



# Retail Banking

CLSA Investor Forum

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Here for good

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# Key messages

## Strategy

- Vision: Become best bank for affluent, emerging affluent & business clients
- Full relationship approach, end-to-end digital with a human touch
- Focus on ~60 core cities across 24 countries

## Progress

- Commenced digital transformation journey end-to-end
- Investing in payments capabilities: Wallets and Contactless
- ~60% of New-to-Bank clients from Employee Banking and Alliances
- Premium Banking being launched

## Priorities

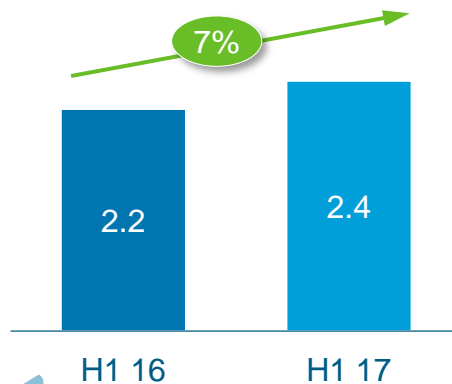
- Execute the Retail transformation
- Drive return on investments through both income and cost lines
- Reinvigorate our brand, upgrading our product and service offering
- Launching Premium and accelerating Personal
- Broaden digital sales

# Full service Retail Bank with 9 million customers in 32 countries

- Over 9 million individual and business clients
- ~1,000 branches and ~30,000 staff in 32 countries
- Focused in ~60 core cities across 24 countries
- Significant net liquidity provider

## Income impacted by business exits

Income ex-divestments (\$bn)

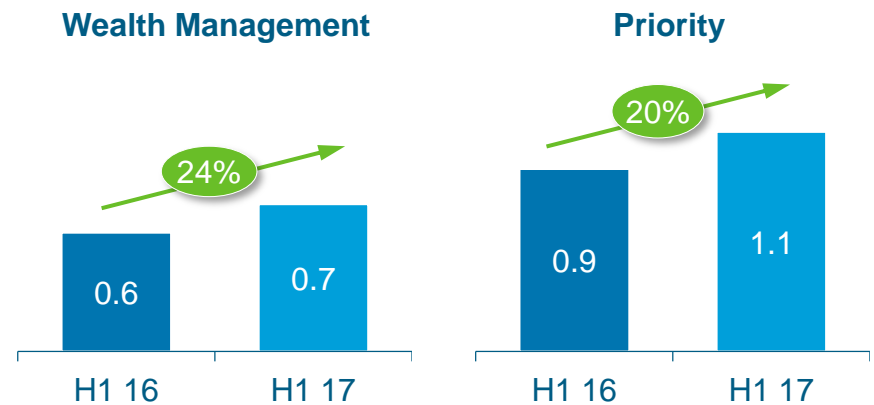


## Retail Banking H1'17 financial performance

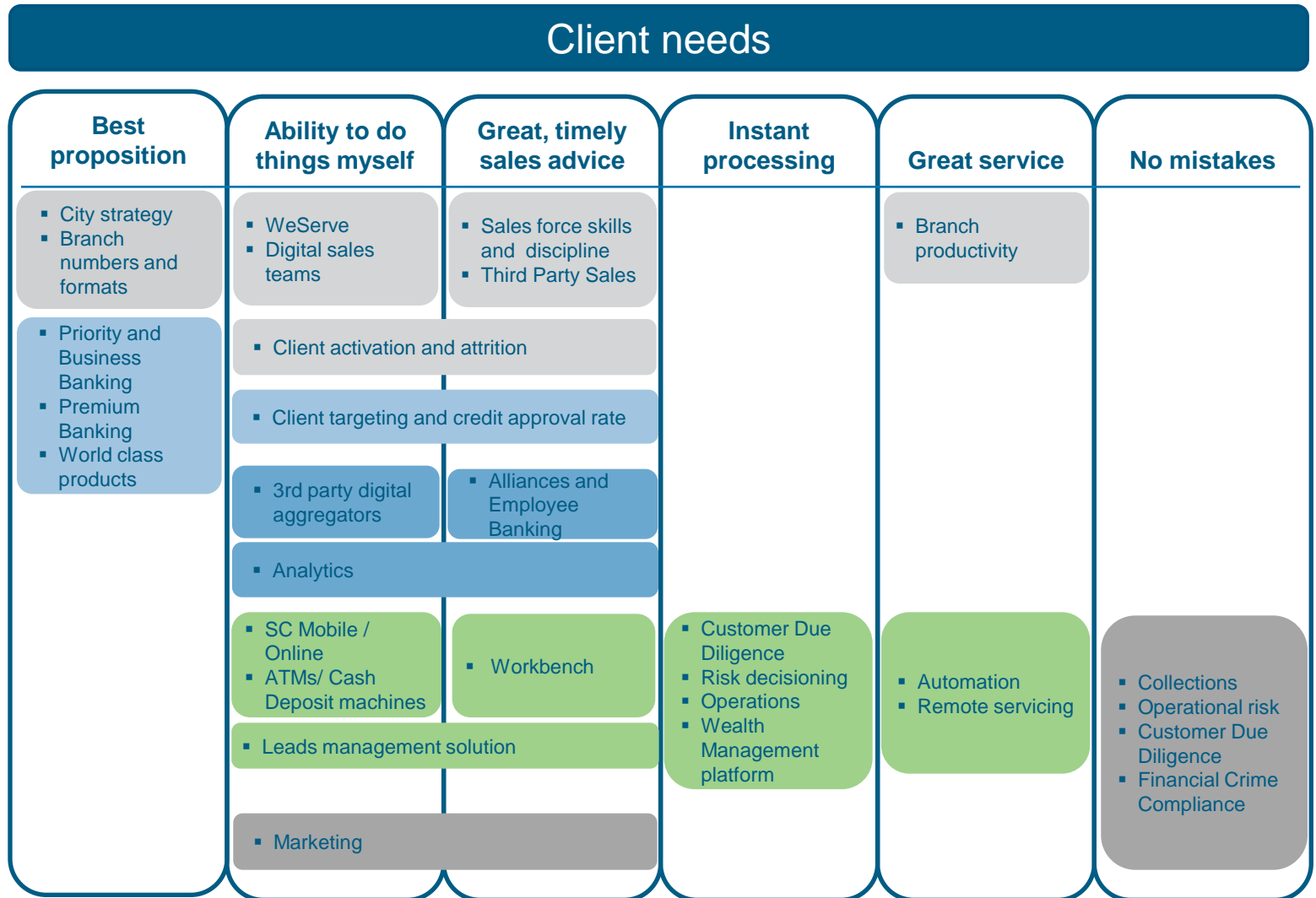
\$m	H1'17	H1'16	YoY	% of Group
<b>Operating income</b>	<b>2,396</b>	<b>2,316</b>	<b>3%</b>	<b>33%</b>
Operating expenses	(1,723)	(1,643)	(5)%	
<b>Pre-provision operating profit</b>	<b>673</b>	<b>673</b>	<b>-</b>	<b>27%</b>
Total impairment	(172)	(242)	29%	
<b>Underlying profit</b>	<b>501</b>	<b>431</b>	<b>16%</b>	<b>26%</b>
Customer loans and advances (\$bn)	98	95	3%	37%
Customer deposits (\$bn)	124	115	7%	31%
<b>RWA (\$bn)</b>	<b>43</b>	<b>44</b>	<b>(3)%</b>	<b>16%</b>

## Strong Wealth Management & Priority momentum

Income growth (\$bn)



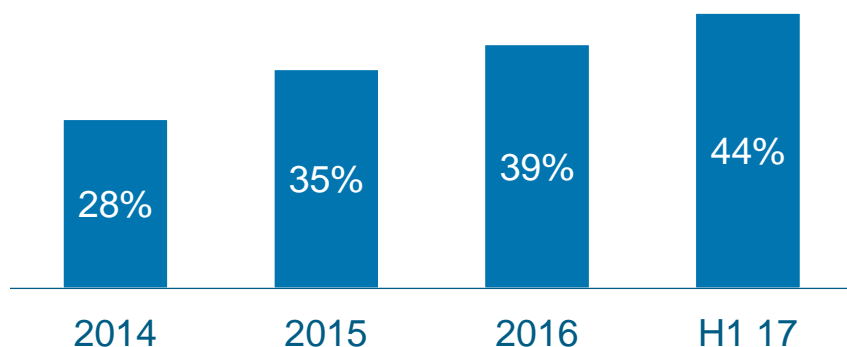
# Driving Retail returns and improving cost-to-income ratio



# Priority performance is robust fueled by winning products

## Priority now 44% of Retail Banking income

Acquired over 50,000 NTB Priority clients in H1 17



## Premium expanding across key markets

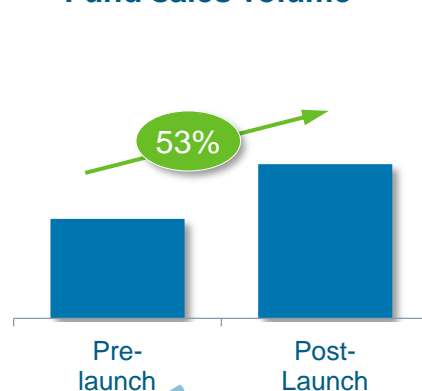
Targeting clients with higher revenue potential

- Large market opportunity
- A steady pipeline of clients to Priority
- Launched in four markets
- Seven more markets planned: KE, TW, PK, NG, MY, SG & CN

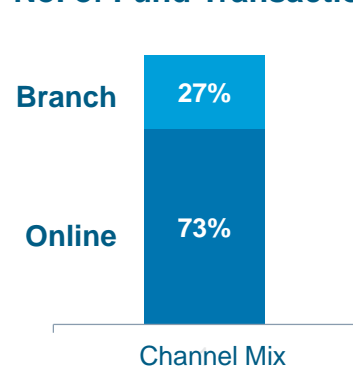
## Digital Wealth Management: initial success

China online mutual funds (OMF) H1 17

Fund sales volume<sup>1</sup>



No. of Fund Transactions



## Continue to invest in payment capabilities

	Contact less	Apple Pay	Samsung Pay	Android Pay
Singapore	✓	✓	✓	✓
Hong Kong	✓	✓	✓	✓
Korea	✓		✓	
Taiwan	✓	✓	✓	✓
India	✓		✓	
Malaysia	✓		✓	
UAE			✓	

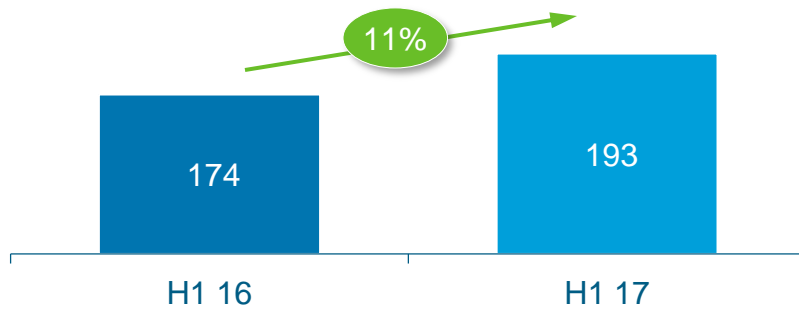
✓ launched to date

# High quality customer leads driving growth

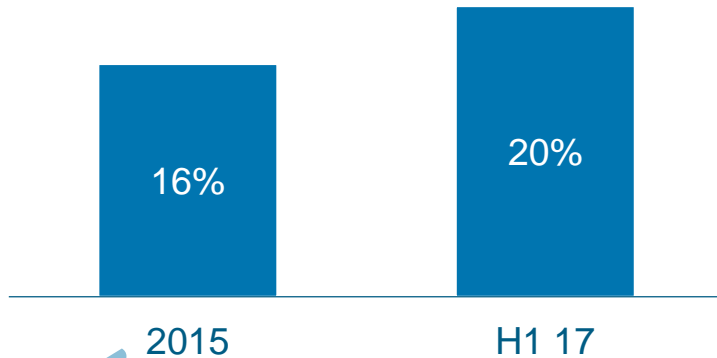
## Employee Banking New-to-Bank growing

~1.5x average revenue of personal client

No. of Clients ('000)



## Increased proportion of online sourcing

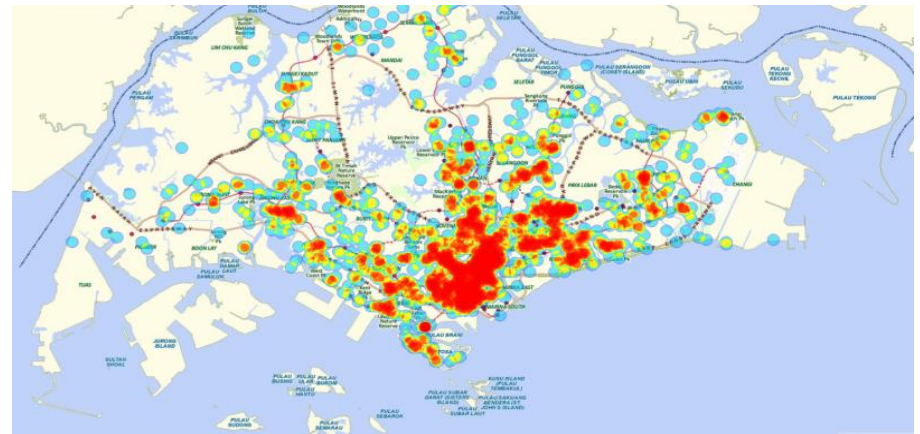


## Successful alliances

Over 20% of New-to-Bank client acquisition



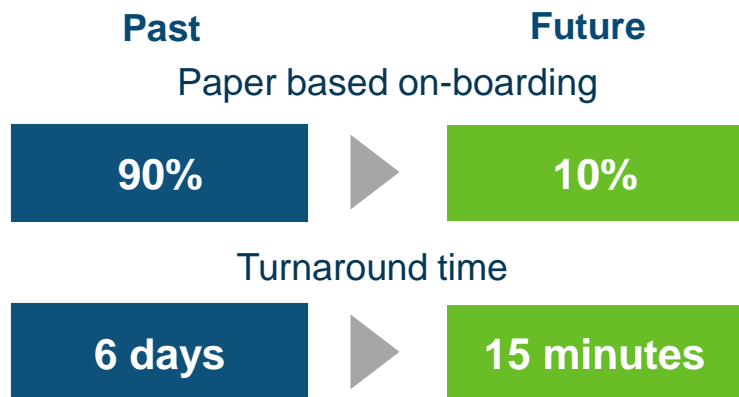
## Analytics for real-time, personalised offers



# Digital with a human touch

## Faster, simpler and better

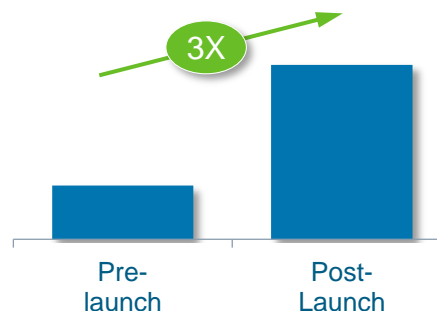
Digital automation to reduce paper and turnaround time



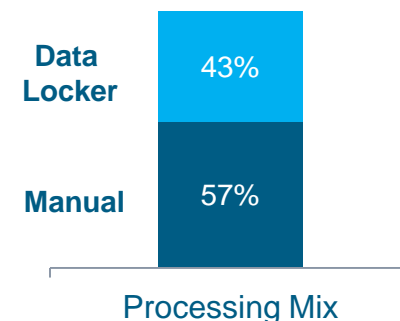
## Update of client information via mobile

Data Locker launch in UAE

Personal Data Updates (monthly average)



No. of Personal Data Updates



## Global Wealth Management platform

**Performance Reporting**

Consolidated view of portfolio

**Suitability, Advisory & Order Mgmt**

Straight through order capturing (funds and bonds)

**Personalised Investment Ideas (PII)**

Tailored to client risk profiles and investment holdings

## Remotely servicing our clients

	Chat Banking	Video Banking	Voice Authentication
Singapore	✓	✓	2017/18
Hong Kong	✓	✓	
Kenya	✓	✓	
Taiwan	✓	✓	
India	✓	✓	✓
Malaysia	✓	✓	2017/18
UAE	✓	✓	✓
China	✓	✓	

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# Q&A