Leading the way in Asia, Africa and the Middle East

Steve Bertamini
Group Executive Director and CEO
Consumer Banking
Key messages

- Macro trends support long term opportunities
- Resilient performance despite challenges
- Sharpening our strategic focus
- Continuing to invest for long term growth
Macro trends support sustained growth

- Asia, Africa and the Middle East will contribute around 60% of total global revenue pool growth
- Asia, Africa and the Middle East private wealth will surpass the US and Europe by 2017
- SMEs are a leading employer in Asia, Africa and the Middle East
- Asia-Pacific now home to more HNWIs* than any other region
- China, India and Nigeria added more than 20x new internet users in the last four years than the US
- More Facebook users in Asia than in the US

* High Net Worth Individuals

Private financial wealth (US$trn)

Source: Boston Consulting Group 2013 wealth report
Performance over last decade

- **2002-2007 CAGR**
  - Income: +19%
  - Profit: +22%

- **2007-2009 CAGR**
  - Income: (2%)
  - Profit: (28%)

- **2009-2012 CAGR**
  - Income: +9%
  - Profit: +27%

- **YoY**
  - Income: +7%
  - Profit: (6%)

- **ex-Korea**
  - Income: +9%
  - Profit: +7%
Well diversified balance sheet by market, product and customer base

72% of portfolio is secured, 9% partially secured and 19% unsecured

Focus on balance sheet growth

Customer deposits (US$bn)

Customer loans and advances (US$bn)

Customer loans and advances

Note: Data excludes Permata
Portfolio performance

- 72% portfolio concentrated in markets with less than 1% loss rates
- Residential mortgage portfolio average Loan to Value (LTV) is at 47%
- Unsecured strategy shifting towards cards and digital with increased High Value Segment (HVS) focus

30+ and 90+ dpd* trends

- 72% portfolio concentrated in markets with less than 1% loss rates
- Residential mortgage portfolio average Loan to Value (LTV) is at 47%
- Unsecured strategy shifting towards cards and digital with increased High Value Segment (HVS) focus

Note: Data excludes Permata; * dpd – days past due

* Data excludes Permata
Competitor growth comparison

**Standard Chartered vs. global peers**

(income CAGR 2009-12)

- **Global competitor 1**: 4%
- **Global competitor 2**: 7%
- **Global competitor 3**: 5%

**Source**: Company accounts

**Standard Chartered vs. Top local competitors by country**

(income CAGR 2009-12)

- **Hong Kong**: 9%
- **Singapore**: 4%
- **UAE**: 7%
- **Malaysia**: 5%
- **Indonesia**:
- **Nigeria**:
- **China**:
- **India**:

**Source**: Company accounts

**Note**: Standard Chartered results have been adjusted for comparison.
Progress update

What has gone well...

- Strong performance relative to competition
- Balance across geographies, products and segments
- Material investments to build advantage where it matters
- Strong balance sheet
- Early gains in driving productivity

...and what has been more difficult

- Pace of Korea turnaround
- Volatility created by Credit Cards and Personal Loan impairment
- Pace of regulatory changes and actions
- Slower income growth in a few big markets
Consumer Banking strategy

To be the world’s best international Consumer Bank in each of our chosen markets and segments

**Participation model**
- Focus on High Value Segments*
- Three standard models
- Prioritised investment
- Hub and spoke, shared utilities

**Customer focus**
- Distinctive Customer Value Propositions (CVP) and world class relationship managers
- Main bank relationship and payroll driven
- Needs based bundling

‘Back to basics’
- Re-engineering and centres of excellence
- Liquidity and secured lending
- Strong risk and cost discipline
- Performance management

* High Value Segments (HVS) - SME, Private, Priority
Target segments in key markets

Universal markets

- WM
- SME
- CCPL

CCPL CASA & Mortgage

90% of bankable population

Focused and lean premium markets

- WM
- SME

Private Banking
SME Banking
Priority Banking
Personal Banking

CCPL CASA & Mortgage

15% of bankable population

CB banks top ~20% of bankable households which makes up ~60% of revenue pool

Source: Datamonitor, SCB equity research database, Standard Chartered estimates
“Install” phase completed

Service

Customer Charter
- Friendly, fast and accurate service
- Solutions to your financial needs
- Recognition of your overall banking relationship

SCB Way

Relationship
- Trusted advisor
- 360° Rewards

Solutions
- Customer Value Proposition
- Core bundles

Frontline enablers
- CEMS*, NBC**
- Wealth Management platforms
- Knowledge One Analytics and leads management

*CEMS – customer experience management system
**NBC – needs based conversation
**“Tuning” strategic focus**

**Participation model**
- Participation models
- Hubbing
- City focus
- Korea turnaround
- Multi-channel experience
- Digital Main Bank

**Customer focus**
- High Value Segment CVPs
- Personal banking CVP*
- Embed Charter, SCB Way and ‘Trusted Advisor’
- Strengthen Brand
- Brand & NPS* leadership
- Optimised Analytics
- Prove Here for good

**Back to basics**
- Balance sheet momentum
- Performance management
- Balance sheet momentum and shape
- RWA allocation
- Productivity
- Competitive RoRWA
- World class technology
- Employer of choice

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*CVP: customer value proposition - NPS: net promoter score

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**Refinements**
Consumer Banking roadmap

- High single digit income growth
- Positive jaws
- Double digit operating profit growth
- Operating profit RoRWA of 2.5%

1. Grow HVS customers
2. Accelerate CASA growth
3. Become Digital main bank
4. Prove Here for good
5. Improve productivity
Strategic priorities for Wealth Management

1. Proposition
   CVP & positioning
   Brand awareness

2. Acquisition
   International banking
   Channels & programmes

3. Portfolio
   Client coverage model
   Contact strategy

4. People
   Relationship manager recognition
   Training & career path
Strengthening the SME platform

**Goal**
Become digital main bank for “your business, your family, your employees”

**Coverage model**

- **ME**
- High value SB
- High growth SB
- Mass market SB

RM managed “Discretionary lending”

Portfolio managed “Program lending”

**Target market**
Focus on 8-10 industries specific to each market
- Specialised RMs and credit approvers
- Improved risk profile

**People and infrastructure**
Consolidate resources & build bench strength
- Enhanced training and systems resources
- Start “Fast Track SME Graduate” program
- Develop market leading iBanking capability

*ME – medium sized enterprises
**SB – small businesses*
Digital main bank focus

1. Accelerate rollout of digital capability
   - Extend Breeze
   - Eliminate paper
   - Korea 3.0

2. Create “Digital First” solutions
   - Develop digital alliances
   - Launch mobile wallet solutions
   - Join payment ecosystems

3. Integrate multi-channel capability
   - Leverage big data analytics and digital marketing
   - Drive customer adoption
Investments

- Branch projects
- Customer-focused systems
- Frontline and sales staff
- Branding and marketing
- Digital main bank
- Regulatory and controls
Our core competencies

- High Value Segments focus
- Strong deposit franchise
- Well diversified
- Strong brand
- One Bank approach
- Digital main bank
Summary

- Macro trends support long term opportunities
- Resilient performance despite challenges
- Sharpening our strategic focus
- Continuing to invest for long term growth
Leading the way in Asia, Africa and the Middle East

Vishu Ramachandran
Chief Operating Officer, Consumer Banking
Key messages

- Strong and resilient performance; dealing with Korea and impairment headwinds
- Sharpening strategy to build a diversified, advantaged and profitable consumer business
- Continuing to invest for long term growth
### Performance over the last three years

<table>
<thead>
<tr>
<th>US$m</th>
<th>2009</th>
<th>2012</th>
<th>CAGR %</th>
<th>CAGR % (Underlying*)</th>
<th>CAGR % (Underlying - ex Korea)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>5,629</td>
<td>7,202</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(3,709)</td>
<td>(4,723)</td>
<td>(8)</td>
<td>(10)</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>Operating profit before impairment</strong></td>
<td>1,920</td>
<td>2,479</td>
<td>9</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Loan impairment</strong></td>
<td>(1,052)</td>
<td>(697)</td>
<td>13</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td><strong>Other impairment</strong></td>
<td>(1)</td>
<td>(4)</td>
<td>(59)</td>
<td>(59)</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>867</td>
<td>1,778</td>
<td>27</td>
<td>23</td>
<td>22</td>
</tr>
</tbody>
</table>

*Underlying excludes disposals, buy-back of structured notes and reduction in retirement obligations*
## Financial performance – H1 2013

**Highlights**

- Income momentum despite headwinds across geographies and products
- Disciplined expense management driven by a renewed focus on productivity
- Half on half income momentum has slowed
- Portfolio quality and unsecured Loan Impairment

### US$m

<table>
<thead>
<tr>
<th></th>
<th>H1 12</th>
<th>H2 12</th>
<th>H1 13</th>
<th>YoY%</th>
<th>YoY% CCY* ex. Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>3,429</td>
<td>3,592</td>
<td>3,683</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(2,246)</td>
<td>(2,350)</td>
<td>(2,340)</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Operating profit before impairment</strong></td>
<td>1,183</td>
<td>1,242</td>
<td>1,343</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td><strong>Loan impairment</strong></td>
<td>(290)</td>
<td>(384)</td>
<td>(506)</td>
<td>(74)</td>
<td>(73)</td>
</tr>
<tr>
<td><strong>Other impairment</strong></td>
<td>(9)</td>
<td>(36)</td>
<td>-</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Profit from associates</strong></td>
<td>24</td>
<td>19</td>
<td>21</td>
<td>(13)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>908</td>
<td>841</td>
<td>858</td>
<td>(6)</td>
<td>(5)</td>
</tr>
</tbody>
</table>

* CCY - constant currency

Note: As per restatements in the H1 13 accounts
## Income by geography and product

### Highlights
- Diversified growth with strong underlying momentum in key markets
- Slower income growth in a few big markets – Singapore, Korea
- Strong CCPL*, Mortgage, and Wealth Management income

### By geography

<table>
<thead>
<tr>
<th>Country</th>
<th>H1 12</th>
<th>H1 13</th>
<th>YoY%</th>
<th>CCY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>674</td>
<td>780</td>
<td>16</td>
<td>16%</td>
</tr>
<tr>
<td>Singapore</td>
<td>479</td>
<td>493</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Korea</td>
<td>588</td>
<td>573</td>
<td>(3)</td>
<td>(6)</td>
</tr>
<tr>
<td>Other APR</td>
<td>760</td>
<td>841</td>
<td>11</td>
<td>10%</td>
</tr>
<tr>
<td>India</td>
<td>223</td>
<td>245</td>
<td>10</td>
<td>16%</td>
</tr>
<tr>
<td>MESA</td>
<td>371</td>
<td>408</td>
<td>10</td>
<td>11%</td>
</tr>
<tr>
<td>Africa</td>
<td>235</td>
<td>257</td>
<td>9</td>
<td>14%</td>
</tr>
<tr>
<td>Americas, UK &amp; Europe</td>
<td>99</td>
<td>86</td>
<td>(13)</td>
<td>(13)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,429</td>
<td>3,683</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

### By product

<table>
<thead>
<tr>
<th>Category</th>
<th>H1 12</th>
<th>H1 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCPL*</td>
<td>1,278</td>
<td>1,411</td>
<td>10</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>636</td>
<td>686</td>
<td>8</td>
</tr>
<tr>
<td>Deposits</td>
<td>765</td>
<td>714</td>
<td>(7)</td>
</tr>
<tr>
<td>Mortgage &amp; Auto</td>
<td>614</td>
<td>727</td>
<td>18</td>
</tr>
<tr>
<td>Others</td>
<td>136</td>
<td>145</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,429</td>
<td>3,683</td>
<td>7</td>
</tr>
</tbody>
</table>

* CCPL – Credit Cards and Personal Loans
# Balance Sheet Momentum

## Customer Loans and Advances

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>YoY%</th>
<th>%</th>
<th>CCY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages</td>
<td>70</td>
<td>(1)</td>
<td>(3)</td>
<td>0</td>
</tr>
<tr>
<td>CCPL</td>
<td>22</td>
<td>7</td>
<td>(3)</td>
<td>0</td>
</tr>
<tr>
<td>SME</td>
<td>20</td>
<td>9</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>16</td>
<td>9</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>128</td>
<td>3</td>
<td>(2)</td>
<td>1</td>
</tr>
</tbody>
</table>

## Customer Deposits

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>YoY%</th>
<th>%</th>
<th>CCY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASA*</td>
<td>97</td>
<td>10</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>TD**</td>
<td>62</td>
<td>3</td>
<td>(2)</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>(31)</td>
<td>(21)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>164</td>
<td>5</td>
<td>(2)</td>
<td>1</td>
</tr>
</tbody>
</table>

* CASA – Current and Saving Account ** TD – Time Deposit
Portfolio performance

### Loan impairment trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Mortgages</th>
<th>SME</th>
<th>CCPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>115</td>
<td>55</td>
<td>20</td>
</tr>
<tr>
<td>2009</td>
<td>120</td>
<td>42</td>
<td>22</td>
</tr>
<tr>
<td>2010</td>
<td>55</td>
<td>53</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>42</td>
<td>67</td>
<td>22</td>
</tr>
<tr>
<td>2012</td>
<td>53</td>
<td>67</td>
<td>20</td>
</tr>
<tr>
<td>H1 13</td>
<td>80</td>
<td>80</td>
<td>20</td>
</tr>
</tbody>
</table>

- Loans and advances to customers
- LI/average loans and advances (bps)
- LI/average loans and advances (ex. Korea)

**Note:** 2012 and H1 13 as per restatements in the H1 13 accounts

### Loan impairment by key products

<table>
<thead>
<tr>
<th></th>
<th>H1 12</th>
<th>H2 12</th>
<th>H1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR*</td>
<td>(0.02%)</td>
<td>0.02%</td>
<td>0.02%</td>
</tr>
<tr>
<td>30dpd/ENR**</td>
<td>0.66%</td>
<td>0.68%</td>
<td>0.54%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>71</td>
<td>73</td>
<td>70</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>(9)</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>SME</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>0.51%</td>
<td>0.63%</td>
<td>0.45%</td>
</tr>
<tr>
<td>90dpd/ENR</td>
<td>0.53%</td>
<td>0.68%</td>
<td>0.77%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>19</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>49</td>
<td>61</td>
<td>46</td>
</tr>
<tr>
<td>CCPL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>2.52%</td>
<td>2.93%</td>
<td>4.05%</td>
</tr>
<tr>
<td>30dpd/ENR</td>
<td>2.07%</td>
<td>2.30%</td>
<td>2.45%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>20</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>248</td>
<td>312</td>
<td>444</td>
</tr>
<tr>
<td>Total LI (US$m)</td>
<td>290</td>
<td>384</td>
<td>506</td>
</tr>
</tbody>
</table>

* ANR – Average Net Receivables  ** ENR – End Period Net Receivables
Loan impairment: Drivers of CCPL

Reported growth: 79%

Underlying growth: 55%

Underlying growth excluding Korea & Thailand: 35%
Restoring Korea to profitability

- **Balance sheet**
  - De-risk Personal Loan portfolio
  - Exit savings bank and capital company
  - CASA focus and Wealth Management fee income growth

- **Distribution**
  - Branch and in-house origination
  - Accelerate digital agenda
  - Optimise distribution framework

- **Productivity**
  - Drive performance culture
  - Headcount optimisation; hiring freeze

### Financial Metrics

<table>
<thead>
<tr>
<th></th>
<th>H1 13</th>
<th>YoY%</th>
<th>HoH%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>573</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(403)</td>
<td>(3)</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Operating profit before impairment</strong></td>
<td>170</td>
<td>(13)</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>Loan impairment</strong></td>
<td>(176)</td>
<td>(83)</td>
<td>(39)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>(6)</td>
<td>(106)</td>
<td>(109)</td>
</tr>
</tbody>
</table>
Creating a diversified, advantaged and profitable consumer franchise

- High single digit income growth
- Positive jaws
- Double digit operating profit growth
- Operating profit RoRWA of 2.5%

1. Focus on priority markets and mitigate Korea drag
2. Sharpen resource allocation decisions
3. Improve productivity and strengthen the control environment
4. Reduce volatility
Focus on priority markets

*H1 13 data shown on an annualised basis

- Grow or maintain (7 markets)
- Priority markets (7 markets)
- Reshape (5 markets)
- Shrink and reshape (Korea)
- Review (5 markets)

CCY 2009-2012 CAGR (%)

Operating profit RoRWA %*

*= US$0.5bn

*H1 13 data shown on an annualised basis
Sharpen resource allocation decisions

**Priority** (7 markets)
- CB will disproportionately allocate RWA and expense capacity
- Focus on
  - High Value Segments
  - Wealth and SME
  - Digital Main Bank
  - Strategic cities
- CB targets
  - Grow at multiple of GDP growth rate
  - Hold or improve market share and returns

**Grow or Maintain** (7 markets)
- CB has attractive growth and returns as well as relevant scale
- Periodically review and adapt based on market realities

**Reshape** (5 markets)
- Attractive banking markets
- Change CB’s business mix and increase HVS share
- Improve returns

**Review** (5 markets)
- Small markets with tough economics
- CB has a sub-scale presence
- Exploring alternative paths

**Shrink and reshape** (Korea)
- Restore profitability
  - Balance sheet
  - Distribution
  - Productivity
## Impact of 2013 resource allocation

<table>
<thead>
<tr>
<th>Priority</th>
<th>% of total in H1 13</th>
<th>Annualised OP RoRWA% in H1 13</th>
<th>% of incremental (H1 13 vs H1 12)</th>
<th>% (H1 13 vs H1 12)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expenses</td>
<td>RWA</td>
<td>Expenses</td>
<td>RWA</td>
</tr>
<tr>
<td>Priority</td>
<td>59</td>
<td>54</td>
<td>3.1</td>
<td>78</td>
</tr>
<tr>
<td>Grow or maintain</td>
<td>10</td>
<td>11</td>
<td>2.6</td>
<td>7</td>
</tr>
<tr>
<td>Reshape</td>
<td>12</td>
<td>15</td>
<td>0.8</td>
<td>4</td>
</tr>
<tr>
<td>Shrink and reshape</td>
<td>17</td>
<td>19</td>
<td>-0.3</td>
<td>11</td>
</tr>
<tr>
<td>Review</td>
<td>2</td>
<td>1</td>
<td>2.6</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>2.0</td>
<td>100</td>
</tr>
</tbody>
</table>

*Note: The table above shows the impact of 2013 resource allocation with specific details for different categories such as Priority, Grow or maintain, Reshape, Shrink and reshape, and Review. The table includes percentages of total allocation and changes from H1 12 to H1 13 for both expenses and RWA (Risk-Weighted Assets).*
# Improve productivity

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Key initiatives</th>
<th>Impact of 2013 actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff</strong></td>
<td></td>
<td>People leverage (Income / people cost)</td>
</tr>
<tr>
<td>~50%</td>
<td>Reduce rate of people cost growth relative to income growth</td>
<td>↑ 7% (ex-KR)</td>
</tr>
<tr>
<td></td>
<td>Create investment capacity</td>
<td></td>
</tr>
<tr>
<td><strong>Real estate</strong></td>
<td>Reconfigure branch network</td>
<td>US$ Income / branch real estate cost</td>
</tr>
<tr>
<td>~12%</td>
<td>Increase efficiency of real estate spend</td>
<td>↑ 7%</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>Right shore IT resources</td>
<td>Spend on Digital Main Bank</td>
</tr>
<tr>
<td>~10%</td>
<td>Better align IT spend with strategic priorities</td>
<td>↑ 25%</td>
</tr>
<tr>
<td></td>
<td>Improve returns and effectiveness of IT spend</td>
<td></td>
</tr>
<tr>
<td><strong>Risk weighted assets</strong></td>
<td>Unsecured-focused initiatives</td>
<td>OP RoRWA (excluding Korea)</td>
</tr>
<tr>
<td></td>
<td>Improve risk-adjusted return on capital</td>
<td>Flat</td>
</tr>
<tr>
<td></td>
<td>Pricing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relationship focus</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grow less “RWA intensive” income streams such as wealth</td>
<td></td>
</tr>
</tbody>
</table>
4 Reduce volatility

Sources of volatility

Impact

High

Low

Ability to mitigate

High

Low

Unsecured credit losses

Control environment

A

B

C

D

E

Currency

Margins

Wealth Management fee income

Wealth Management fee income

Control environment

Operational Risk framework

End-to-end process design

Quality and rigour of execution

Productivity imperative

Balance in balance sheet

CASA-mortgage

How we are responding

Unsecured credit losses

- Korea de-risking
- Single product, higher risk personal loans
- Higher risk channels

Wealth Management fee income

- Mix
- Banca and flow forex
- Customers and penetration

Control environment

Margins

- Productivity imperative
- Balance in balance sheet
- CASA-mortgage
Continuing to invest for long term growth

<table>
<thead>
<tr>
<th>Category</th>
<th>2009-12</th>
<th>2013-17</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branding and marketing</td>
<td></td>
<td></td>
<td>Flat</td>
</tr>
<tr>
<td>Mobile and online</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Customer focused systems</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Branch</td>
<td>5</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Frontline staff</td>
<td>5</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Regulatory and controls</td>
<td>5</td>
<td>20</td>
<td>15</td>
</tr>
</tbody>
</table>
Summary

- Despite challenges, our 2013 performance has been resilient

- We are confident in our markets and our competitive strengths

- We are sharpening our focus

- We still aspire to strong growth while protecting returns
Bringing it all together

To be the world’s best international Consumer Bank in each of our chosen markets and segments across Asia, Africa and the Middle East

- Participation model
- Customer focus
- ‘Back to basics’

Customer Charter
Our team is here to give you...

- Friendly, fast and accurate service
- Solutions to financial needs
- Recognition and reward overall banking relationship

Our goal is to be the Bank you recommend to friends, family and colleagues

Deliver sustainable operating performance

Digital main bank

SCB Way

Here for good