



# Retail Banking

Morgan Stanley European Financials Conference

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# Key Messages

## Strategy

- Vision: Become best bank for affluent, emerging affluent & business clients
- Full relationship approach, digital end-to-end, focus on core cities
- Challenging conditions in some markets but opportunities remain compelling

## Progress

- 2 years into transformation with encouraging progress
- Improved share of income from Priority clients to 39% (2014: 28%)
- Significant investment in digital to improve client experience
- Commenced multi-year Wealth Management technology overhaul
- Launched focused campaigns with new alliance partners:  
Allianz, Uber and Asia Miles

## Priorities

- Drive return on investments through both income and cost lines
- Improve quality of income – client and product mix, and risk profile
- Reinvigorate our brand, simplify our product and service offering

# Full Service Retail Bank with 9 Million Customers in 32 Countries



Over 9 million individual and business clients



1,068 branches and ~30,000 staff in 32 countries



Focused in 63 core cities across 24 countries

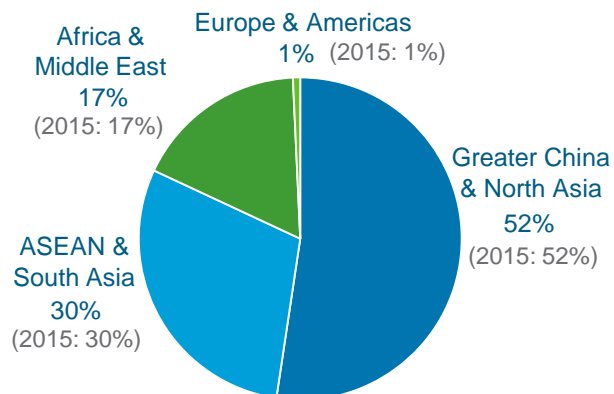


Significant net liquidity provider

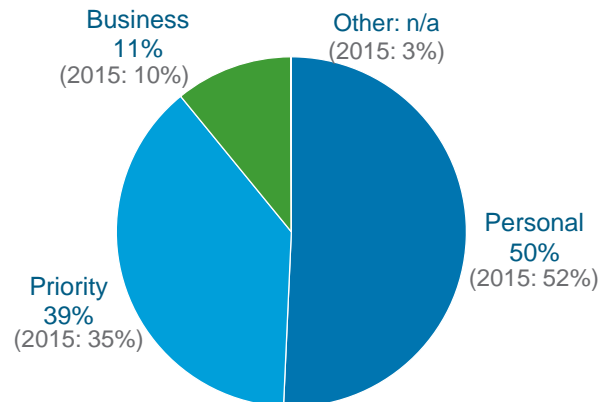
## Retail Banking FY16 financial performance

\$m	FY15	FY16	YoY <sup>1</sup>	% of Group
<b>Operating income</b>	<b>5,107</b>	<b>4,669</b>	<b>(9)%</b>	<b>34%</b>
Operating expenses	(3,510)	(3,413)	3%	
<b>Pre-provision operating profit</b>	<b>1,597</b>	<b>1,256</b>	<b>(21)%</b>	<b>33%</b>
Total impairment	(678)	(490)	28%	
<b>Underlying profit</b>	<b>919</b>	<b>766</b>	<b>(17)%</b>	<b>70%</b>
Statutory profit	524	719	37%	
Customer loans and advances (\$bn)	95	93	(1)%	37%
Customer deposits (\$bn)	115	117	2%	31%
<b>RWA (\$bn)</b>	<b>48</b>	<b>42</b>	<b>(12)%</b>	<b>16%</b>

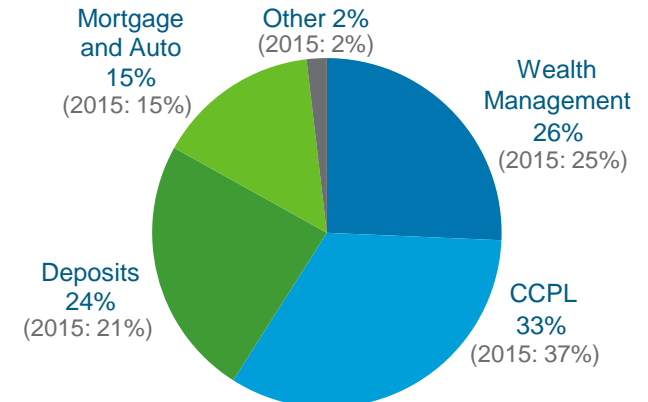
## Income by region



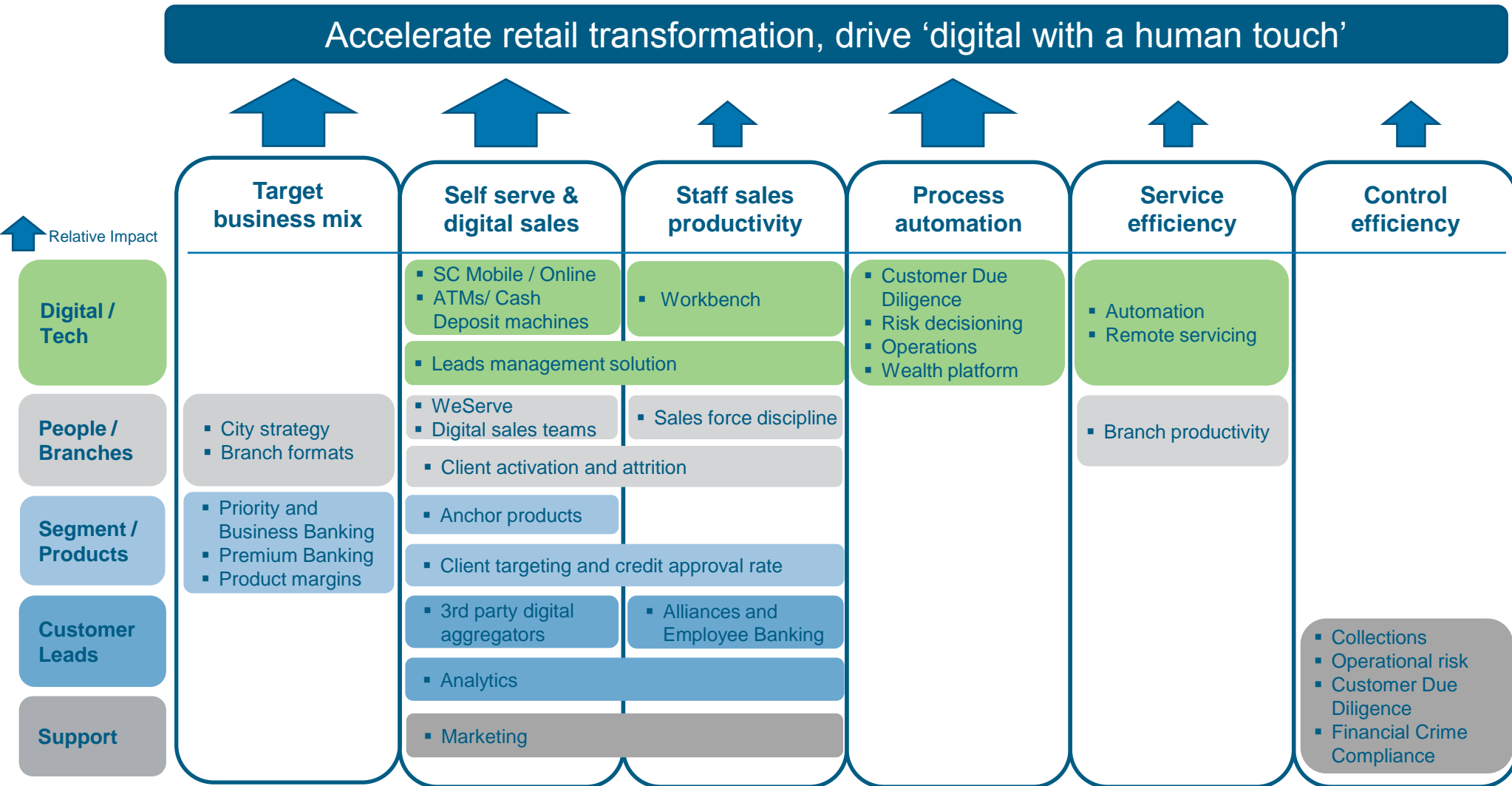
## Income by segment



## Income by product



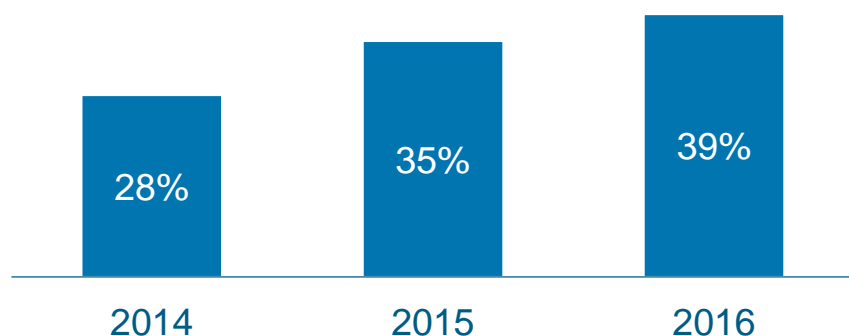
# Drive Retail Returns and Improve Cost-to-Income Ratio



# Target Business Mix: Pivot to Priority and Business Clients

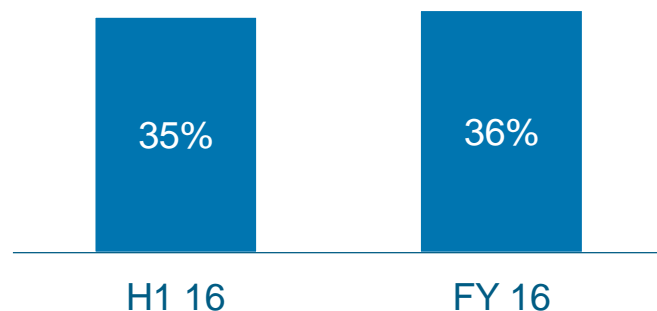
## Priority now 39% of Retail Banking income

Acquired over 90,000 NTB Priority clients in 2016



## 36% of new clients from Employee Banking

~1.5x average revenue of personal client



## Launching Premium for Emerging Affluent

- Emerging affluent clients with a higher revenue potential
- Future Priority
- 9 markets in 2017/18

Standard Chartered logo

**Celebrate your success with our new Premium programme**

Success is never easy, but getting recognized and rewarded for it is.

Enjoy exclusive rewards and promotions, preferential pricing and enhanced services.

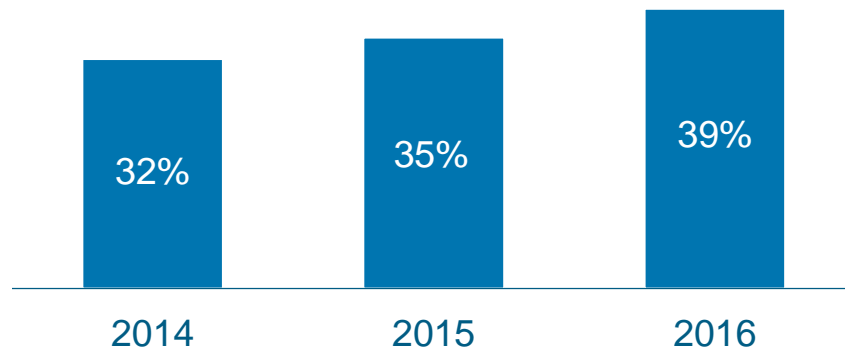
Speak to us today.  
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# Self Serve and Digital Sales: Increase Share of Digital Sales

## Increased proportion of digitally active clients

Online applications doubled in 2016



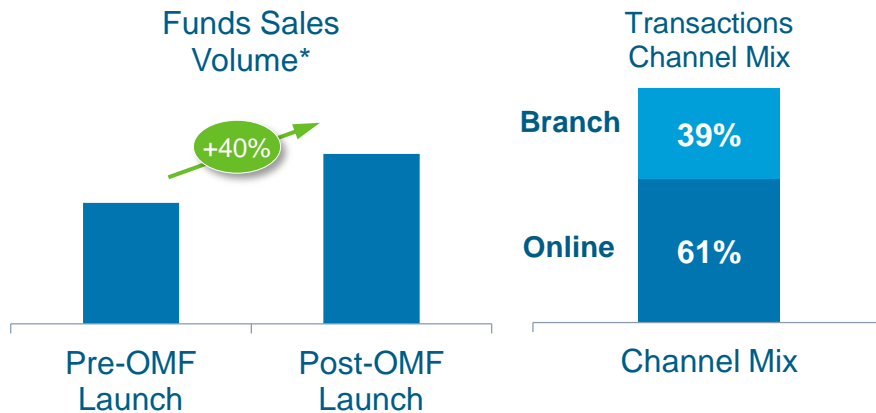
## Continue to invest in payment capabilities

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

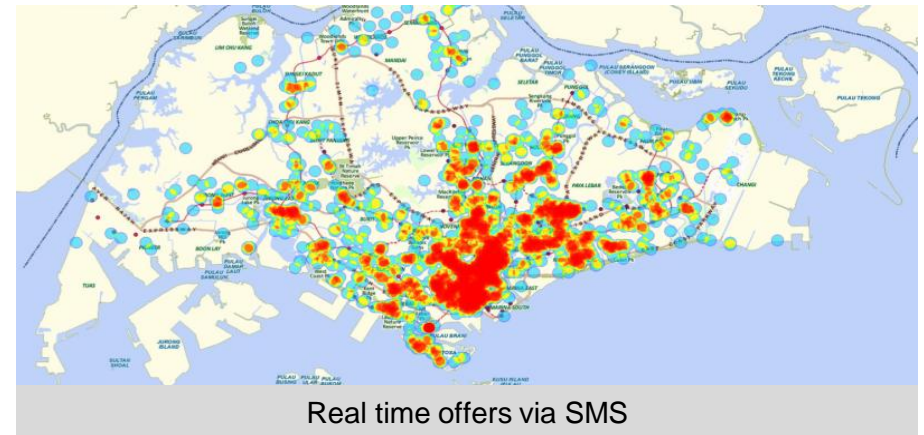
✓ Launched to date      ✓ Planned for H1 17

## Digital wealth: initial success

Case in point: China online mutual funds (OMF)



## Analytics for real-time, personalised offers





# Process Automation and Service Efficiency

## End-to-end digital automation to enhance process efficiency and customer experience

- Single platform for data maintenance
- Standardised CDD procedures
- Instant credit risk decisioning
- Data locker: client information update digitally
- End-to-end automation for onboarding processes

**Today**

Paper based on-boarding

**90%**



**Target**

**10%**

Turnaround time

**6 days**



**15 minutes**

## Global Wealth 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

## Remote servicing at a click

- Click to Chat and Video launched in 7 markets
- 3 new channels: Video, IP audio and chat
- Voice authentication deployed in UAE and India with further launches planned



# Q&A