

Corporate, Commercial and Institutional Banking

KPIs



Profit before taxation¹

\$3,124m

↑57%
underlying basis

\$3,010m

↑70%
statutory basis

Return on tangible equity (RoTE)¹

9.6%

↑370bps
underlying basis

9.3%

↑410bps
statutory basis

Risk-weighted assets (RWA)

\$163bn

↓\$2bn

Proportion of low-returning client RWA

↓17.8% of RWA

2021	17.8%
2020	19.5%
2019	nm*

Aim: Reduce perennial sub-optimal RWA² and bring down the proportion of low-returning client RWA.

Analysis: Our perennial sub-optimal RWA has reduced 49.6 per cent year-on-year. The proportion of low-returning client RWA decreased from 19.5 per cent in 2020 to 17.8 per cent in Nov 2021, driven by RWA optimisation efforts undertaken.

* Not meaningful due to segments integration

Capital-lite³ income as a share of total income

42% share of total income⁴

2021	42%
2020	45%
2019	50%

Aim: Reshape the income mix towards capital-lite income.

Analysis: Share of capital-lite income decreased slightly to 42 per cent in 2021 due to the low interest rate environment, mitigated by strong growth in liabilities.

Segment overview

Corporate, Commercial and Institutional Banking supports clients with their transaction banking, financial markets, corporate finance and borrowing needs across 49 markets. We provide solutions to more than 22,000 clients in some of the world's fastest-growing economies and most active trade corridors.

Our clients include governments, banks, investors, and local and large corporations operating or investing mainly in Asia, Africa and the Middle East. Our strong and deep local presence enables us to help co-create bespoke financing solutions and connect our clients multilaterally to investors, suppliers, buyers and sellers, enabling them to move capital, manage risk and invest to create wealth. Our clients represent a large and important part of the economies we serve. Corporate, Commercial and Institutional Banking is at the heart of the Group's shared Purpose to drive commerce and prosperity through our unique diversity.

We are committed to sustainable finance, delivering on our ambition to increase support and funding for financial products and services that have a positive impact on our communities and the environment and support sustainable economic growth.

Strategic priorities

- Deliver sustainable growth for clients by leveraging our network to facilitate trade, capital and investment flows across our footprint markets
- Generate high-quality returns by improving funding quality and income mix, growing capital-lite³ income and driving balance sheet velocity while maintaining disciplined risk management
- Be the leading digital banking platform, providing integrated solutions to cater to our clients' needs and enhance client experience, and partnering with third parties to expand capabilities and access new clients
- Accelerate our sustainable finance offering to our clients through product innovation and enabling transition to a low-carbon future

Progress

- Our underlying income driven by diversified product suite and expanded client solutions despite the low interest rate environment. Our network income currently contributes to 54 per cent of total CCIB income
- Improved balance sheet quality with investment-grade net exposures representing 64 per cent of total corporate net exposures (2020: 51 per cent) and high-quality operating account balances stable at 63 per cent of Transaction Banking and Securities Services customer balances (2020: 64 per cent)
- Migrated more than 65,000 client entities to our S2B⁵ NextGen platform and increased S2B cash payment transaction volumes by 17 per cent
- We are one-third of the way towards developing our \$1 billion income sustainable finance franchise

Performance highlights

- Underlying profit before tax of \$3,124 million up 57 per cent, primarily driven by credit impairment releases, partially offset by lower income and higher expenses
- Underlying operating income of \$8,407 million down 1 per cent mainly due to lower Cash Management income impacted by a low interest rate environment and lower Macro Trading income on the back of lower market volatility and tighter spreads, partially offset by strong performance in Credit Market and Trade
- Good balance sheet momentum with total assets up 5 per cent, of which loans and advances were up 11 per cent
- Underlying RoTE increased from 5.9 per cent to 9.6 per cent

New digital portal launch with Demica

In October, we partnered with fintech specialist Demica to transform access to the Bank's supplier finance programmes, allowing easier enrolment for thousands of suppliers through an online portal. The portal helps suppliers enrol in supply chain finance programmes by using a digital front-end while providing our team the ability to reach out to a larger supplier base. This is the first phase of a strategic partnership between Standard Chartered and Demica and we are looking for new ways to use technology to transform our working capital solutions.

¹ Reconciliations from underlying to statutory and definitions of APMs can be found on pages 80–85

² Perennial sub-optimal clients are clients who have returned below 3 per cent RoRWA for the past three years

³ Capital-lite income refers to products with low RWA consumption or of a non-funded nature. This mainly includes Cash Management and FX products

⁴ Prior periods KPIs have been restated following a reorganisation of certain clients across client segments

⁵ Our next-generation Transaction Banking digital platform

Consumer, Private and Business Banking

KPIs



Profit before taxation¹

\$1,071m

↑51%
underlying basis

\$836m

↑29%
statutory basis

Risk-weighted assets (RWA)

\$51bn

↓\$2bn

Digital adoption

↑63% of clients



Aim: Align the Group's service to how clients want to interact and increase efficiency by reducing the amount of manual processing.

Analysis: Online applications have continued to grow with the proportion of Retail Banking clients that are digital-active up from 60 per cent in 2020 to 63 per cent at the end of 2021.

Return on tangible equity (RoTE)¹

10.2%

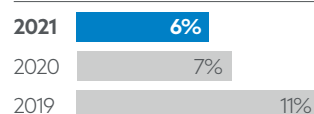
↑330bps
underlying basis

7.9%

↑160bps
statutory basis

Affluent assets under management

↑6%



Aim: Affluent assets under management – grow and deepen client relationships, improve investment penetration and attract new clients

Analysis: Assets under management stand at \$250 billion in 2021, delivering growth of 6 per cent

Segment overview

Consumer, Private and Business Banking serves more than 9 million individuals and small businesses, with a focus on the affluent and emerging affluent in many of the world's fastest-growing cities. We provide digital banking services with a human touch to our clients, with services spanning across deposits, payments, financing products and Wealth Management. Private Banking offers a full range of investment, credit and wealth planning products to grow, and protect, the wealth of high-net-worth individuals. We also support our clients with their business banking needs.

We are closely integrated with the Group's other client segments; for example, we offer employee banking services to Corporate, Commercial and Institutional Banking clients, and Consumer, Private and Business Banking also provides a source of high-quality liquidity for the Group.

Increasing levels of wealth across Asia, Africa and the Middle East support our opportunity to grow the business sustainably. We aim to uplift client experience, improving productivity by driving digitalisation and cost-efficiencies, and simplifying processes.

Strategic priorities

- Leading international Affluent franchise known for outstanding personalised wealth advice and exceptional client experience across our top 10 markets
- A single wealth continuum platform with distinctive segment value propositions to maximise client relationships
- Profitable Personal Banking franchise enabled by partnerships, data and digital infrastructure
- Digital-led, personalised and contextual client engagement augmented by seamless omnichannel experience
- New ways of working as standard approach, for faster, better, more agile execution
- Strategic and transformative investment decisions delivering synergies and consistent client experience, aligned across markets

Progress

- Launched Wealth Management Connect to capture northbound and southbound transactions for Greater Bay Area investors
- Introduction of the Standard Chartered-INSEAD Wealth Academy, which aims to upskill the knowledge of all relationship managers and wealth specialists
- Increase in digital sales, up over 12 per cent driven by investments prioritised to grow digital sales in Personal
- Personal 'scale through automation' transformation accelerated by acquiring customers from partnerships, engaging and cross-selling digitally, and servicing them through low-cost channels
- Launch of new partnerships with Home Credit in Vietnam and Kredivo in Indonesia. Our Atome partnership went live in Indonesia and will go live across our footprint in 2022

Performance highlights

- Underlying profit before tax of \$1,071 million was up 51 per cent driven by higher income and lower credit impairments
- Expenses were up 3 per cent (up 2 per cent constant currency) or well-managed and broadly flat constant currency excluding our investments in ventures
- Underlying operating income of \$5,733 million was up 1 per cent (flat constant currency). Asia was up 1 per cent and Africa and the Middle East was up 2 per cent
- Strong income momentum growth from Mortgages up 38 per cent and credit cards and personal loans up 5 per cent with improved margins and balance sheet growth and 12 per cent growth in Wealth Management. These were offset by Deposit margin compression, impacted by a lower interest rate environment
- Underlying RoTE increased from 6.9 per cent to 10.2 per cent

Partnering with Kredivo on digital loans

We partnered with Indonesian credit platform Kredivo to offer digital cash loans and 'buy now, pay later' to aid financial inclusion. The loans, which are available for Mass Retail, do not need to be verified face-to-face and make use of Kredivo's AI-driven credit scoring. The partnership facilitates access to credit and supports the growth of e-commerce as well as offline retailers.

¹ Reconciliations from underlying to statutory and definitions of APMs can be found on pages 80–85

Asia

Profit before taxation

\$3,116m

↑ 11%
underlying basis

\$2,830m

↑ 7%
statutory basis

Risk-weighted assets (RWA)

\$170bn

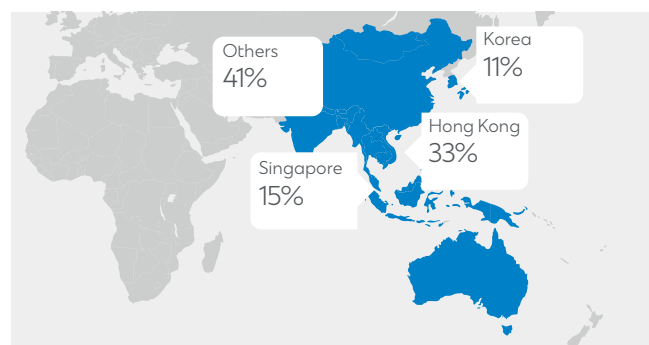
↓ \$4bn

Loans and advances to customers



Asia
72% of Group

Income split by key markets



▶ Breaking boundaries with the Baring Asia Private Equity Fund ▶

In 2021, we worked with the Baring Asia Private Equity Fund to create the region's first ESG-linked subscription facility with a carbon-offset mechanism, worth up to \$3.2 billion. Under the terms, any investments made must meet ESG-linked criteria; if the criteria are not met, the client will purchase carbon offsets. The deal is also the first of its kind to include gender diversity KPIs as part of its investment criteria.

Region overview

The Asia region has a long-standing and deep franchise across the markets and some of the world's fastest-growing economies. The region generates over two-thirds of the Group's income from its extensive network of 21 markets. Of these, Hong Kong and Singapore contributed the highest income, underpinned by a diversified franchise and deeply rooted presence.

The region is highly interconnected, with China's economy at its core. Our global footprint and strong regional presence, distinctive proposition and continued investment position us strongly to capture opportunities as they arise from the continuing opening up of China's economy.

The region is benefiting from rising trade flows, including activity generated from the Belt and Road initiative, continued strong investment, and a rising middle class which is driving consumption growth and improving digital connectivity.

Strategic priorities

- Leverage our network strength to serve the inbound and outbound cross-border trade and investment needs of our clients, particularly across high-growth corridors e.g. China–ASEAN
- Capture opportunities arising from China's opening, including the Greater Bay Area (GBA), Renminbi, Belt and Road initiative, onshore capital markets and mainland wealth
- Strengthen our market position in Hong Kong and Singapore, and reshape our Korea, India and Indonesia franchises to improve returns
- Turbocharge our Affluent and Wealth Management businesses through differentiated propositions and service
- Continue to invest in technology, digital capabilities and partnerships to enhance client experience and build scale efficiently
- Support clients in their sustainable finance and transition needs

Progress

- China business has grown significantly, almost doubling underlying operating profit, driven by Wealth Management, Financial Markets, Trade and unsecured products. The income we have booked from clients based in China has grown 9 per cent and China remains the Group's largest network income originator
- Hong Kong and Singapore, the highest income contributors in our region, have delivered strong underlying income growth driven by Wealth Management, mainly from Affluent clients and Financial Markets, partly offset by continued margin compression. Our digital agendas have progressed; and our virtual bank Mox currently has a 25 per cent market share of deposits among virtual banks in Hong Kong. Singapore is currently exploring a digital bank venture, which will allow us to expand our reach and touchpoints in the country. We have successfully created an ASEAN hub in Singapore, consolidating our subsidiaries in Malaysia, Thailand and Vietnam
- We continue to invest in the GBA. We are among the first batch of banks to launch Wealth Management Connect, we successfully completed our GBA Centre to better support CCIB and CPBB clients, and we are progressing with our sustainable finance platform build
- Korea and India have delivered strong growth in underlying profit before tax of 12 per cent and 53 per cent, driven by progress in CPBB and continued focus on branch optimisation and productivity

Performance highlights

- Underlying profit before tax of \$3,116 million was up 11 per cent, mainly due to lower credit impairment charges, partially offset by higher expenses as we continue to invest in our strategic initiatives
- Underlying operating income of \$10,448 million was up 1 per cent (down 1 per cent constant currency). Strong Financial Markets, Lending, Mortgages and Wealth Management growth, partly offset by lower trading income from lower market volatility
- Loans and advances to customers were up 11 per cent mainly from strong growth in Mortgages and Corporate Lending. Customer accounts were up 6 per cent, with strong growth in retail current and savings accounts and Transaction Banking cash balances
- RWA decreased by \$4 billion from continued focus on RWA optimisation and partly from a model change benefit in Korea

Africa and the Middle East

Profit before taxation

\$856m

↑ \$843m
underlying basis

\$831m

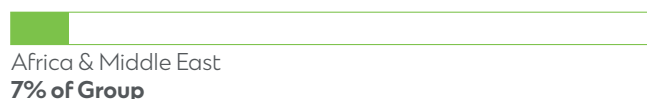
↑ \$906m
statutory basis

Risk-weighted assets (RWA)

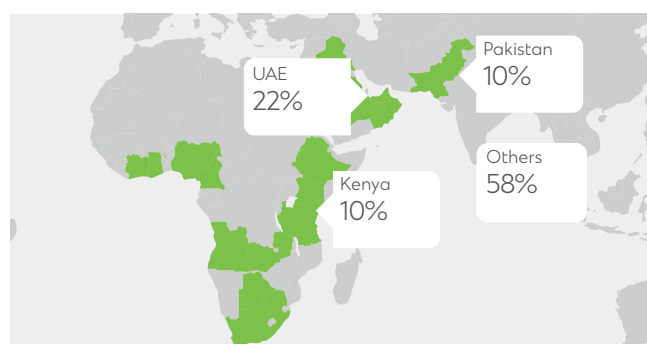
\$49bn

↓ \$2bn

Loans and advances to customers



Income split by key markets



Digital banking grows across Africa and the Middle East

Our digital banking initiatives in Africa continued to grow in 2021 as we gained 860,000 customers, almost doubling our existing base across the continent. Our digital bank customer deposits grew 43 per cent to \$189 million and we launched digital banking in Pakistan – bringing the number of markets where we offer our services to 10.

Region overview

We have a deep-rooted heritage in Africa & Middle East and are present in 25 markets, of which the UAE, Nigeria, Pakistan, Kenya and Ghana are the largest by income. We are present in the largest number of sub-Saharan African markets of any international banking group.

A rich history, deep client relationships and a unique footprint in the region, as well as across centres in Asia, Europe and the Americas, enable us to seamlessly support our clients. Africa & Middle East is an important element of global trade and investment corridors, including those on China's Belt and Road initiative, and we are well placed to facilitate these flows.

Positive macro-trends (oil, commodity and UAE property prices) are driving market opportunities, but challenges and uncertainties exist in the near term. We're confident that the opportunities in the region will support long-term sustainable growth for the Group. We continue to invest selectively and drive efficiencies.

Strategic priorities

- Provide best-in-class structuring and financing solutions and drive creation through client initiatives
- Invest to accelerate growth in differentiated international network and Affluent client businesses
- Invest in market-leading digitisation initiatives in CPBB to protect and grow market share in core markets, continue with our transformation agenda to recalibrate our network and streamline structures
- Be an industry leader in the transition to net zero across the region

Progress

- We have strengthened our footprint with a new branch in Saudi Arabia in 2021
- Our role leading several marquee transactions across the region reflects our strong client franchise. We continue to be the market leader in bond issuance and Islamic Sukuk and achieved our highest-ever debt capital markets notional volumes
- Our Project and Export Finance team closed more than \$2 billion in sustainable finance deals in the region, which includes one of the largest waste to energy projects globally and one of the largest single-site solar projects in the world
- Our digital transformation initiatives in Africa are bearing fruit: 98 per cent of client acquisitions and 80 per cent servicing is done digitally. Digital bank customer deposits grew 43 per cent to \$189 million, and through cross-selling they are increasingly taking up other wealth, insurance and lending products. A major milestone was achieved with the first phase of the digital bank launched in Pakistan in December 2021
- Strong Financial Markets and Wealth Management momentum; Financial Markets income was up 9 per cent and was at the highest level in five years; and Wealth Management income grew 23 per cent and was at the highest level since 2015
- Continuing cost discipline has allowed investments to continue through the cycle. The number of branches decreased by 20 per cent and headcount was 12 per cent lower

Performance highlights

- Underlying profit before tax of \$856 million was the highest since 2015 and was driven by reduced credit impairment, higher income and lower expenses
- Significant turnaround in UAE with a return to profitability in 2021
- Underlying operating income of \$2,446 million was up 3 per cent (up 5 per cent constant currency) mainly due to growth in Financial Markets and Wealth Management. Income was up 7 per cent (up 9 per cent constant currency) in Africa, while it was flat across Middle East, North Africa and Pakistan
- Loans and advances to customers were down 6 per cent and customer accounts were up 8 per cent

Europe and the Americas

Profit before taxation

\$644m

↑ 67%
underlying basis

\$575m

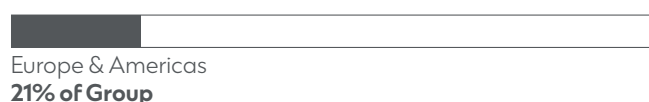
↑ 69%
statutory basis

Risk-weighted assets (RWA)

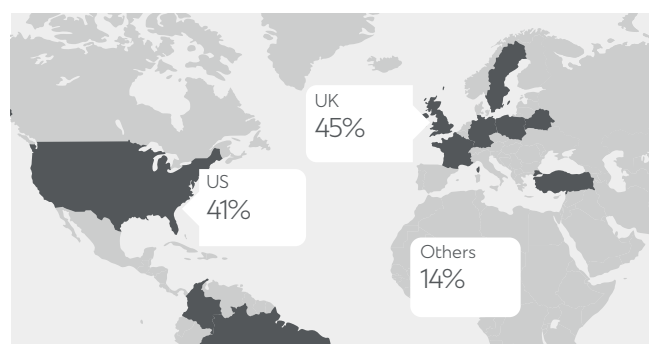
\$50bn

↑ \$5bn

Loans and advances to customers



Income split by key markets



Helping build high-speed railways in Turkey

In December 2021, we led on a landmark €1.24 billion green financing package to develop a new high-speed railway line in Turkey. The 200km-long railway track will link the cities of Bandırma and Osmaneli in the northwest of the country, passing through Bursa and Yenisehir. This transaction, undertaken for the Ministry of Treasury and Finance in Turkey, is the first of its kind for the client.

Region overview

The Group supports clients in Europe & Americas through hubs in London, Frankfurt and New York as well as a presence in several other markets in Europe and Latin America. Our expertise in Asia, Africa and the Middle East allows us to offer our clients in the region unique network and product capabilities.

The region generates significant income for the Group's Corporate, Commercial & Institutional Banking business. Clients based in Europe & Americas make up around one-third of the Group's CCIB income, with three-quarters of client income booked elsewhere in the network generating above-average returns.

In addition to being a key origination centre for CCIB, the region offers local, on-the-ground expertise and solutions to help internationally minded clients grow across Europe & Americas. The region is home to the Group's two biggest payment clearing centres and the largest trading floor with more than 80 per cent of the region's income originating from Financial Markets and Transaction Banking products.

Our Private Banking business focuses on serving clients with links to our footprint markets.

Strategic priorities

- Leverage our network capabilities to connect new and existing Corporate and Financial Institutions clients in the west to the fastest-growing and highest-potential economies across our footprint
- Grow the business we capture from inbound trade flows from our footprint markets
- Increase the capital base of our Frankfurt hub to continue growing business with our continental European clients
- Further develop our sustainable finance product offering and risk management capabilities
- Enhance capital efficiency, maintain strong risk oversight and further improve the quality of our funding base
- Expand assets under management in Private Banking and continue to strengthen the franchise

Progress

- Strong growth of 7 per cent in global cross-border business with Europe and the Americas CCIB clients
- Significantly expanded our domestic Cash Management offering to facilitate growth opportunities across our global footprint
- SCB AG entity fully operational as our continental Europe hub with the capital base doubled in 2021, providing financial solutions for the EU27 market and with strong income growth from both Corporate and Financial Institutions clients in Europe
- Significant growth in income from sustainable finance products and expansion of our sustainable product offering
- Significant increase in high-quality liabilities diversifying the region's funding base

Performance highlights

- Underlying profit before tax of \$644 million improved 67 per cent driven by higher income and lower impairments
- Underlying operating income of \$2,003 million was up 4 per cent largely due to growth in Trade and Lending with a resilient performance in Financial Markets. Treasury Markets income was lower due to significant realisation gains in the prior year. Cash Management income decreased due to lower interest margins albeit largely mitigated by significant growth in volumes
- Expenses increased by 7 per cent largely due to the normalisation of performance-related pay, increased investment and technology expense, and US dollar depreciation
- Loans and advances to customers grew 13 per cent and customer accounts grew 21 per cent