Leading the way in Asia, Africa and the Middle East
Leading the way
in Asia, Africa and the Middle East

Judy Hsu
Global Head, Wealth Management
Key messages

- Well positioned in the fastest growing markets

- Our strategy centres around being our customers “Trusted Advisor”

- Our diversified business is performing well

- Ongoing strategic initiatives to support future growth
Asia is the fastest growing Wealth Management market

Global AUM growth rate

<table>
<thead>
<tr>
<th>Region</th>
<th>CAGR 2011-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia ex-Japan</td>
<td>11%</td>
</tr>
<tr>
<td>South America</td>
<td>9%</td>
</tr>
<tr>
<td>Middle East/Africa</td>
<td>6%</td>
</tr>
<tr>
<td>Europe</td>
<td>2%</td>
</tr>
<tr>
<td>North America</td>
<td>2%</td>
</tr>
</tbody>
</table>

Strong millionaire growth in Asia ex-Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>&lt;1m</th>
<th>1-100m</th>
<th>&gt;100m</th>
<th>CAGR 2011-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016F</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: BCG 2012 wealth report; *Total private financial wealth in Asia
Established footprint aligned to growth

One of the largest foreign banks in Asia, Africa & Middle East

More than 5,000 relationship managers and 900 investment specialists world-wide

North Asia

600+ branches

Korea
China
Hong Kong
Taiwan
Japan

South Asia, Africa, Middle East*

500+ branches

UAE
India

Pakistan
Oman
Qatar
Bangladesh
Lebanon
Ghana
Nigeria
Botswana
Cameroon
Sierra Leone

Zimbabwe
Zambia
Tanzania
Uganda
Jordon
Nepal
Sri Lanka
Kenya
Gambia
Cote d'Ivoire

South East Asia

350+ branches

Singapore

Malaysia
Indonesia
Brunei
Thailand
Philippines
Vietnam

Primary focus: top Wealth Management markets

* Includes all other countries not included in North Asia and South East region
Being our customer’s “Trusted Advisor”

- **Structured advisory process**
  - Objective and ongoing advice focused on customer’s holistic needs

- **Expertise in our footprint**
  - Comprehensive insight, research and investment advice, leveraging on our expertise in our footprint

- **Needs based solutions**
  - Customer-centric, no-complex solutions via an open-architecture platform

- **Convenience and choice**
  - Convenient access via multi-channel capabilities
## Income resilience through market volatility

<table>
<thead>
<tr>
<th>Period</th>
<th>Wealth Management income</th>
<th>MSCI Asia ex-Japan*</th>
<th>Equities income</th>
<th>Non-Equities income</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 09</td>
<td>28%</td>
<td>72%</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>H2 09</td>
<td>36%</td>
<td>64%</td>
<td>29%</td>
<td>64%</td>
</tr>
<tr>
<td>H1 10</td>
<td>37%</td>
<td>63%</td>
<td>36%</td>
<td>63%</td>
</tr>
<tr>
<td>H2 10</td>
<td>34%</td>
<td>66%</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>H1 11</td>
<td>21%</td>
<td>79%</td>
<td>21%</td>
<td>79%</td>
</tr>
<tr>
<td>H2 11</td>
<td>21%</td>
<td>79%</td>
<td>21%</td>
<td>79%</td>
</tr>
<tr>
<td>H1 12</td>
<td>21%</td>
<td>79%</td>
<td>21%</td>
<td>79%</td>
</tr>
</tbody>
</table>

*Source: Bloomberg*
Diversified income stream - products

Income mix by product

H1 09  
Total US$400m

H1 12  
Total US$639m

- Foreign Exchange: 25%  
- Funds: 21%  
- Dual currency deposits: 19%  
- Cash equities and fixed income: 8%  
- Insurance: 20%  
- Structured products: 7%

60% income growth between H1 09 and H1 12
Diversified income stream - segment

Income mix by segment

H1 09
Total US$400m

- Personal: 29%
- SME: 11%
- Priority: 42%

H1 12
Total US$639m

- Personal: 18%
- SME: 16%
- Private: 22%
- Priority: 44%

Total income growth from H1 09 to H1 12:
- Total income: US$239m increase
- Year-on-year growth: 59%
Strategic priorities

- Deliver great frontline and customer experience
- Tailoring model to match market sophistication
- Grow insurance
- Rigor in risk management and compliance
Delivering a great experience

For frontline

- Needs based conversation
- Asset allocation and portfolio review tools

For customers

- Online customer investment profile
- Online and mobile trading

Electronic dealing and STP *

Customer relationship management system

Research and commentary

Portfolio performance report

*STP – Straight through processing
Innovative program for online trading

Breeze trading in Hong Kong

5 years of free buy side equities trading

Online trading in Singapore

Access to 14 exchanges globally and over 10,000 securities

It's good to trade online with no minimum commission.

Zero custody fees
Transfer your funds to your account for free from 31 October 2011 to 31 December 2011 (both dates inclusive), the "Promotion Period". Based on the trading price of each security of the exchange in the transaction. For every $100,000 worth of Bank of Singapore, customers will be entitled to $100 worth of Singapore (up to a total of $100) To qualify for the 5 years of free trading, customers must open a securities account with Standard Chartered Bank (Singapore) Ltd (the "Promotion Period""). This offer is non-transferable and cannot be exchanged for cash. If the account is closed before the 5-year anniversary, the remaining commission balance will be forfeited. It is the responsibility of the customer to ensure that the services are suitable for their needs. The products/services offered are not guaranteed, and the customer may lose all or part of their original investment amount.

To learn more, call 1800 242 5355 or visit standardchartered.com.sg
Tailoring model to match market sophistication

- Developed Open markets
- Local markets
- Frontier markets
- Margin trading
- Derivatives
- Portfolio lending
- Private Equity / Hedge Funds
- Cash equities and margin lending
- Discretionary account
- Non PP structured products
- Principal Protected (PP) structured products
- Funds
- Bonds
- Foreign Exchange / Foreign Exchange forwards
- Insurance
Growing insurance

Growth of insurance premium in Asia (US$bn)

- **Agency**: 28% CAGR 21%
- **Bancassurance**: 57% CAGR 29%
- **Others**: 66%

2002: 183
2010: 40

Source: McKinsey & Company

Growth of Standard Chartered insurance income

CAGR 29%

Key messages

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- Our strategy centres around being our customers “Trusted Advisor”
- Our diversified business is performing well
- Ongoing strategic initiatives to support future growth
Leading the way
in Asia, Africa and the Middle East

James Galloway
Global Head, Integrated Distribution
Key messages

- Distribution transformed to meet customer needs
- Integrating distribution and SCB Way* program
- Accelerating digital capability to enable digital main bank

*SCB Way – Standard Chartered Bank Way
## Strategic journey - integrated distribution

### 1. Move from product to customers
- **Target customers**
- **Customer focus**
- **Segment CVPs***

### 2. Channels and productivity
- **Physical channels**
- **Online and mobile sales**
- **Productivity tools**

### 3. Integrate Distribution
- **More market driven**
- **More flexible and productive**
- **More digital**

* CVPs - Customer Value Propositions
Key themes for integrated distribution

1. More market driven
   - Analyze market opportunity
   - Fit distribution type to opportunity

2. More flexible and productive
   - Formats to meet customer needs
   - Expand and leverage SCB Way

3. More digital
   - Changing preferences and technology
   - Integrate channels
More market driven

Market driven

Target customers

Channel mix

Physical

New branch formats

Priority and SME hubs

Express Banking Centres

Competitive intensity

Voice and digital

Online

New Business models

Contact centres

Alliances

Market opportunities

Priority and SME hubs

Express Banking Centres

New Business models

Online

Mobile / Breeze

Contact centres

Alliances

Target customers

New branch formats

Priority and SME hubs

Express Banking Centres

New Business models

Online

Mobile / Breeze

Contact centres

Alliances

Prioritize and SME hubs

Express Banking Centres

New Business models

Online

Mobile / Breeze

Contact centres

Alliances
More flexible - new business

Five New Business models

- Priority and Preferred
- Small Business
- Employee Banking
- Product Teams
- Voice and Digital

Flexible delivery

- Mobile based at sales hub
- Mobile sales attached to branch

Outbound | Online / Mobile | ATM
More productive – bundle solutions

Core bundle solutions

New to product penetration

17%
Jun 12
Jun 11

47%

4%

Dream HomeSuite
Everything you need, all the value you deserve

Dream SalarySuite
More perks for your pay

Dream Easy BankingSuite
The easy way to manage your money
More productive – SCB Way

**SCB Way**

- **People**
- **Bundle solutions**
- **CRM**
- **Leads**
- **Incentives**

**Progress report**

- **Needs based conversations per man day:**
  - 2011: 9%
  - H1 12: 24%

- **Solutions per man day (includes revenue and non-revenue products):**
  - 2011: 23%
  - H1 12: 27%

- **New to Bank revenue products per customer:**

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* CRM Client Relationship Management
## More productive - branches

<table>
<thead>
<tr>
<th>Category</th>
<th>2007</th>
<th>H1 12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Space</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of outlets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total branch square feet</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales intensity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(top 15 markets)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Square feet per person</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales intensity per branch**</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Format / fit out</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of formats</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Branches at our new standard</td>
<td>38%</td>
<td>78%</td>
</tr>
</tbody>
</table>

* By branch numbers, **Branch based sales employees*
## More digital - expanding capability

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>H1 12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active internet users</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active internet users (m)</td>
<td>1.45</td>
<td>2.43</td>
</tr>
<tr>
<td><strong>Payments convenience</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-line billers</td>
<td>&lt;1,000</td>
<td>&gt;3,000</td>
</tr>
<tr>
<td>Number of funds transfers*</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td><strong>Sales and Wealth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-line sales (markets)</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>On-line trading (markets)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>High volume transactions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e-statement penetration rate</td>
<td>24%</td>
<td>45%</td>
</tr>
<tr>
<td>Active alerts customers (m)</td>
<td>0.37</td>
<td>2.55</td>
</tr>
</tbody>
</table>

*H1 10 – H1 12
### Expanding capabilities in 2012

- **Online sales and trade (9 markets)**
  - NEA – North East Asia
  - SEA – South East Asia
  - SA – South Asia

- **Payments and transfers (30 markets)**
  - NEA
  - SEA
  - SA
  - MEPA – Middle East, Pakistan and Africa

- **Instant registration (30 markets)**
  - NEA
  - SEA
  - SA
  - MEPA

- **Smart marketing (9 markets)**
  - NEA
  - SEA
  - SA

- **eStatements and alerts (30 markets)**
  - NEA
  - SEA
  - SA
  - MEPA

- **Rewards (15 markets)**
  - NEA
  - SEA
  - SA
  - MEPA

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1. NEA – North East Asia
2. SEA – South East Asia
3. SA – South Asia
4. MEPA – Middle East, Pakistan and Africa
Key messages

- Distribution transformed to meet customer needs
- Integrating distribution and SCB Way* program
- Accelerating digital capability to enable digital main bank

*SCB Way – Standard Chartered Bank Way