

# Investor trip 2012

Asia Day

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



# Investor trip 2012

Hong Kong Strategy

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



# **Leading the way**

in Asia, Africa and the Middle East

**Ben Hung**

Chief Executive Officer, Hong Kong

- Positive progress on Greater China strategy; well diversified business delivering
- Balance sheet a competitive advantage
- Slower Asian growth but positive opportunities remain exciting
- Role of Hong Kong ever more clear

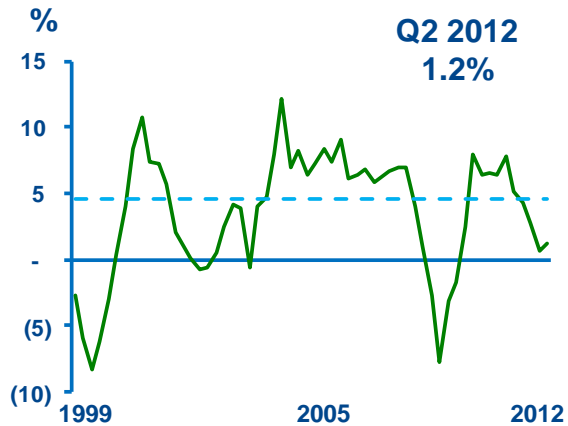
- Oldest bank operating in Hong Kong with 77 branches
- One of three note-issuing banks and rotating chairman of Hong Kong Association of Banks
- Two strong businesses; consistent performance delivery
- Robust balance sheet; strong capital and liquidity generation
- Market share gains since crisis



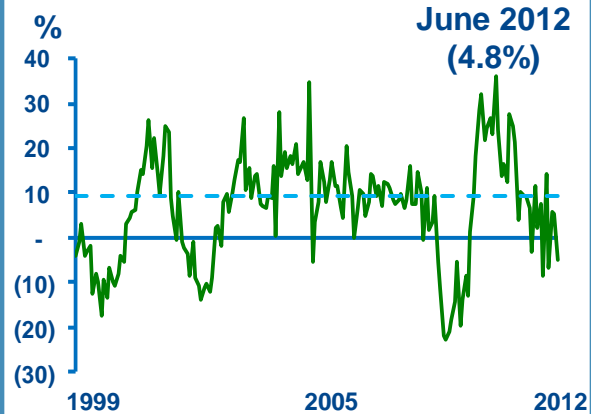
# Economic overview



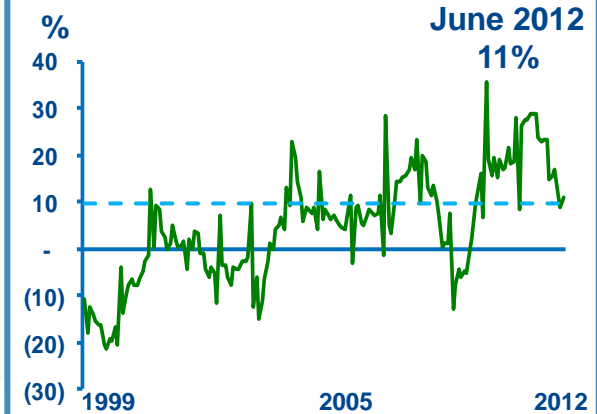
## GDP\* growth



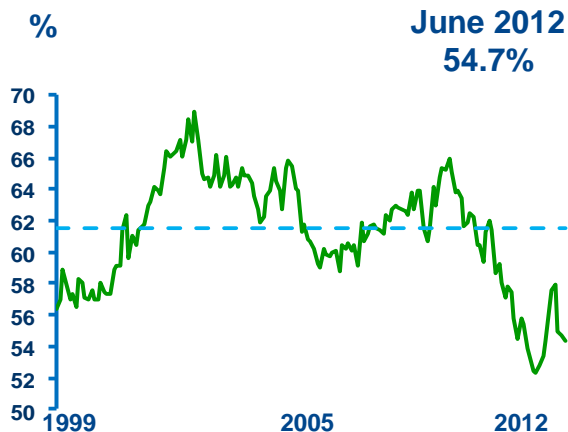
## Export growth



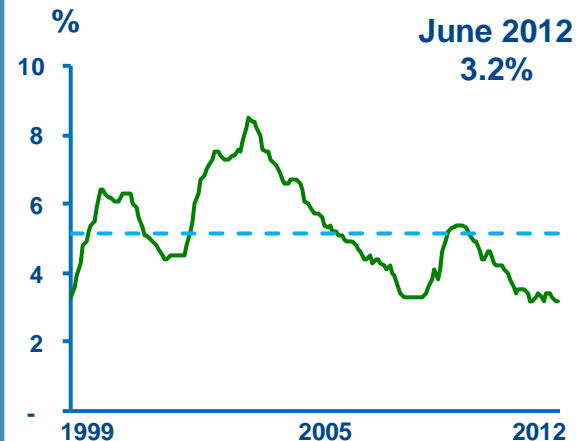
## Retail sales growth



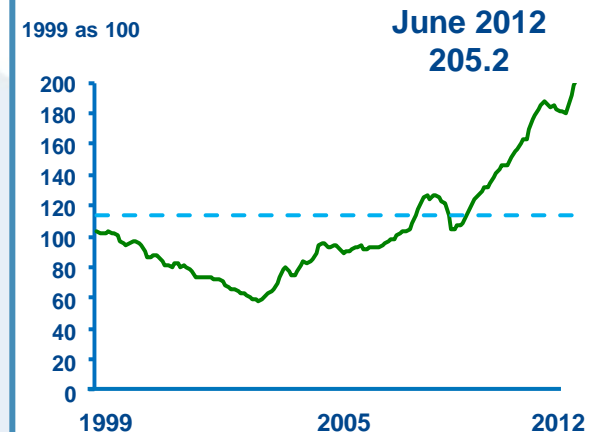
## New mortgage LTV\*\*



## Unemployment



## Property price index



--- 10 year average



**Gateway into and out from China**



## RMB internationalisation



## Regional platform



## Mainland wealth



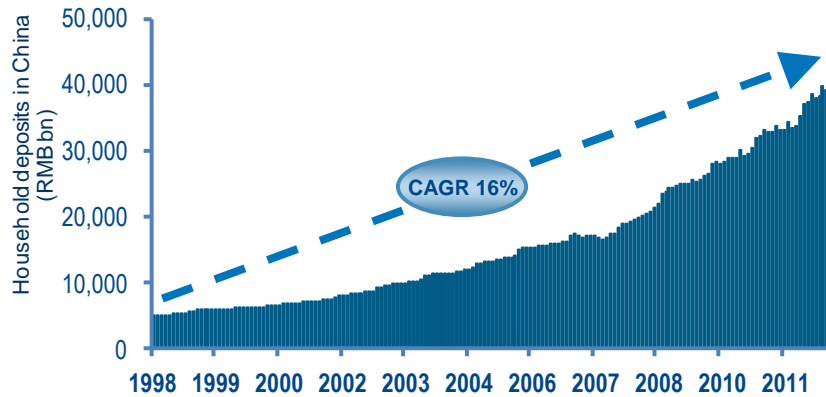


# Rapid development in offshore RMB market

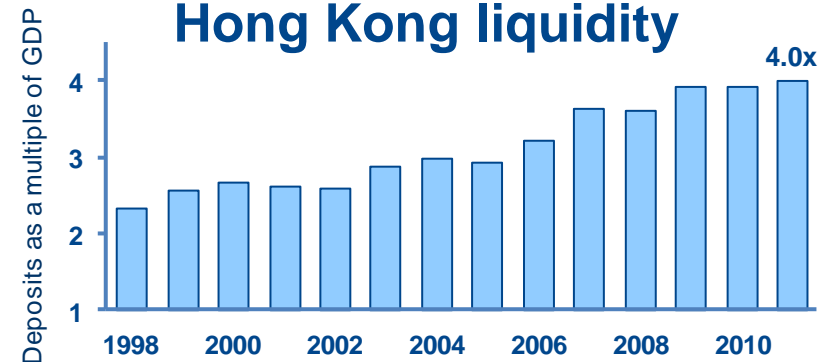
	2010	2012
<b>RMB deposits</b>	<b>Jan</b>	<b>Jun</b>
Market total	US\$10bn	US\$88bn
% of Hong Kong's deposit base	1%	9%
<b>RMB trade settlement</b>	<b>H1</b>	<b>H1</b>
Amount in Hong Kong	US\$11bn	US\$193bn
% of China's total trade	0.7%	11%
<b>RMB bond issuance</b>	US\$5.6bn	~US\$12.4bn (H1)
<b>RMB Foreign Exchange daily turnover*</b>	<b>Jul</b>	<b>Jun</b>
	~US\$0.02bn	~US\$4.8bn

# Mainland wealth

## Mainland wealth



## Hong Kong liquidity



UK	US	China	Singapore	Japan
1.34x	0.68x	1.74x	1.48x	1.27x

## Access to:

### International investors

Asset management business in  
Hong Kong 2011



### New trade corridors



### Products and services

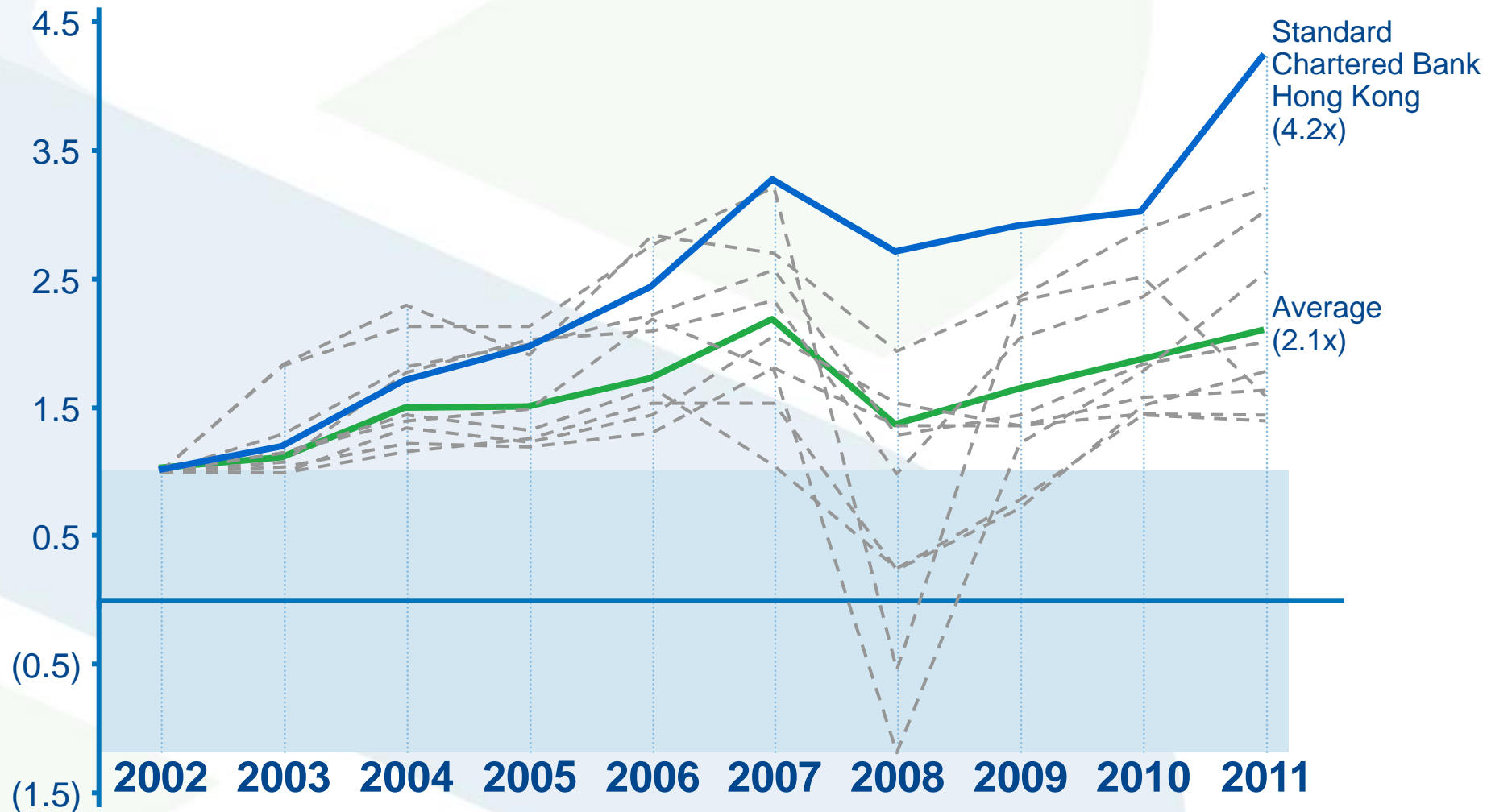


- China not decoupled but fundamentals remain resilient
- Whilst growth is slowing, GDP is still expected to grow at 7.7% and 7.8% in 2012 and 2013 respectively
- Low-end manufacturing at higher risk
- Some moderation in growth from mainland tourist consumption may not be bad for Hong Kong
- Permeated influence from China's monetary and fiscal policies
- Evident support from Beijing to Hong Kong

# Gaining market share



## Profit before tax growth of 10 key commercial banks since 2002



Source: Annual reports of ten key commercial banks in Hong Kong

- Deepen and grow client relationships
- Capture Greater China opportunities, especially RMB
- Drive balance sheet strength
- Invest in products, distribution, infrastructure and people
- Maintain tight discipline in risk

- Positive progress on Greater China strategy; well diversified business delivering
- Balance sheet a competitive advantage
- Slower Asian growth but positive opportunities remain exciting
- Role of Hong Kong ever more clear



# Investor trip 2012

Hong Kong  
Financial Performance

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



# **Leading the way**

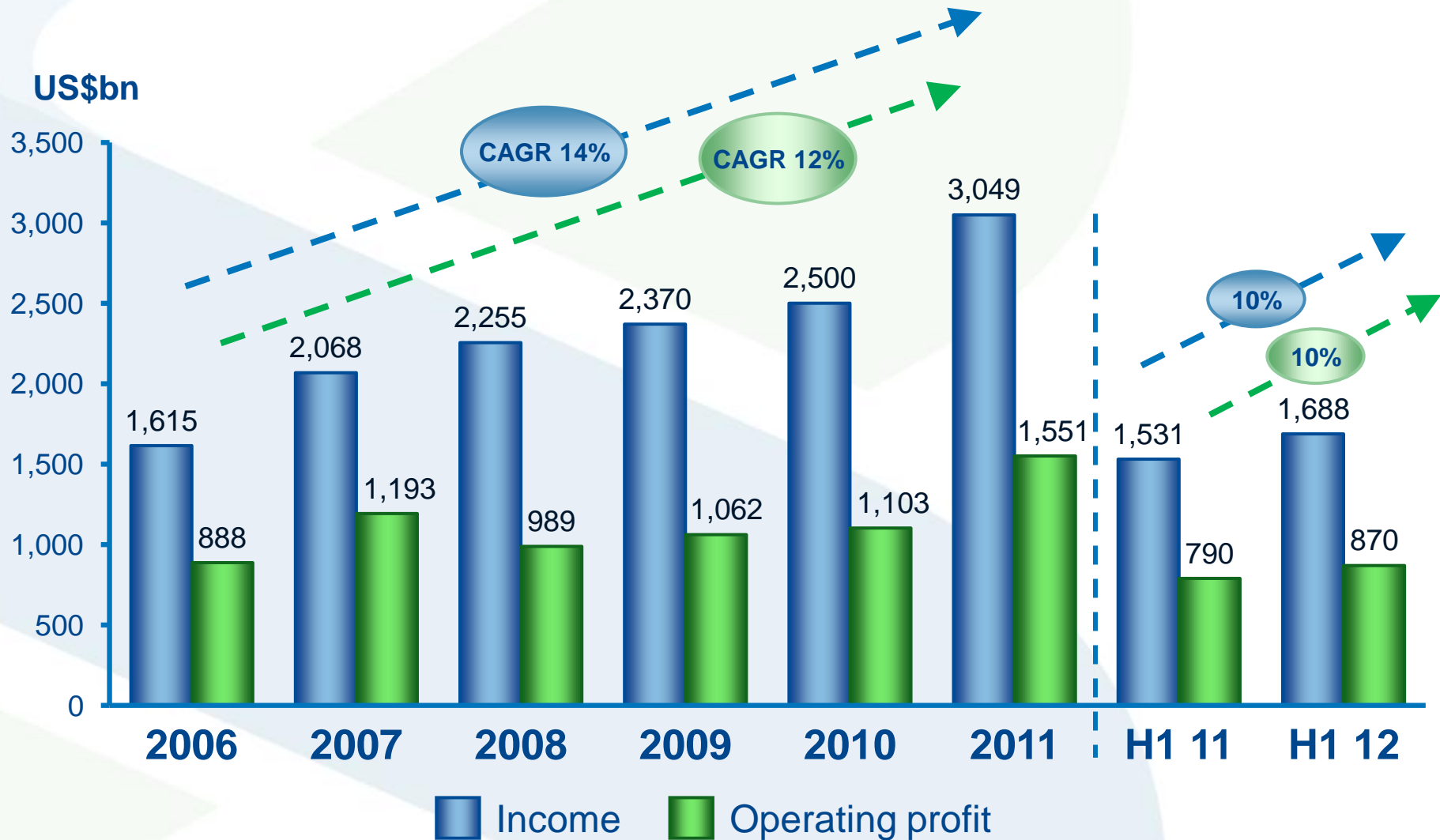
in Asia, Africa and the Middle East

**Jamie Ling**

Chief Financial Officer,  
Hong Kong and North East Asia

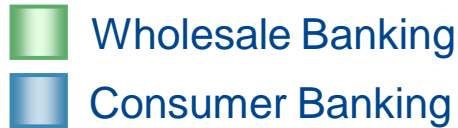
- Diverse income streams delivering continued outperformance
- Well controlled balance sheet with strong customer deposit base
- Credit portfolio quality remains sound
- Strongly capitalised, generating superior returns

# Income and profit growth



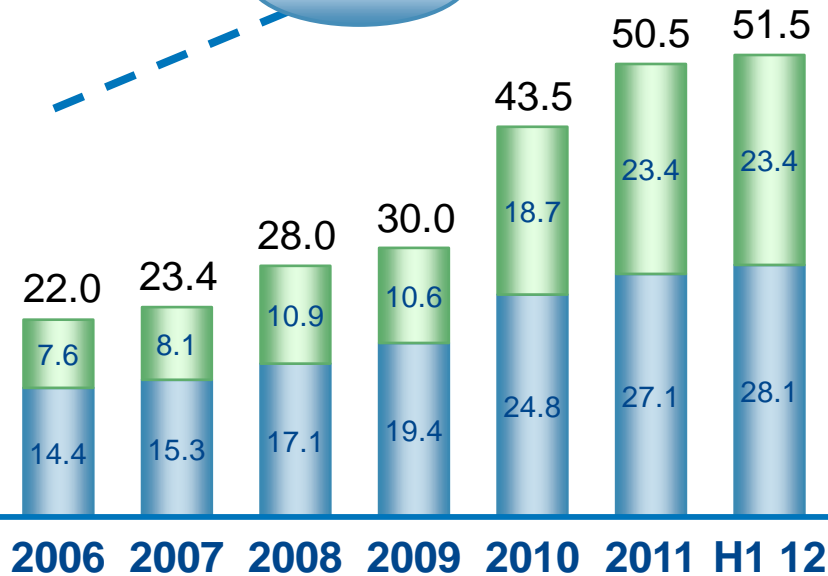
# Consistent footings momentum

## Loans and advances to customers

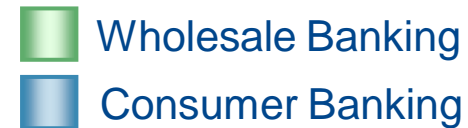


US\$bn

CAGR 17%

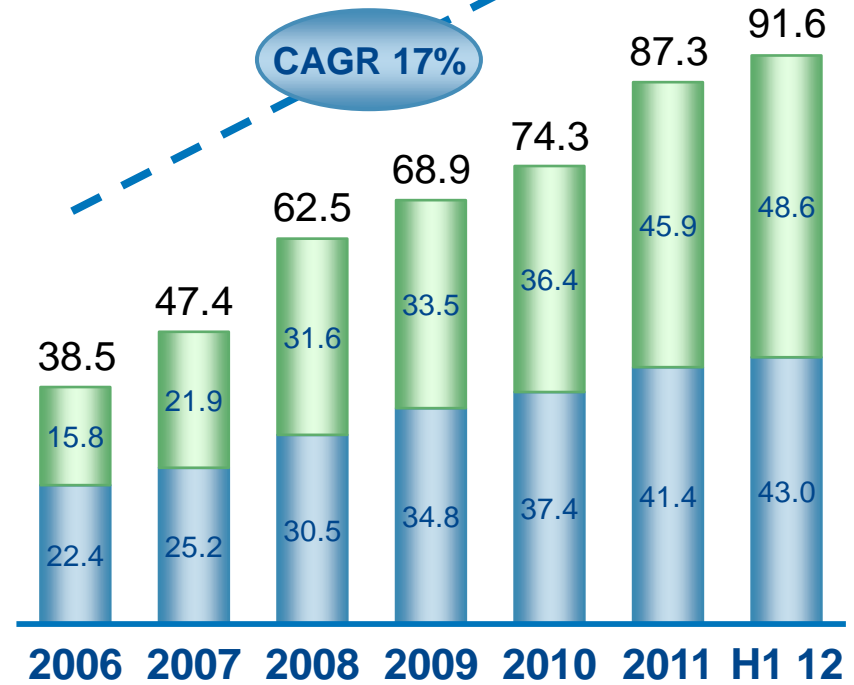


## Customer deposits



US\$bn

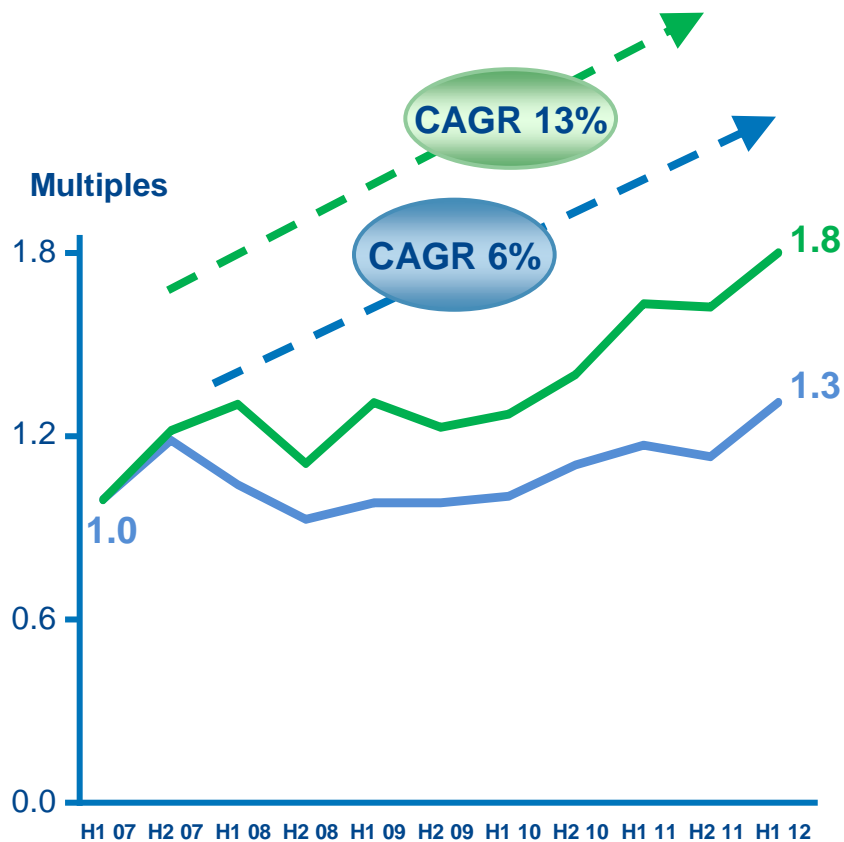
CAGR 17%



# Consistently outperforming the market

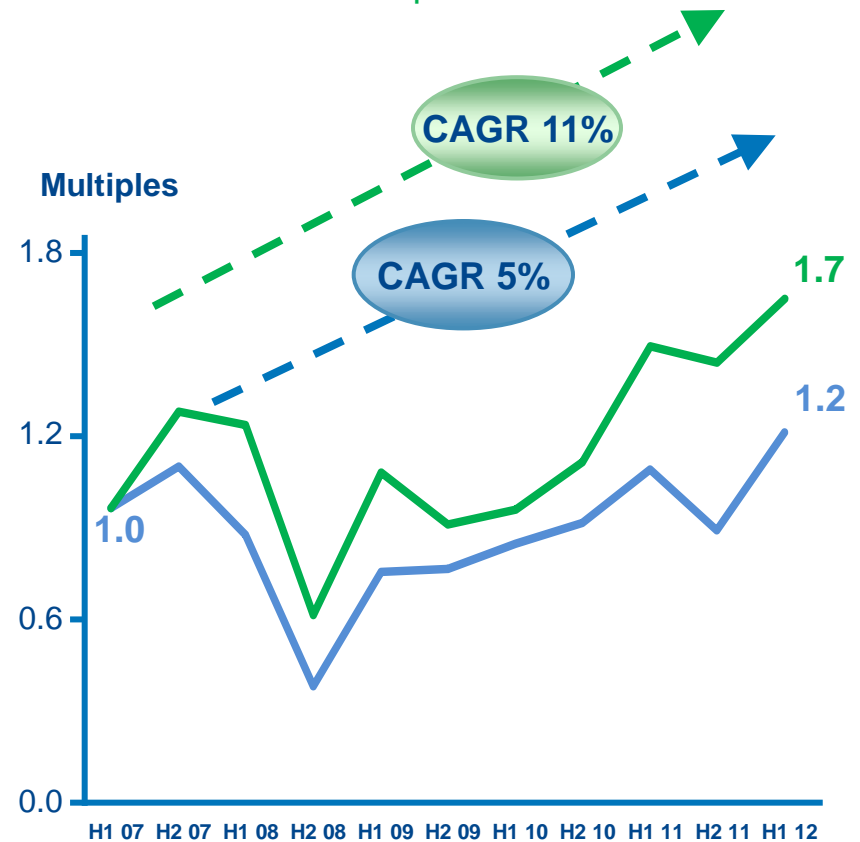
## Income

- Market income
- Standard Chartered income



## Profit before tax

- Market profit before tax
- Standard Chartered profit before tax



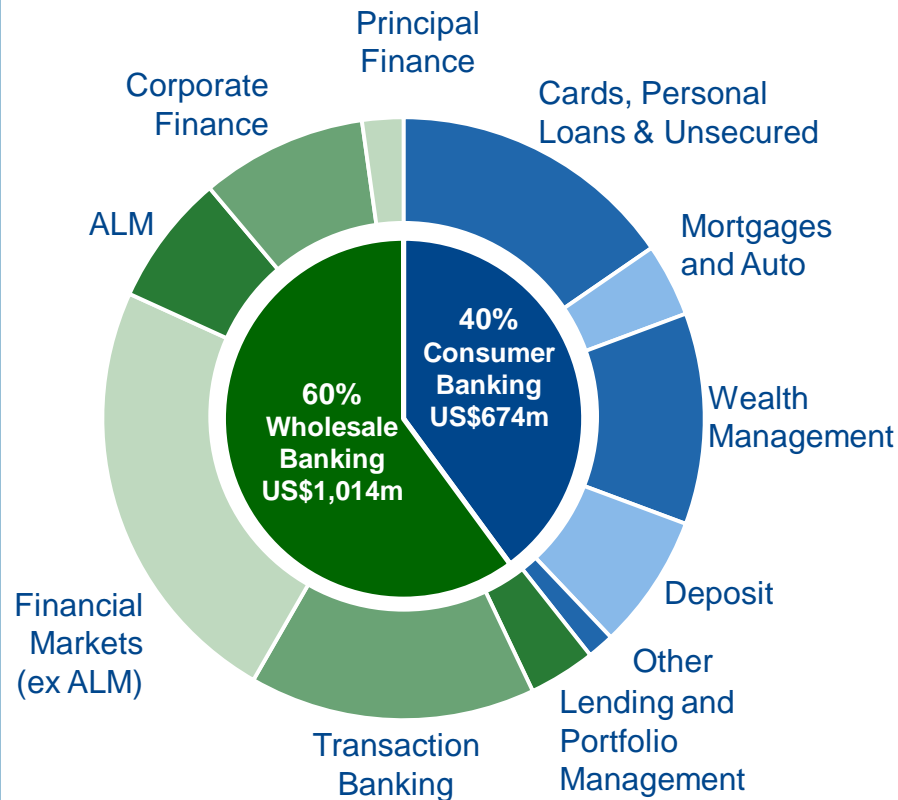
# Published results by half year

US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Income	1,531	1,518	1,688	10	11
Expenses	(684)	(711)	(766)	12	8
Operating profit before impairment	847	807	922	9	14
Loan impairment	(57)	(46)	(52)	(9)	13
<b>Operating profit</b>	<b>790</b>	<b>761</b>	<b>870</b>	<b>10</b>	<b>14</b>
Cost income ratio	45%	47%	45%	0	(2)
Jaws				(2)	3

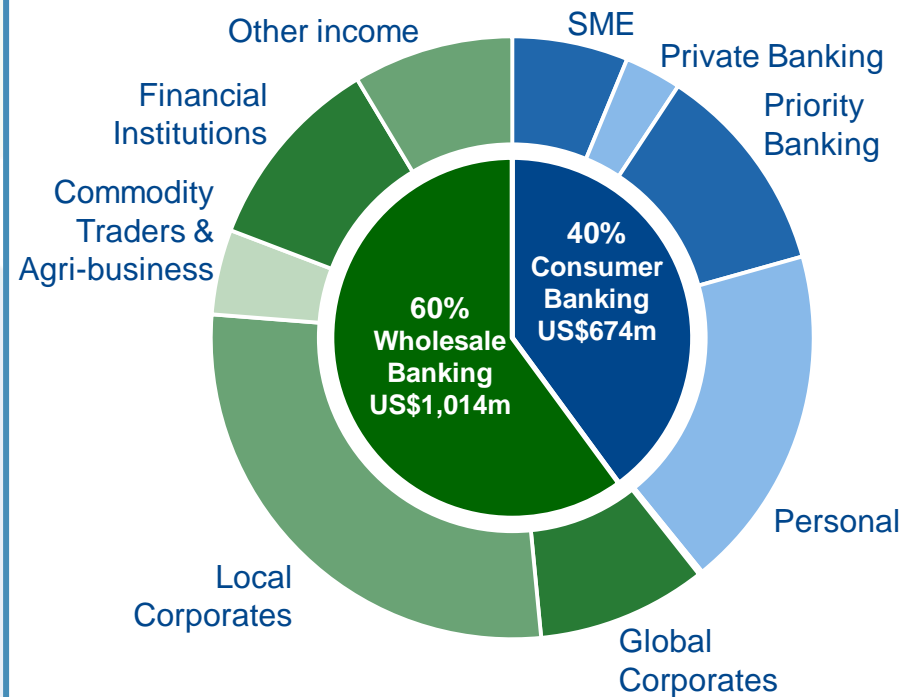


# Diversified income mix

## H1 12 income by product



## H1 12 income by segment

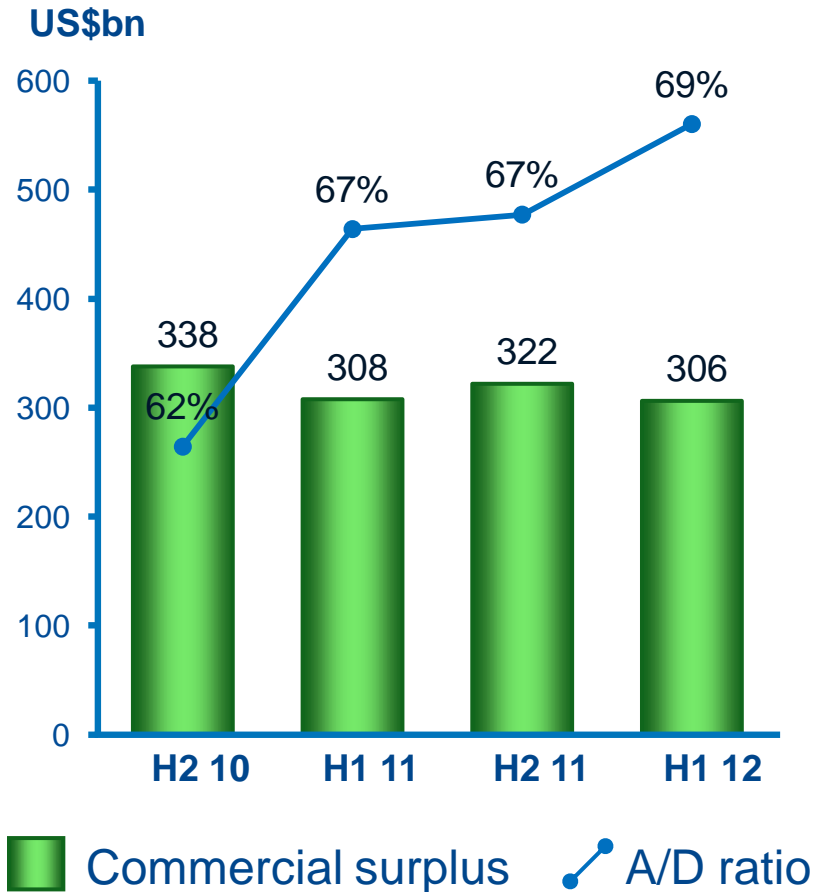


<b>Assets (US\$bn)</b>	<b>H1 11</b>	<b>H2 11</b>	<b>H1 12</b>
Consumer Banking	25.8	27.1	28.2
Wholesale Banking	21.3	23.4	23.4
Portfolio impairment provision	(0.1)	(0.1)	(0.1)
<b>Total loans and advances to customers</b>	<b>47.1</b>	<b>50.5</b>	<b>51.5</b>
<b>Total loans and advances to banks</b>	<b>12.9</b>	<b>19.1</b>	<b>22.3</b>
<b>Liabilities (US\$bn)</b>			
<b>Total customer accounts</b>	<b>81.1</b>	<b>87.3</b>	<b>91.6</b>
IFRS A/D ratio	58%	58%	56%
Commercial surplus	34.0	36.8	40.1
CASA* to total customer accounts	65%	63%	58%

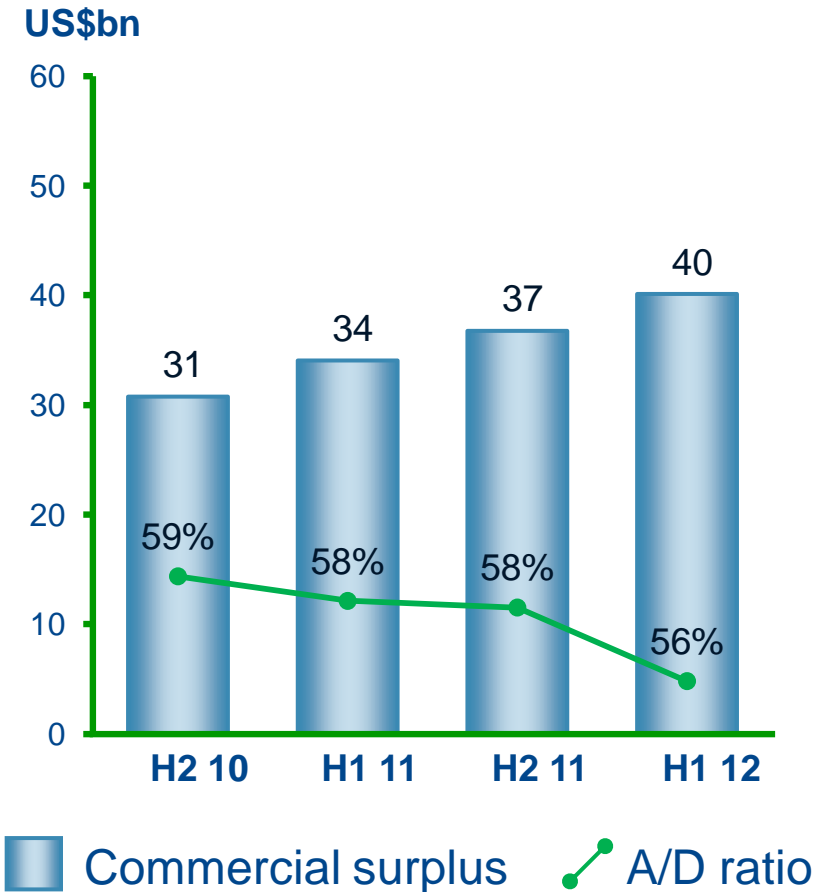
\* CASA - current and savings accounts

# Liquidity - SCB Hong Kong vs. market

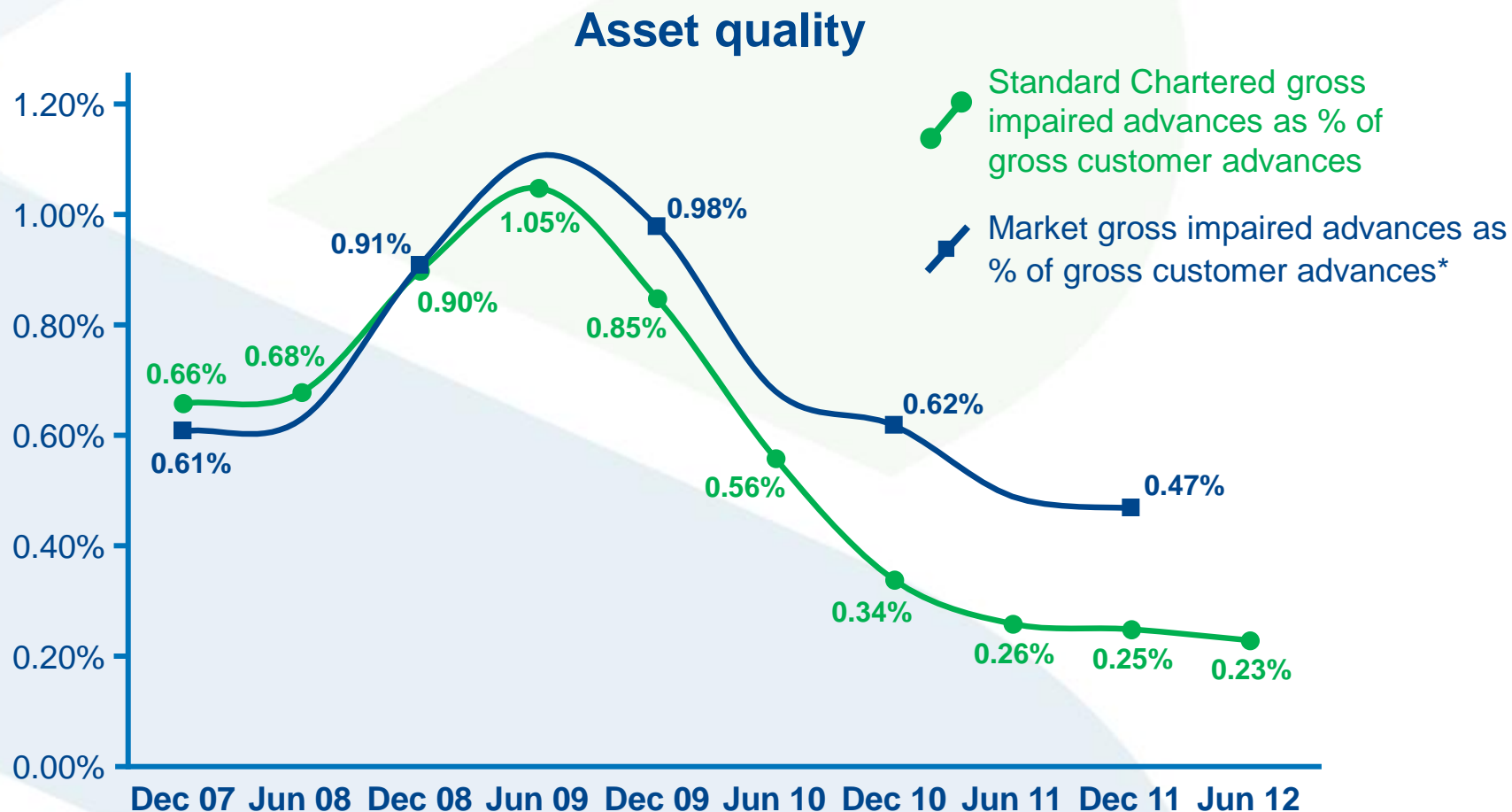
## Market



## SCB HK\*



# Credit quality remains sound



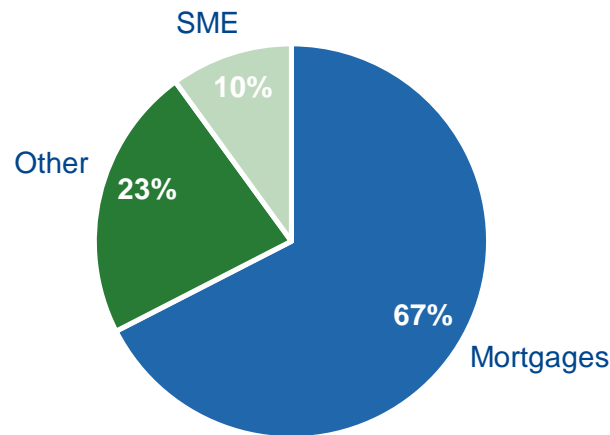
Bad debt cover ratio	Dec 07	Dec 08	Dec 09	Dec 10	Dec 11	Jun 12
Consumer Banking	75%	90%	131%	117%	130%	148%
Wholesale Banking	78%	74%	69%	94%	106%	101%

\*Source: KPMG Banking Survey - licensed banks in Hong Kong

# Consumer and Wholesale Banking - loans and advances to customers

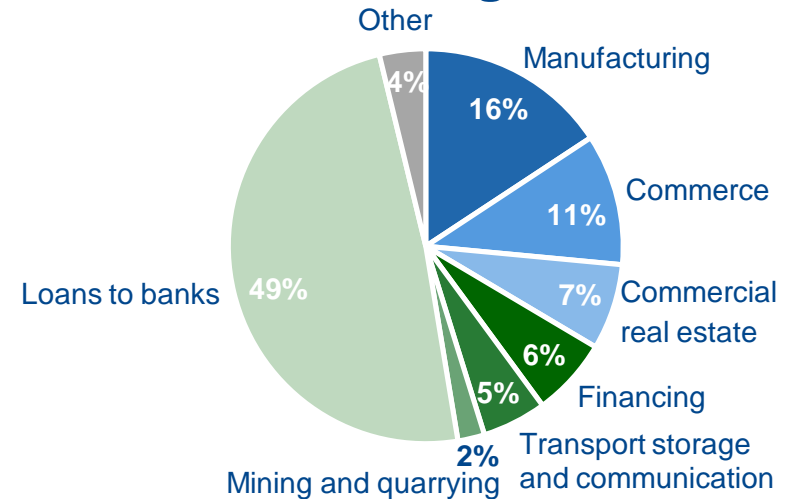


## Consumer Banking - US\$28.2bn



- Over 70% of the portfolio secured
- 90% of the unsecured portfolio categorised as low to very low risk (external credit bureau data)
- 80% SME loans are trade and working capital related, over 50% of small business unsecured instalment loans under government credit guarantee

## Wholesale Banking - US\$45.7bn



- Well diversified with no material risk concentration
- Early Alerts up but largely precautionary
- Lending to banks a reflection of increased commercial surplus and trade financing
- 74% of exposures investment grade
- 80% China exposure to top 5 banks and Chinese government

# Well capitalised, delivering superior returns



- Diverse income streams delivering continued outperformance
- Well controlled balance sheet with strong customer deposit base
- Credit portfolio quality remains sound
- Strongly capitalised, generating superior returns



# Investor trip 2012

Hong Kong  
Wholesale Banking

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# **Leading the way**

in Asia, Africa and the Middle East

**John Tan**

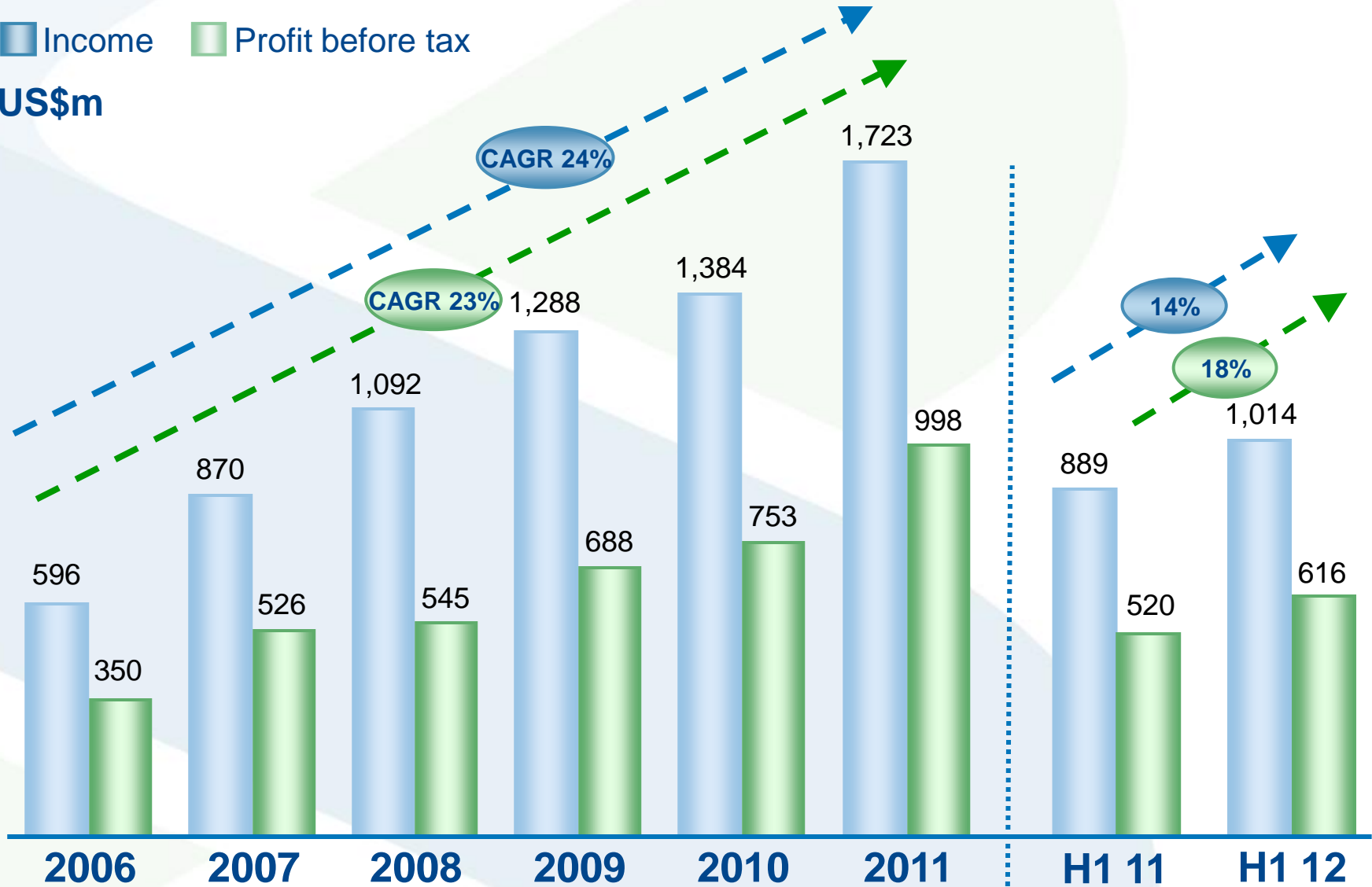
Co-Head of Wholesale Banking and  
Global Markets, Hong Kong

- Sustained and disciplined execution of strategy
- Deepening core client relationships with enhanced product capabilities
- Gateway to capture huge China corridors opportunities
- Quality credit portfolio, strong credit discipline
- Capacity for accelerated investment spend

# 5 year income and profit growth

Income Profit before tax

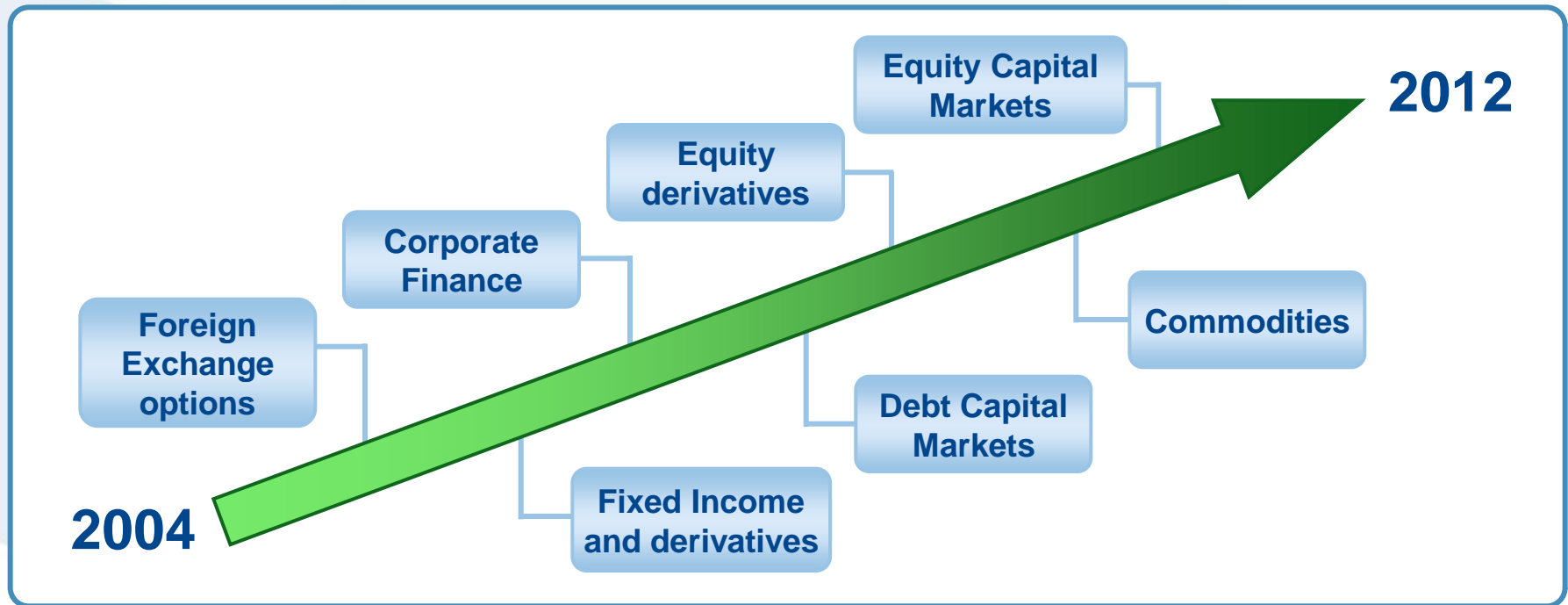
US\$m



# First half performance

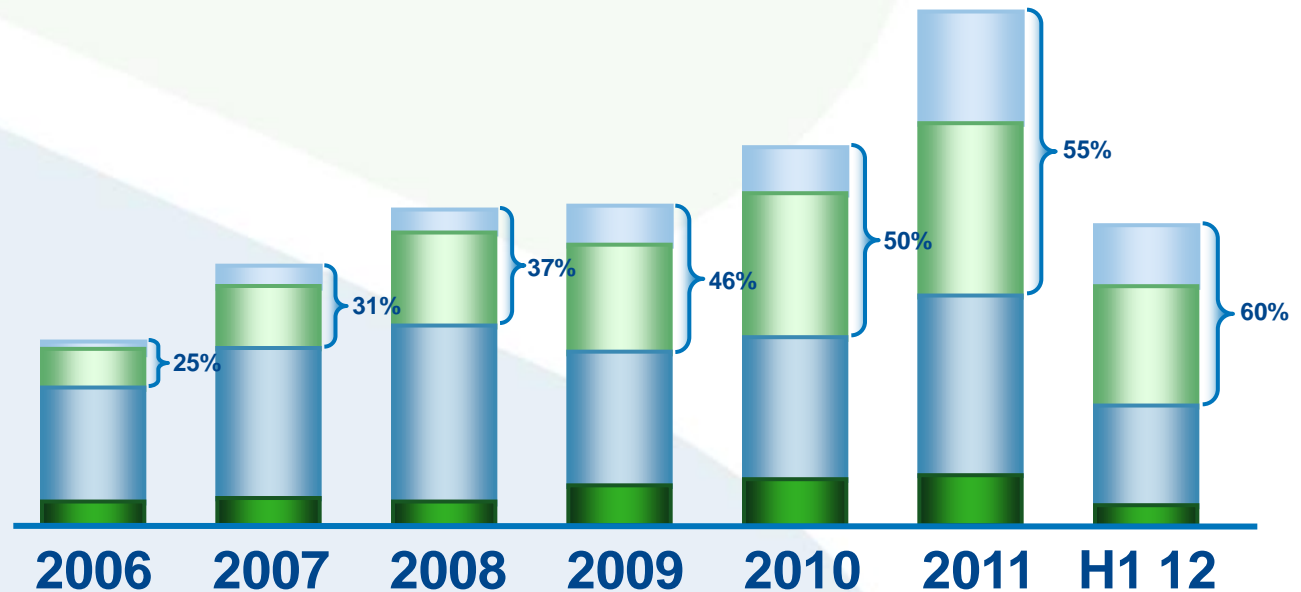
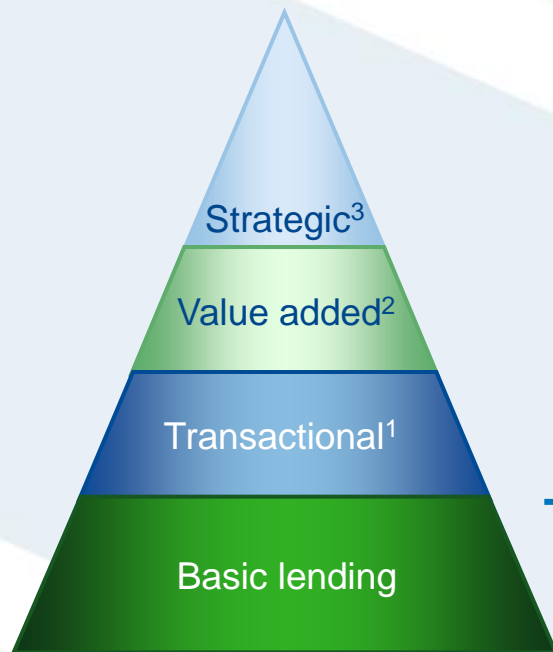
US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Client income	765	757	888	16	17
Own account	124	77	126	1	63
Total income	889	834	1,014	14	22
Expenses	(343)	(350)	(392)	14	12
Working profit	546	484	622	14	29
Impairment	(26)	(6)	(6)	(77)	0
<b>Profit before tax</b>	<b>520</b>	<b>478</b>	<b>616</b>	<b>18</b>	<b>29</b>
Cost income ratio	39%	42%	39%	0	(3)
Jaws				0	10

# Broadening product capabilities



# Up-tiering client relationships

% of total client income



<sup>1</sup> Transactional defined as Transaction Banking + flow Foreign Exchange, <sup>2</sup> Value Added defined as Financial Markets - flow Foreign Exchange

<sup>3</sup> Strategic defined as Corporate Finance + Principal Finance

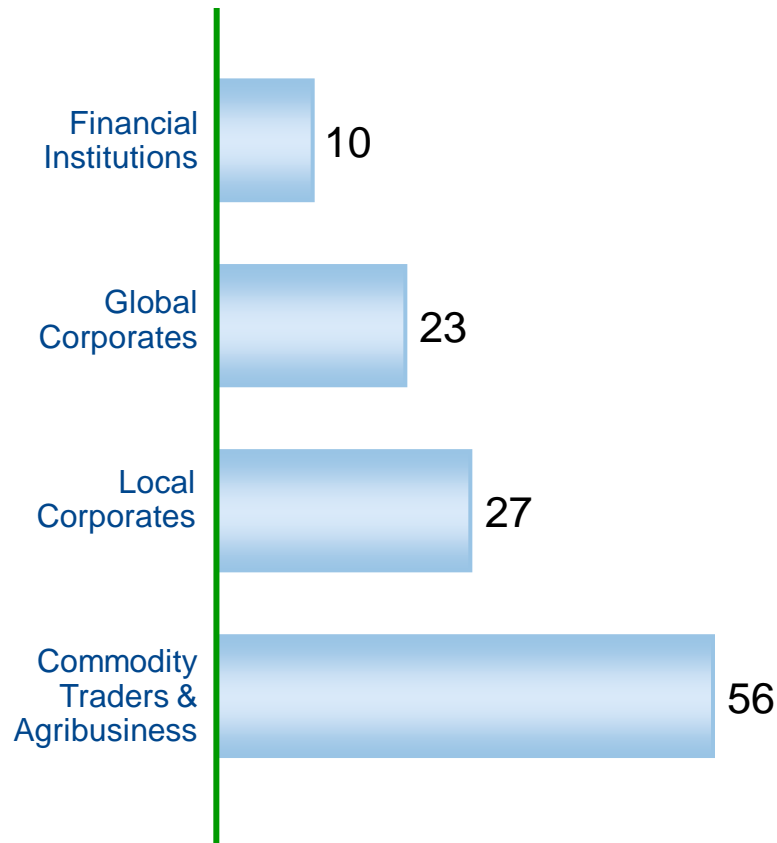


# Strong growth across client segments and products



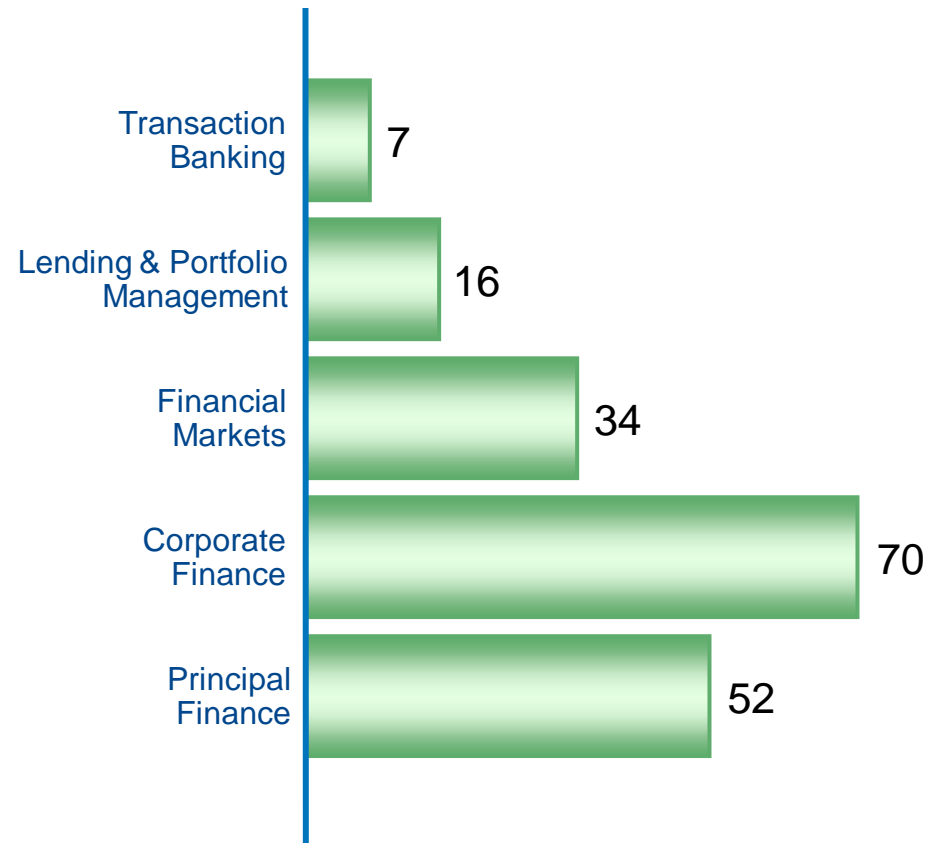
## Client income growth by segment

06-11 CAGR %



## Client income growth by product

06-11 CAGR %



- RMB internationalisation creates new client demands
- 2 way FX movements and convergence of rates in 2012
- 63% income growth H1 12 vs. H1 11

## **Client-led approach:**

- Consultative approach focusing on client needs
- Cross-border solutions: CNY, CNH and NDF
- Global network connecting source and deployment of RMB

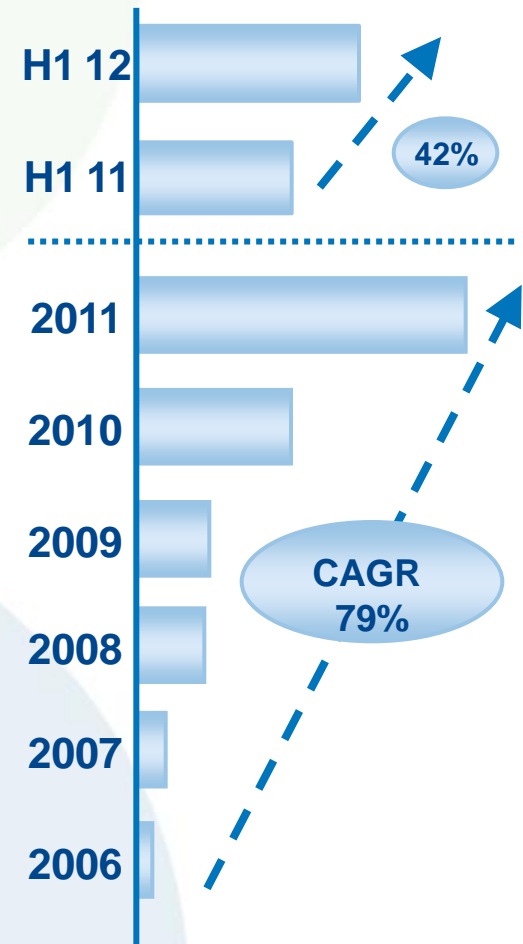
## China “going out” strategy:

- Offshore treasury centres in Hong Kong
- Bond issuance and Initial Public Offering (IPO)
- Outward Direct Investment and Qualified Domestic Institutional Investor from China

## Gateway to China:

- Dim Sum bond issuance by Chinese and overseas corporates
- Qualified Foreign Institutional Investor (QFII), RMB-QFII and bond investment quota
- RMB trade settlement

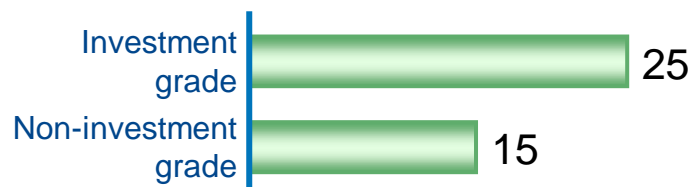
## Income from Chinese clients



## Risk weighted assets

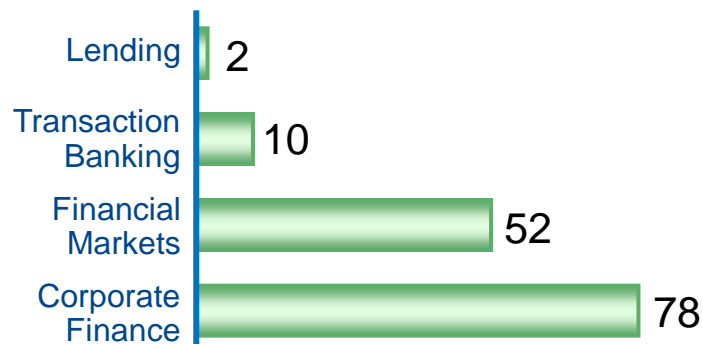
### Credit quality

H1 10 – H1 12 CAGR %

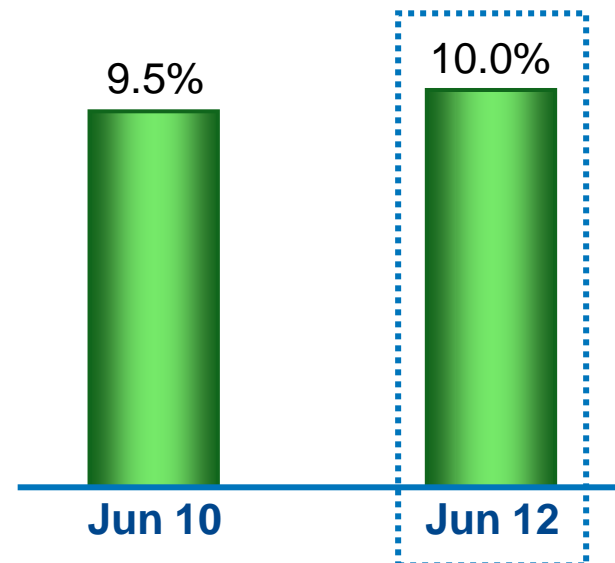


### Products

H1 10 – H1 12 CAGR %



### Client RoRWA\*

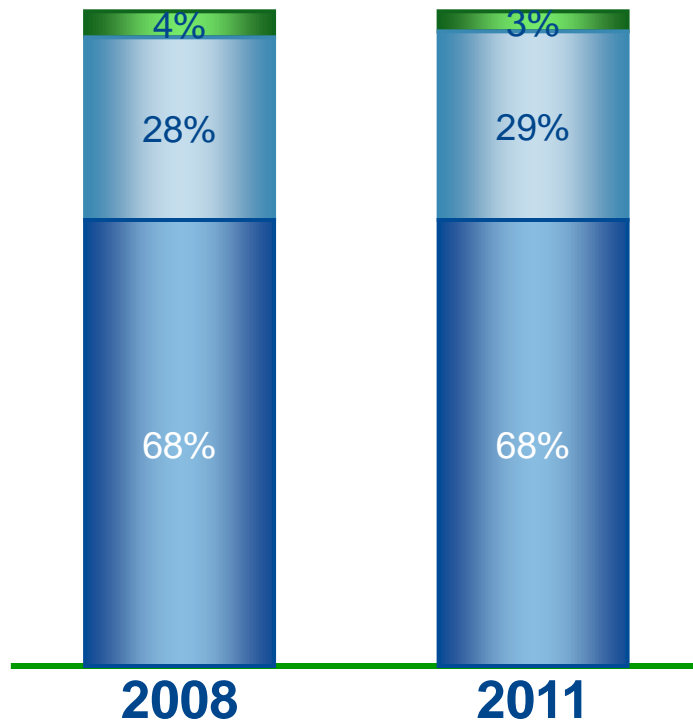


# Credit portfolio quality remains strong



## Tenor of loans and advances to customers

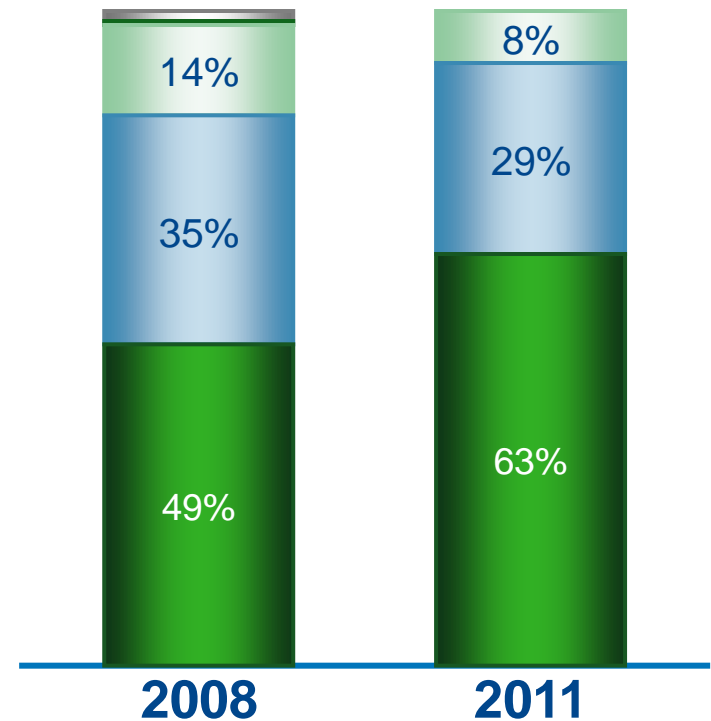
- Over five years
- One to five years
- One year or less



## Distribution of EAD by credit grade\*

Standard Chartered credit grade

- 1-5
- 6-8
- 9-11
- 12
- 13-14



\*EAD – Exposure at Default comprises of Central Government and Central Banks, institutions and corporate. Credit grades from 1-5 is equivalent to Moody's Corporate Grades AAA to BBB-, 6-8 is equivalent to BB+ to BB-, 9-11 is equivalent to B+ to B-, 12-14 is NA

- Deepen “core bank” client relationships
- Leverage cross-border product capabilities
- One-stop RMB bank
- Disciplined balance sheet growth and risk management
- Continuous investments in infrastructure support, platform enhancement and people

- Sustained and disciplined execution of strategy
- Deepening core client relationships with enhanced product capabilities
- Gateway to capture huge China corridors opportunities
- Quality credit portfolio, strong credit discipline
- Capacity for accelerated investment spend

# Investor trip 2012

Hong Kong  
Consumer Banking

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





# **Leading the way**

in Asia, Africa and the Middle East

**Mary Huen**

Head of Consumer Banking, Hong Kong

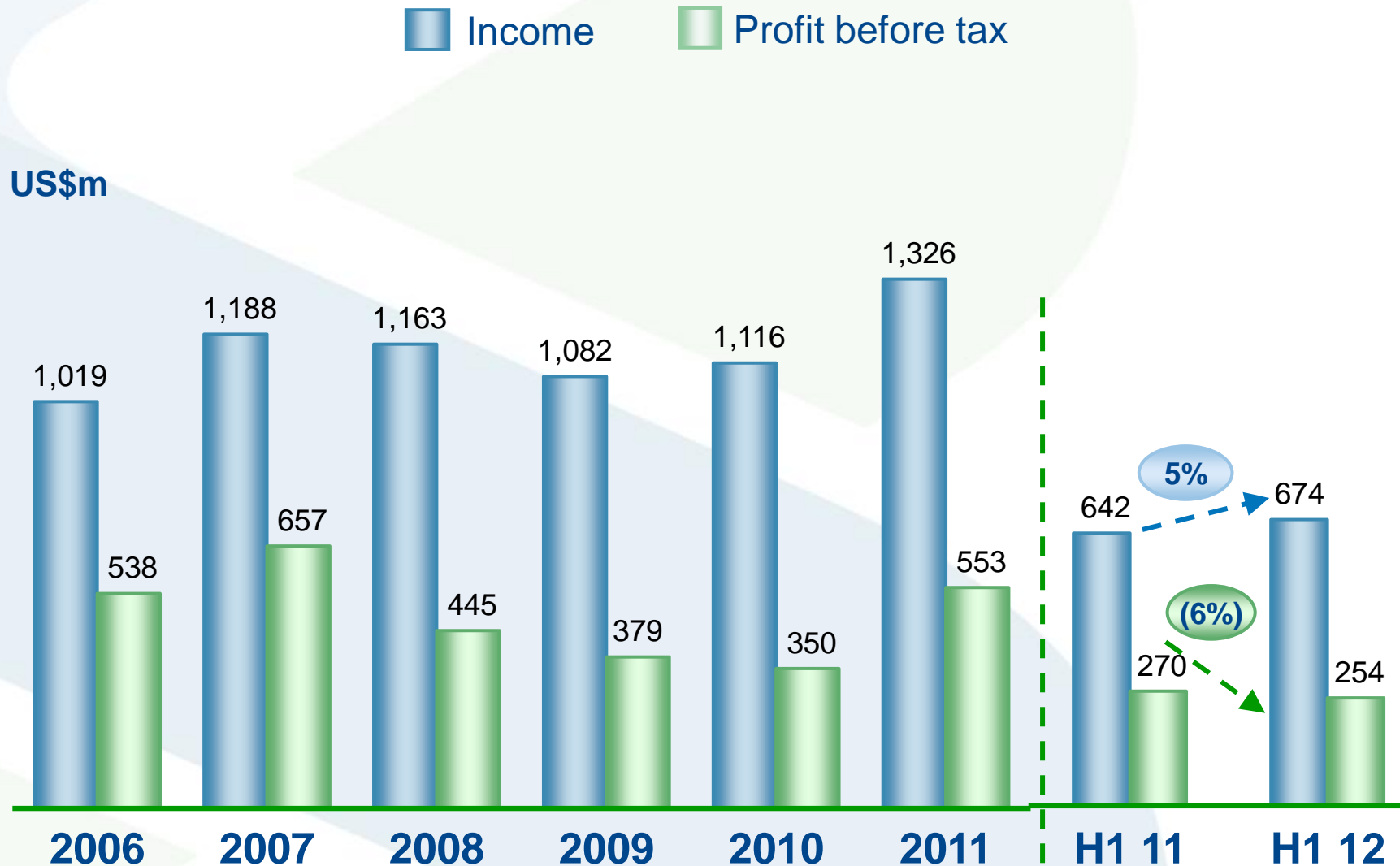
- Diversified and sustainable income growth
- Well executed High Value Segments strategy; capture mainland wealth opportunities
- Deliver main bank through digital capabilities
- Credit quality remains strong and stable
- Continuing to invest for long term growth

# Consumer Banking Hong Kong

- 77 branches and 327 ATMs/CDMs\*
- Over 4,200 staff
- Around 1.5m customers
- Largest Consumer Banking market for Standard Chartered
- Large and liquid balance sheet



# Consumer Banking - Income and profit growth



# Consumer Banking results by half year

US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Income	642	684	674	5	(1)
Expenses	(341)	(361)	(374)	10	4
Operating profit before impairment	301	323	300	0	(7)
Loan impairment	(31)	(40)	(46)	48	15
<b>Operating profit</b>	<b>270</b>	<b>283</b>	<b>254</b>	<b>(6)</b>	<b>(10)</b>
Cost income ratio	53%	53%	55%	2	3
Jaws				(5)	(5)

# Strategy aligned with Group and remains consistent

**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**

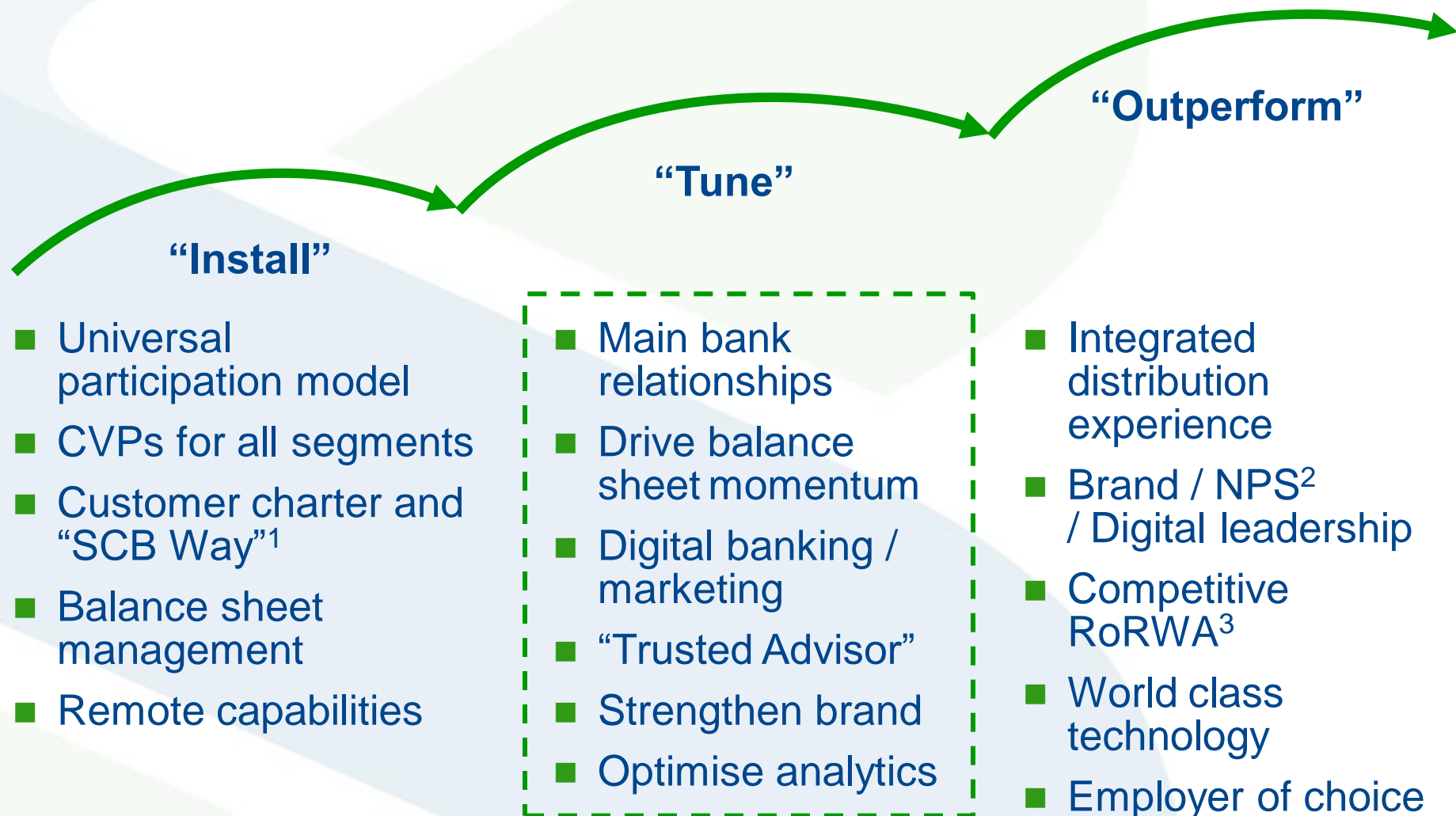
- Distinctive Customer Value Propositions (CVP) and world class relationship managers
- Main bank relationship and payroll driven
- Needs based bundling

## **'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

# In the “Tune” phase of Consumer Banking transformation



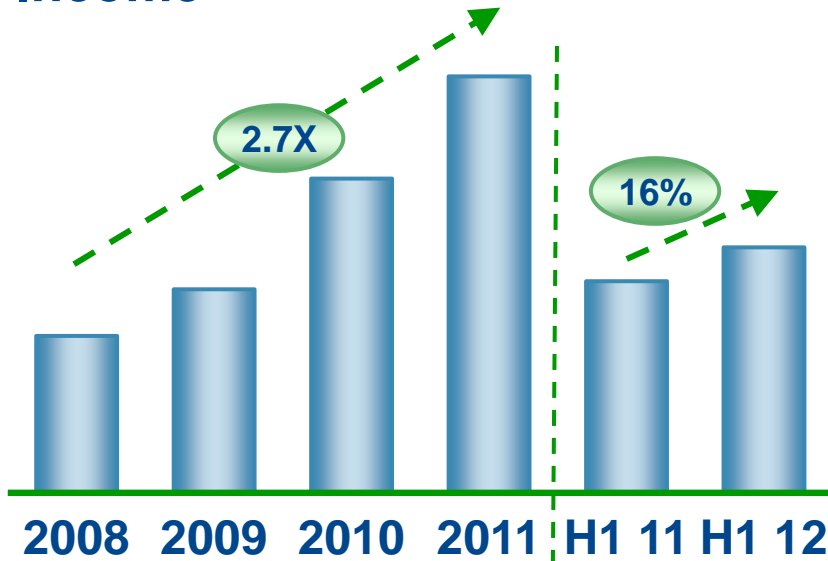
<sup>1</sup> SCB Way - Standard Chartered Bank Way, <sup>2</sup> NPS = Net Promoter Score, <sup>3</sup> RoRWA= Return on Risk Weighted Assets



# Private Banking: investing to continue strong growth



## Income



- One Bank as competitive advantage
- Deepen relationships



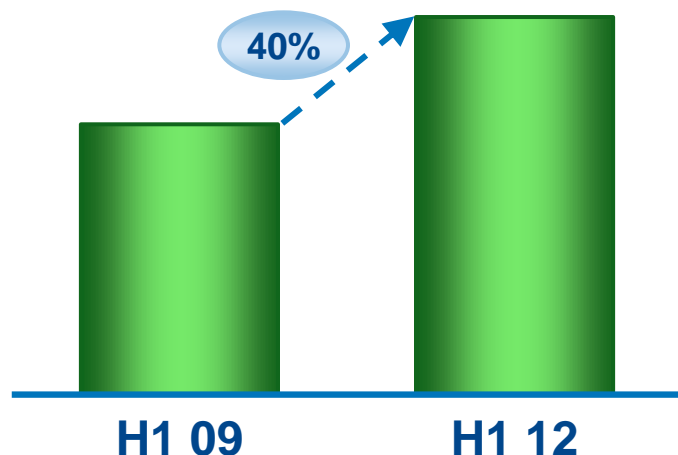
- Mock-up of New Greater China hub at The Forum by 2014
- Investing in infrastructure, sales capacity and product capabilities



# SME Banking: drive main bank and remain vigilant in risk management

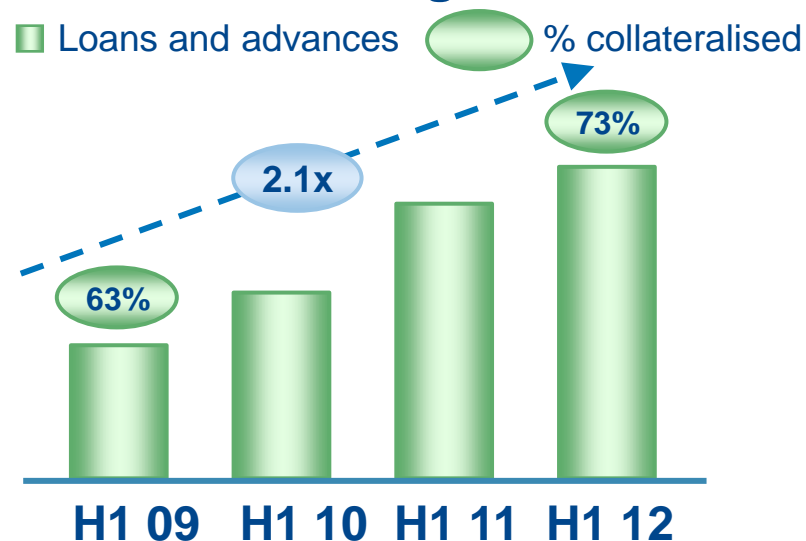


## Income per customer



- Deepened share of wallet by driving main bank relationships
- Diversified income mix

## Risk management

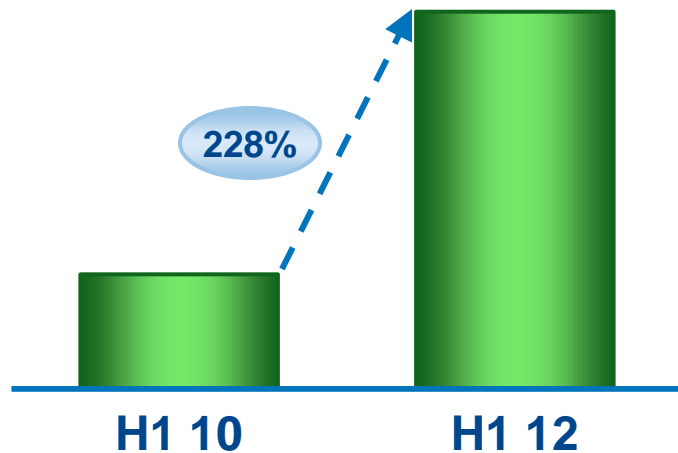


- Well managed risk
- More than 70% of the portfolio is collateralised with vigilant risk review

# Priority and International Banking: capture the mainland wealth opportunity



## New to bank customers from Greater China

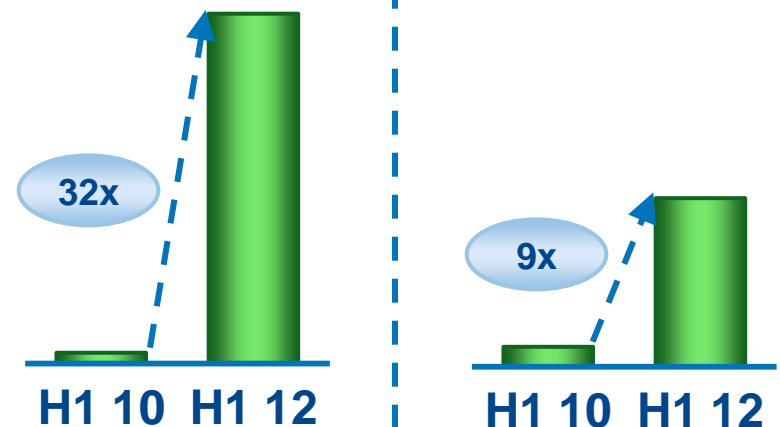


- Acquiring quality customers - alliances, Greater China focused branches, referrals from China
- Strengthen unique service model

## Cross border referrals

Hong Kong → China

China → Hong Kong

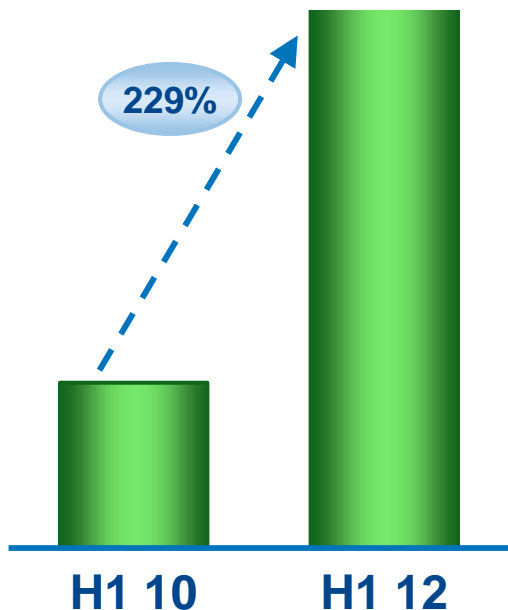


- Standard Chartered Hong Kong and China processes firmly established to capture cross-border business

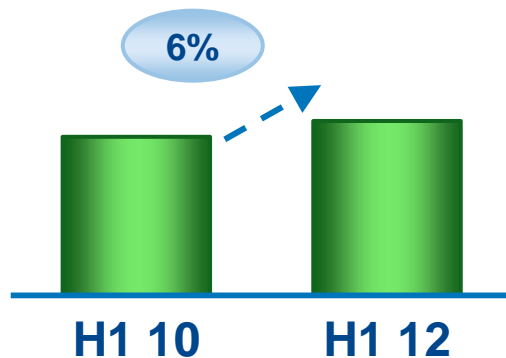
# Personal Banking: main engine to drive customer growth



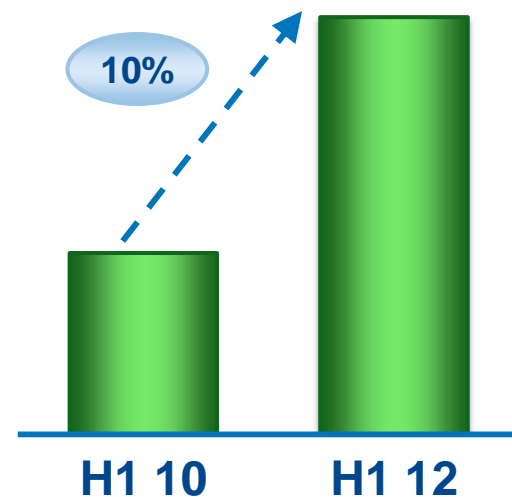
## New to bank customers



## New to bank PPC<sup>1</sup>



## Active customers



■ Credit card is  
the main  
acquisition engine

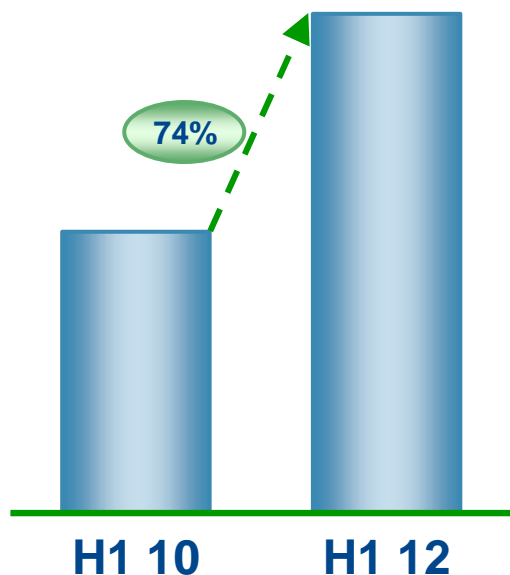
■ Driving penetration  
of bundles

■ Pipeline for  
future High  
Value Segments

<sup>1</sup> Products per customer

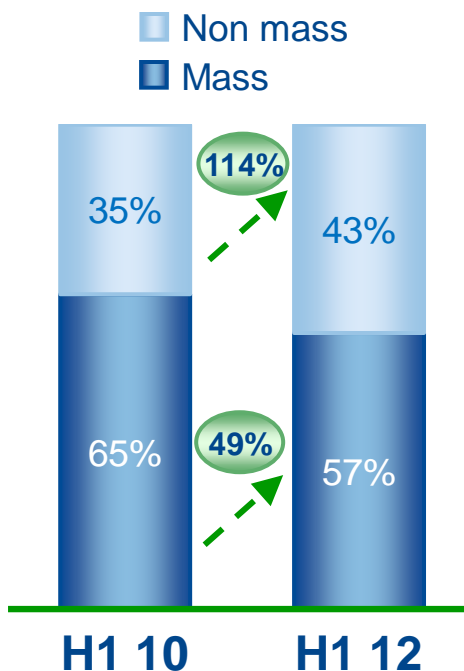
# CCPL: market leadership through disciplined growth

## CCPL\* balances



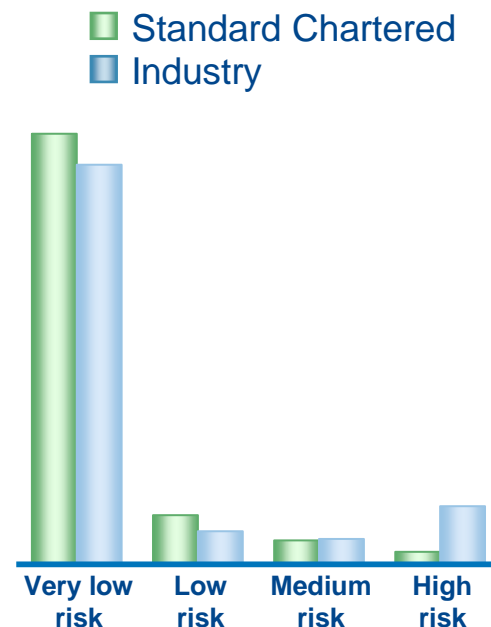
- Growing market share through disruptive marketing and “everyday” value proposition

## Segment mix



- Balances from higher value segments growing faster

## Customer risk grade distribution

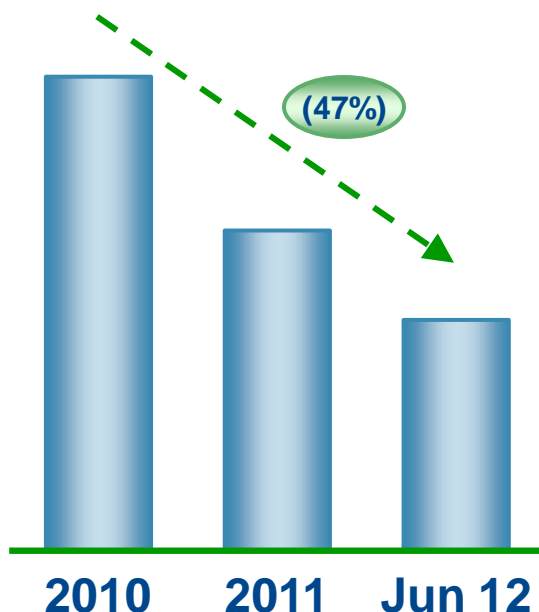


- Low portfolio risk compared to industry

# Mortgage: superior customer experience enabling better returns



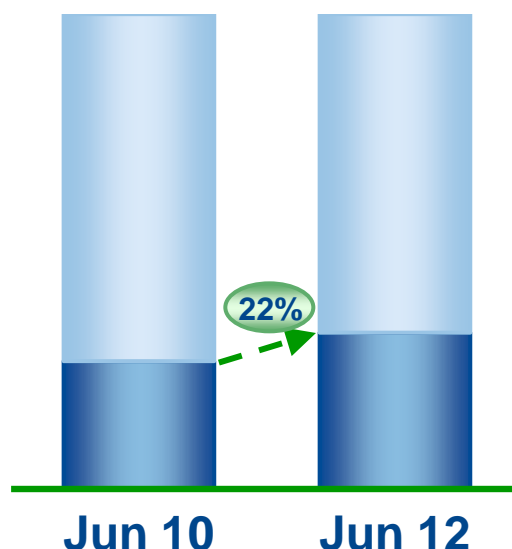
## Mortgage turnaround time\*



- Mortgage Master - service led proposition

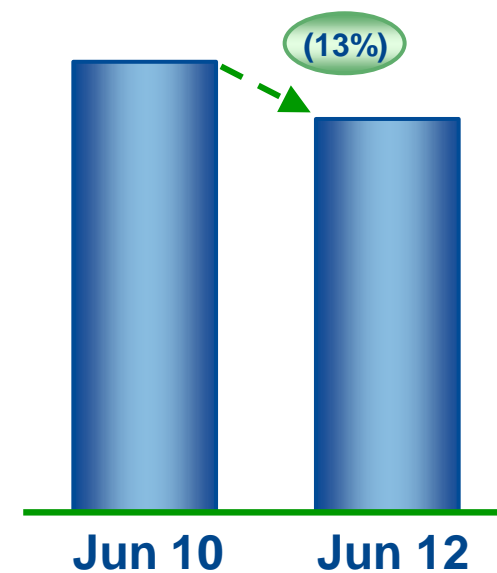
## Segment mix

Other segments  
Priority



- Reshaping segment mix towards High Value Segments

## Weighted average LTV \*\*



- Lower exposure through declining LTV ratio

# Wealth Management: Trusted Advisor proposition enabling income resilience

## Trusted Advisors

*Enabled by:*

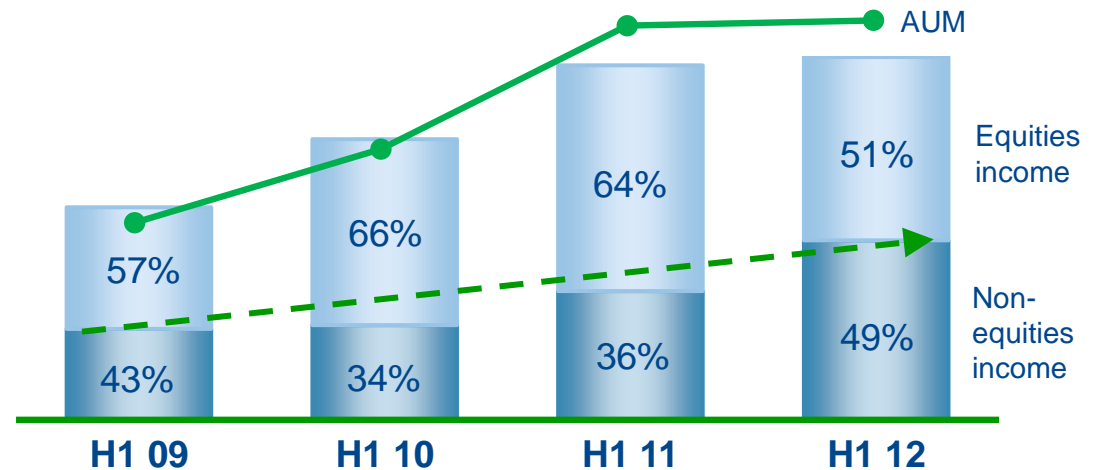
**Specialist model**

**Process and infrastructure**

**Extensive training**

**iPortfolio/ Analytics**

## Wealth Management income mix



- Diversified income resilient to market volatility

# Distribution - physical: building scale to deliver segment strategy



- Physical footprint aligned with segment focus

- 45 PrB<sup>1</sup> centres
- 9 IBCs<sup>2</sup>
- 4 SME centres



- Retrofitted branches



- Scaled up sales and frontline capacity



# Distribution - physical: investing in façades to strengthen the franchise

## Causeway Bay



## Central



## Queen's Road East



## Nathan Road



## Canton Road



## Mong Kok





# Distribution - digital: deliver main bank through digital capabilities

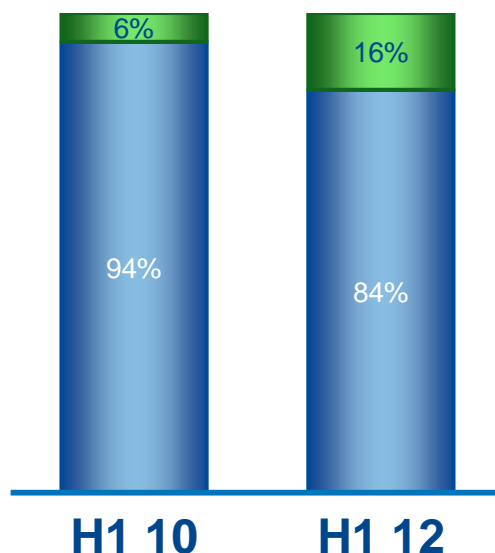
## Breeze family



- Comprehensive mobile and online capabilities

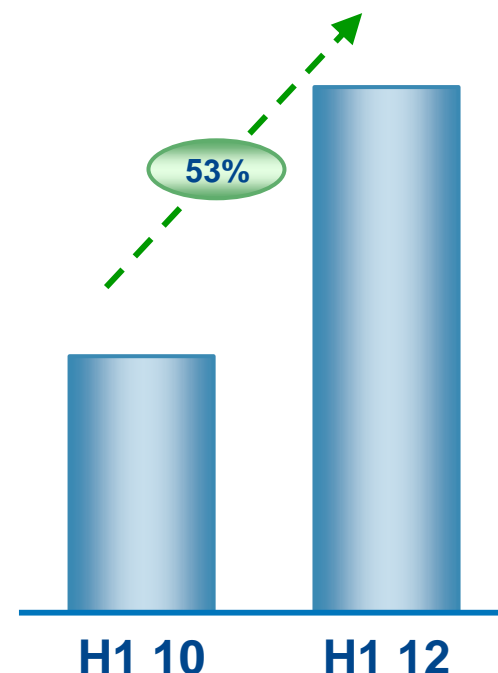
## Marketing spend mix

■ Digital  
■ Conventional



- Building awareness in the digital space

## Online transactions



- Become digital main bank

- Diversified and sustainable income growth
- Well executed HVS strategy; capture mainland wealth opportunities
- Deliver main bank through digital capabilities
- Credit quality remains strong and stable
- Continuing to invest for long term growth



# Investor trip 2012

South East Asia

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



# **Leading the way**

in Asia, Africa and the Middle East

**Neeraj Swaroop**

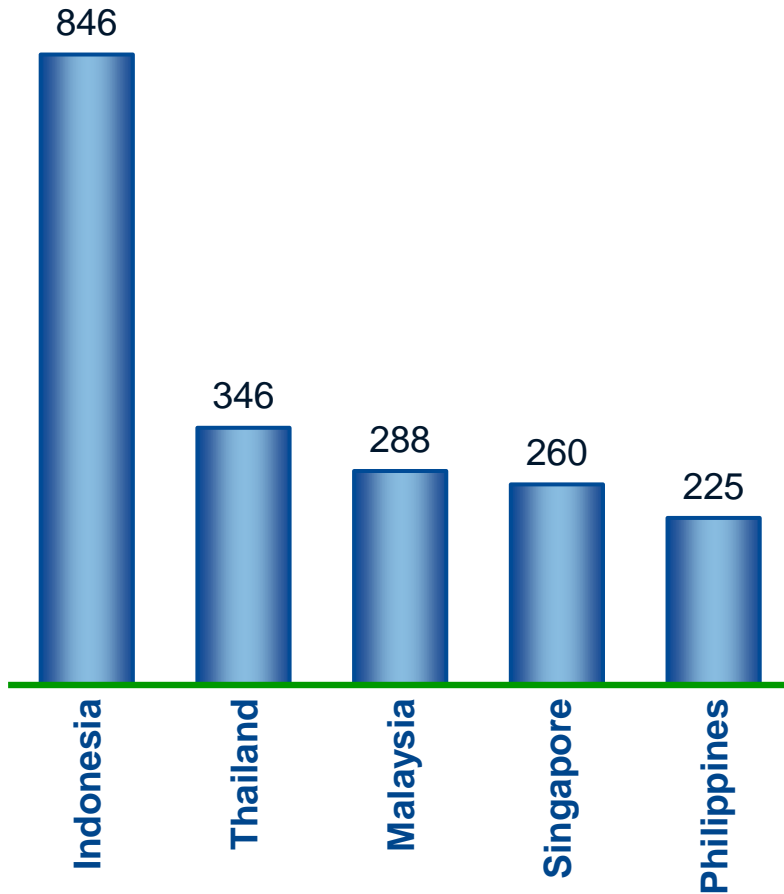
Regional Chief Executive Officer, South East Asia

- Resilient region with attractive potential
- South East Asia is a key market for Standard Chartered
- We are leading the way in South East Asia
- Ambitious and clear strategy to capture opportunities

# Resilient region with attractive potential



## Top 5 South East Asian countries GDP US\$bn 2011



## Regional economy

- Combined GDP of US\$2tn
- Relatively less dependent on external trade
- Combined population of over 600m providing strong domestic demand and emerging middle-class consumers
- Attracted foreign direct investment of almost US\$117bn

# South East Asia is a key market for Standard Chartered

- Important contributor to the Group
- 27% of 2011 Group operating profit
- 24% of 2011 Group income



- 2 countries are within the top 6 Consumer Banking markets
- 4 countries are within the top 10 Wholesale Banking markets
- Deep presence in South East Asia for more than 150 years
- More than 17,000 staff and 400 branches including Permata
- Singapore is the hub for our global operations for Consumer Banking, Wholesale Banking and Global Technology and Operations

# Strong financial performance underpinned by multiple engines



- 06-11 income CAGR of 19%
  - Consumer Banking 12%
  - Wholesale Banking 28%
- Balanced contribution from Consumer Banking and Wholesale Banking
- 5 markets in South East Asia made operating profit of over US\$100m each in 2011
- 2011 income up 21% YoY to US\$4.2bn with H1 12 vs. H1 11 income up 11%





## Clear and consistent strategy

### Wholesale Banking

- Deepening client relationships
- Leverage network on cross border transactions
- Potential in Islamic banking

### Consumer Banking

- Digital banking
- SME banking
- Target regional wealth

### Geographies

- Singapore - important hub for the Group and to capture regional flows
- Indonesia - clear engine for growth
- Malaysia and Thailand - attractive with continuous growth

## Industry recognitions

### Transaction Banking

- Best Cash Management bank, Southeast Asia 2011 (Triple A, Asset Asia Awards)
- Best Supply Chain Finance Provider in Asia (May 2012, Global Finance)

### Global Markets in South East Asia

- #1 Syndicated Loan book runner
- #1 All Bonds book runner
- #2 Mergers and Acquisitions advisor

### Digital Banking

- Singapore - Global Finance Best Internet Bank Award (2010-2012)

### SME development

- Vietnam - Best SME Bank in Vietnam 2012 by The Asset Magazine

### Process and service excellence

- Indonesia - Best Regular Banking Service Quality Diamond Award 2011/2012 by Service Excellence Magazine

## South East Asia is a region:

- Where we have done well
- Continues to have attractive potential
- Where we are well placed to capture opportunities

# Investor trip 2012

Indonesia

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



# **Leading the way**

in Asia, Africa and the Middle East

**Tom Aaker**

Chief Executive Officer, Indonesia



- Indonesia is still on the rise
- Consistent strategies at both banks
- A few issues and challenges
- Great results, strong momentum and big aspirations





# Strong and stable economy

- 16th largest GDP in the world
- Forecast GDP growth in 2012 is 6.3% (2013: 6.5% and 2014: 6.8%)
- Rising per capita GDP to US\$3,512 in 2011 from less than US\$800 ten years ago
- Foreign direct investment is still booming, exceeding US\$18bn in 2011
- Low debt to GDP ratio 24% in 2011



# The banking landscape

Asset size (US\$bn)	60.3	50.0	43.1	33.4	18.9	16.1	14.4	11.7	10.8	10.1
	mandiri	Bank BRI	BCA	BNI	CIMB Niaga	Danamon	Panin Bank	PermataBank 	BII	Bank BTN
Branches	1,548	1,804	946	1,364	911	1,603	445	289	362	655

Foreign bank branches	
Asset size (US\$bn)	6.6
	HSBC
Branches	47
Asset size (US\$bn)	6.5
	citibank
Branches	22
Asset size (US\$bn)	5.7
	MUFG
Branches	3
Asset size (US\$bn)	5.3
	Standard Chartered 
Branches	24



# Regulatory environment is changing

- Ownership caps
- Multi - licensing
- Credit cards
- Loan to Value (LTV)
- Otoritas Jasa Keuangan (OJK)



- Overall stable, but current framework still limits effectiveness of government
- The incumbent president will finish second term
- No clear front-runner has emerged, door open for alternatives
- Recent Jakarta governor election shows appetite for change



# Key messages

- We are delivering strong financial performance
- Our growth strategy remains consistent
- We have a sustainable competitive advantage
- We aspire to continue to deliver strong income growth and positive jaws



## Aspiration by 2015

- Deliver strong double digit income growth
- Maintain strong positive jaws
- Be the bank of choice for the clients and customers in our chosen segments

### Wholesale Banking

- Deepen existing relationships
- Acquire new clients selectively
- Leverage the Standard Chartered network

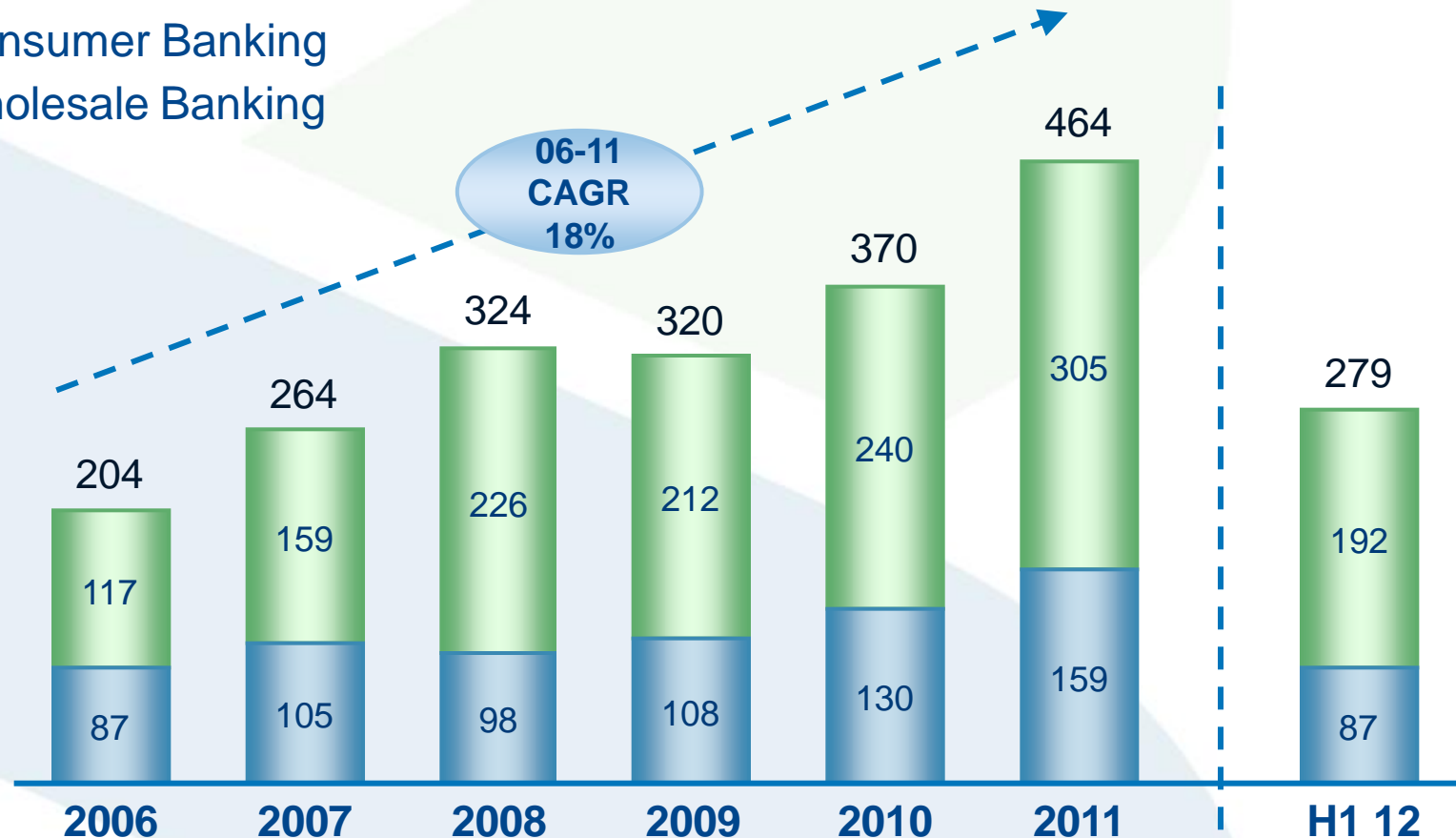
### Consumer Banking

- Target High Value Segments
- Sharpen customer focus
- Go “Back to basics”
- Implement the customer charter

# Very strong income growth in both businesses

## Income (US\$m)

Consumer Banking  
Wholesale Banking



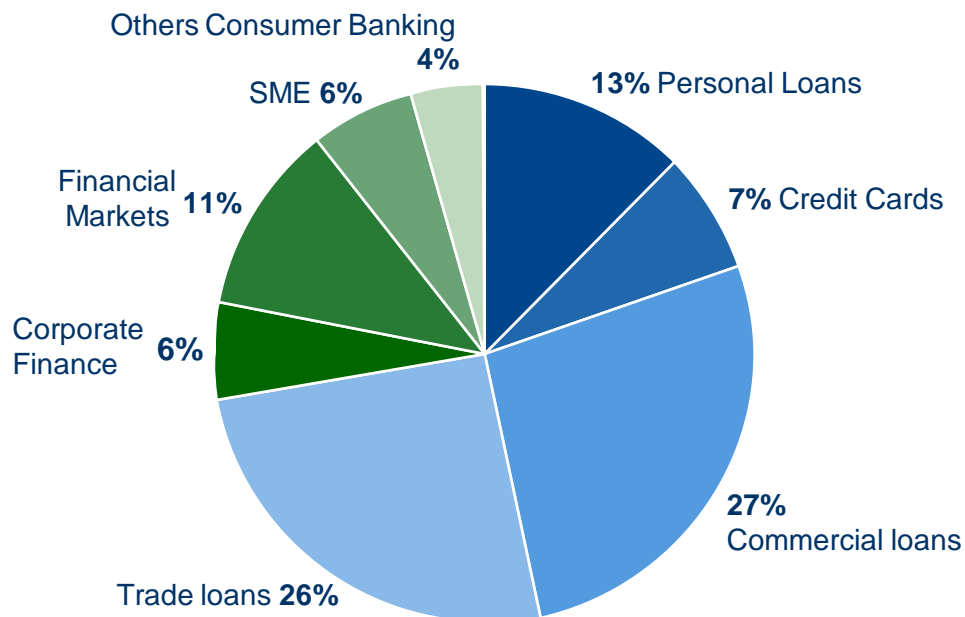
06-11 CAGR : Consumer Banking: 13%  
and Wholesale Banking: 21%





## Loans and advances to customers

**Total  
US\$3.2bn\***



\* As at 30 June 2012

- Well diversified portfolio
- Wholesale Banking is 70% and Consumer Banking is 30% of total loans
- 59% of total loans under 1 year maturity
- Asset quality remains satisfactory and stable

# Wholesale Banking strategy

## Deepen existing relationships



## Acquire new clients selectively



## Leverage the network



# Wholesale Banking - superior financial performance



## 06 - 11 CAGR

Client income	26%
Own account income	9%
Operating profit	17%

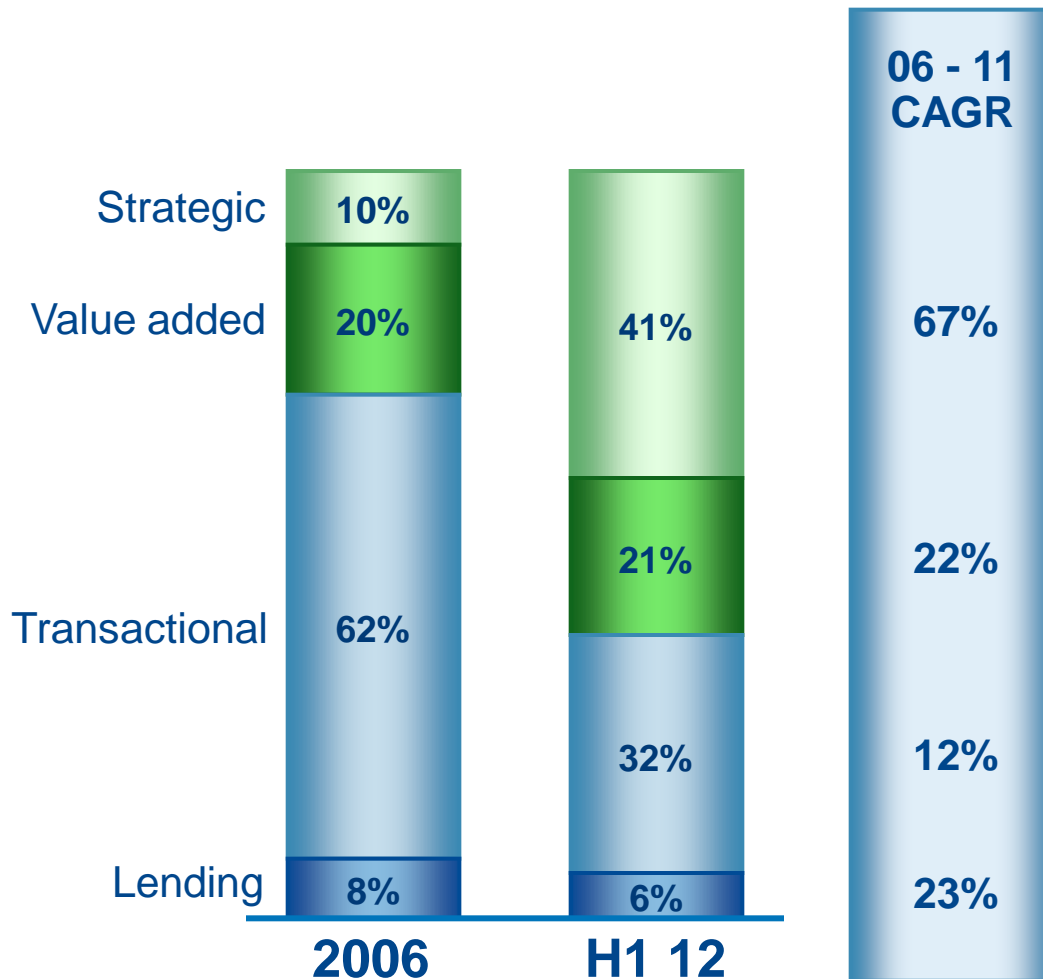
06-11  
CAGR  
21%





# Wholesale Banking has been transformed in terms of scale and diversity

## Income streams in line with global focus

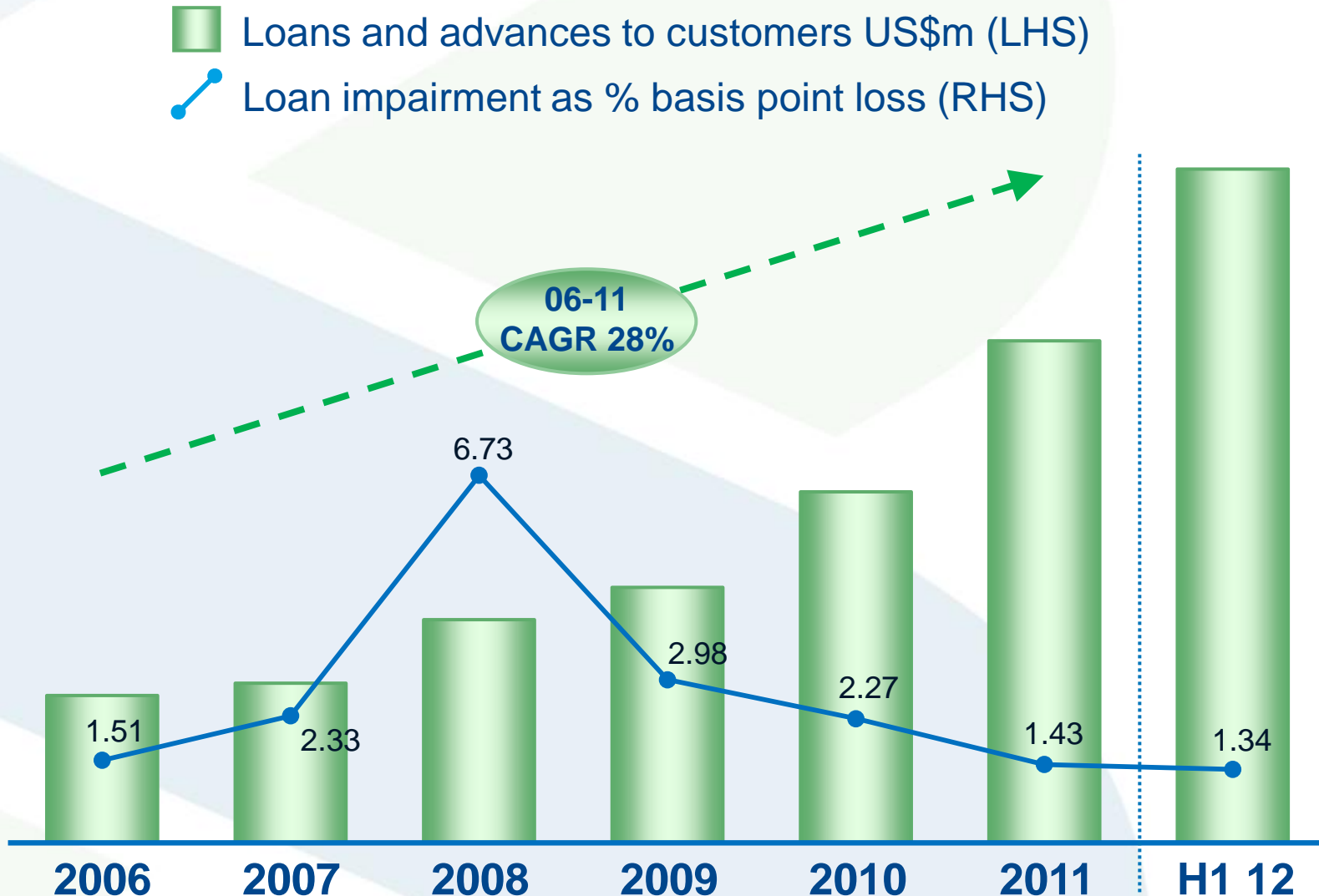


- All income streams growing at double digit rates
- We continue to diversify our income streams
- Commercial Banking is key to developing our client franchise

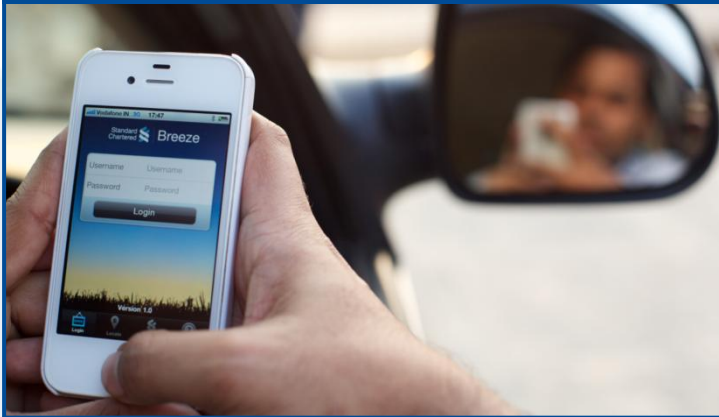
# China and Indonesia - trade facts and our success stories



# Disciplined approach to risk management



## Participation models



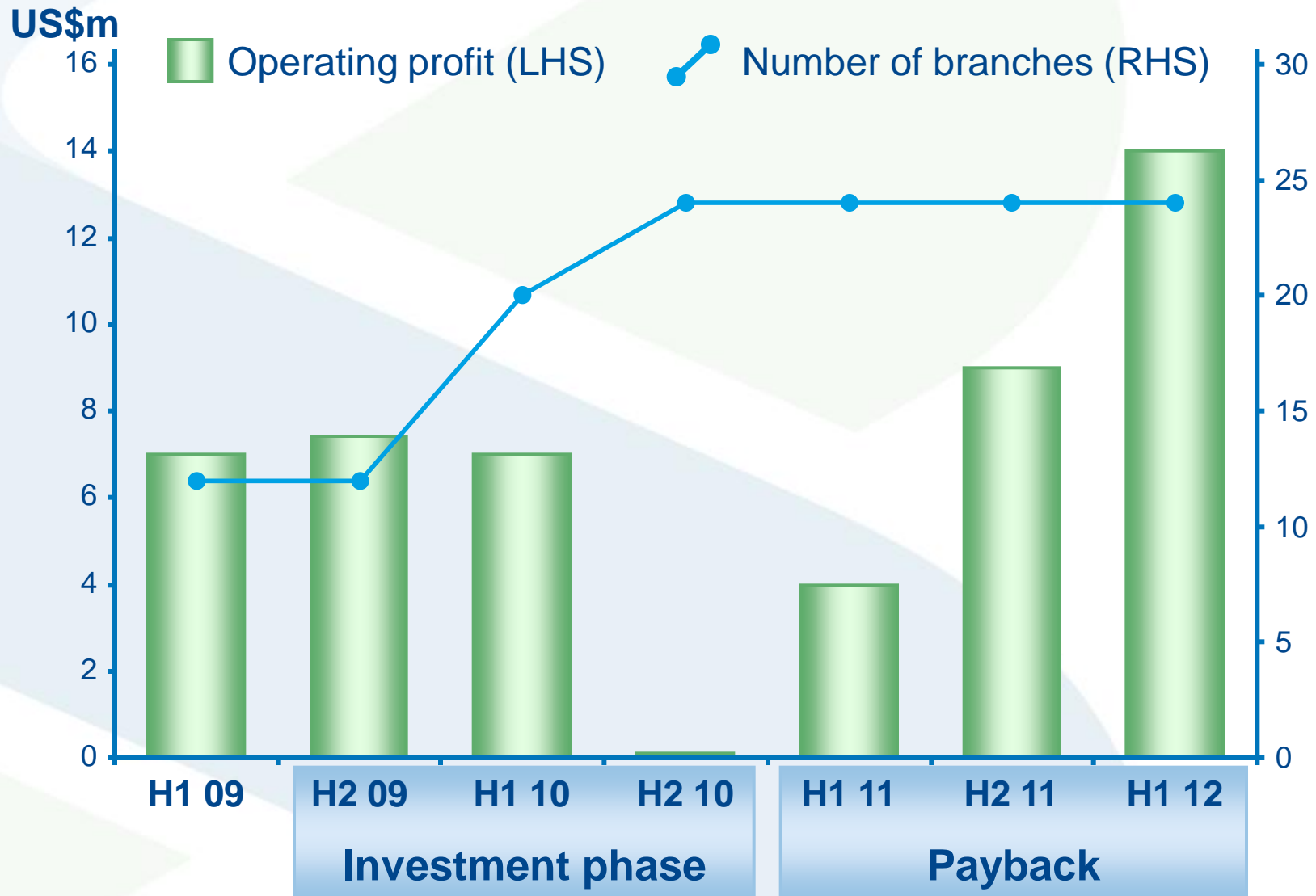
## Customer focus



## “ Back to basics”

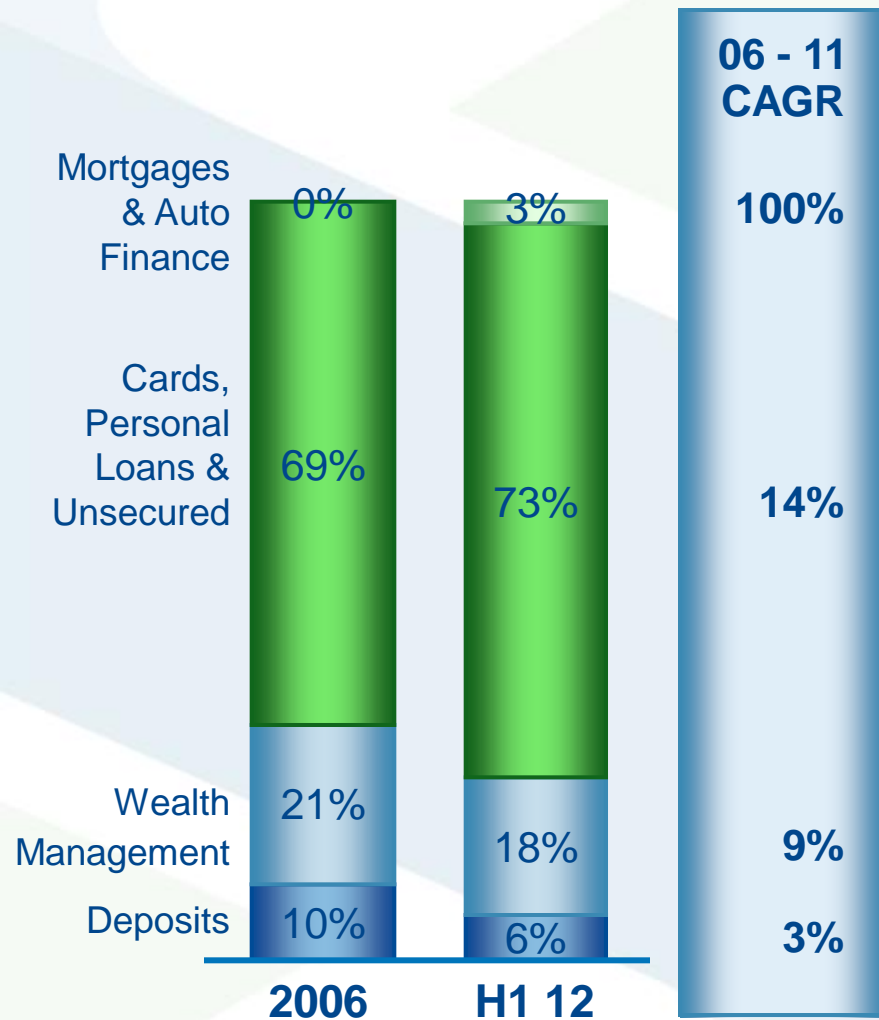


# Branch investment in 2010 adding value



# Consumer Banking is transforming

## Income by product



	2006	H1 12
Number of customers ('000)	223	300
Products per customer	1.9	2.9
Number of branches	14	24
Number of ATMs	19	28
Number of relationship managers	117	248
E-statement penetration (%)	0	31
Net Promoter Score	42	55
Complaints/ '000 accounts	1.74	0.54



# Investments to build strategic levers



People



Channels and systems



Premises



Capital



- We are delivering strong financial performance
- Our growth strategy remains consistent
- We have a sustainable competitive advantage
- We aspire to continue to deliver strong income growth and positive jaws







PermataBankPriority



PermataMobile



PermataKTA



PermataShopping Card



PermataBintang



PermataMe!



PermataKPR Keluarga



JUTAAN KELUARGA SATU BANK

**David Fletcher**

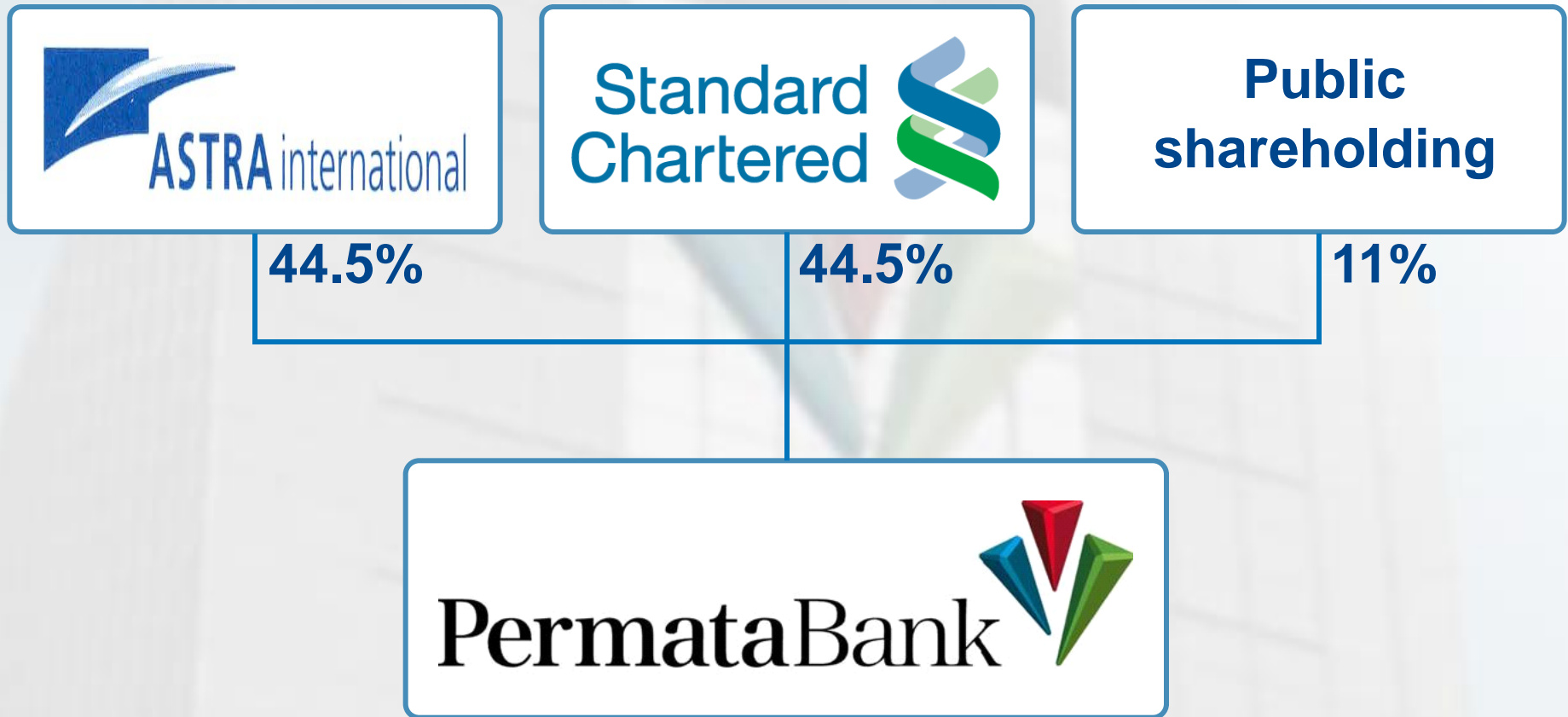
President Director

PermataBank 

- Delivering a strong performance
- Clear and consistent strategy
- Partnership with both shareholders working well
- Strong platform for future growth

# History and ownership structure

- Permata was formed by merger of five legacy banks
- Current ownership structure:





# Franchise overview

**289 branches (including  
12 Syariah branches)**

**Over 7,000 staff**

**57 cities**



**777 ATMs; Access to  
40,000 ATMs \***

**Over 1,100 Wholesale  
Banking clients and 2.1m  
Consumer Banking customers**

**Assets US\$11.7bn \*\***

\* Connected to Visa Plus, Visa Electron, Master Card, ALTO, ATM Bersama and ATM Prima,

\*\* as of 30 June 2012

# Strategy remains unchanged

- Consumer Banking led
- Aspirations for 2015
  - Grow income at strong double digits per annum
  - Achieve 3% market share of banking revenues in Indonesia
  - Strengthen consumer positioning

## Consumer Banking

- SME and family focus
- Strengths in Mortgage and Auto Finance
- Market leader in e-channels and service excellence

## Wholesale Banking

- Middle Market and select local corporate focus
- Value chain opportunities
- Transaction Banking capabilities

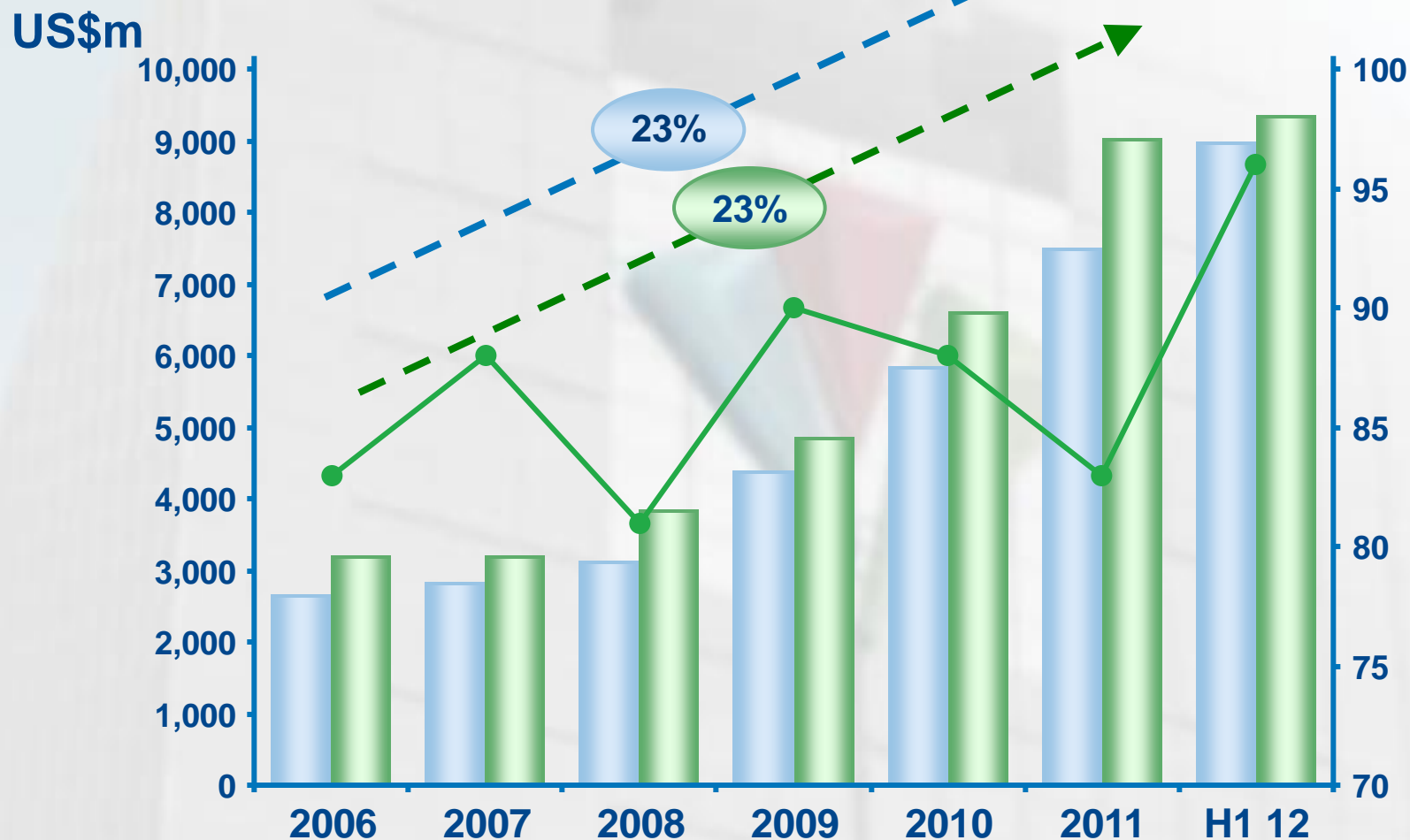
# Business performing well



# Balance sheet-driven and self-funded growth

Loans and advances to customers   Customer deposits   A/D\* ratio (%) RHS

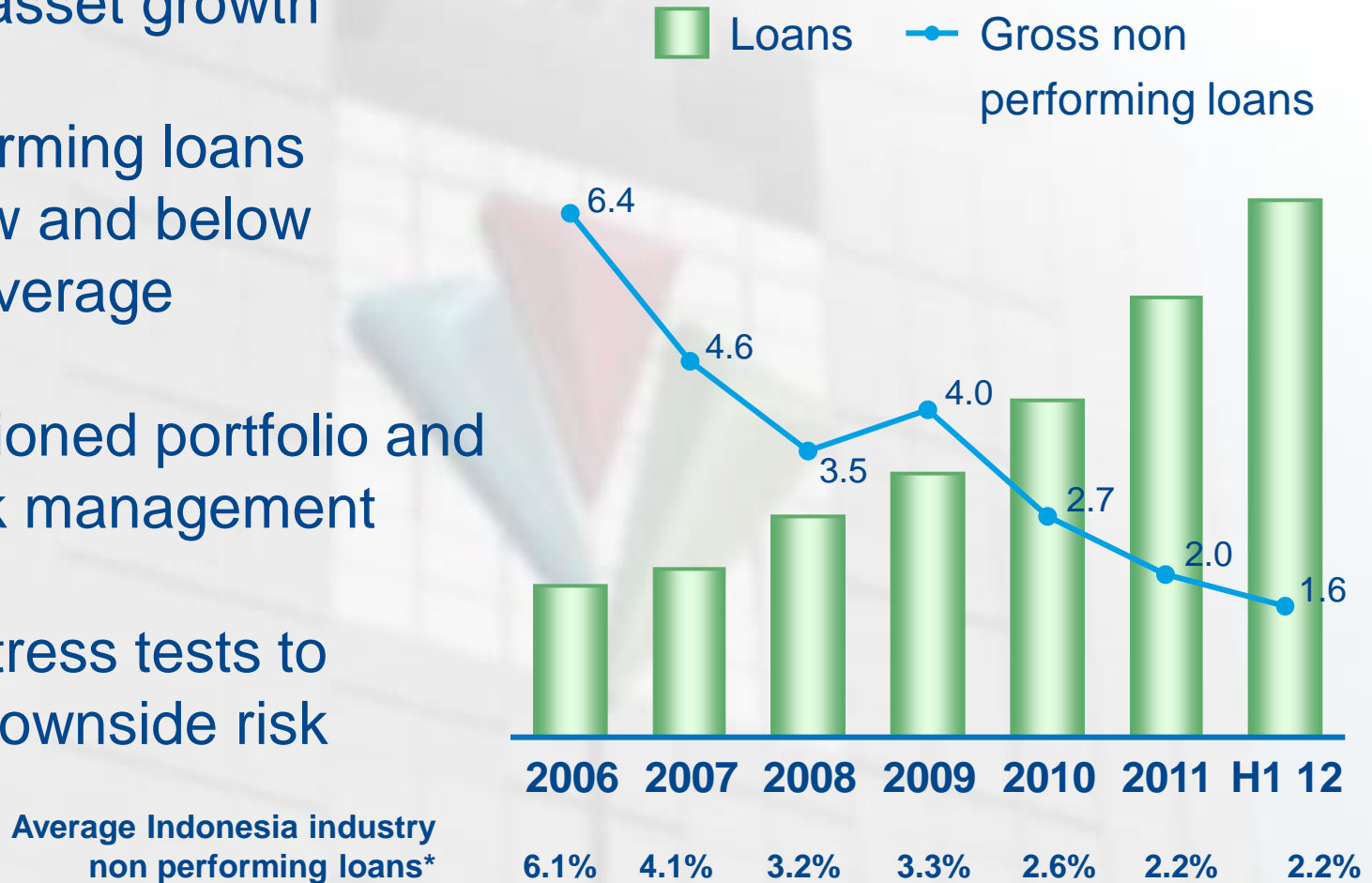
06 - 11  
CAGR



\* A/D – Advances to deposits ratio

# Strong and stable portfolio quality

- Disciplined and selective asset growth
- Non performing loans remain low and below industry average
- Well positioned portfolio and robust risk management
- Regular stress tests to manage downside risk



Average Indonesia industry  
non performing loans\*

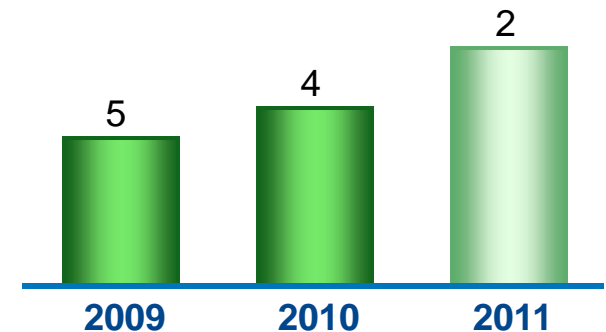


- Universal participation model - family positioning as differentiation
- Pan Indonesia presence - scale building in key cities
- Winning industry approach in SME
- E-channel and service excellence as strengths

## E-channels

- Overall usage up 32% YoY\*
- Permata Mobile usage up 105% YoY
- Permata Net financial transactions up 68% YoY\*\*

## Service excellence ranking



# Continued investments

## Branch and ATM network



## People development



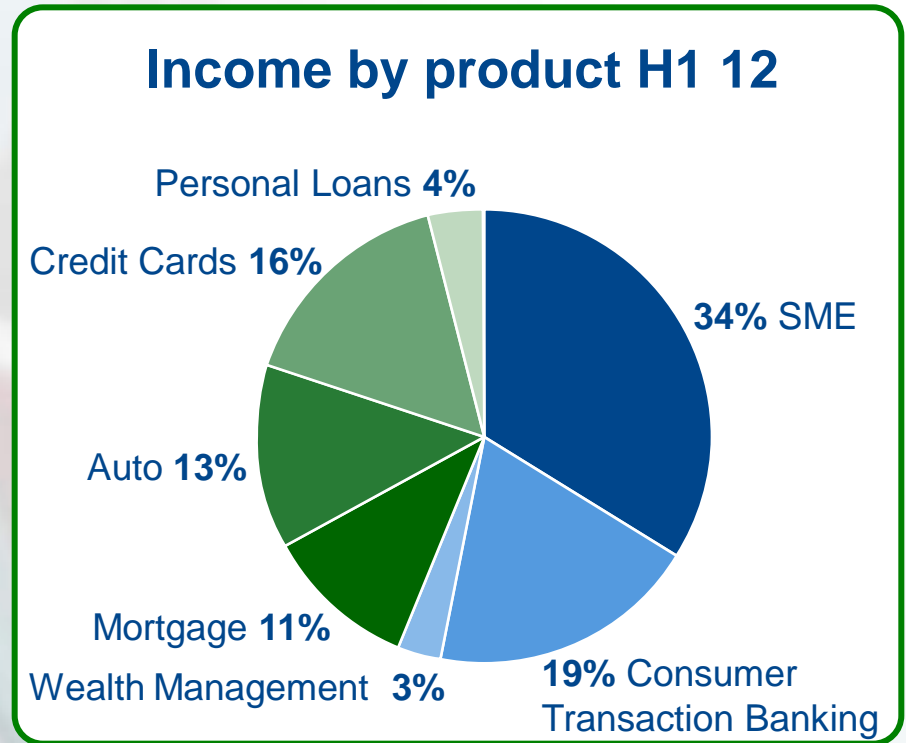
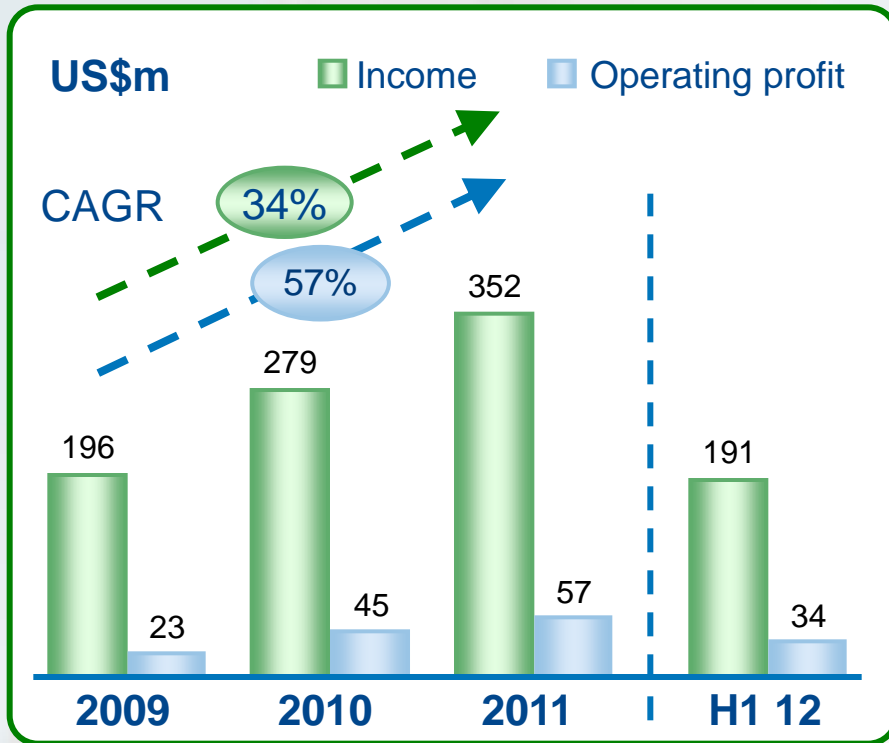
## E-channels



## Technology



# Consumer Banking is performing strongly



- Unsecured portion of the total Consumer Banking book increased to 8% in H1 12 (from 5% in 2009)
- Strong unsecured footings growth driven mostly by cross sell to existing customers and payroll base

- Commercial Banking - focus on middle market corporates
- Synergy with shareholders – value chain driven
- Leveraging distribution network
- Transaction Banking capabilities

# Strong and consistent Wholesale Banking performance

US\$m



■ H1 12 income: 50% Lending and 29% Transaction Banking

■ Trade volume up 53% YoY, whilst Trade income and NFI up 33% and 39% YoY, respectively

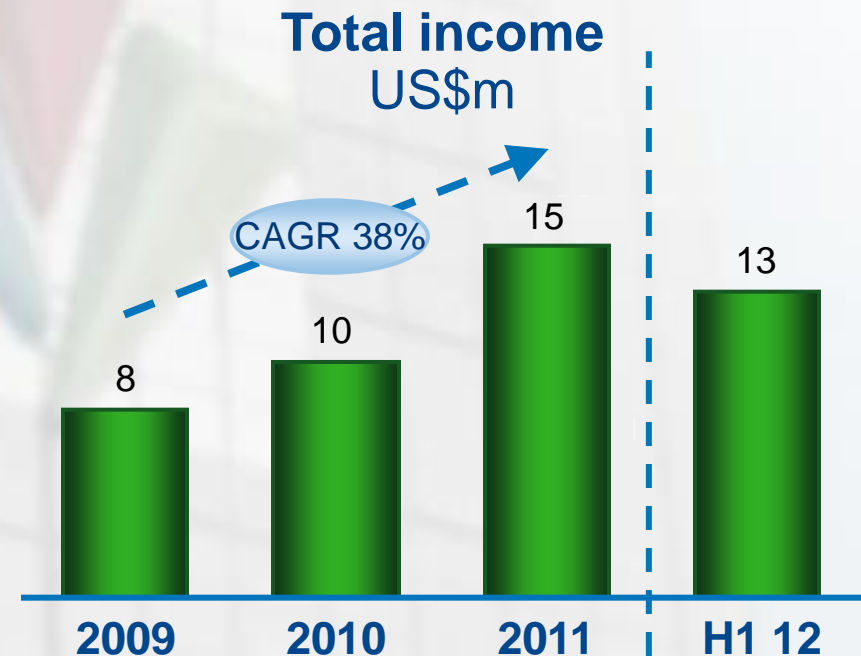
# Opportunities in Syariah Banking

## Overview and performance

- The largest Syariah window with the 4<sup>th</sup> largest operating profit in the industry
- #1 in Syariah service excellence in the last 2 years
- Market share of 4% (2011), up from 2% in 2009
- Significant opportunity for both businesses

## 2015 Aspirations

- US\$90m of revenue
- Market share of 7% (assets)



- Delivering a strong performance
- Clear and consistent strategy
- Partnership with both shareholders working well
- Strong platform for future growth



**Indonesia continues to present an outstanding  
opportunity for both  
Standard Chartered Bank and Permata**

