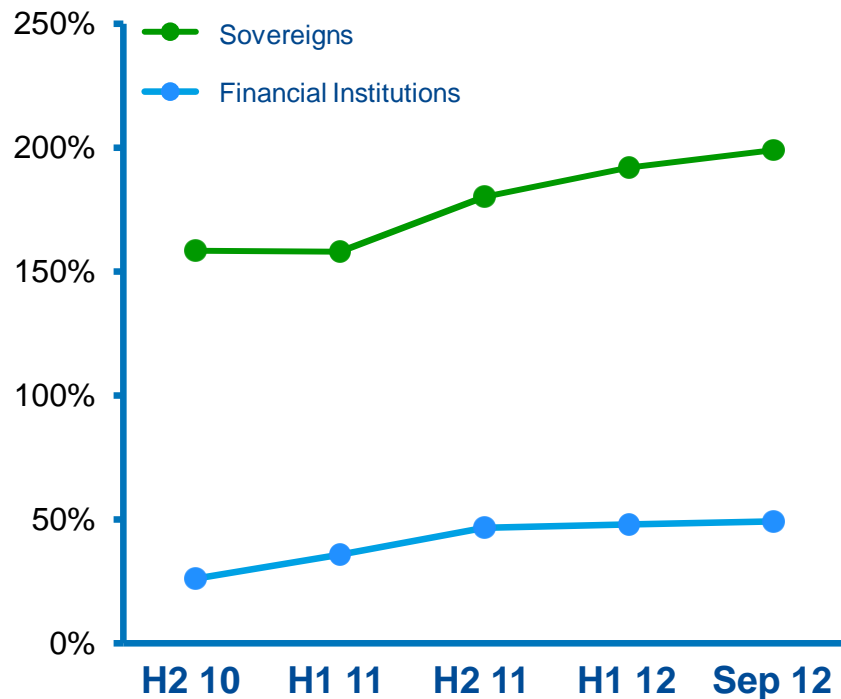
Regulatory stress tests



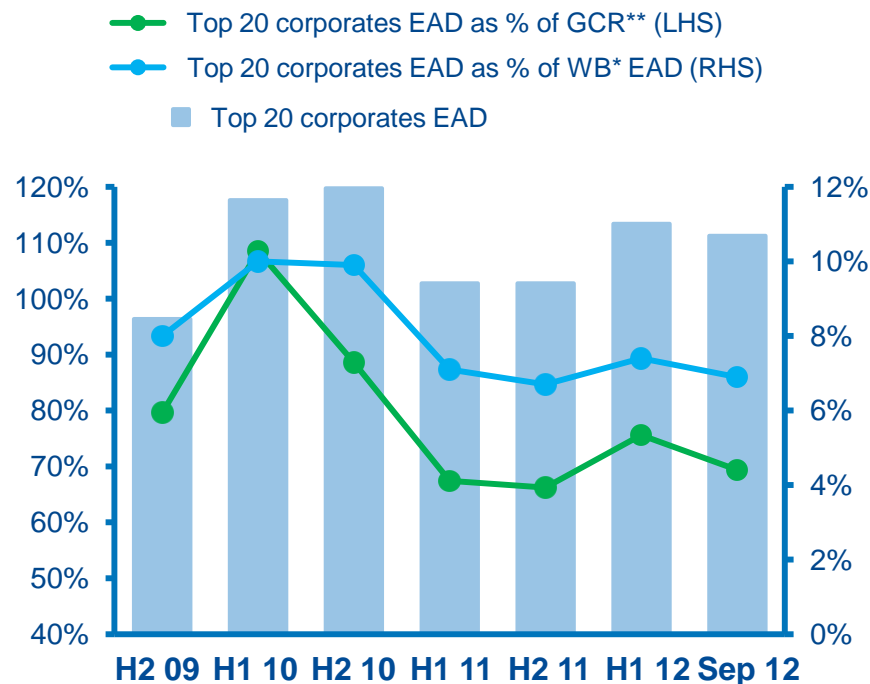
* GDP – Gross Domestic Product; **FSAP – The Financial Sector Assessment Program; ***CPP – Core Prudential Programme

- Concentration management supports portfolio diversification
- Lower concentration of exposure in large corporates

Cluster ratio with net EAD >10% of GCR**



Top 20 corporate exposures



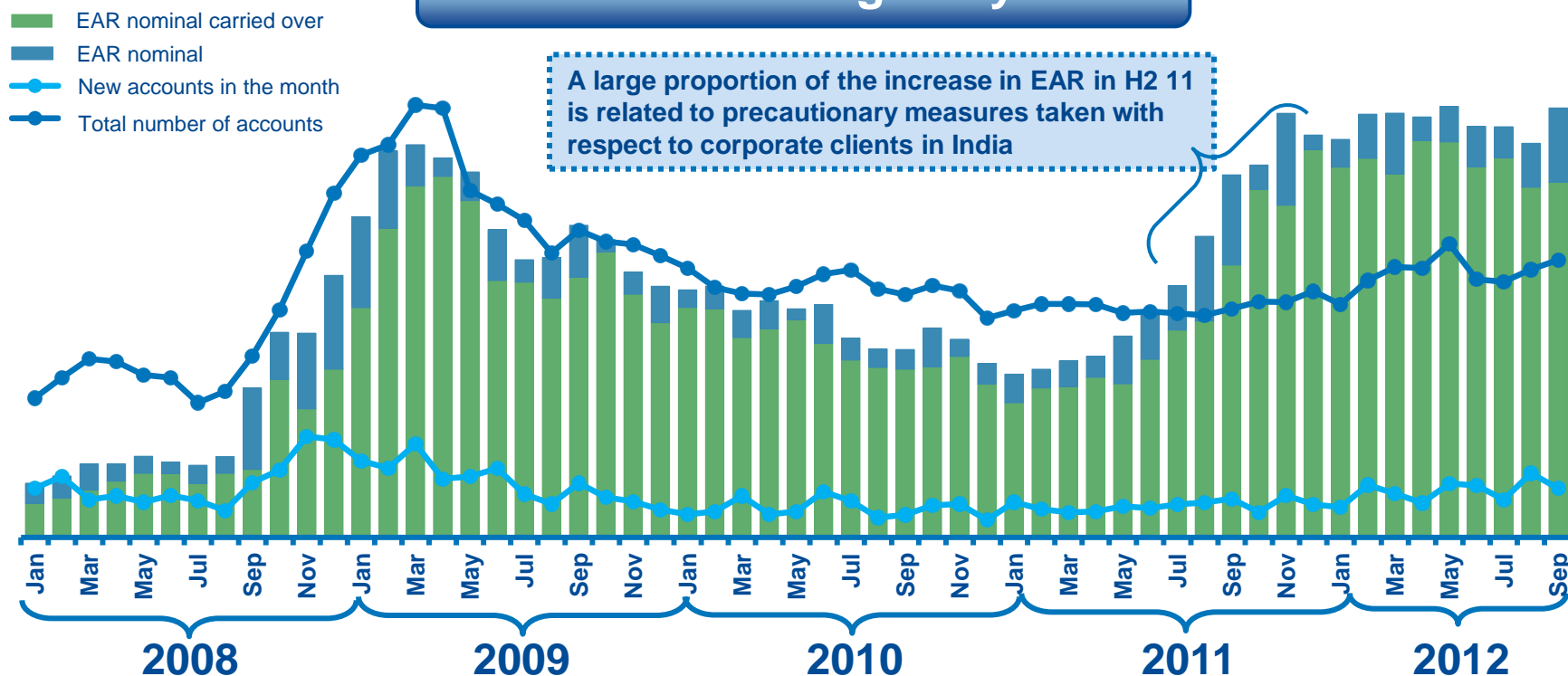
*WB – Wholesale Banking ; ** GCR – Group Capital Ratio

- Big ticket underwriting client focused
 - Existing clients
 - Resilient business models
 - Relationship deepening with aim of developing high value added ancillary business
 - Event driven financing of client's life cycle
- Underwriting decision driven by credit appetite for the individual client
- Credit assessment independent of underwriting decision
- Underwrite only what we are comfortable to hold to maturity if necessary
- Underwriting positions and aggregate stick positions controlled through limits

Long term trends - Wholesale Banking Early Alerts (EAR)

- Movement to EAR based on potential weakness or in response to certain event triggers
- H1 12 EAR comprised mainly of a small number of large client groups in India and the Americas, UK & Europe

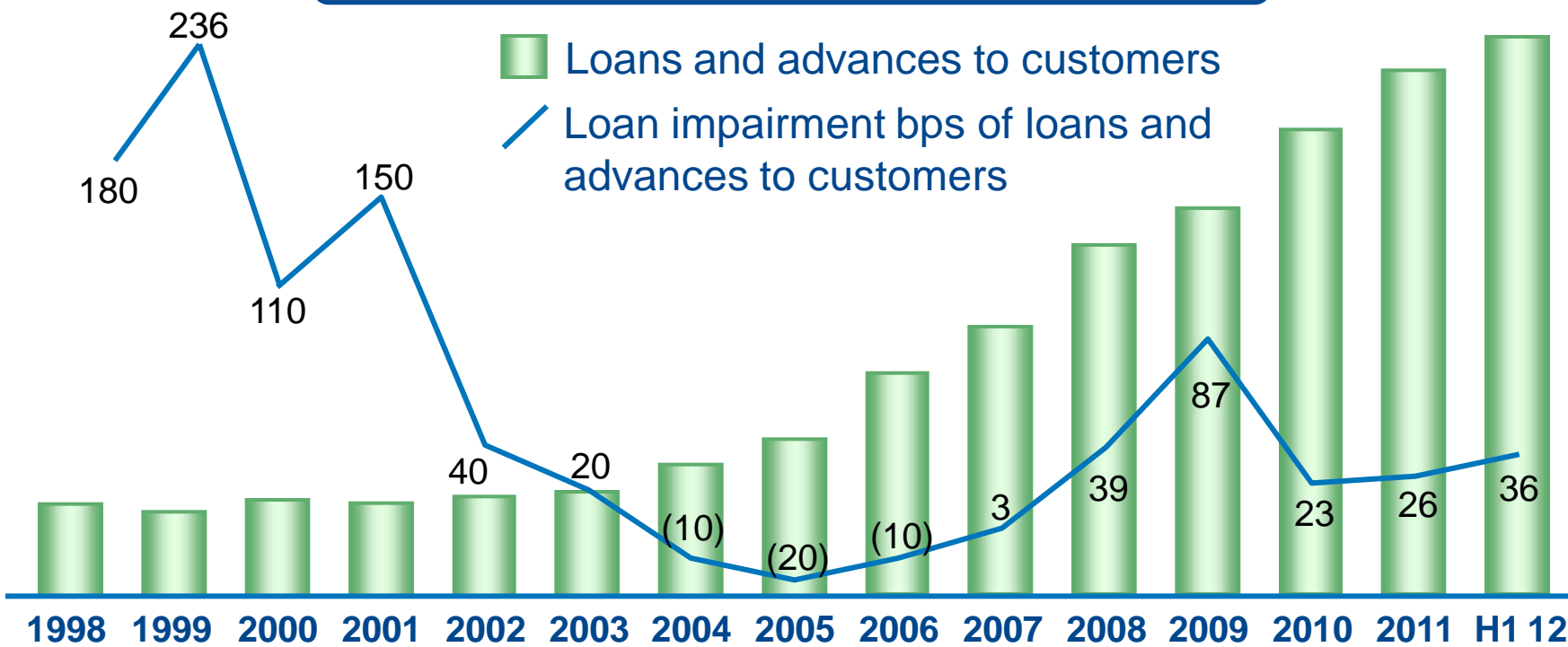
Wholesale Banking Early Alerts



Long term trends - Wholesale Banking loan impairment

- Wholesale Banking loan impairment levels increased in H1 12, however remain significantly lower than the peaks in 1999 and 2009

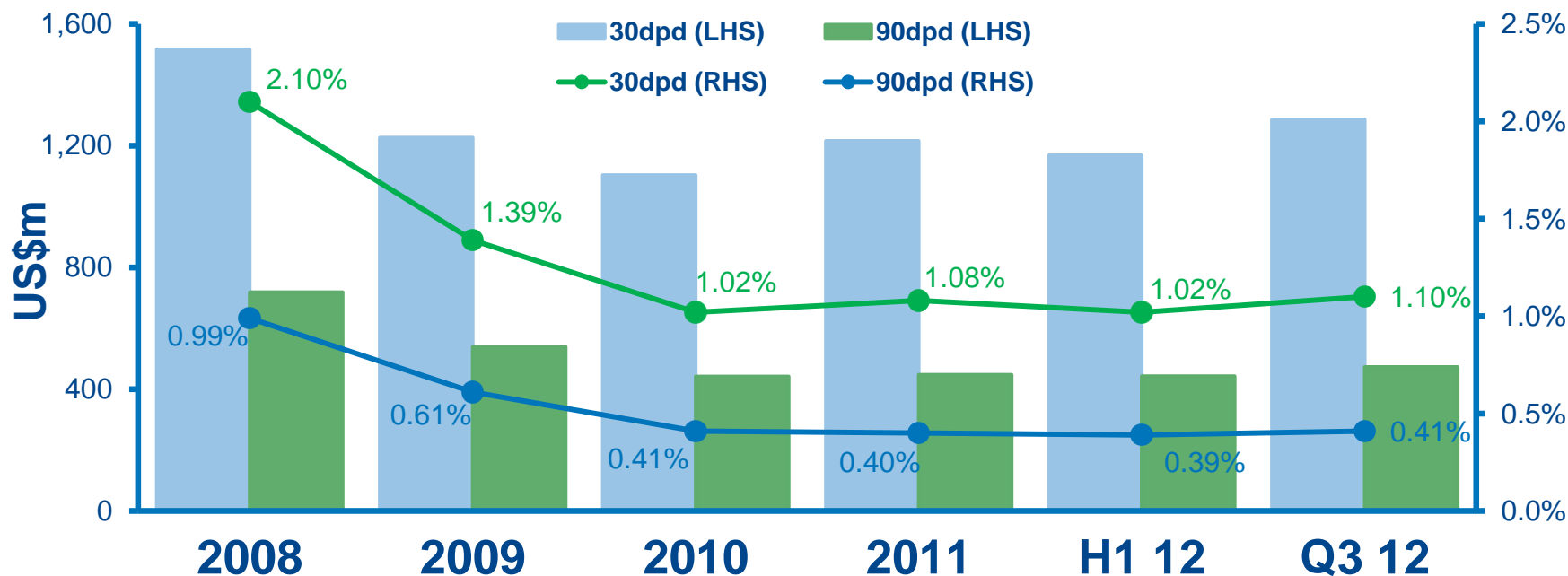
Wholesale Banking loan impairment



Long term trends - Consumer Banking portfolio quality

- Consumer Banking credit quality remains strong and stable
- Risk mitigation actions include
 - Tightening underwriting standards
 - Increasing early collection intervention
 - Upgrading analytical tools

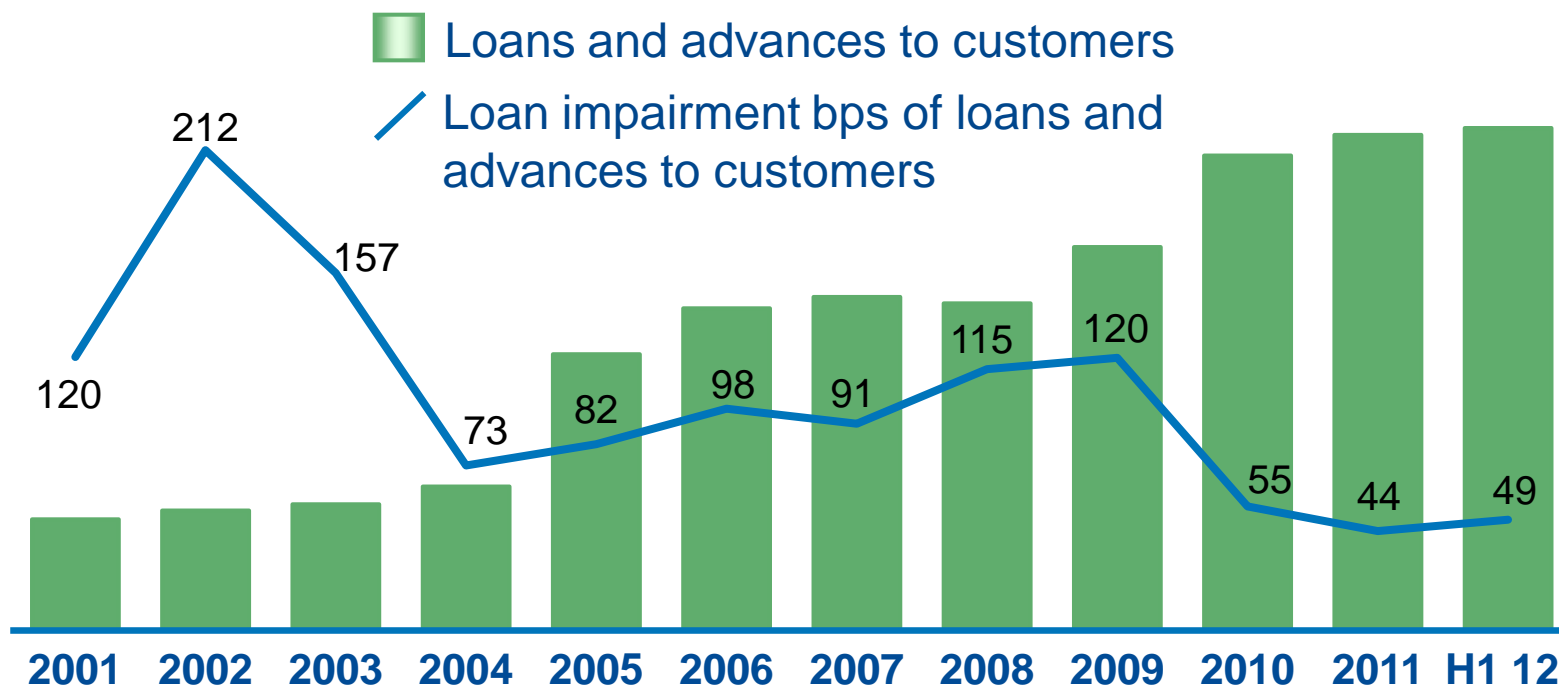
30dpd and 90dpd delinquencies



Long term trends - Consumer Banking loan impairment

- Consumer Banking loan impairment increased after exiting a cycle low in H1 11, however remains at a low level
- Pockets of localised pressure in a few markets in our footprint

Consumer Banking loan impairment

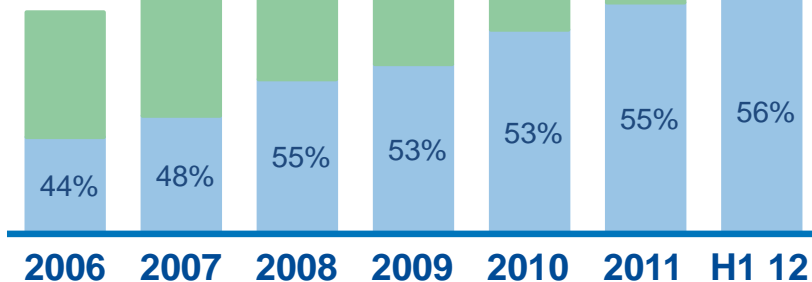


Long term trends - portfolio mix

- Gradual shift to Wholesale Banking business, but overall shape of portfolio has remained stable in recent years
- Consumer Banking growth from footprint countries and strategic acquisitions
- Wholesale Banking growth in Trade Finance and Corporate Finance
- Wholesale Banking portfolio less concentrated to Corporates

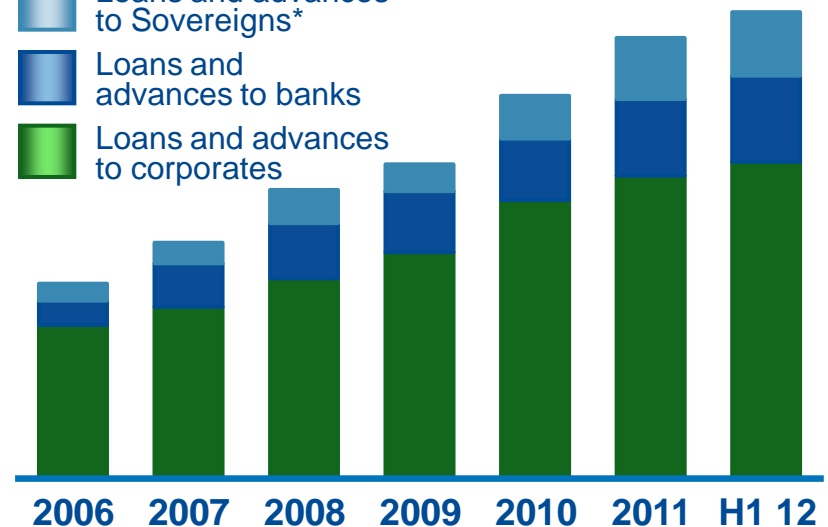
Loans and advances to customers

- Wholesale Banking loans and advances to customers
- Consumer Banking loans and advances to customers



Wholesale Banking client mix

- Loans and advances to Sovereigns*
- Loans and advances to banks
- Loans and advances to corporates

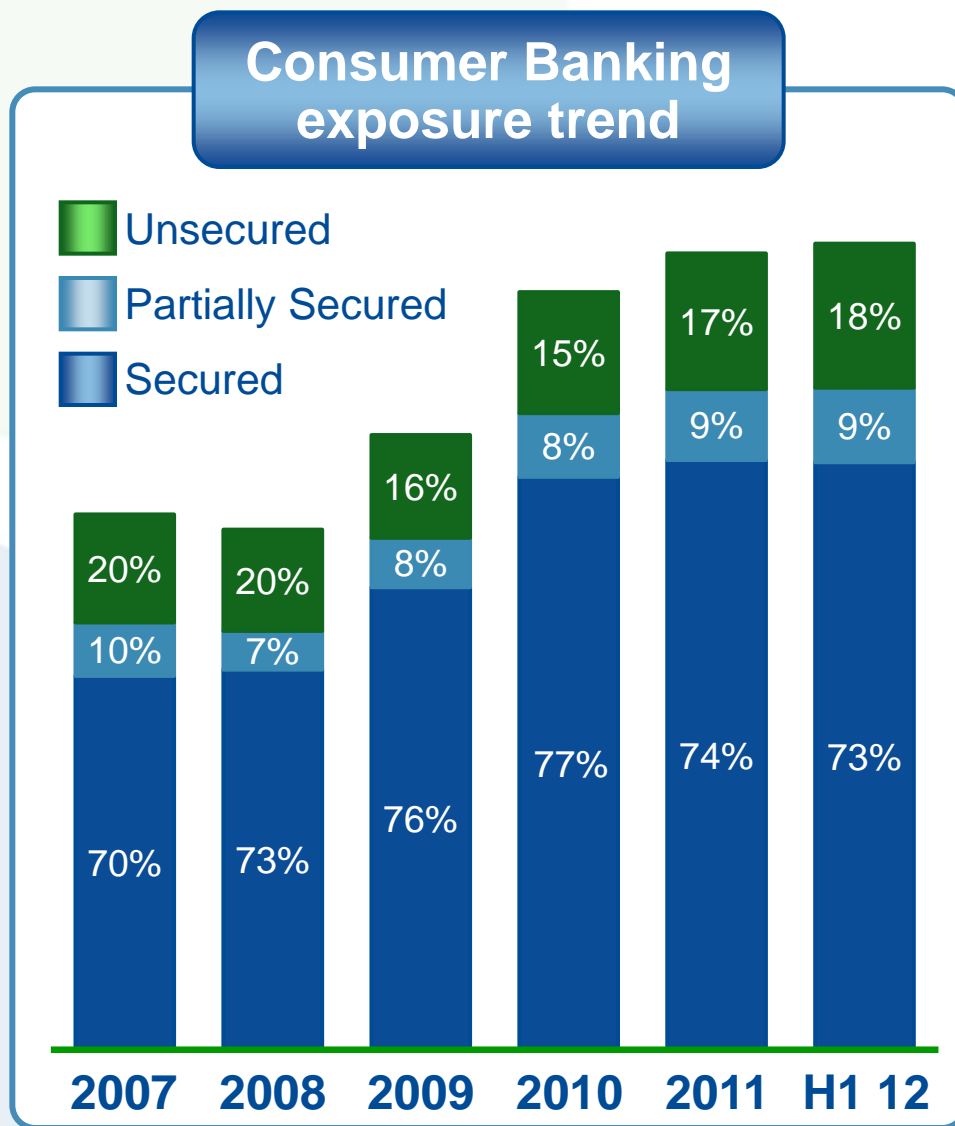


Note: Calculation excludes portfolio impairment provisions

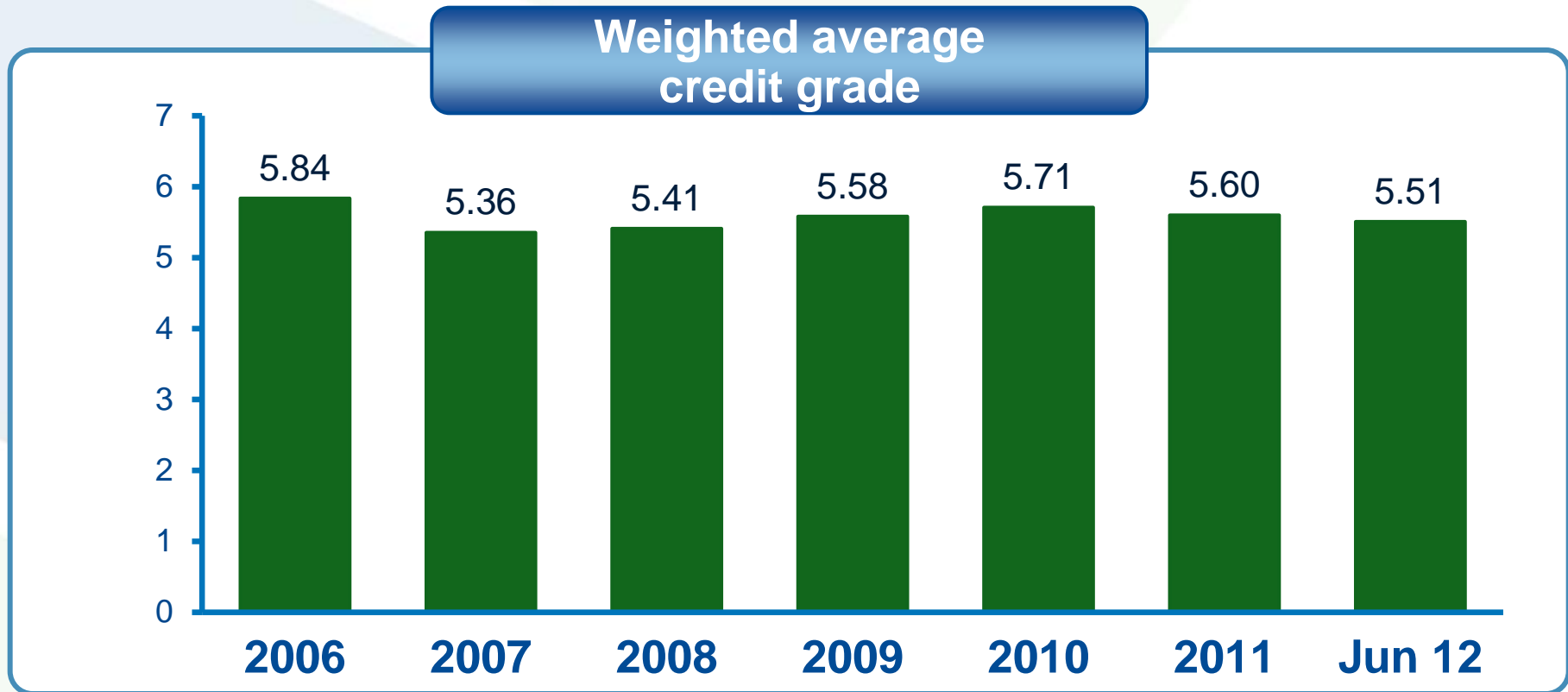
* Loans and advances to Sovereigns includes cash and balances at central banks

Long term trends - Consumer Banking unsecured lending

- Unsecured proportion of Consumer Banking nominal is 18%, lower than the levels in 2008 (20%)
- Our strategy is to grow unsecured products in select core markets with established credit bureaus
- Focus is on
 - Upgrading analytical tools
 - Deepening relationships through product bundling
 - Optimising diallers and collection intensive care units



- Average credit grade for the Group is stable
- Overall credit quality improved between December 2010 and June 2012, driven by placements with highly rated Banks and Financial Institutions

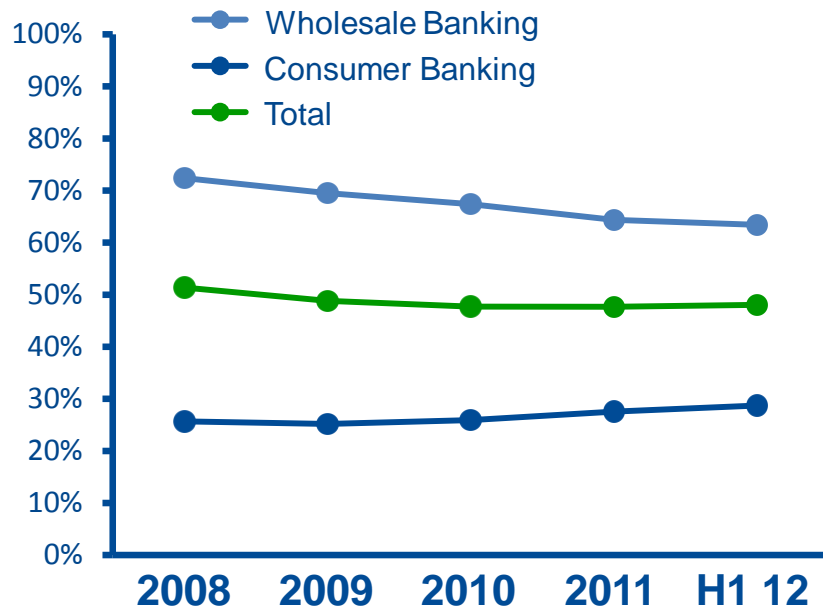


Note: Credit grades from 1-5 is equivalent to Moody's Corporate Grades AAA to BBB-, 6-8 is equivalent to BB+ to BB-, 9-11 is equivalent to B+ to B-, 12-14 is NA

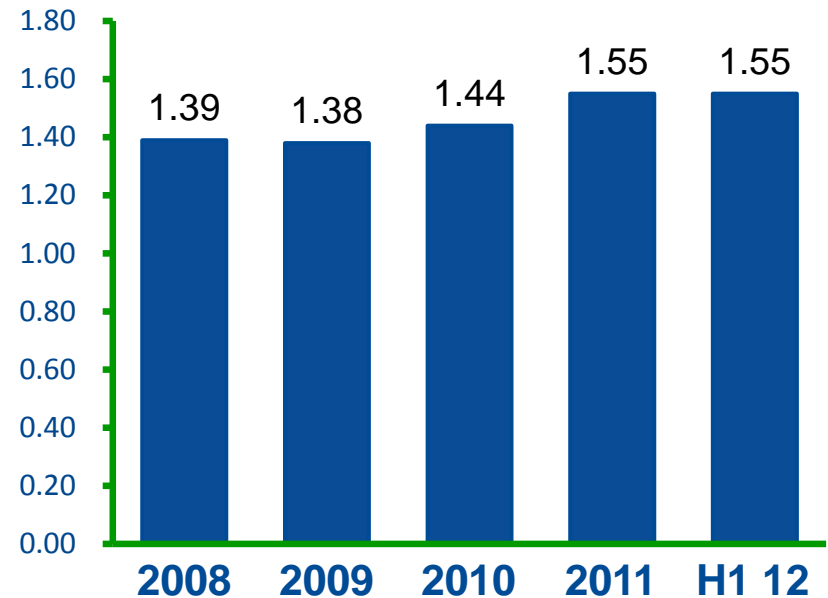
Long term trends - maturity profile

- 48% of Group loans and advances to customers mature in less than 1 year
- Increase in Wholesale Banking weighted average maturity driven by longer tenor Corporate Finance and Financial Markets transactions

Loans and advances to customers with maturity less than 1 year



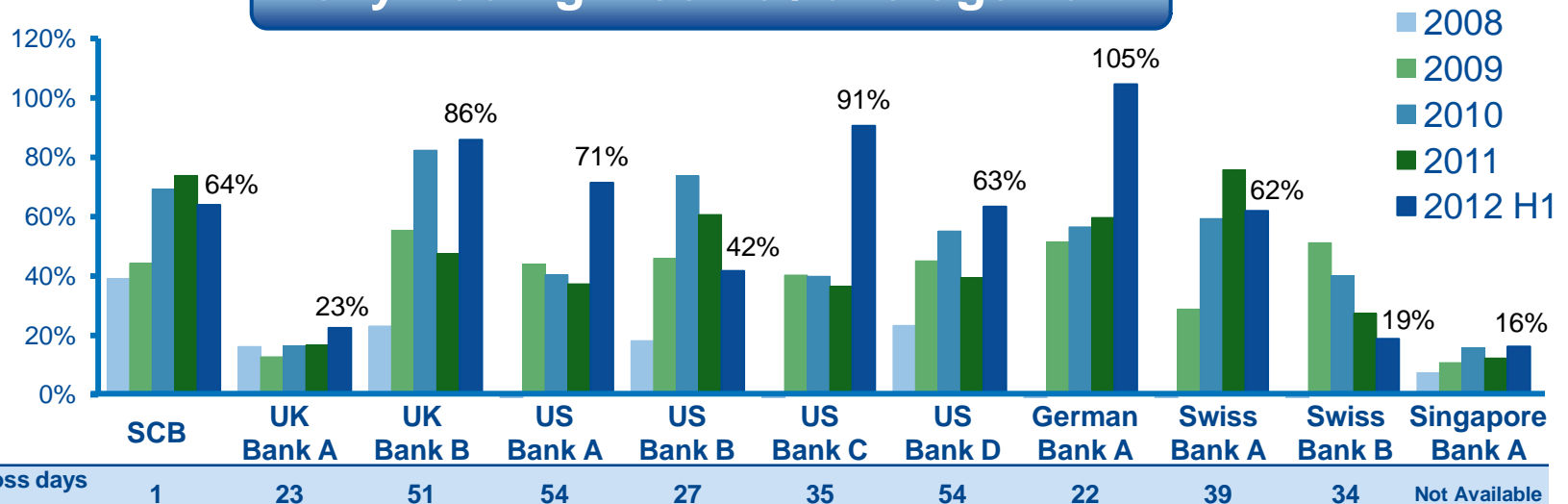
Wholesale Banking weighted average maturity



Long term trends - market risk

- No proprietary trading teams; majority of own account income derived from market making activities
- Daily trading income / average VaR* comparatively consistent over past 3 years
- In 2010 daily trading income / average VaR* increased due to sharp drop in average VaR* resulting from fall in volatility (after 2008 Lehmans crisis)

Daily trading income / average VaR*



* VaR – Value at risk

Prevailing external challenges

Prevailing external challenges



* MENA: Middle East and North Africa

Weakening global growth

- Impact assessment by regular stress tests
- Reviewed core portfolios
- Exposure capping, limit reduction, increased security, exit vulnerable accounts

China economic slowdown

- Portfolio is short tenor, driven by trade finance and ALM placements to high quality counterparties
- Reviewed China steel producers and anticipatory actions in solar sector

India policy paralysis

- Closely managing the India book
- Reduced exposure to telecom sector
- Working with key promoters to facilitate repayments

Global deleveraging

- Identified “at risk” clients
- Proactively addressed client refinancing risks over last 18 months
- Exposures with refinancing risk reduced by more than one third

European sovereign crisis

- Close monitoring continues
- No direct sovereign exposure to GIIPS*
- European scenario action group established
- Contingency plans to respond to scenarios

Middle East and North Africa (MENA) political transformation

- Actively monitoring the situation
- Expect some restructuring to continue
- Exposures in Bahrain, Syria, Egypt, Libya and Tunisia less than 0.5% of total assets

*GIIPS – Greece, Ireland, Italy, Portugal and Spain

South Africa mining exposure

- Maintaining close vigilance
- Exposure is less than 0.3% of Wholesale Banking loans and advances to customers

Korea Personal Debt Rehabilitation Scheme

- Tightened front end credit underwriting
- Identification and monitoring of high risk customers
- Increased early targeted intervention

- The Group continues to be well diversified across
 - Products and customer segments
 - Geographies
 - Industries
- Emerging trends and concentrations are regularly discussed and escalated to appropriate committees
- We continue to maintain a diligent approach to risk management and control

Investor trip 2012

Group Technology and
Operations

Leading the way
in Asia, Africa and the Middle East



Leading the way

in Asia, Africa and the Middle East

Jan Verplancke

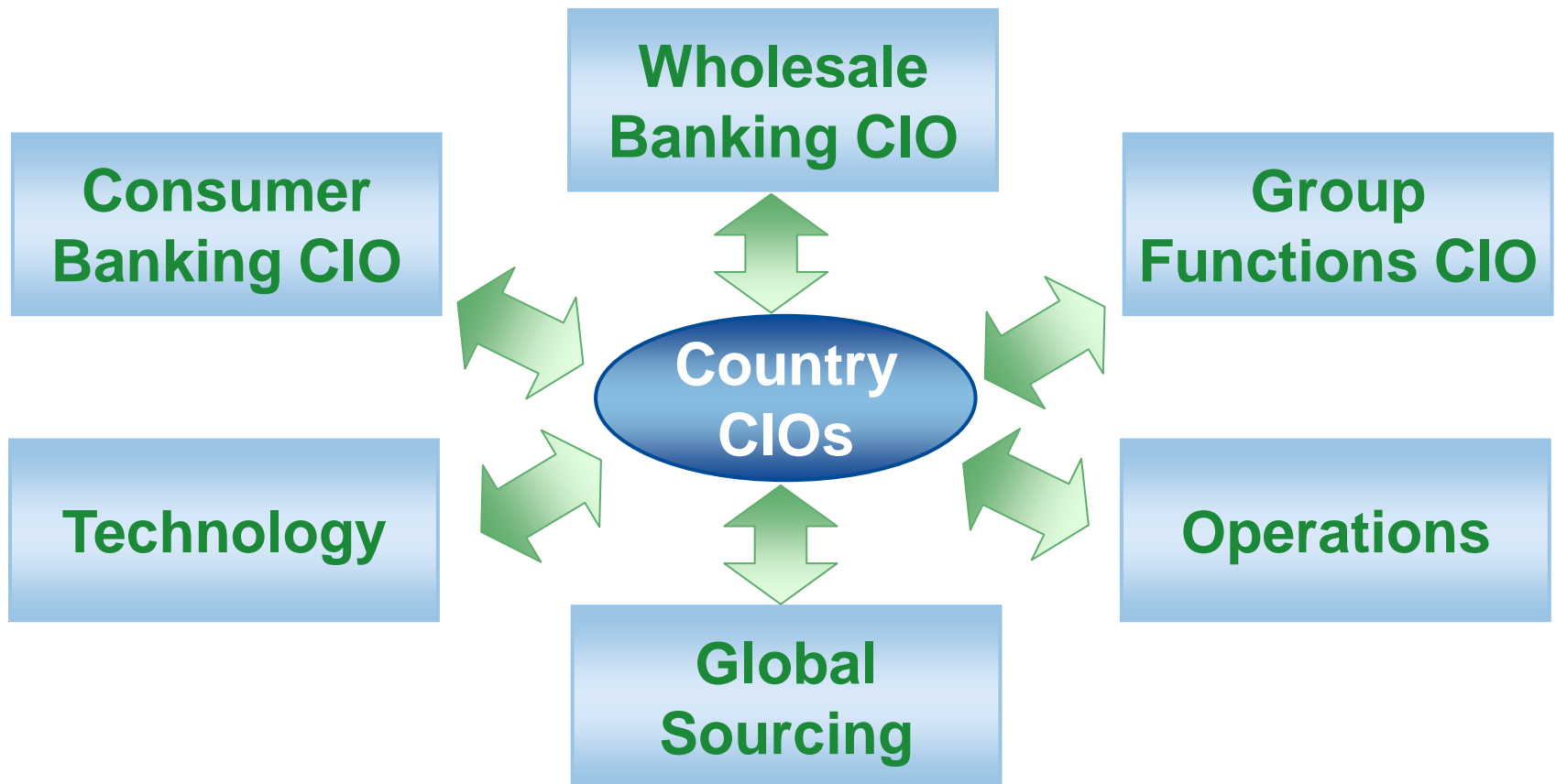
Chief Information Officer and
Group Head, Technology and Operations

Investment in technology as a driver of future competitive advantage

- Global: Group Technology and Operations ('GTO') is global, covering all businesses, functions and geographies
- Investing in the back-end: Globally resilient, integrated, automated and standardised platforms to underpin future income momentum
- Investing in the front-end: Enhanced engagement with our sales force and customers/clients via optimised and differentiated channel capabilities
- Industrialisation: Driving efficiency in support spend that maximises headroom for investments and innovation

Global scale with delivery at the country level through Country CIOs

Group Chief Information Officer (CIO)



Our technology and operations resources

Technology

Global hubs

- Chennai, Kuala Lumpur and Tianjin
- ~6,300 staff*

Regional centres

- Singapore, Hong Kong and London ~2,600 staff*

In-country technology

- ~1,900 staff*

- 2 global data centres (UK and Hong Kong)
- 2 regional data centres in Africa (Kenya and Ghana); over 100 in-country facilities
- ~12,000 servers, ~90,000 PCs, ~12,000 iPhones
- ~900 corporate systems, of which ~250 are high criticality
- ~2.6 petabytes of data storage

Operations

Hubs

- Chennai, Kuala Lumpur and Tianjin
- ~5,800 staff*

Regional hubs

- Singapore, London, Kenya and Ghana
- ~2,400 staff*

In-country operations

- ~8,100 staff*

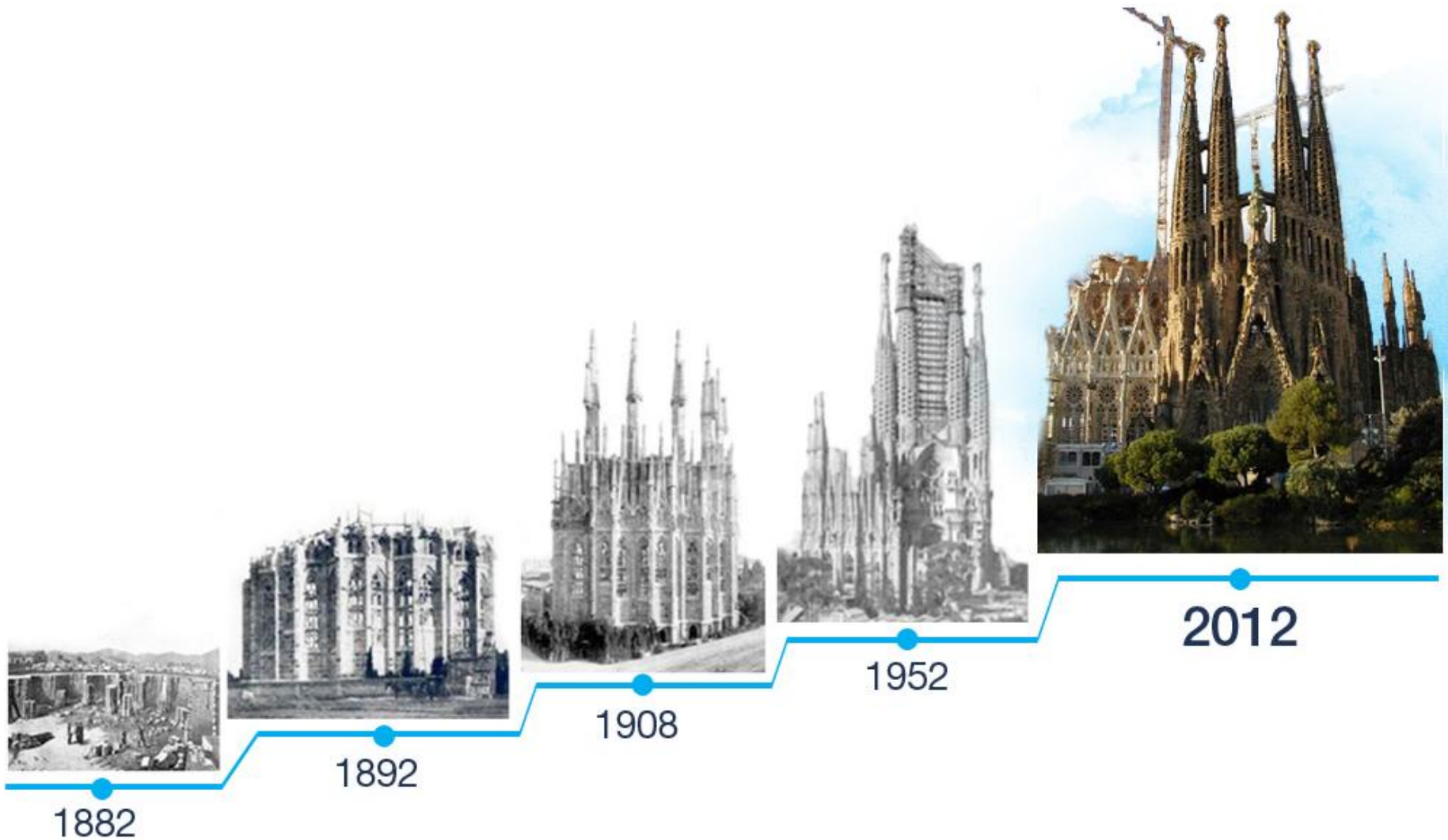
- Hubbing except where limited by regulation, size, skill or cost factors
- Operations processes about 180m transactions a year
- Positive cost income jaws
- Tight quality at ~30 errors per 1m transactions (5.52 sigma)

*Staff includes full time employees and non-employed workers as at 30 September 2012

Investment in technology as a driver of future competitive advantage

- Global: Group Technology and Operations ('GTO') is global, covering all businesses, functions and geographies
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An analogy...the Sagrada Familia



Our Core Banking program has been rolled out across 39 countries

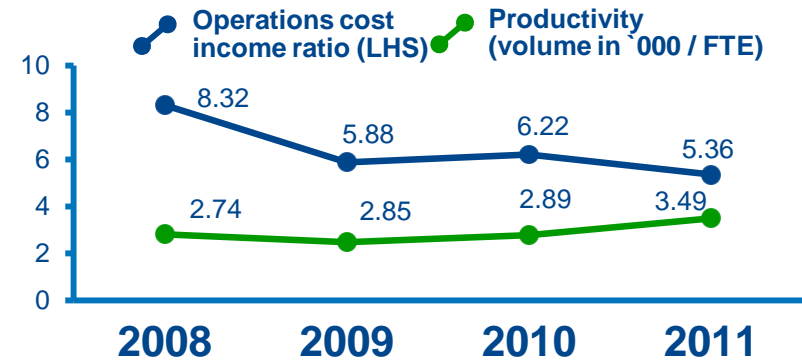
- Reduce disparate systems across markets and replace with a common core banking system globally
- Process started in 2002 and is now 84% complete
- Targeting end state of a single common version of our electronic basic banking system ('eBBS') in 44 countries
- Plans for Hong Kong and Singapore alignment to complete the roll out

Global roll out of a cost effective, scalable trade processing platform with rich functionality

Trade Finance – income* and operations cost (US\$m)



Operations cost income ratio and productivity



Trade port LIVE
Standalone system

We now have the same system-product capabilities across 36 out of 37 of our Trade Finance booking locations

*Trade Finance income includes Wholesale Banking and SME



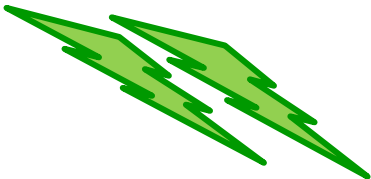
Branch



Sales/direct selling agents



Paper



1 Please tell us about yourself

Salutation/Title ☐ Mr ☐ Mrs ☐ Ms ☐ Other

Full Name

Date of Birth

PAN Number Available ☐ Yes (Please provide your PAN No.) ☐ No (Please attach form BDT separately)

Telephone Number

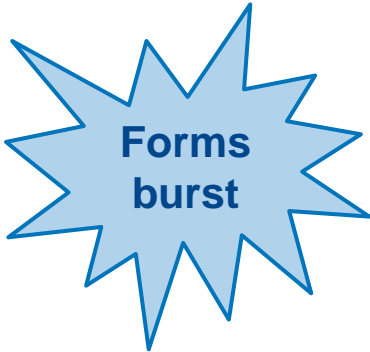
Mobile

Are you an existing Standard Chartered Bank customer?

☐ Yes (Please provide your account card number) Existing Account Number

☐ No

Digitise



Forms burst



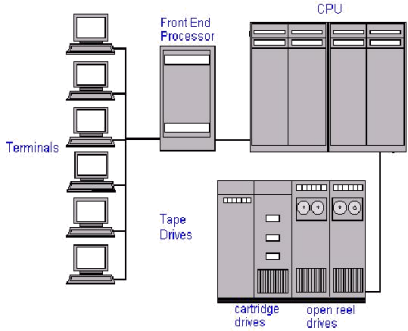
Snippet



Automation



Virtualisation



Back-end systems

Digitisation, automation and virtualisation

Compliance - A major focus of investment over a sustained period

- Over the last 7 years we have invested heavily in our compliance footprint, with a total investment well in excess of US\$110m, over the period
- Investments include the Introduction of Chinese character name screening
- Ongoing investments in the retention and surveillance platforms to capture and monitor all critical forms of electronic communications



Data points represent locations for AML screening

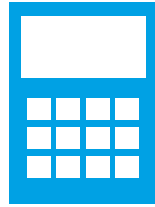
What's next...UNITY: enhancing and standardising our product and service capabilities across 46 markets to create a Global Cash Management Bank

Liquidity management



Best of breed
sweeping and pooling
Client Self Service
client gets complete, timely and
transparent information

Account services



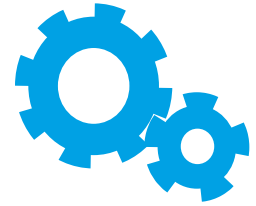
Sophisticated
deposit offerings,
transparency and
management
information support

Enhanced reporting



Integrated reporting for
client support and
operations staff

Global pricing and billing



Enrichment for better
tracking and views

Rollout to remaining markets

Receivables management



Receivables management
solution complete with all
reconciliation abilities

Virtual accounts



Platform supporting bill and
utility type collections

Rollout to remaining markets

Payments and collections



Transformation of core
payments and electronic
collections across the Bank

Working capital



Tool for corporates to have
unified view of all receivables
and payables and do
simulimative cash and working
capital planning

What is it

- Multi-year program to replace system infrastructure and streamline global operational processes with an efficient end-to-end solution for the FX* and ALM businesses

Operations

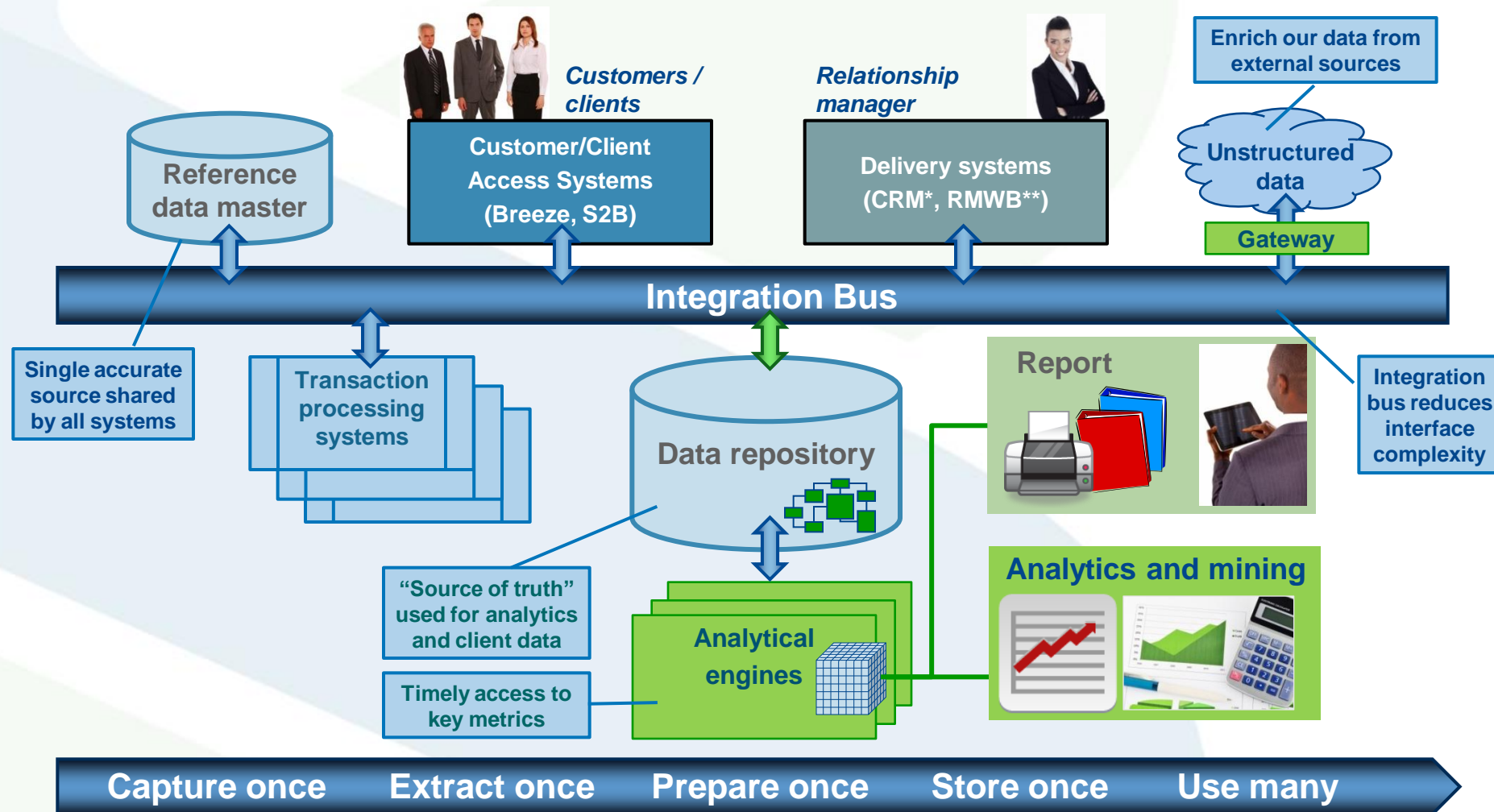
- 43 countries will be centralised on 2 front to back instances, one for FX*, the other for ALM
- Booking will be maximised on a single global entity, removing the need for significant inter-entity volumes
- The cost of processing an FX* trade will be reduced by 5%
- Continuous “round the world” processing will be enabled

Technology

- 25 installations of front and back office applications will move to 2
- Potential throughput will be increased to as much as 1,000 trades per second
- The technology estate will be simplified (507 connections to 94)
- 2 legacy systems will be decommissioned

What's next ... Enterprise Data Management (EDM): using data better while reducing interface cost and complexity

- We have embarked on a multi-year journey to better leverage the rich depth of data in our processing systems and to reduce our cost of building interfaces



*CRM refers to Customer Relationship Management ; **RMWB refers to the relationship manager work bench

Investment in technology as a driver of future competitive advantage

- Global: Group Technology and Operations ('GTO') is global, covering all businesses, functions and geographies
- Investing in the back-end: Globally resilient, integrated, automated and standardised platforms to underpin future income momentum
- Investing in the front-end: Enhanced engagement with our sales force and customers/clients via optimised and differentiated channel capabilities
- Industrialisation: Driving efficiency in support spend that maximises headroom for investments and innovation

Engaging our customers in Consumer Banking - service and product functionality across geographies



Customer Experience Management System (CEMS)

Innovative mobile and internet banking



State of the art ATMs

Customer Origination System and Standard Account Opening



Needs based conversation

Capture at Source and automation



Building world class capabilities direct to the hands of our customers through whatever channel they choose

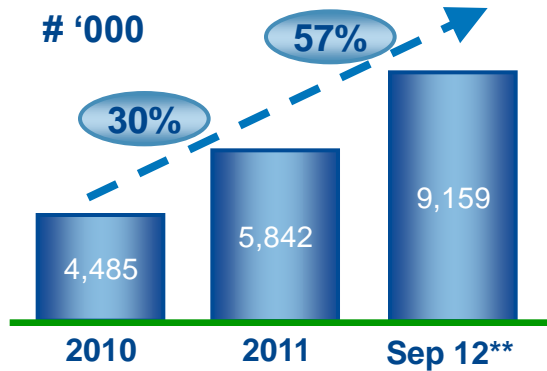
Making sure frontline are equipped with the best tools and find it easy to provide the service customers want and expect



CEMS - our award winning sales and service platform in Consumer Banking

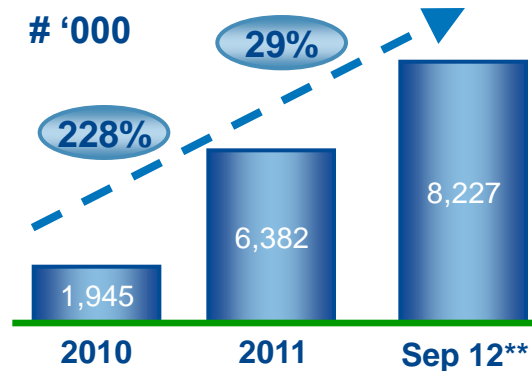
Incoming calls handled at contact centers

'000



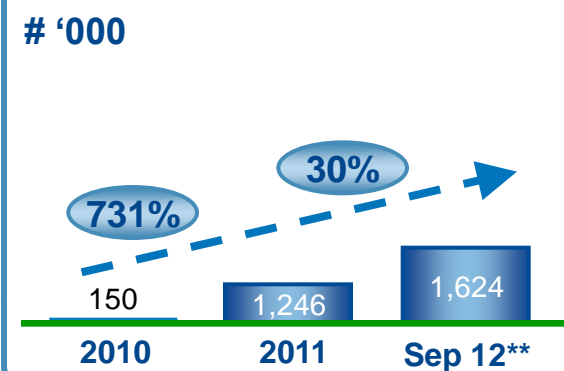
New sales leads

'000



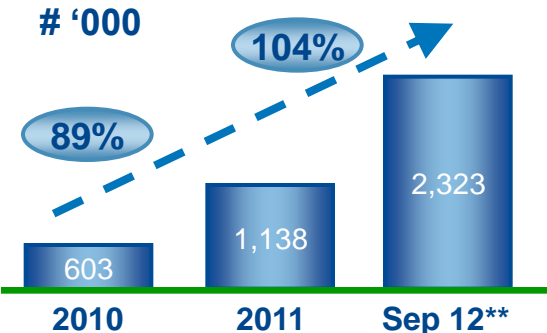
New sales booked by relationship managers and PFCs* in branches

'000



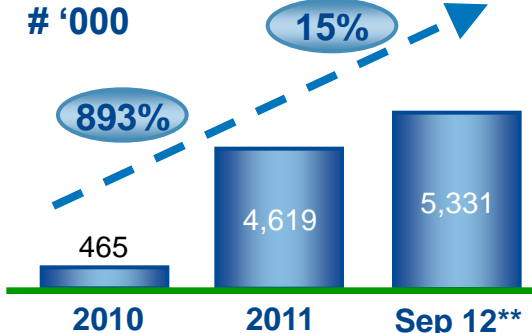
Service requests completed at call centre and branches

'000



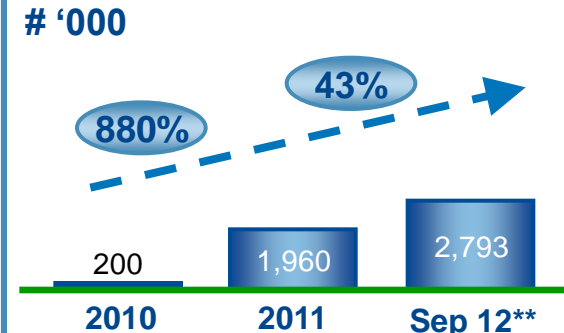
Sales conversation held by relationship managers and PFCs*

'000



New solutions sold by relationship managers and PFCs*

'000



*PFC – Personal Financial Consultants; ** Sep 12 - YTD September 2012

	2009	2010	2011	2012 (YTD Aug)
Markets with digital banking presence	31	34	35	34
Active online customers who have logged in once in the last three months	1.46m	1.85m	2.22m	2.49m
Real eStatements that are sent with paper suppression as a percentage of all statements	24%	36%	44%	48%
Active mobile banking customers as a percentage of total active online customers	n/a	4%	12%	16%
Net promoter score based on customer feedback of promoters - detractors	n/a	n/a	60	63

Moving from servicing to online sales - monetising our investments

Presence

**0 markets
2010**



**5 markets
2011**



6 markets

August 2012

Singapore, Hong Kong, India,
Indonesia, Malaysia and Korea



Capability



Credit Cards (new and
existing customers)



Personal Loans (new and
existing customers)



CASA ^{**}(existing customers)



First in the market Online
Approval in Principle (AiP)
India



30m Personal Loan (PL)
disbursal and online AiP for
cards - *Korea*



PL via Facebook
Bahrain (Online AiP)



First in the market
Straight through processing
Singapore

Performance

**0% online
share* 2010**



Online share 2011
6% Credit Cards
3% Personal Loans



Online share
August 2012 YTD

8% Credit Cards
4% Personal Loans



SG - Credit Cards 18%,
Personal Loans 8%



HK - Credit Cards 7%,
Personal Loans 6%

*Online share represents the % penetration of accounts sourced via Online Channels; ** CASA – Current and Saving Accounts

Breeze mobile platform in Hong Kong

– in 18 months we created a family



Breeze Mobile

- 1st mobile banking platform launched with revolutionised user interface



Breeze Home

- 1st in market convergence, all-in-one home-buying app also available on Android



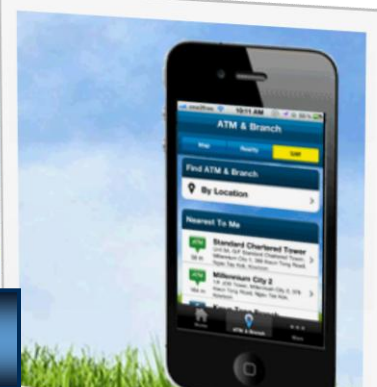
Breeze Trade

- 1st in market native app for stock trading platform



Breeze Good Life

- 1st in market delivers deals and differentiated offers for card holders and non-card holders



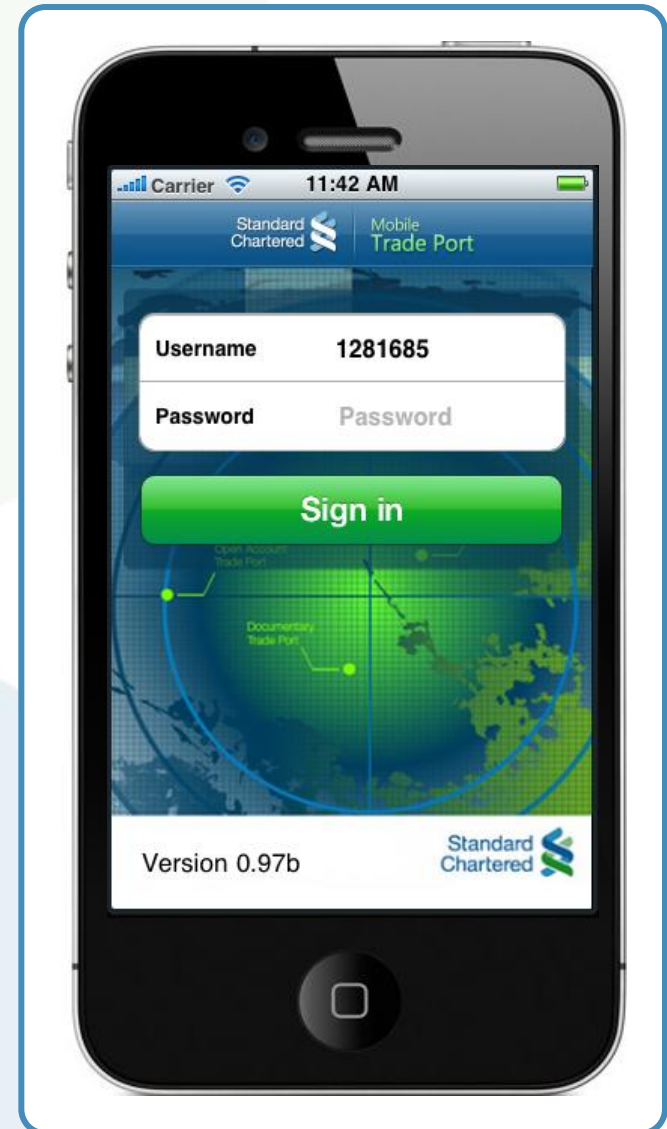
Breeze Places

- Locate ATMs and branches using maps and augmented reality view

Journey beyond the desktop to bring technology on the move for front office staff

Key business benefits

- Relationship managers can approve credit changes while on the move - faster execution of transactions
- Sales staff can view the entire Trade Finance portfolio of a client - driving business by improving limit utilisation
- Viewing opportunities i.e. transactions which can be potentially converted into assets and contingents - driving revenue





Over 47k clients globally processing over US\$200bn monthly

- Over 95% of payment transactions are electronic
- Over 60% of trade transactions are electronic
- Over 1k mobile logins and over 10k mobile authorisations

Award winning electronic banking platform

- Straight2Bank | Web - Internet based electronic banking
- Straight2Bank | Link - PC based banking with electronic connectivity
- Straight2Bank | Access - Host to host connectivity, i.e. Enterprise Resource Planning systems
- Straight2Bank | Mobile - Transaction authorizations on-the-go



- Best Integrated Corporate Bank site in Asia, Middle East & Africa
- Best Online Cash Management in Middle East and Africa
- Best Trade Finance Services in Middle East and Africa
- Best Information and Security Initiatives in Middle East & Africa
- Best Corporate/ Institutional Internet Bank in China, Ghana, India, Kenya, Malaysia, Nigeria, Singapore and UAE

What's next....Enabling relationship managers (RM) through the RM workbench

- The workbench provides a unified experience for client facing staff to see a consolidated view of their clients as well as initiate and track key business processes electronically



Relationship management workbench

Single sign on

Single data input

Customised portal

Client on-boarding

Credit process

Single client view

Management dashboards

Business activity monitoring

Views and activities

What's next... engaging further on social media

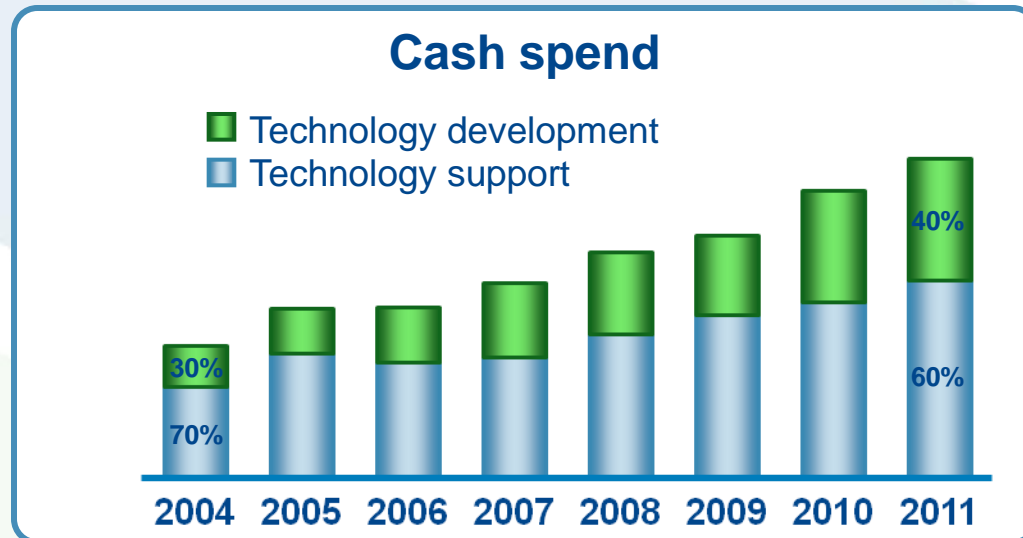
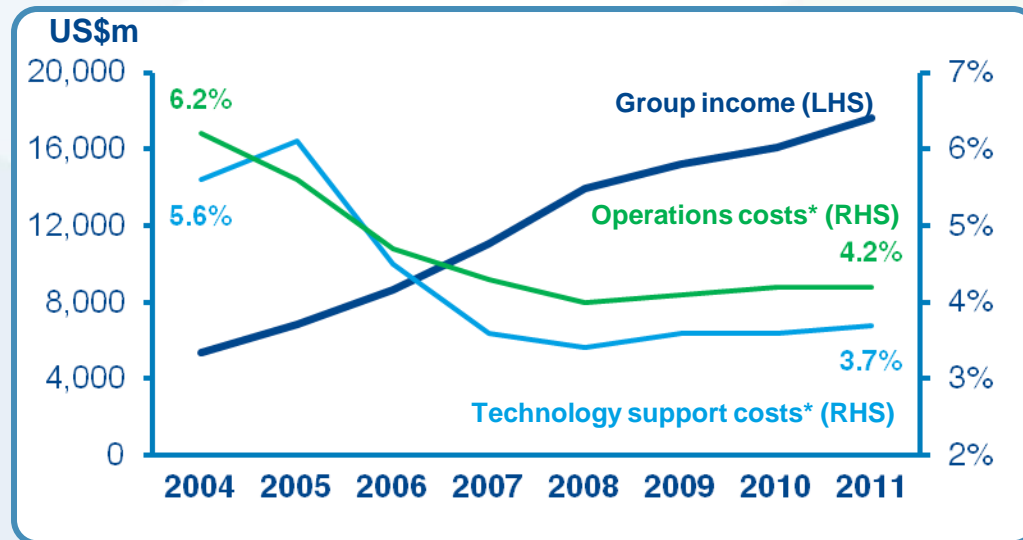
- Using social media for customer service; product/service promotions; branding, sponsorship and sustainability; media relations; recruitment and alumni activities
- Engaging through interest-focused groups (e.g. India and UAE Food Explorer Facebook pages)



Investment in technology as a driver of future competitive advantage

- Global: Group Technology and Operations ('GTO') is global, covering all businesses, functions and geographies
- Investing in the back-end: Globally resilient, integrated, automated and standardised platforms to underpin future income momentum
- Investing in the front-end: Enhanced engagement with our sales force and customers/clients via optimised and differentiated channel capabilities
- Industrialisation: Driving efficiency in support spend that maximises headroom for investments and innovation

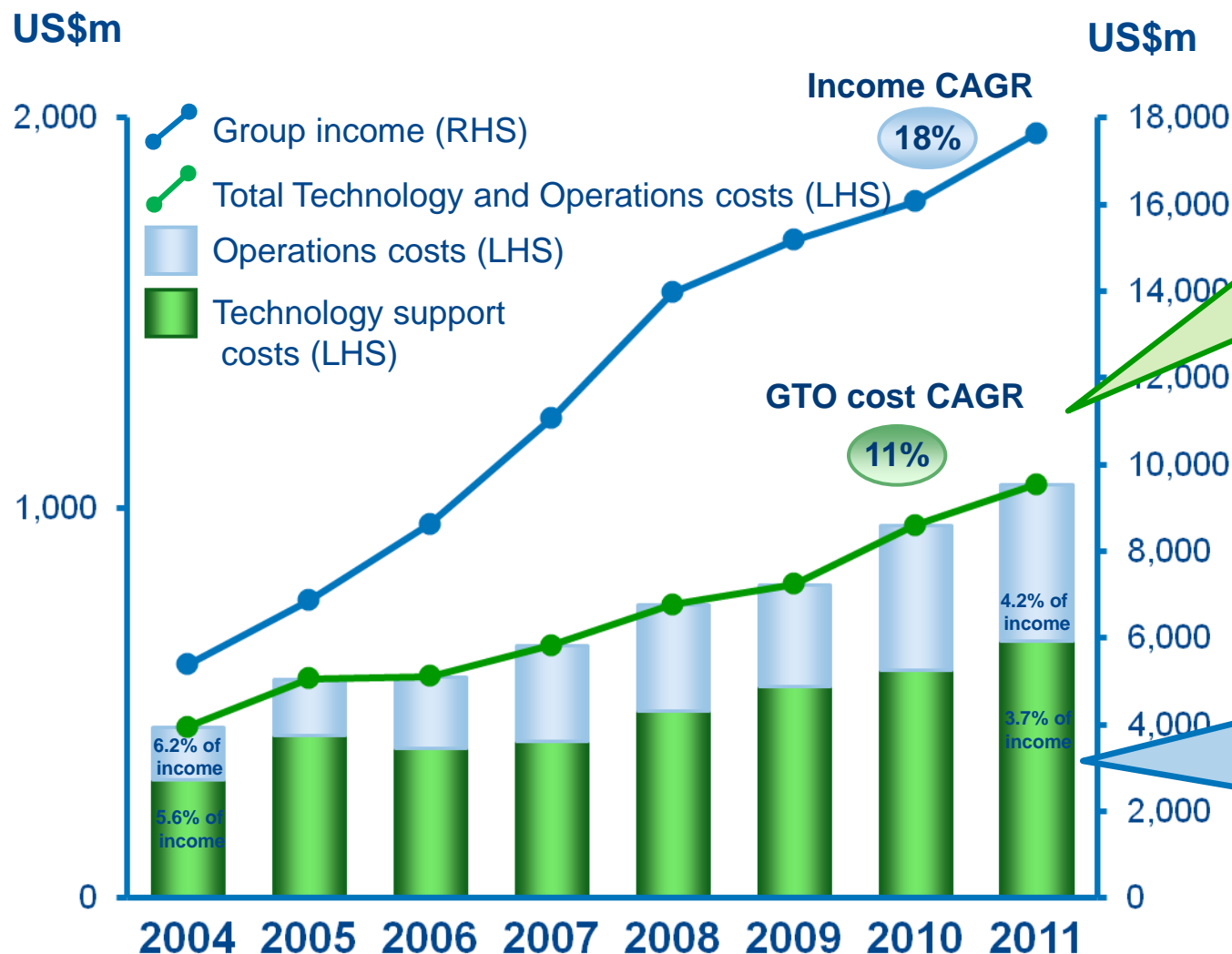
Scalable support spend creating investment headroom and operational efficiencies



* As % of Group income

- At 3.7% of revenues for 2011, technology support costs at Standard Chartered are an industry low
- Maintained at these levels notwithstanding growing complexities, regulations, increased technology penetration and usage
- Scalable technology support has created headroom for investment and driven operational efficiency

Sustained positive jaws, positively impacting the Bank's cost / income ratio



GTO has delivered sustained positive jaws to revenues over the last 8 years...

...and helped shave 3.9% points off SCB's cost: income ratio (11.8% to 7.9% of revenues)*

Accolades - spanning the spectrum of back-end to front-end

Back-end



Front-end



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Investor trip 2012

Strategy and Corporate
Development

Leading the way
in Asia, Africa and the Middle East



Leading the way

in Asia, Africa and the Middle East

Anna Marrs

Group Head of Strategy and Corporate Development

- At Standard Chartered, Group Strategy and Corporate Development are integrated functions that facilitate the growth plans of the Group
- We work on a broad set of strategic topics, ranging from optimising and growing the business to navigating a rapidly-evolving external environment
- Questions and discussion

**Strategy is about making choices, trade-offs;
it's about deliberately choosing to be different**

Michael Porter

What's important in banking strategy now?

- “The real economy”
- The balance sheet
- Regulation
- Competitors - old and new
- Choices
- The “how” as well as the “what”

Strategy and Corporate Development are integrated functions...

... which help to progress the organic and inorganic strategy of the bank



The function is staffed by a mix of strategy, banking and M&A* backgrounds



Example profiles



**Group Head,
Wholesale Banking
Strategy**

- Former partner from Boston Consulting Group, Asia
- Four years with Bain & Co. in London



**Group Head Strategy,
West**

- Former CEO of Standard Chartered Bank, Europe
- Former Group Head of Taxation



**Managing Director,
Group Corporate
Development**

- 5 years at GE Capital
- 12 years at BZW Credit Suisse in the investment banking division



**Group Head, Strategy
and Corporate
Development**

- 15 years experience in banking / financial services
- 8 years at McKinsey, last 3 as a Partner in the Global Banking Practice, leading the firm's banking strategy working group

* Mergers and Acquisitions (M&A)

The work we do includes a range of regular reviews and ad hoc high-impact topics

Examples

Engaging on strategy with the board

- Annual strategy board
- One Bank strategy
- Competitor analysis

Developing and refining product or topical strategy

- Digital banking
- Swaps dealer strategy

Updating strategic priorities for regions or countries

- China strategy
- Africa strategy

Tactical problem-solving and execution support

- Country strategy execution diagnostics
- SME industry insight generation and pitch books development

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Our annual strategy board meeting sets a set of high-level priorities for the next year

Key inputs

- Senior management and expert discussions
- Historical financial performance review across markets / businesses and forward-looking projections
- Capital and balance sheet reviews
- Market research and forecasts
- Regulatory landscape studies
- Peer analysis

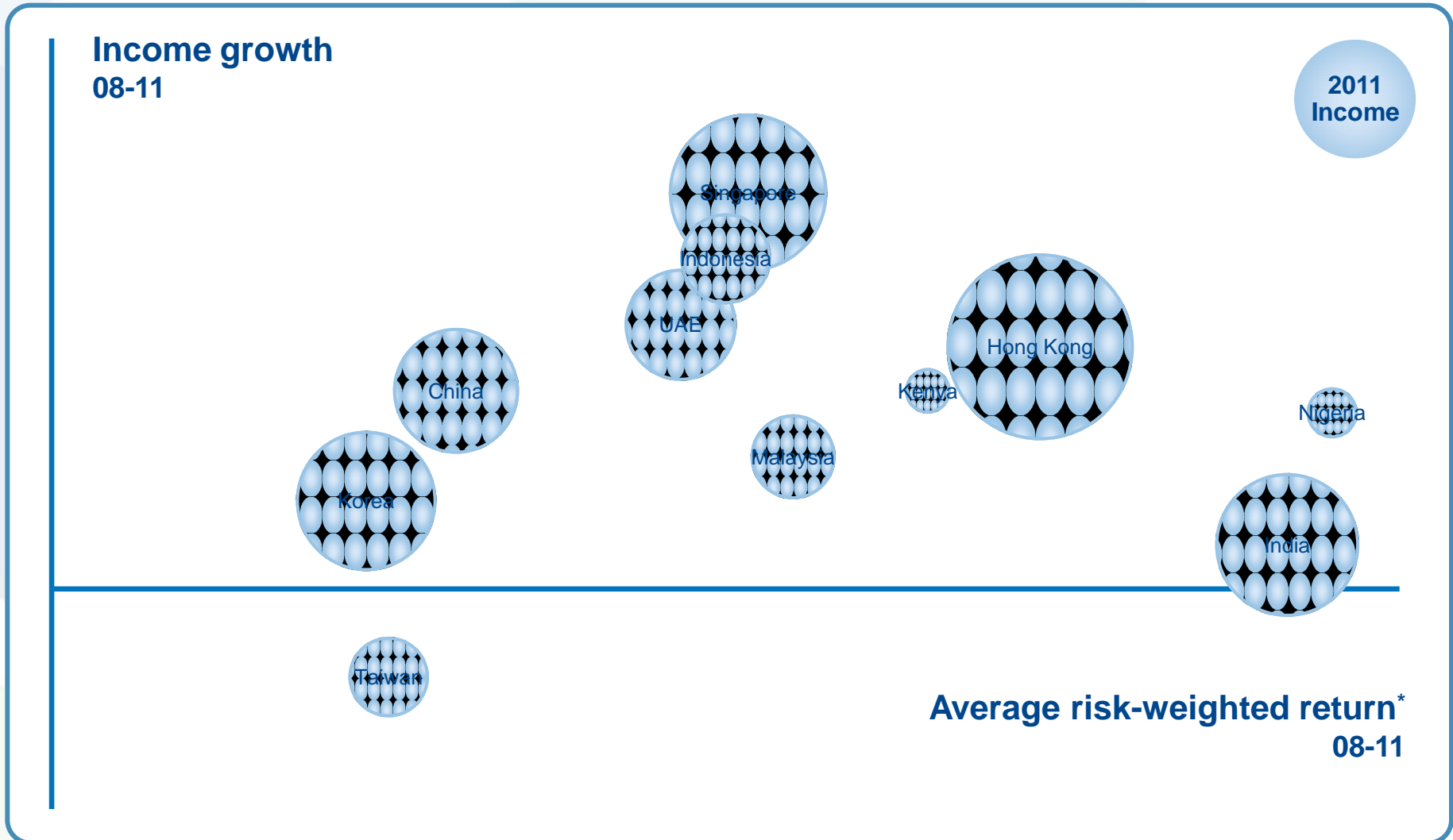
Strategy board
June 2012

Main themes to pursue

1. Improve returns and optimise the use of our balance sheet
2. Continue to invest in future growth markets
3. Strengthen the Group's core engines of Hong Kong and Singapore
4. Maximise the benefit of our network
5. Navigate the regulatory headwinds
6. Stay at the forefront of technology trends

How can we improve returns and optimise the use of our balance sheet?

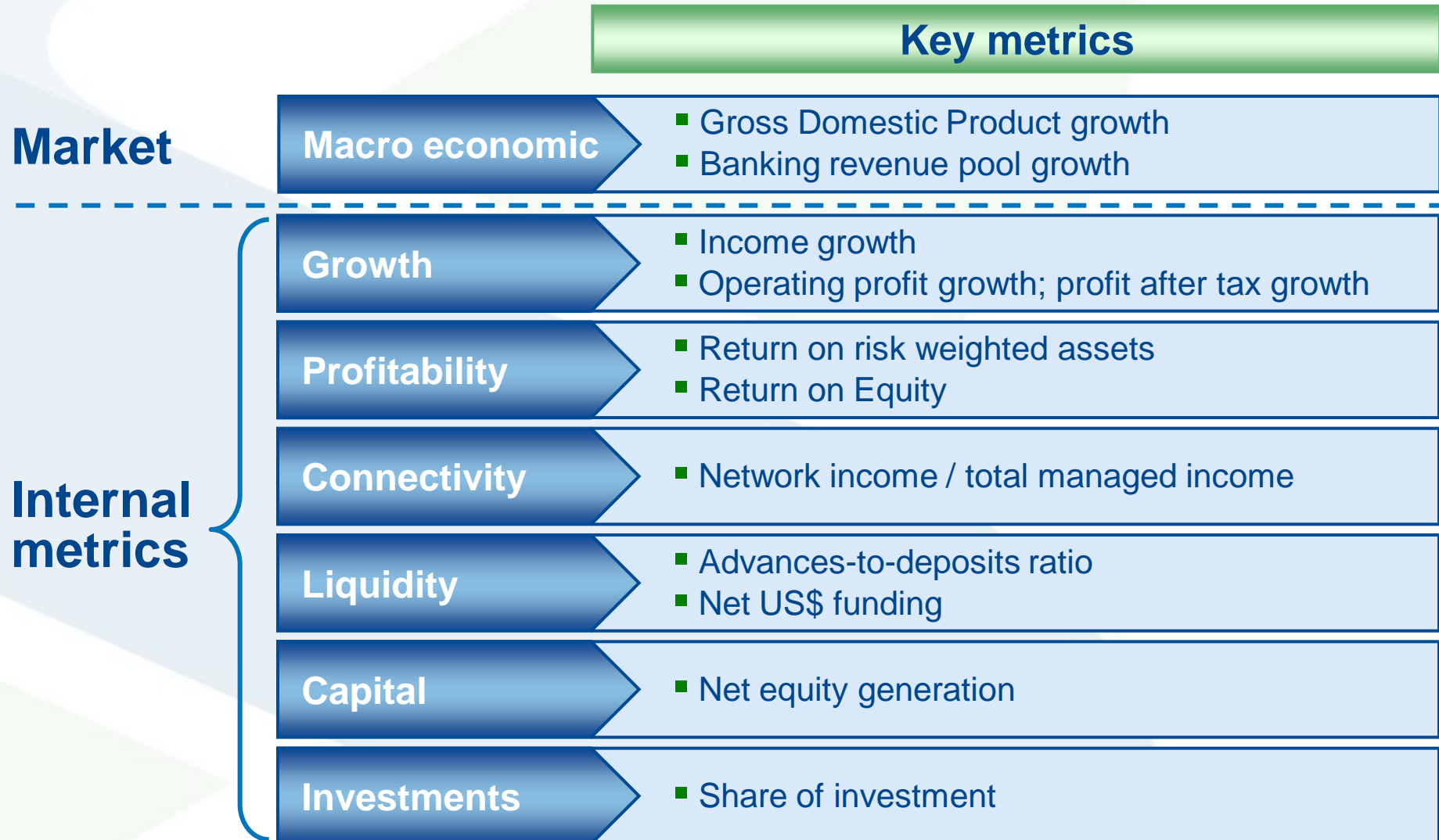
Income growth and average return of selected markets



* Average risk-weighted return = Operating profit before tax divided by risk weighted assets

Improving returns - careful allocation of capital and other scarce resources

Criteria for measuring market attractiveness



How can we ensure we continue to invest in future growth markets?

Key growth markets

Recent performance (income, US\$m)

Market
growth
forecast¹

08-11
CAGR



Continued investment to ensure alignment with growth

Geographic coverage

- “Africa 100”
- On-going expansion of China network

Infrastructure / platform

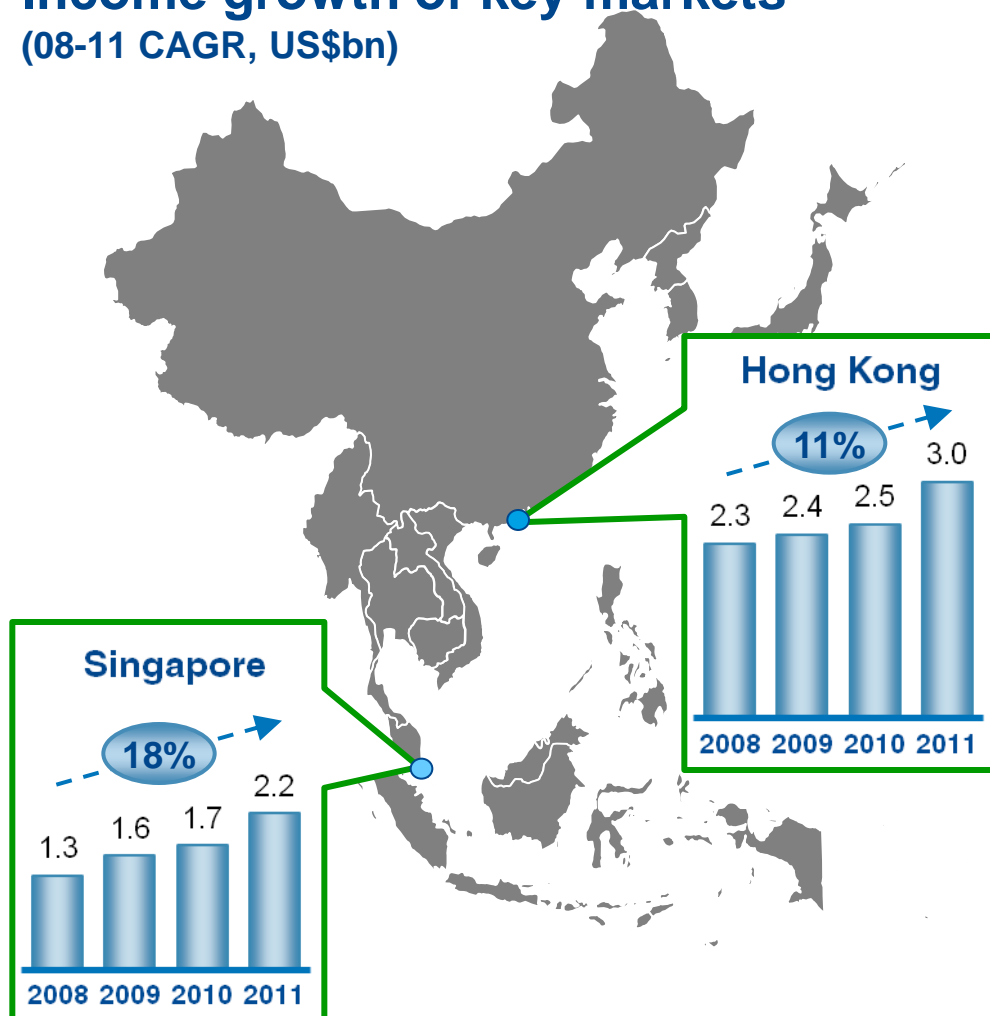
- Unity Cash Management platform build-out
- Straight2Bank on-going upgrades

¹ 2012-2016 banking revenue pool growth estimates by McKinsey

How can we strengthen the Group's core engines of Hong Kong and Singapore?



Income growth of key markets (08-11 CAGR, US\$bn)



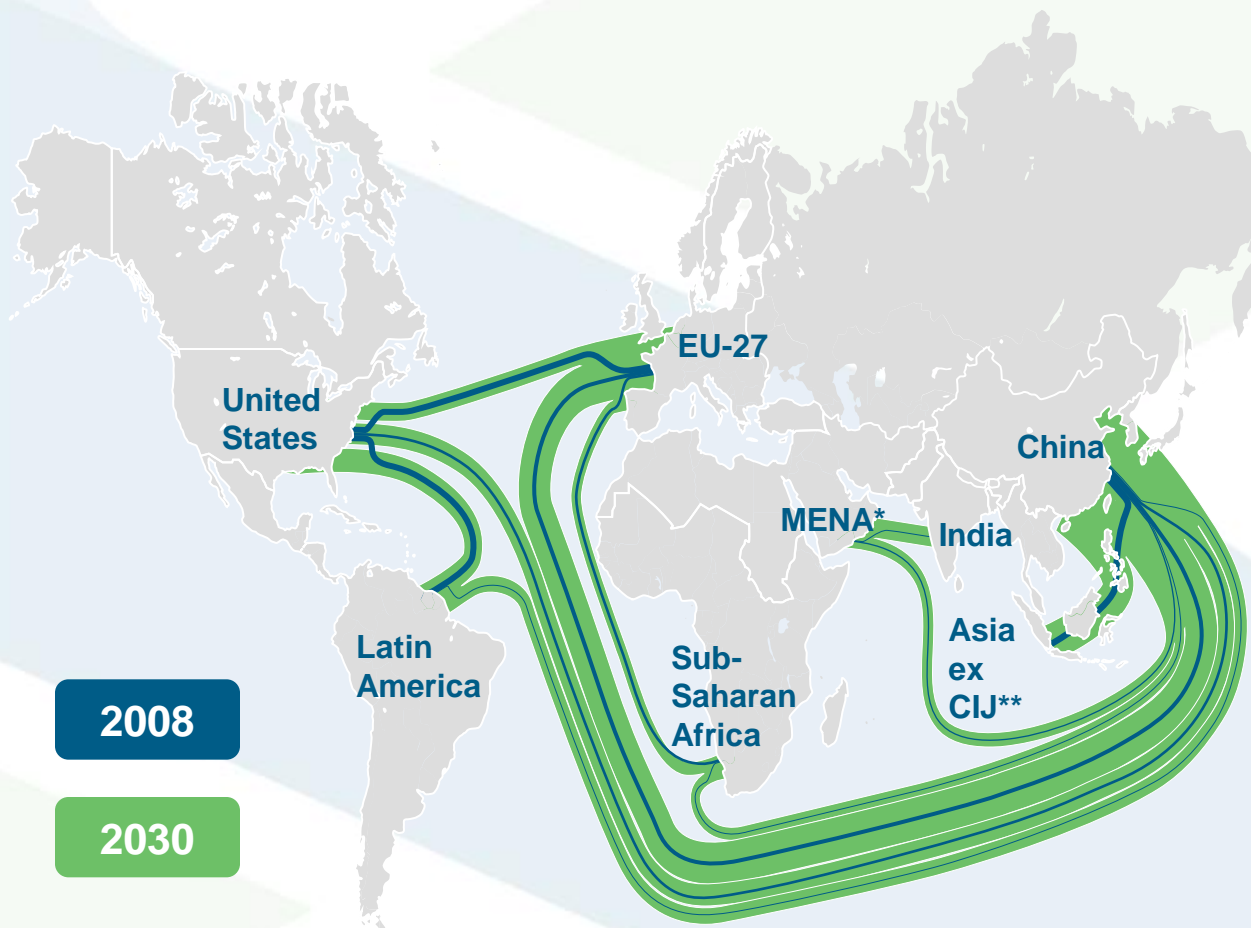
Critical to the Group due to

- Sizeable retail deposit bases
- Scale that translates to strong profitability
- Dividend remittance to the Group
- Role as regional hubs for the Group in North East Asia and South East Asia respectively

Investment needs to be maintained as we build out smaller high growth markets given opportunities

How do we ensure we maximise the benefit of our network?

Major trade corridors (2008 vs. 2030)



Importance of network
increasing and
continually strengthened

Wholesale Banking
network income as %
of total
Group income



*MENA - Middle East and North Africa ; **Asia excluding China, India and Japan

How do we most effectively navigate the banking regulatory headwinds?

Major regulatory changes

Prudential

- Basel III
- Prudential Regulation Authority

Recovery and resolution

- The European Commission Crisis Management Directive
- CPSS*/IOSCO** paper on recovery and resolution of financial market infrastructure

Supervisory changes

- Financial Conduct Authority
- European Banking Authority and the European Securities and Markets Authority

Structural changes

- Localisation
- Central Counterparty Clearing
- Ring-fencing

Tax

- UK Bank levy
- EU-wide financial transaction tax

Customer protection

- Banking fees
- Bundling of products
- Retail investment products

How do we lead in technology?

Technology has the potential to transform banking - how do we ensure we are on the forefront of this trend?

Key innovation priorities

Digital distribution

Payments

Big data

Serving SMEs

Global trade

iNeeds
a Made in Hong Kong innovation jointly by S&D, GTO and CB Marketing

Make a great First Impression on customers
Convert Conversations into Sales efficiently



- 3 language options:
English, Traditional & Simplified Chinese
- "Email Me" function to easily send information to customers
- Identify customer's Needs –
Structured, Simple & Fast !
- A full library of product information – no more searching for the right sales card !
- Up-to-date promotional information... just a few taps away
- Smart Tools – Property e-Valuation, Mortgage Calculator, Online Rewards and more...
- Interesting Facts about Standard Chartered for your customers

100 虚位敬待

即日起至2011年8月31日
只需开立渣打银行「优先理财」账户并成功购买指定理财产品达到30万人民币，即可获得iPad2一台！
仅限满足以上条件的**前100位**客户，先到先得！
立即行动，留下您的手机号码
我们的客户经理稍后便会与您取得联系。



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