

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*



## **STANDARD CHARTERED PLC**

**渣打集團有限公司**

*(Incorporated as a public limited company in England and Wales with limited liability)*

*(Registered Number: 966425)*

*(Stock Code: 02888)*

### **Joint Venture in respect of SC Bank Solutions (Singapore) Limited**

#### **INTRODUCTION**

Standard Chartered's wholly owned subsidiary SCBSL and BetaPlus, a holding company controlled by NTUC Enterprise, entered into a shareholders' agreement on 6 September 2021 relating to a joint venture, SC Bank Solutions, whereby SCBSL and BetaPlus will respectively hold 60% and 40% of the issued and paid up share capital of SC Bank Solutions.

SC Bank Solutions was granted a full banking licence by the MAS on 30 December 2020. This joint venture will focus on providing digital banking services, in line with Singapore's efforts to digitalise its economy. SC Bank Solutions will be Standard Chartered's second separately licensed digital bank in Asia, the first being Mox Bank Limited in Hong Kong (a separate joint venture with a wholly owned subsidiary of PCCW Limited, a wholly owned subsidiary of HKT Limited and a wholly owned subsidiary of Ctrip.com International, Ltd.).

#### **THE AGREEMENT**

The Agreement regulates the respective rights of SCBSL and BetaPlus as the shareholders of SC Bank Solutions.

The principal terms of the Agreement are summarised as follows:

#### **Cash Contributions**

SCBSL and BetaPlus will contribute or have contributed to SC Bank Solutions, on or before Completion, an aggregate cash amount of S\$240 million, broken down as follows:

- (i) **SCBSL:** S\$144 million (S\$90 million of which will have been contributed prior to Completion); and
- (ii) **BetaPlus:** S\$96 million.

The above funds will be used to develop the business of SC Bank Solutions in accordance with the agreed business plan.

## **Other Key Terms**

The Agreement provides for:

- (i) customary put and call options in favour of SCBSL and BetaPlus at a price based on fair market value of the shares of SC Bank Solutions which are exercisable upon the occurrence of certain agreed events (including certain material breaches of the ancillary commercial agreements (which are of revenue nature) to be entered into between entities in the corporate groups of SCBSL and BetaPlus); and
- (ii) on and from the fifth anniversary of completion of the Transaction, BetaPlus shall have a right, exercisable each financial year, to require SC Bank Solutions to buy back its shares at fair market value in accordance with the terms of the Agreement. Such right will be subject to compliance with applicable law (including, but not limited, to compliance with the HK Listing Rules by Standard Chartered) and to the extent that SC Bank Solutions has excess capital after taking into consideration the current business plan and any reserves or regulatory capital required under applicable laws.

## **Implications under UK Listing Rules and HK Listing Rules**

Due only to the fact that the market value at which the put and call options, and the buy back, each as described above can be exercised, is neither pre-determined nor subject to a cap, the Agreement is deemed to be a Class 2 transaction under the UK Listing Rules.

The Agreement does not constitute a “disclosable transaction” or “major transaction” under Chapter 14 of the HK Listing Rules. However, as the market value at which the put and call options, and the buy back, is neither pre-determined nor subject to a cap, Standard Chartered will comply with relevant requirements under Chapter 14 of the HK Listing Rules as appropriate.

## **Conditions and Completion**

Completion is subject to certain conditions precedent. However, the approval of the MAS for BetaPlus to acquire and hold up to 40% of the issued and paid up share capital of SC Bank Solutions has been granted.

Completion will take place on the fifth business day following the notification of the fulfilment of the last of the conditions.

## **FINANCIAL IMPLICATIONS TO STANDARD CHARTERED OF THE TRANSACTION**

Standard Chartered will continue to consolidate its interest in SC Bank Solutions following Completion. Based on unaudited management accounts of SC Bank Solutions for the period from 1 January 2021 to 30 June 2021, as at 30 June 2021 SC Bank Solutions had gross assets of S\$70 million and made a loss before tax of S\$44 million.

The establishment of a digitally led bank in Singapore is an important part of Standard Chartered’s overall digital strategy. Whilst it is not expected to provide a meaningful earnings contribution in the near term, it has the potential to create value over the medium term.

## **INFORMATION ON THE PARTIES**

### **(i) Information on Standard Chartered Bank (Singapore) Limited**

Standard Chartered has a history of over 160 years in Singapore and was among the first international banks to receive a Qualifying Full Bank (QFB) licence. In 2013, Standard Chartered transferred its Singapore Retail and SME businesses to a locally incorporated subsidiary, SCBSL, and fully consolidated its business operations in Singapore under SCBSL in May 2019. In August 2020, SCBSL was the first and only bank to be awarded the “Significantly Rooted Foreign Bank” (SRFB) status by the Monetary Authority of Singapore.

In December 2020, it was granted enhanced SRFB privileges, in recognition of the significantly higher degree of rootedness exceeding the SRFB baseline criteria.

SCBSL offers an entire range of financial services across personal, priority and private banking as well as its business, commercial and corporate banking teams.

**(ii) Information on NTUC Enterprise Co-operative Limited**

NTUC Enterprise is the holding entity and single largest shareholder of the NTUC group of social enterprises. NTUC Enterprise aims to create a greater social force to do good by harnessing the capabilities of the social enterprises to meet pressing social needs in areas like health and eldercare, childcare, daily essentials, cooked food and financial services. Serving over two million customers, NTUC Enterprise wants to enable and empower all in Singapore to live better and more meaningful lives. The NTUC social enterprises are: FairPrice Group (comprising NTUC FairPrice, NTUC Foodfare, Kopitiam and NTUC Link), NTUC First Campus, NTUC Health, NTUC Income, NTUC LearningHub, Mercatus and MoneyOwl.

**(iii) Information on SC Bank Solutions (Singapore) Limited**

SC Bank Solutions is a fully licensed bank owned jointly by SCBSL and by BetaPlus, a holding company controlled by NTUC Enterprise. SC Bank Solutions will provide digital banking services, in line with Singapore's efforts to digitalise its economy.

## **DEFINITIONS**

In this announcement, the following terms and expressions have the following meanings, unless the context requires otherwise:

<b>“Agreement”</b>	the shareholders' agreement dated 6 September 2021 between SCBSL, BetaPlus and SC Bank Solutions.
<b>“BetaPlus”</b>	BetaPlus Pte. Ltd.
<b>“Completion”</b>	Completion of the steps required to implement the Transaction.
<b>“HK Listing Rules”</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“MAS”</b>	Monetary Authority of Singapore.
<b>“SC Bank Solutions”</b>	SC Bank Solutions (Singapore) Limited.
<b>“NTUC Enterprise”</b>	NTUC Enterprise Co-operative Limited
<b>“SCBSL”</b>	Standard Chartered Bank (Singapore) Limited.
<b>“Standard Chartered”</b>	Standard Chartered PLC.
<b>“S\$”</b>	Singapore dollars, the lawful currency of the Republic of Singapore.
<b>“Transaction”</b>	the proposed investment of S\$240 million by SCBSL and BetaPlus into SC Bank Solutions (Singapore) Limited in accordance with the terms and conditions of the Agreement.
<b>“UK Listing Rules”</b>	Rules governing the listing of securities published by the Financial Conduct Authority.

**For further information, please contact:**

**Media contact:**

Julie Gibson  
Email: Julie.Gibson@sc.com  
Phone: +44 20 7885 2434

**Media contact:**

Eva Ang  
Email: Eva.Ang@sc.com  
Phone: +65 6981 2472

**Investor relations contact:**

Gregg Powell  
Email: Gregg.J.Powell@sc.com  
Phone: +852 2820 3282

By Order of the Board  
**Amanda Mellor**  
Group Company Secretary

Hong Kong, 6 September 2021

As of the date of this announcement, the Board of Directors of Standard Chartered PLC comprises:

*Chairman:*

José María Viñals Iñiguez

*Executive Directors:*

William Thomas Winters, CBE and Andrew Nigel Halford

*Independent Non-Executive Directors:*

David Philbrick Conner; Byron Elmer Grote; Christine Mary Hodgson, CBE (Senior Independent Director); Gay Huey Evans, CBE; Naguib Kheraj (Deputy Chairman); Maria da Conceicao das Neves Calha Ramos; Philip George Rivett; David Tang; Carlson Tong and Jasmine Mary Whitbread