

Corporate, Commercial and Institutional Banking

KPIs



Profit before taxation

\$4,100m **\$4,050m**

↑ 31%
underlying basis

↑ 35%
statutory basis

Return on tangible equity (RoTE)³

13.7% **13.6%**

↑ 410bps
underlying basis

↑ 430bps
statutory basis

Risk-weighted assets (RWA)

\$144bn ↓ \$20bn

Improving CCIB Income RoRWA



Aim: Achieve RoRWA of 6.5% by 2024.

Analysis: CCIB income RoRWA improved to 6.5% in 2022, up 160bps YoY and in line with our 2024 target, driven by higher income and disciplined risk management.

Contribution of Financial Institutions segment



Aim: Drive growth in high-returning Financial Institutions segment.

Analysis: Share of Financial Institutions income improved to 45 per cent of total CCIB client income in 2022 as we allocate more capital to this segment to drive income and returns.

Partnering with SAP Taulia for sustainable supply chains

In October, we signed a framework agreement to collaborate with SAP Taulia, a market leader in working capital solutions. As part of the agreement, we will work with Taulia to provide clients access to supply chain finance through our unique emerging-markets network. This will help our clients to make their supply chains more resilient and sustainable by enabling their suppliers to gain access to working capital more efficiently and cost effectively. This is the first agreement that Taulia has signed with a banking institution, following its acquisition by SAP.

Segment overview

Corporate, Commercial and Institutional Banking (CCIB) supports local and large corporations, governments, banks and investors with their transaction banking, financial markets and borrowing needs. We provide solutions to more than 20,000 clients in some of the world's fastest-growing economies and most active trade corridors. Our clients operate or invest across 50 markets across the globe.

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. Our products and services enable our clients to move capital, manage risk and invest to create wealth. Our clients represent a large and important part of the economies we serve. CCIB is at the heart of the Group's Purpose to drive commerce and prosperity through our unique diversity.

We are also committed to sustainable finance in our markets and to channelling capital where the impact will be greatest. We are delivering on our ambition to support sustainable economic growth, increasing support and funding for financial offerings that have a positive impact on our communities and environment.

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-lite¹ 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 the transition to a low-carbon future.

Progress

- Our underlying income is driven by our diversified product suite and expanded client solutions is supported by the rising interest rate environment. Our network income currently contributes to 57 per cent of total CCIB income with growth across strategic network corridors.
- Improved balance sheet quality with investment-grade net exposures represent 70 per cent of total corporate net exposures (2021: 64 per cent) and high-quality operating account balances at 67 per cent of Transaction Banking and Securities Services customer balances (2021: 63 per cent).
- Migrated more than 73,000 client entities to our S2B² NextGen platform and increased S2B cash payment transaction volumes by 10.3 per cent.
- We are half of the way towards developing our \$1 billion income from sustainable finance franchise.

Performance highlights

- Underlying profit before tax of \$4,100 million, up 31 per cent, primarily driven by higher income, partially offset by higher expenses and credit impairment charges.
- Underlying operating income of \$10,045 million, up 19 per cent, with Cash Management in Transaction Banking benefiting from rising interest rates and strong Macro Trading activity in Financial Markets.
- Risk-weighted assets down \$20 billion since 31 December 2021, mainly as a result of optimisation initiatives and favourable currency movement, partly offset by business growth and regulatory impact.
- Underlying RoTE increased from 9.6 per cent to 13.7 per cent.

1 Capital-lite income refers to products with low RWA consumption or of a non-funded nature. This mainly includes Cash Management and FX products
2 Our next-generation Client digital transaction initiation platform.
3 Reconciliations from underlying to statutory and definitions of alternative performance measures (APM) can be found on pages 80-85
4 FY 2020 and FY 2021 Income is adjusted for aviation depreciation for Income RoRWA calculation

Consumer, Private and Business Banking

KPIs



Profit before taxation

\$1,596m **\$1,533m**

↑ 30%
underlying basis

↑ 55%
statutory basis

Return on tangible equity (RoTE)¹

15.8% **15.2%**

↑ 420bps
underlying basis

↑ 580bps
statutory basis

Risk-weighted assets (RWA)

\$51bn ↓ \$1bn

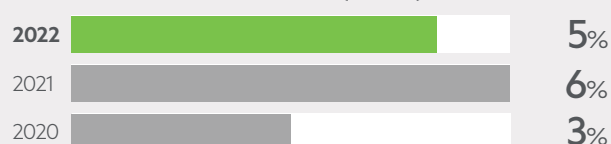
Digital Sales for Retail Products



Aim: Accelerate the Group's digital offerings to enable clients to be on-boarded digitally, thereby reducing manual processes and improving efficiency.

Analysis: Online applications for Retail Products have continued to grow with the proportion increasing from 38 per cent in 2020 to 48 per cent at the end of 2022.

Affluent Wealth Active Clients (YoY %)



Aim: Grow and deepen client relationships, improve investment penetration and attract new clients.

Analysis: Affluent Wealth Active Clients stands at 857,000 clients in 2022, delivering growth of 5 per cent.

Our first ever ESG Structured Note

In February, we issued our first ever ESG Structured Note for affluent clients in Hong Kong and Singapore. The note received strong interest from clients, generating \$100 million of new sales in less than two weeks, with the final amount raised standing at \$370m. Use of proceeds from the note includes both green and social categories, enabling priority and private banking clients to have exposure to our impactful emerging-markets asset base.

Segment overview

Consumer, Private and Business Banking serves more than 10 million individuals and small businesses, with a focus on the affluent and emerging affluent in many of the world's fastest-growing markets. We provide digital banking services with a human touch to our clients, with solutions spanning across deposits, payments, financing 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 small business 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 continuously uplift the client experience and improve productivity by driving end-to-end digitalisation and process simplification.

Strategic priorities

- Be a leading international Affluent franchise with distinctive client value propositions to unlock the value of our Affluent client continuum.
- Maximise the reach of our deep-rooted international network, with Hong Kong, Singapore, UAE and Jersey as our wealth advisory hubs
- Deliver advisory-led wealth propositions with digital-first and personalised experiences, leveraging an open architecture platform with best-in-class product offering.
- Profitable Personal Banking franchise enabled by partnerships, data and digital infrastructure.
- A mobile-first digital channel strategy offering exceptional end-to-end client experience.
- Continuous improvement in ways of working for process simplification and operational excellence.

Progress

- Strong affluent client growth momentum across Priority Banking and Private Banking.
- Strong traction on Standard Chartered-INSEAD Wealth Academy with more than 350 senior frontline staff across Hong Kong and Singapore on the development journey.
- Launched myWealth suite of digital advisory tools to deliver personalised portfolio construction and investment ideas for clients; recognised as a leader in digital wealth capabilities with more than 15 industry awards received in 2022.
- Enhanced digital experience in key markets focusing on frictionless mobile experience, leading to an average rating of 4.4 on App Store and Play Store in Hong Kong, Singapore, India, China and Pakistan.
- Continued Personal 'scale through automation' transformation accelerated by acquiring customers from partnerships, engaging and cross-selling digitally, and servicing them through low-cost channels.
- Seven Mass Retail partnerships instances live in China, Indonesia and Vietnam, reaching more than 1.2 million clients.

Performance highlights

- Underlying profit before tax of \$1,596 million was up 30 per cent driven by higher income and lower expenses and credit impairments.
- Underlying operating income of \$6,016 million was up 5 per cent (up 10 percent constant currency). Asia was up 5 per cent and Africa and the Middle East, and Europe was up 4 per cent. Expenses were well managed and down 2 per cent.
- Strong income momentum growth mainly from Deposits up 138 per cent with improved margins and balance sheet growth. These were offset by slow down in Wealth Management products due to risk off sentiment and Mortgages margin compression impacted by a rising interest rate environment.
- Underlying RoTE increased from 11.6 per cent to 15.8 per cent.

¹ Reconciliations from underlying to statutory and definitions of alternative performance measures (APM) can be found on pages 80-85)

Ventures

KPIs



Underlying Loss before taxation

\$363m

↑ 39%

Risk-weighted assets (RWA)

\$1.4bn

↑ \$0.6bn

Gross Transaction Value

\$16bn

↑ \$6bn

New Minority Investments

\$153m

↑ 42%

New Ventures launched

7

↑ 6

Customers

2m

Gross Transaction Value



Customers



Solv goes from strength to strength

Lifting the participation of micro and small businesses in the economy, Solv, our B2B e-commerce platform, raised \$40 million in Series-A funding in June 2022. Building on its strong performance in India and continuing expansion plans, Solv launched in Kenya in October 2022 and now has a network of approximately 300,000 micro and small businesses. Solv has plans to grow further, aiming to be present in more than 300 cities in India, scale in Africa and enter Southeast Asia in 2023. Solv announced its platform launch in December 2020 targeting micro, small and medium enterprises in India.

Segment overview

As part of the ongoing execution of its refreshed strategy, the Group has expanded and reorganised its reporting structure with the creation of a third client segment, Ventures, effective on 1 January 2022. Ventures is a consolidation of SC Ventures and its related entities as well as the Group's two majority-owned digital banks, Mox in Hong Kong and Trust Bank in Singapore.

- SC Ventures is the platform and catalyst for the Group to promote innovation, invest in disruptive financial technology and explore alternative business models.
- Mox, a cloud-native, mobile-only digital bank, was launched in Hong Kong as a joint venture with HKT, PCCW and Ctrip in September 2020.
- Trust Bank was launched in Singapore in partnership with FairPrice Group, the nation's leading grocery retailer, in September 2022.

Strategic priorities

- **SC Ventures'** focus is on building and scaling new business models – across the four themes of Online Economy & Lifestyle, SMEs & World Trade, Digital Assets and Sustainability & Inclusion. We do this by connecting ecosystems, partners and clients to create value and new sources of revenue, providing optionality for the Bank. SC Ventures is also advancing the Fintech agenda – identifying, partnering and taking minority interests through the fund in companies that provide technology capabilities, which can be integrated into the Bank and Ventures. Focus is on innovative, fast-growing, technology-focused companies which accelerate transformation in the financial industry.
- **Mox** continues to grow the customer base and drive main bank relationships across mass and mass affluent segments in Hong Kong. Mox's vision is to build the global benchmark for digital banking. It aims to be the leading virtual bank in Hong Kong for Cards and Digital Lending and continues to further expand services, including the soon-to-launch Digital Wealth Management services.
- **Trust Bank** is targeting continued strong growth, in particular through its deep and extensive partner ecosystem, and to establish itself as a scale player in the mass and upper mass consumer segment in Singapore.

Progress

- **SC Ventures** marks its fifth year anniversary in 2023. Some of the key achievements include building a diverse portfolio of over 30 ventures and 20+ investments. Our ventures processed \$16 billion of transactions in 2022 with a customer base of 1 million. By working with strategic partners like SBI Holdings, we will accelerate the growth of Solv, the B2B digital marketplace for micro, small and medium enterprises and connect with a wider ecosystem across multiple markets. Our Financial Conduct Authority (FCA) authorised, institutional grade crypto businesses, Zodia Custody and Zodia Markets, commenced onboarding clients during the year.
- In 2022, **Mox** had a strong focus on expanding its card and digital lending services and recorded a strong performance and an engaged customer base. Mox has more than 400,000 customers, up two times year-on-year, and Mox customers had on average 3.1x products. Mox was named as the most recommended virtual bank in Hong Kong and continued to be the number one rated virtual bank app in Hong Kong on the Apple App Store.
- Within five months of launch, **Trust Bank** scaled rapidly to over 450,000 customers, equating to around 9 per cent of the addressable market in Singapore, and making it one of the world's fastest growing digital banks. Customer engagement was strong, with almost 7 million transactions made, and more than 400,000 digital coupons redeemed through the app during this period.

Performance highlights

- Underlying loss before tax of \$363 million was up \$102 million, driven mainly by higher expenses as we continue to invest in new and existing ventures.
- Risk-weighted assets of \$1.4 billion have increased \$0.6 billion mainly due to continued investment in new and existing ventures and minority interests.

Asia

Profit before taxation

\$3,688m

↑ 8%
underlying basis

\$3,325m

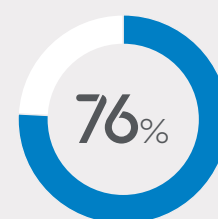
↑ 17%
statutory basis

Risk-weighted assets (RWA)

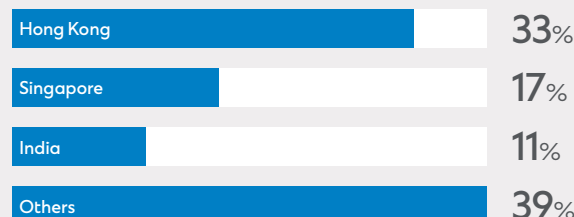
\$151bn

↓ \$19bn

Loans and advances to customers (% of group)



Income split by key markets



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 three distinct and potent sub-regions: Greater China, ASEAN and South Asia. 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 growing connectivity of ASEAN, and the strong economic growth of India.

The region is benefiting from rising trade flows, 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, China-South Asia, Korea-ASEAN
- Capture opportunities arising from China's opening, and accelerate growth in ASEAN and India/South Asia.
- Turbocharge our Affluent and Wealth Management businesses through differentiated propositions and service.

- Continue to invest and advance in technology, digital capabilities and partnerships to enhance the client experience and build scale efficiently.
- Support clients' sustainable finance and transition needs and continue to strengthen our thought leadership status.

Progress

- We have continued to advance our China strategy both onshore and offshore, with steady progress in capturing affluent growth, adding new clients through digital partnerships and growing international trade and investment corridors. In 2022 the China business delivered its highest ever onshore income while also growing network income strongly, with the China-ASEAN and China-South Asia corridors being respectively up 62 per cent and 21 percent year-on-year. Progress was made in the digital retail space with new partnerships involving JD.com and WeBank.
- Our two strong international financial hubs in Hong Kong and Singapore, which enable us to serve the three sub-engines of economic growth in Asia, continued to be the highest income contributors in the region. Income growth was driven by the Affluent segment and Transaction Banking, helped in part by rising interest rates, and also by Financial Markets.
- Execution of our strategy in the Greater Bay Area ("GBA") continues to be on track with the establishment of a solid cross border wealth management platform and strong growth in new economy sectors and in network business.
- The CPBB digital agenda continues to progress. Mox has the second largest deposit base among virtual banks in Hong Kong while Trust Bank, in partnership with Fairprice Group in Singapore, has onboarded more than 450,000 customers after five months of its launch.

Performance highlights

- Underlying profit before tax of \$3,688 million was up 8 per cent, primarily from higher income partly offset by higher credit impairment from charges on China Commercial Real Estate exposures and the sovereign ratings downgrade of Sri Lanka.
- Underlying operating income of \$11,213 million was up 7 per cent (up 12 per cent on a constant currency), mainly driven by a strong Financial Markets performance and an expansion in the net interest margin benefiting Cash Management and Retail Deposits. This was partially offset by lower Lending and Wealth Management income as market conditions reduced transaction volumes, as well as the impact of COVID-19 restrictions impacting in our key markets, Hong Kong and China.
- Loans and advances to customers were up 2 per cent (up 6 per cent on a constant currency). Customer accounts were down 3 per cent (flat on a constant currency) since 31 December 2021.
- Risk-weighted assets (RWA) were down \$19 billion since 31 December 2021 as we continue to focus on RWA optimisation.

Planting trees in Sri Lanka and Malaysia

Our employees planted more than 1,000 trees in Sri Lanka and Malaysia in 2022. Between March and October in Sri Lanka, employees planted 650 trees in total, both as part of an employee challenge and the Bank's global employee volunteering campaign.

Meanwhile, between August and December, as part of our Taman Tugu Donation and Tree Planting Programme, employees in Malaysia planted 500 trees. Taman Tugu is a 66-acre regenerated forest park located in Kuala Lumpur city centre.

Africa and the Middle East

Profit before taxation

\$819m

↓ 4%
underlying basis

\$790m

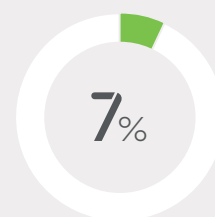
↓ 5%
statutory basis

Risk-weighted assets (RWA)

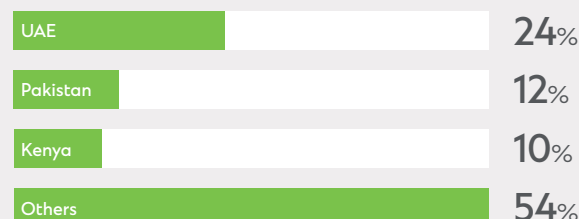
\$41bn

↓ \$8bn

Loans and advances to customers (% of group)



Income split by key markets



Region overview

We have a deep-rooted heritage in Africa and Middle East (AME), of which the United Arab Emirates, Pakistan, Kenya, Nigeria, South Africa, and Ghana are the largest by income.

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. AME is an important element of global trade and investment corridors and we are well placed to facilitate these flows.

Gulf Cooperation Council (GCC) markets are expected to outpace global growth on the back of oil price recovery, higher government spend and bilateral trade negotiations. The macro-economic risk remains elevated in Pakistan and some markets in Africa due to a high level of sovereign debt and FX liquidity challenges. Overall, AME's medium and long-term attractiveness remains compelling and intact, and it is an important part of our global network proposition for our clients.

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.
- Refocusing and simplifying our presence in AME.

Progress

- We have strengthened our footprint with the approval for a banking licence in Egypt.
- We have once again led the AME bond and Sukuk markets in 2022, taking the top spot in the AME league tables and ranking #1 in MENA G3 issuance for the fifth year in a row. Our commitment to ESG across Debt Capital Markets (DCM) helped us almost double our issuance ESG volumes and brought the year's most innovative deals to market.
- On Sustainable Finance we have brought new ideas to the market, and supported our clients with closing market firsts and landmark transactions that are creating a strong reputation for us among clients.
- We have successfully launched end-to-end digital onboarding in Pakistan with embedded eKYC (Electronic Know Your Customer), allowing clients to seamlessly open accounts from the SC Mobile App. We have also expanded our agent banking proposition to five countries, helping to drive financial inclusion by offering multiple touchpoints for clients to transact.
- We have expanded digital wealth management solutions in Kenya and UAE. Our micro-investment solution in Kenya has attracted 85 per cent new to wealth clients, while in UAE, clients have access to online Trade FX and online Equities.
- Broad-based growth in income across products, with Financial Markets at the highest level since 2015.
- Continuing cost discipline has allowed investments to continue through the cycle. Cost to Income Ratio lower at 64 per cent (vs. 66 per cent in '21) and Revenue / Headcount has grown 11 percent vs FY'21.

Performance highlights

- Underlying working profit of \$937 million (up 25 per cent on constant currency basis) was driven by higher income and disciplined cost management. Underlying profit before tax of \$819 million (up 4 per cent on constant currency basis) despite higher loan impairment that is primarily related to provisions for sovereign downgrades in Ghana & Pakistan.
- Underlying operating income of \$2,606 million was up 7 per cent (up 14 per cent constant currency) driven by growth in Transaction Banking, Financial Markets and Retail. Income was up 9 per cent (up 15 per cent constant currency) in Middle East, North Africa, & Pakistan and up 3 per cent (up 13 per cent constant currency) in Africa.
- Risk-weighted assets (RWA) were 17 per cent lower than December 2021, despite the impact of sovereign downgrades, due to continuing RWA optimisation activities and de-risking in markets with elevated macro-economic risk.
- Loans and advances to customers were down 14 per cent (9 per cent down on constant currency basis) and customer accounts were down 8 per cent (3 per cent down on constant currency basis) since 31 December 2021.

Celebrating our launch in Egypt

In 2022, we received official approval from the Central Bank of Egypt in for our first branch in the market.

The branch, designated to be officially launched in 2023, will be part of a fully-fledged banking operation in Egypt replacing our current representative office set-up.

Europe and the Americas

Profit before taxation

\$863m

↑ 34%
underlying basis

\$840m

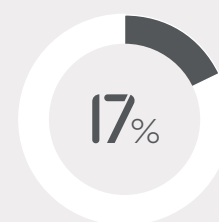
↑ 46%
statutory basis

Risk-weighted assets (RWA)

\$50bn



Loans and advances to customers (% of group)



Income split by key markets



Region overview

The Group supports clients in the region through hubs in London, Frankfurt and New York, as well as a presence in several other markets in Europe and Americas. 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 and Institutional Banking business. Clients based in Europe and Americas make up around one-third of the Group's CCIB income, with three-quarters of client income booked 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 and Americas. The region is home to the Group's two biggest payment clearing centres and the largest trading floor with more than 90 per cent of the region's income originating from Financial Markets and Transaction Banking products.

Our European CPBB 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.
- Supercharge our Financial Institutions (FI) Franchise.
- Grow the business we capture from inbound trade flows from our east to west corridors.
- 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 CPBB and continue to strengthen the franchise.

Progress

- Strong growth of 20 per cent in global cross-border network business with Europe & Americas CCIB clients across key footprint markets.
- FI segment growth of 25 per cent, now accounting for 56 per cent of the CCIB business for European & Americas clients.
- Expanded Financial Markets Product offering in our German subsidiary to enable more inbound trade flow.
- Material 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.
- CPBB cost saving initiatives executed, with strong progress made in refocusing the Private Banking segment towards Ultra High Net Worth clients together with the successful migration of CPBB clients from London to the Jersey booking centre.

Performance highlights

- Underlying profit before tax of \$863 million improved 34 per cent, driven by higher income and lower impairments. Positive income to cost jaws of 12 per cent.
- Underlying operating income of \$2,353 million was up 17 per cent due to a strong performance from Financial Markets Macro products, and improvement in cash deposit volumes and margins across CCIB and CPBB.
- Expenses increased by 5 per cent or 9 per cent on a constant currency basis largely due to the increased Investment spend and performance-related pay.

Launching our first Green Trade Export Letter of Credit programme

In August, we launched our first Green Trade Export Letter of Credit programme in Singapore, New York and London, working with food and nutrition company ADM (Archer-Daniels-Midland).

The \$500 million letter of credit programme will cover ADM's shipment of commodities, including soybeans, oilseeds and cotton from Latin America, the US, and Australia to European markets. Issued under the 'Sustainable Goods' pillar of the Bank's Green and Sustainable Product Framework, the transaction helps advance ADM's widening efforts to expand sustainable farming practices and source sustainably produced goods.