



Retail Banking

CLSA Investor Forum

Karen Fawcett

CEO, Retail Banking
Group Head, Brand & Marketing

Here for good

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Key messages

Strategy

- Vision: Become best bank for affluent, emerging affluent & business clients
- Full relationship approach, end-to-end digital with a human touch
- Focus on ~60 core cities across 24 countries

Progress

- Commenced digital transformation journey end-to-end
- Investing in payments capabilities: Wallets and Contactless
- ~60% of New-to-Bank clients from Employee Banking and Alliances
- Premium Banking being launched

Priorities

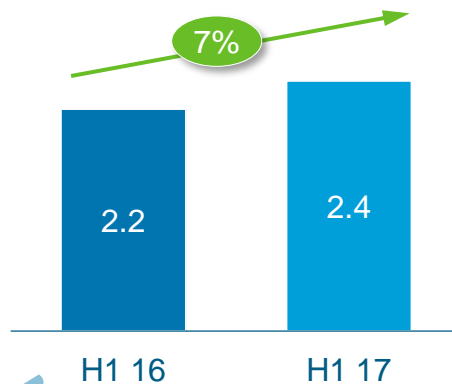
- Execute the Retail transformation
- Drive return on investments through both income and cost lines
- Reinvigorate our brand, upgrading our product and service offering
- Launching Premium and accelerating Personal
- Broaden digital sales

Full service Retail Bank with 9 million customers in 32 countries

- Over 9 million individual and business clients
- ~1,000 branches and ~30,000 staff in 32 countries
- Focused in ~60 core cities across 24 countries
- Significant net liquidity provider

Income impacted by business exits

Income ex-divestments (\$bn)



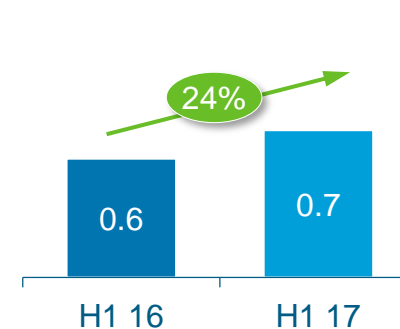
Retail Banking H1'17 financial performance

\$m	H1'17	H1'16	YoY	% of Group
Operating income	2,396	2,316	3%	33%
Operating expenses	(1,723)	(1,643)	(5)%	
Pre-provision operating profit	673	673	-	27%
Total impairment	(172)	(242)	29%	
Underlying profit	501	431	16%	26%
Customer loans and advances (\$bn)	98	95	3%	37%
Customer deposits (\$bn)	124	115	7%	31%
RWA (\$bn)	43	44	(3)%	16%

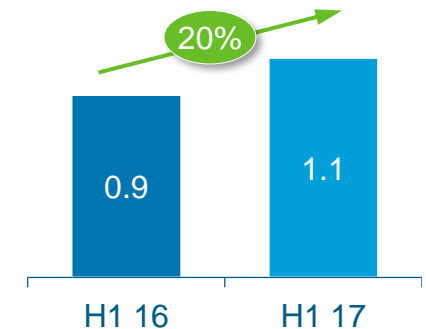
Strong Wealth Management & Priority momentum

Income growth (\$bn)

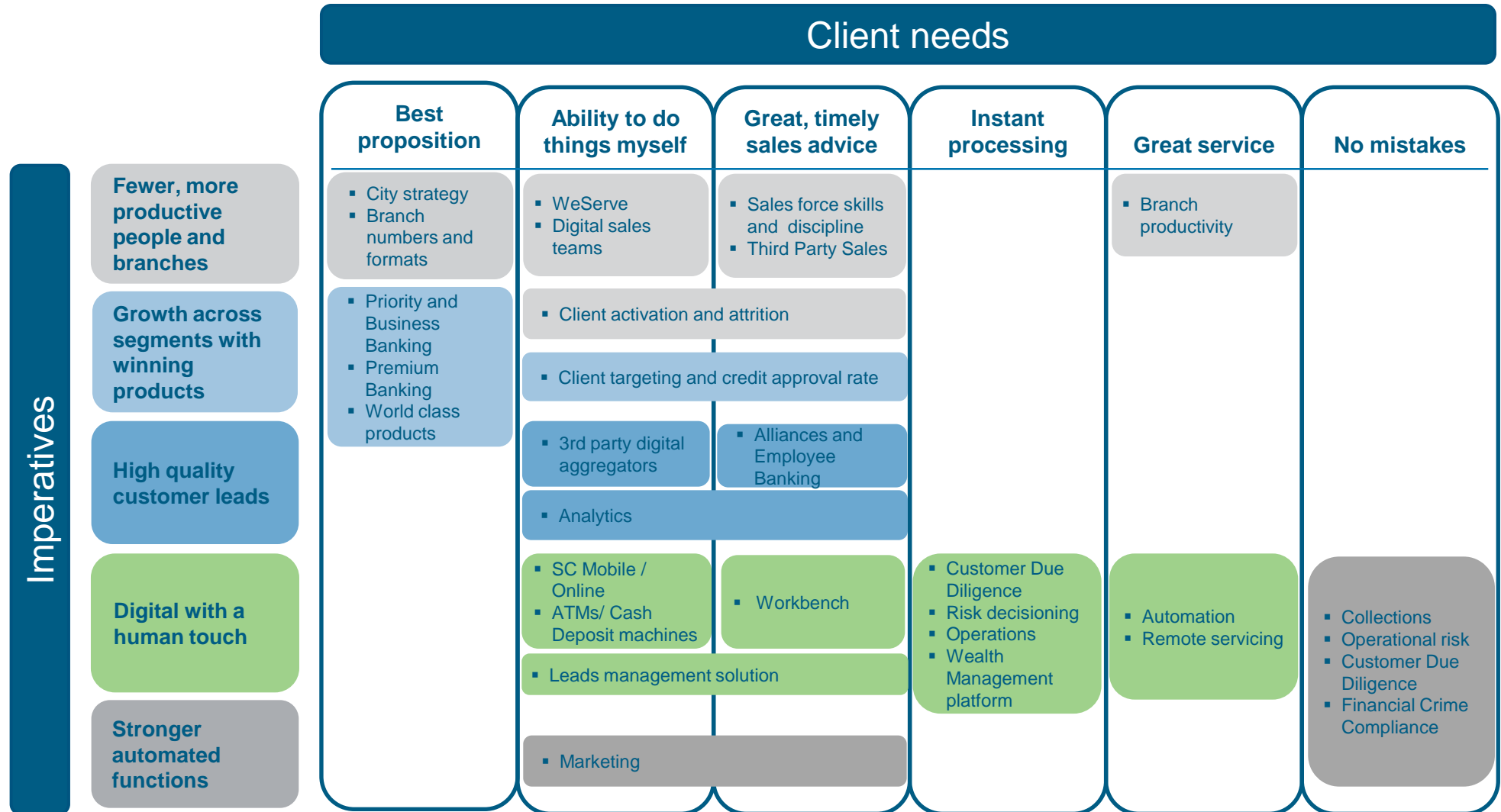
Wealth Management



Priority



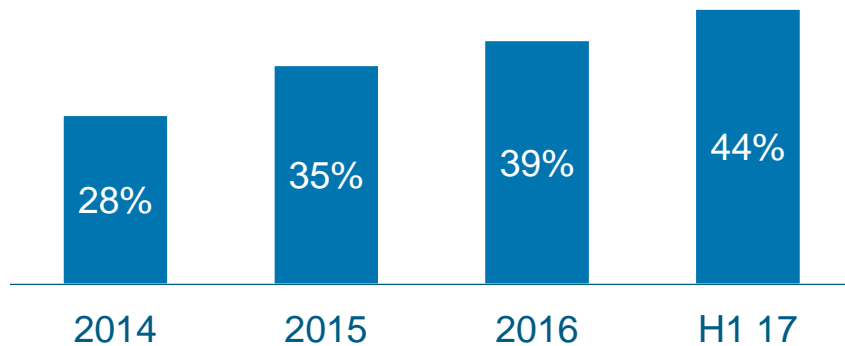
Driving Retail returns and improving cost-to-income ratio



Priority performance is robust fueled by winning products

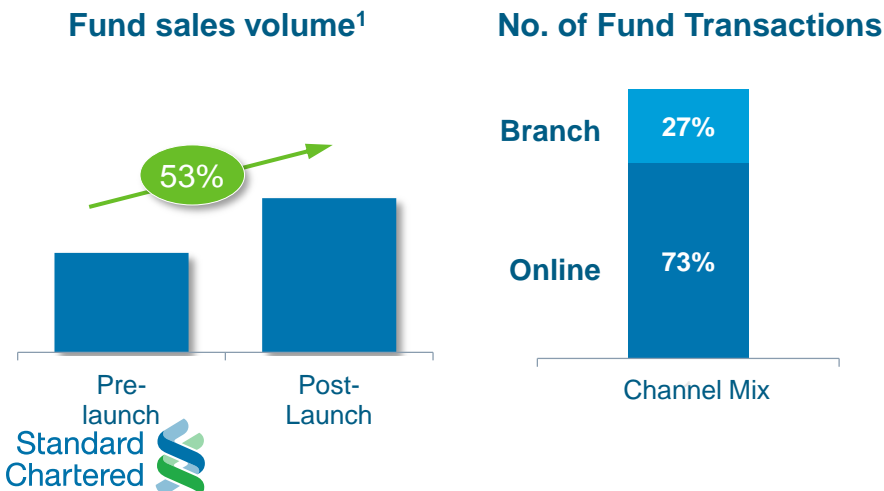
Priority now 44% of Retail Banking income

Acquired over 50,000 NTB Priority clients in H1 17



Digital Wealth Management: initial success

China online mutual funds (OMF) H1 17



Premium expanding across key markets

Targeting clients with higher revenue potential

- Large market opportunity
- A steady pipeline of clients to Priority
- Launched in four markets
- Seven more markets planned: KE, TW, PK, NG, MY, SG & CN

Continue to invest in payment capabilities

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

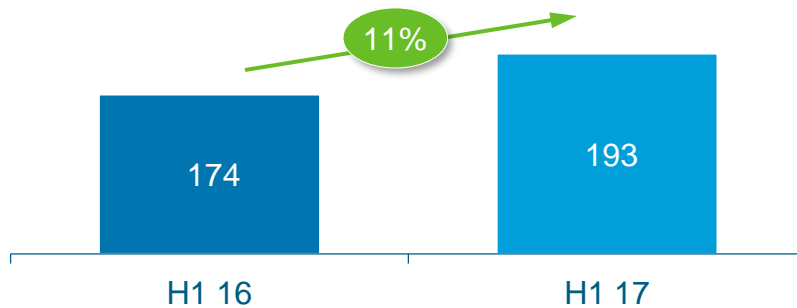
✓ launched to date

High quality customer leads driving growth

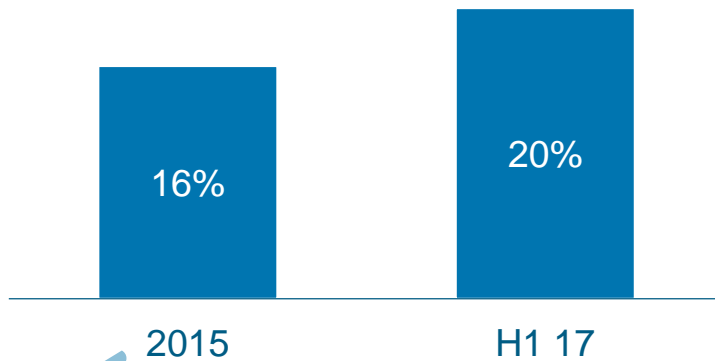
Employee Banking New-to-Bank growing

~1.5x average revenue of personal client

No. of Clients ('000)



Increased proportion of online sourcing



Successful alliances

Over 20% of New-to-Bank client acquisition

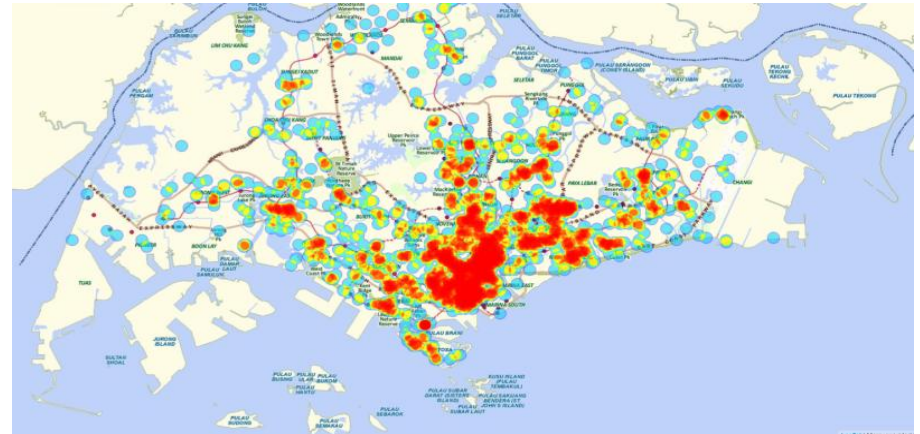
ASIA MILES

SHINSEGAE

LANDMARK

CompareAsia
Group

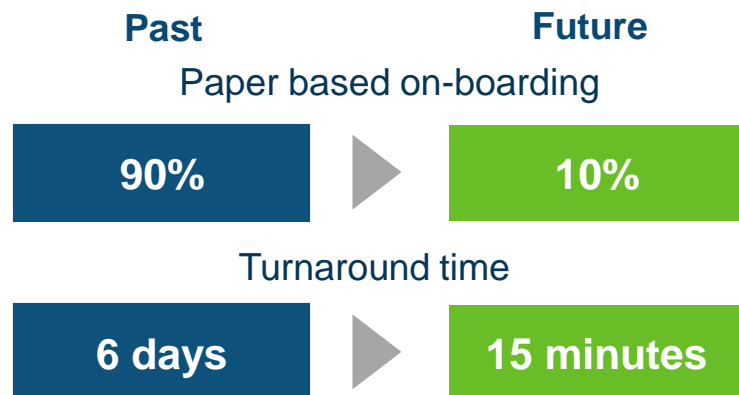
Analytics for real-time, personalised offers



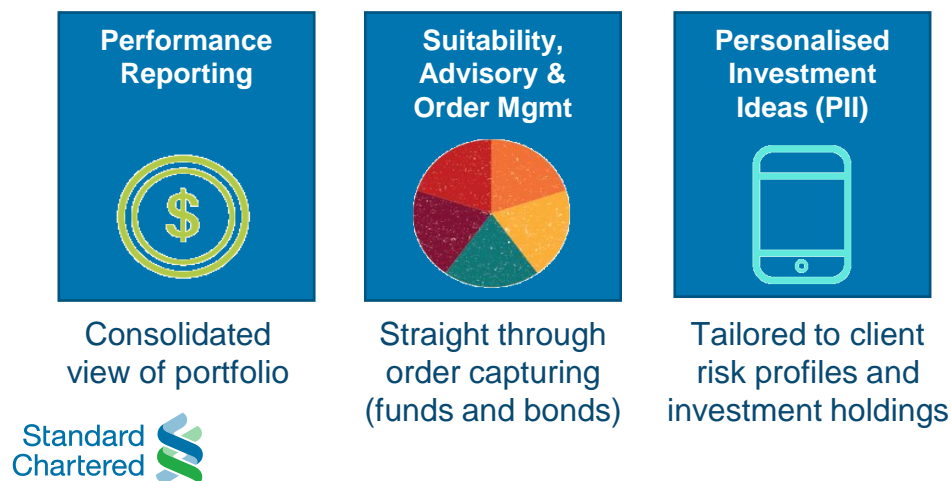
Digital with a human touch

Faster, simpler and better

Digital automation to reduce paper and turnaround time

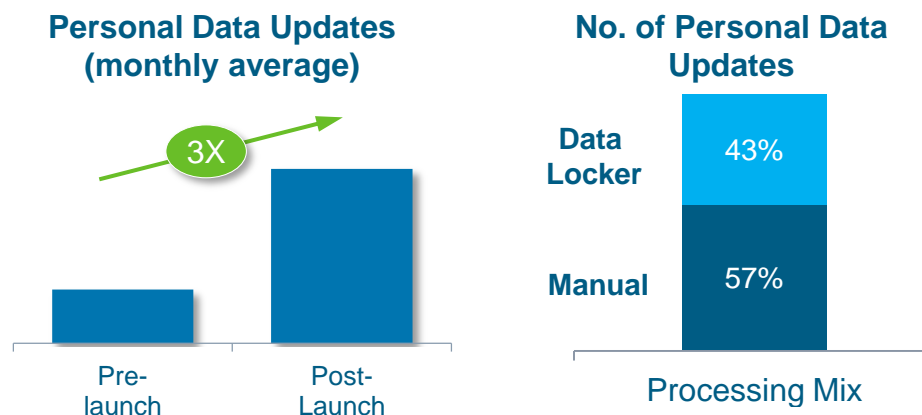


Global Wealth Management platform



Update of client information via mobile

Data Locker launch in UAE



Remotely servicing our clients

	Chat Banking	Video Banking	Voice Authentication
Singapore	✓	✓	2017/18
Hong Kong	✓	✓	
Kenya	✓	✓	
Taiwan	✓	✓	
India	✓	✓	✓
Malaysia	✓	✓	2017/18
UAE	✓	✓	✓
China	✓	✓	

✓ launched to date

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Q&A