



Seizing the Asia opportunity

Asia Investor and Analyst Seminar

16 May 2023



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Introduction and Asia overview

Benjamin Hung
CEO, Asia



Agenda: Hong Kong day, 16 May



Time	Topic	Participant name(s)
08.30	Registration and tea/coffee	All
09.00	Welcome remarks	Dr José Viñals, Group Chairman; Bill Winters, Group Chief Executive
09.10	Introduction and Asia overview	Ben Hung, CEO Asia
09.35	Financial performance	Saleem Razvi, CFO Asia
10.00	Asia Q&A	Ben Hung, Saleem Razvi
10.30	Break	All
11.00	China	Jerry Zhang, Executive Vice Chairman and CEO, China Cluster CEO, China & Japan
11.50	Hong Kong	Mary Huen, Cluster CEO, Hong Kong, Taiwan & Macau
12.45	Lunch	All
14.00	Greater Bay Area	Anthony Lin, CEO GBA
14.30	Asia Risk	Darren Kim, CRO Asia
15.00	Mox	Barbaros Uygun, CEO Mox
15.45	Break	All
16.15	Final Q&A panel	Ben Hung, Mary Huen, Jerry Zhang
16.45	Hong Kong Day recap	Ben Hung

Key messages



1

Asia is the fastest growing economic bloc; our Asia footprint is unparalleled

2

Structural changes across Asia offer significant opportunities for growth

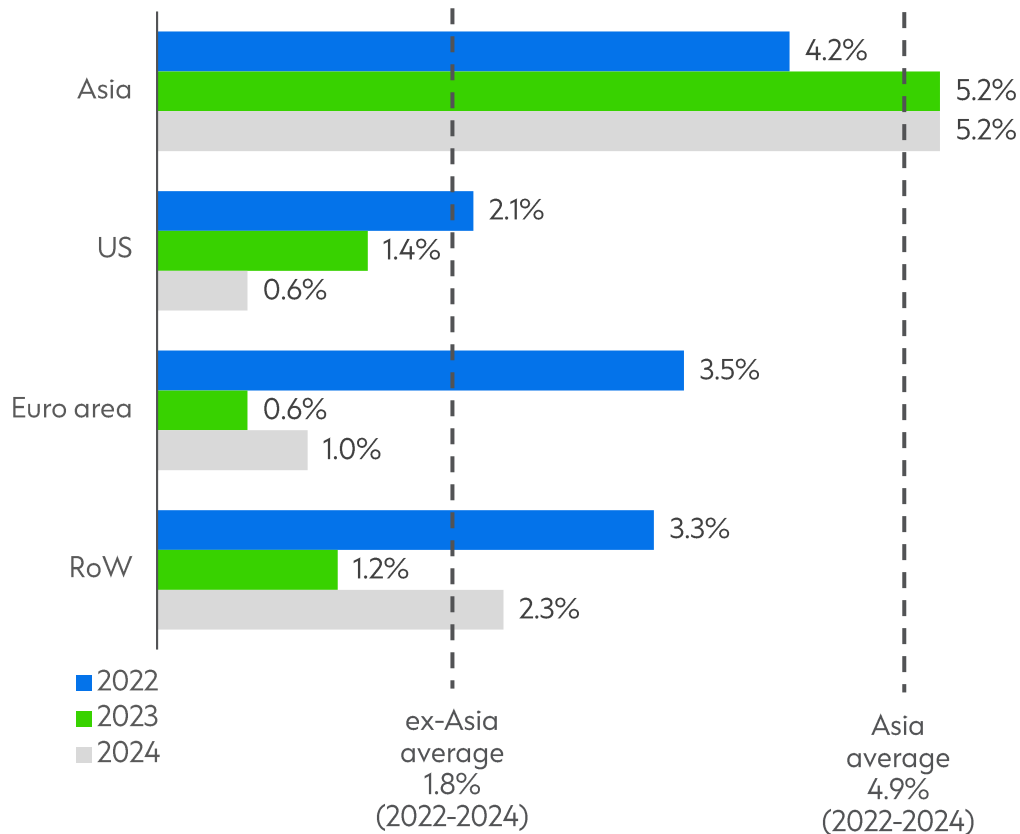
3

We are focused on six priorities where our unique position will turbo-charge growth for the Group

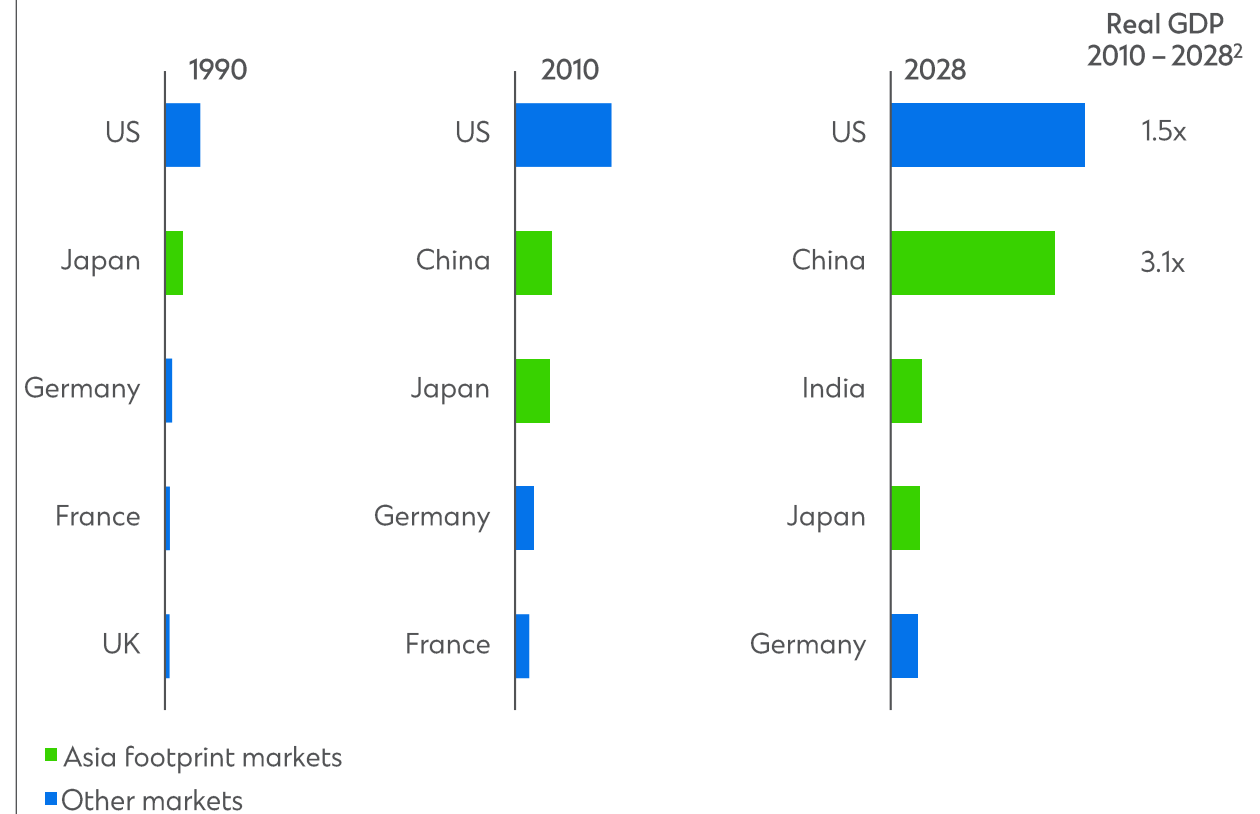
Asia is the fastest growing economic bloc...



Real GDP growth rates (%)¹

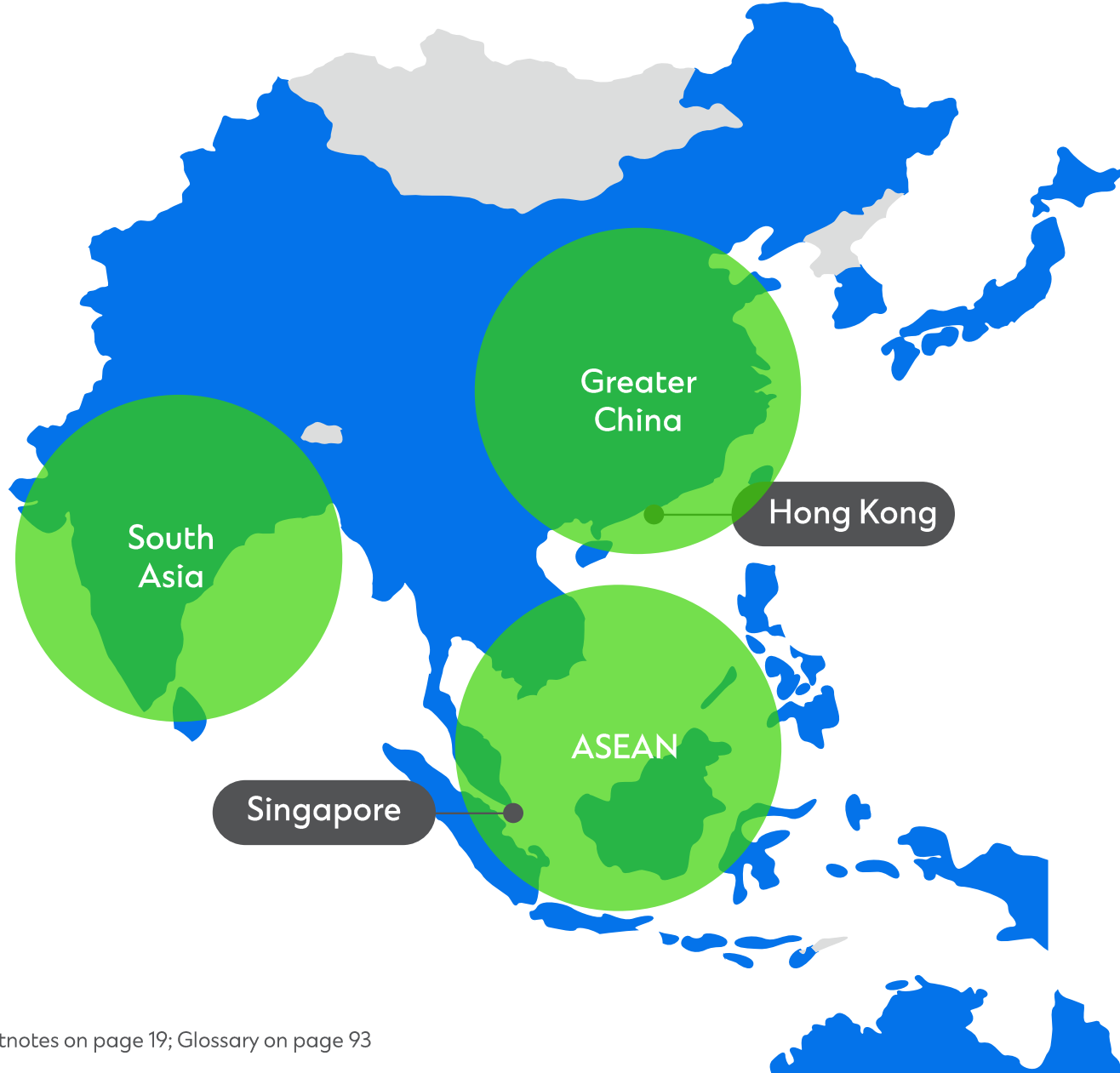


Top 5 markets ranked by GDP² (\$tn) – IMF



Footnotes on page 19; Glossary on page 93

... and our Asia footprint is unparalleled



21 Footprint markets¹

3 Economic engines

2 Financial hubs

... with a strong and well diversified international banking franchise



KPIs (FY'22)

RoTE 11.9%

Income \$10.9bn

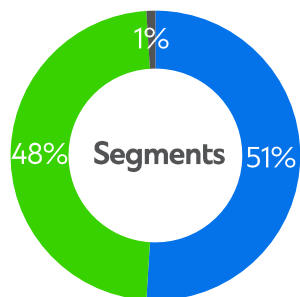
CIR 61%

PBT \$3.6bn

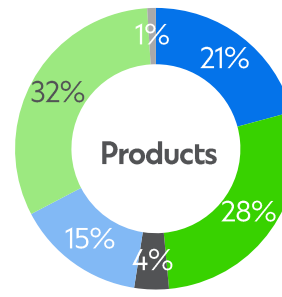
ADR¹ 64%

Headcount² 38k

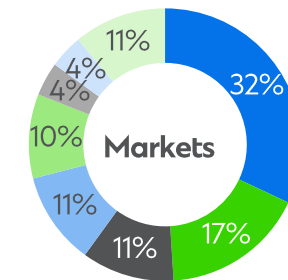
Income breakdown: FY'22 \$10.9bn



■ CCIB
■ CPBB
■ Ventures + C&O

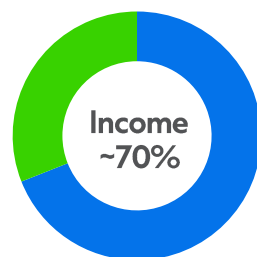


■ Transaction Banking
■ Financial Markets
■ Lending & PM
■ Wealth Mgmt.
■ Retail Products
■ Treasury & Others

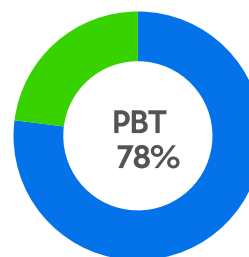


■ Hong Kong
■ Singapore
■ India
■ China
■ Korea
■ Taiwan
■ Malaysia
■ Others

Percentage of Group (FY'22 %)

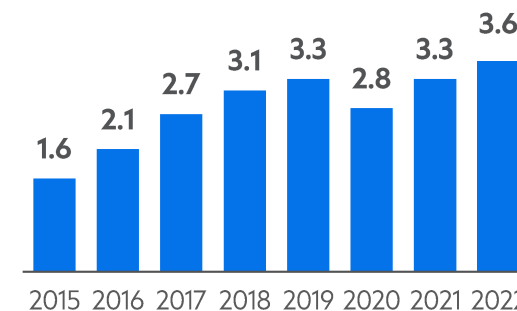


■ Asia
■ Others



■ Asia
■ Others

Profit before tax (\$bn)



Structural changes across Asia offer significant opportunities for growth



China opening

- Continuation of capital markets opening
- China is underweight outbound investment
- Global assets allocations underweight China

Supply chain shifts

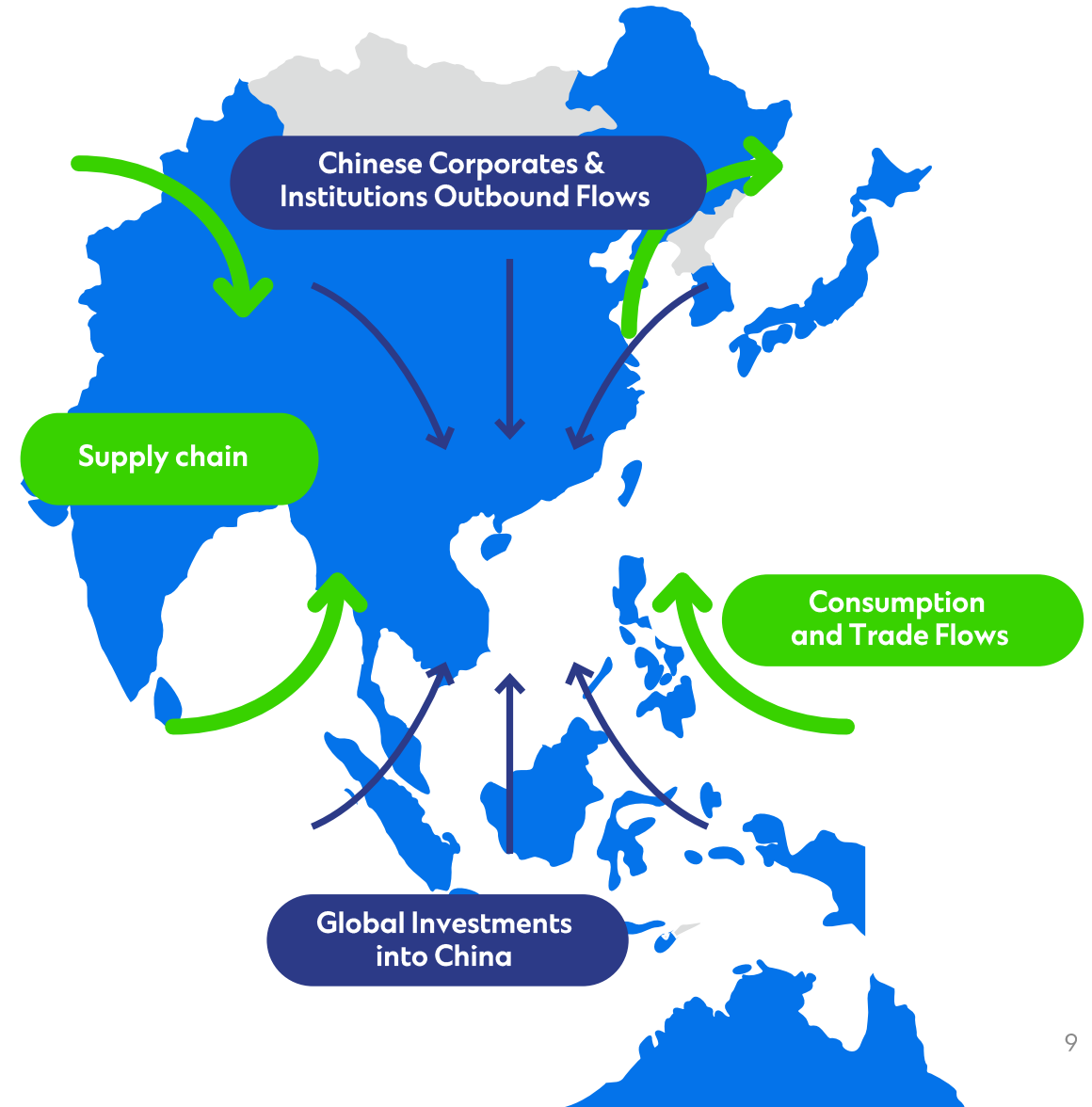
- Intra-Asia connectivity driven by consumption
- Acceleration of shifts to ASEAN and South Asia

Affluent wealth

- Fast growing affluent and middle class
- Rising cross-border wealth solutions needs

Large digital economy

- Rise of digital currency and payments
- New ecosystems shifting consumer behaviours



We are uniquely positioned to turbo-charge growth for the Group



Key priorities

① Capitalise on China opening

② Accelerate growth in ASEAN and South Asia

③ Capture supply chain shifts

④ Drive affluent growth

⑤ Disrupt through digital and partnerships

⑥ Meet clients' climate and sustainable financing needs

Leveraging
our unique
advantages

Capitalise on China opening

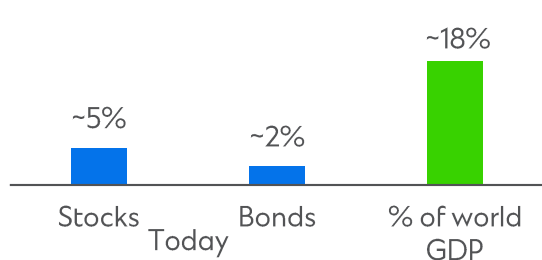


Macro drivers

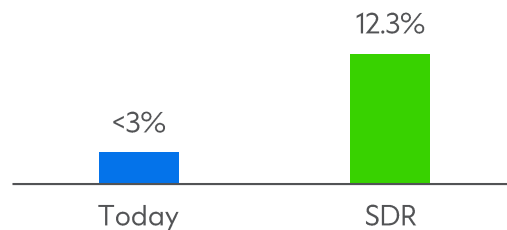
Structural shifts in China are driving significant opportunity

Rising global asset reallocation to China Increase Renminbi internationalisation

Foreign portfolio holdings of Chinese onshore stocks and bonds^{1,2}

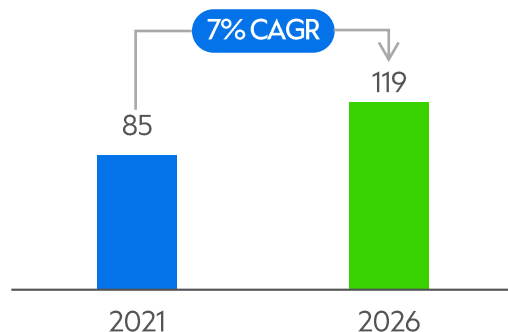


RMB share of global central bank reserves^{3,4}



Growing need for wealth creation investment into global assets

China household wealth⁵ (\$tn)



Seize the opportunity

We are focusing on driving onshore-offshore connectivity...



\$300m investments in growth opportunities and strategic priorities (2022-2024)



Offshore income: 1.3x onshore, growing >2x faster, ~3x-4x higher returning



Targeting to double onshore and offshore PBT by 2024 (2021: \$0.7bn)

... and we are making good progress (FY'22, YoY)

↑ 21%

China offshore income⁶

↑ 40%

Revenue from New Economy clients⁷

17%

Bond Connect market share⁸

20 markets

Best RMB Bank⁹

Securities licence

Regulatory approval in principle¹⁰



② Accelerate growth in ASEAN...

Macro drivers

ASEAN to benefit from supply chain shifts...

Top 5 trading partners of key ASEAN-6 markets¹

	1st	2nd	3rd	4th	5th
Singapore	China	Malaysia	US	Taiwan	EU
Malaysia	China	Singapore	US	EU	Japan
Thailand	China	US	Japan	EU	Malaysia
Vietnam	China	US	South Korea	EU	Japan
Philippines	China	Japan	US	EU	South Korea
Indonesia	China	Japan	US	Singapore	EU

... a fast growing economy and consumer market

Home to
~700m
population

Consumption forecast²
to grow by
2x to \$4tn
by 2030
(from 2020)

Seize the opportunity

We are uniquely positioned to capture the growth...



Only international bank
in all 10 ASEAN markets



nexus 'Banking-as-a-service'
offering launched in Indonesia



Sovereign rating advisor in
Indonesia, Philippines and Vietnam



7 digital partnerships in 4 markets

... and we are making good progress (FY'22, YoY)

↑36%

ASEAN outbound cross-border income, to ~\$0.4bn

↑45%

Cross-border income into Singapore, to ~\$0.6bn

↑67%

PBT at ccy



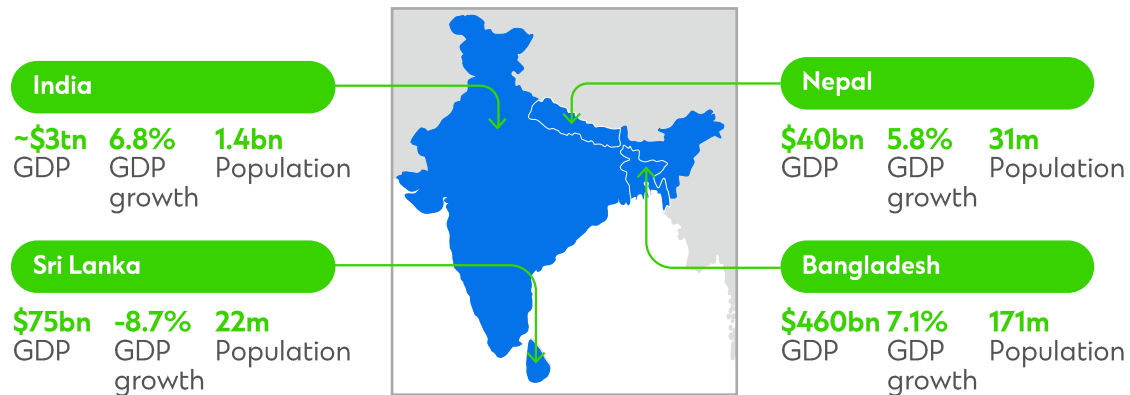
Actively supporting Indonesia and Vietnam's Just Energy Transition Partnership (JETP)



② ... and South Asia

Macro drivers

South Asia (SA) growth is driven by India¹...

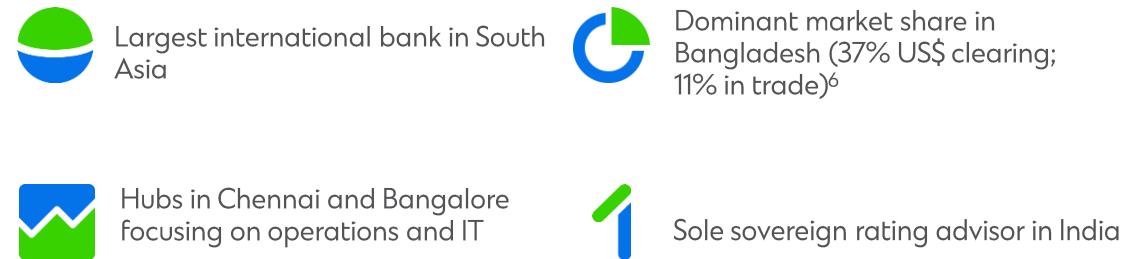


... underpinned by strong India fundamentals

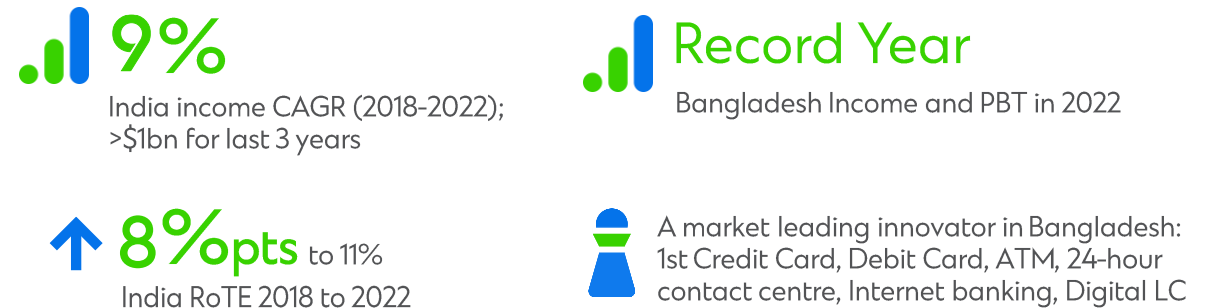


Seize the opportunity

We are well positioned to seize the opportunity...



... and we are making good progress (FY'22, YoY)



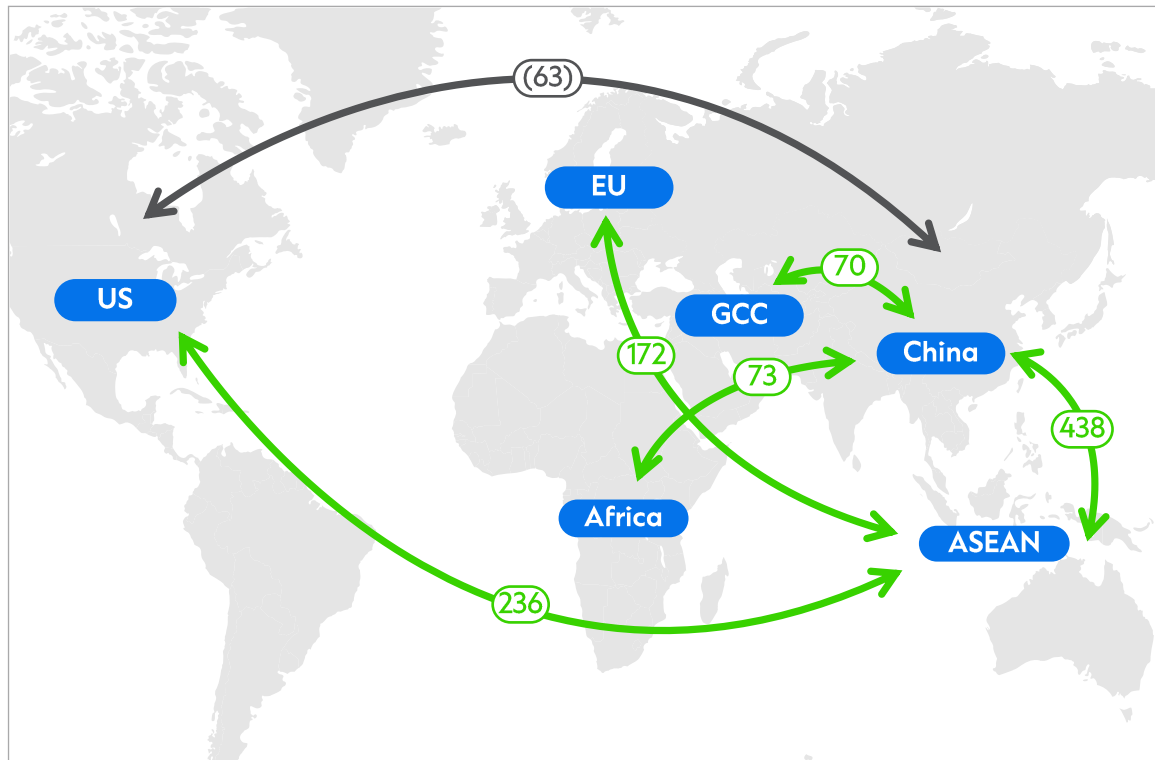


③ Capture supply chain shifts

Macro drivers

There is a supply chain/trade flow shift underway with China and ASEAN as Asia's epicentres...

Estimated change in volume of goods traded in select corridors from 2021 to 2031 (\$bn)¹



Seize the opportunity

We are well positioned to seize the opportunity...



In 21 markets across Asia; only international bank in all 10 ASEAN markets



Over 100 years of history and heritage in 12 Asian markets



Well positioned to benefit from growth in Asia trade, up 4x in two decades, of which intra-Asia trade is ~60%²

... and we are making good progress (FY'22, YoY)

↑61%

China-ASEAN
cross-border income

↑45%

Cross-border income
into Singapore

↑29%

Cross-border income
into Hong Kong

↑37%

Korea-ASEAN
cross-border income

↑45%

China corridor bankers



④ Drive affluent growth

Macro drivers

Wealth assets in Asia are expected to grow ~2x US and Europe...

Financial Wealth Growth by Region¹

(\$tn)	2021	2026	CAGR
Asia ex Japan	52	79	8.7%
North America	127	159	4.7%
Europe	58	71	4.1%
Japan	18	20	1.6%

... with Singapore fastest growing; Hong Kong to be #1 financial hub

Top Global Cross Border Financial Centres¹

(\$tn)	Wealth 2021	CAGR 2021-26	Ranking 2026
Hong Kong	2.3	8%	1
Switzerland	2.5	2%	2
Singapore	1.5	10%	3
US	1.1	7%	4

Seize the opportunity

We are well positioned to seize the opportunity...



Banking with ~1.9m affluent clients across 14 markets



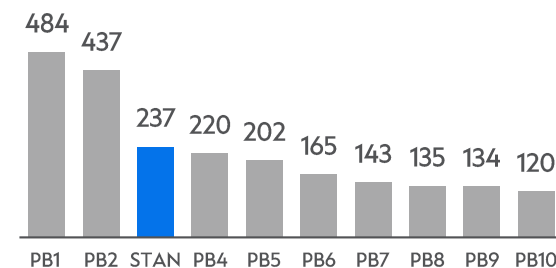
Hong Kong and Singapore are key wealth hubs for Asia



GBA city presence covers ~80% GBA GDP, with strong position to capture Southbound Wealth and Wealth Management Connect opportunities

... and we are making good progress

AuM (\$bn)²



2022 top 3 Asia wealth manager (2020: 5th)



~13% CAGR in number of Priority clients in Singapore since 2017

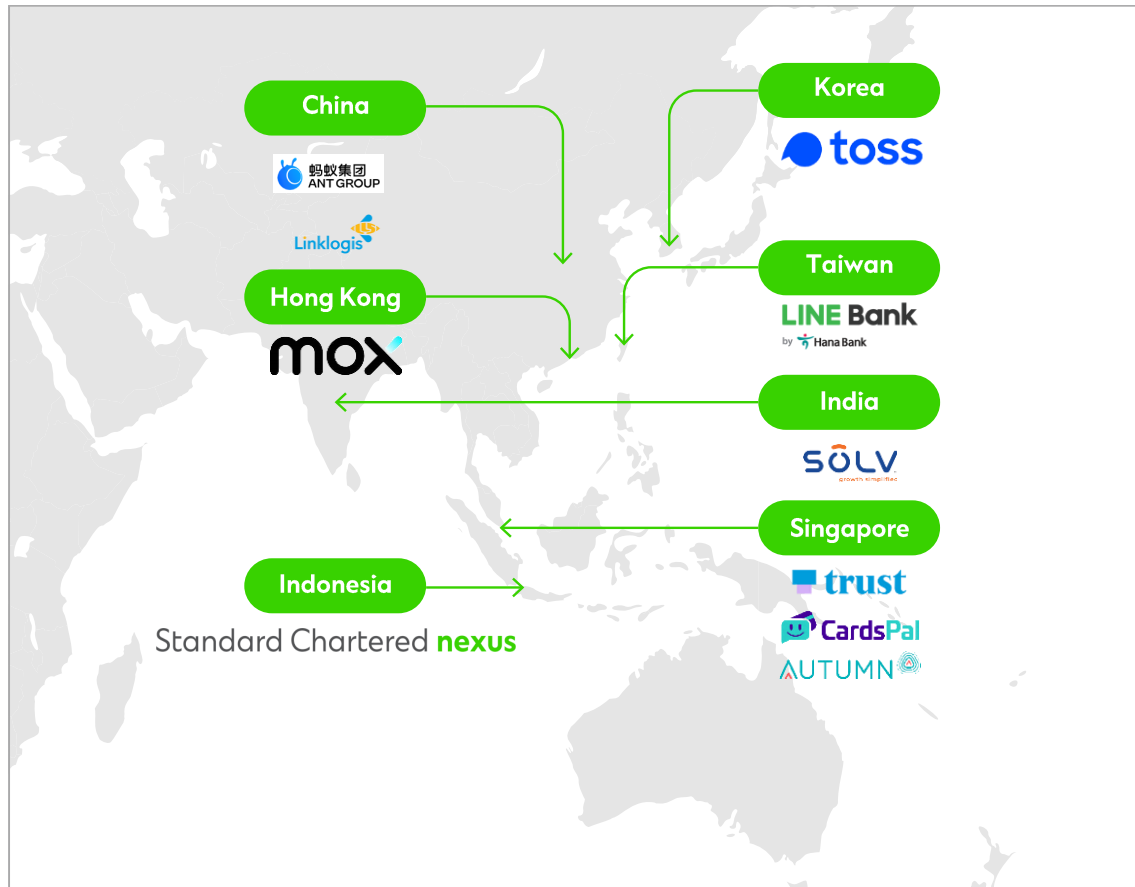


A top Asian wealth distributor with an open architecture product platform



⑤ Disrupt through digital and partnerships

Investing in a variety of digital ventures and partnerships across Asia



... and we are making strong progress

~1m customers across the two digital-only banks

mox + trust

>1m partnership clients in China 蚂蚁集团 (ANT GROUP)

Standard Chartered **nexus**

Launched nexus 'Banking-as-a-service' offering with partner Bukalapak in Indonesia: >200k customers since launch

>300k SMEs onboarded on Solv platform in India



⑥ Meet clients' climate and sustainable financing needs

Sustainable finance is of strategic and economic importance



8 out of 10

ASEAN member states pledged to achieve net zero emissions by 2050¹



\$1tn

annual green economic opportunities for ASEAN by 2030¹



\$82bn

Sustainable finance market in ASEAN up almost 10x in last 5 years²



2 out of 3

Just Energy Transition Partnership (JETP) countries are from Asia: Indonesia and Vietnam



\$15tn

Investment required by China to achieve net zero

We are making a difference in the markets in our footprint

Leader in Sustainable Finance, offering a wide range of innovative solutions

- 90% of our Sustainable Finance assets are located in AAME
- Leadership in product innovations with 30+ product variants
- Offering sustainable deposit solutions in 7 Asian markets

Sustainable Finance income of \$305m in 2022, up 44% on 2021

Founding partner of Climate Impact X³

Actively supporting Indonesia and Vietnam's JETP

Key messages



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Asia is the fastest growing economic bloc; our Asia footprint is unparalleled

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Structural changes across Asia offer significant opportunities for growth

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We are focused on six priorities where our unique position will turbo-charge growth for the Group

Notes



These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
6	<ol style="list-style-type: none"> 1. Standard Chartered Global Research publication: “Global Focus – Economic Outlook Q2-2023 – 05 Apr – What lies beneath” 2. IMF: GDP, current prices https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADV_EC/WEOWORLD; Growth is Real GDP https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD?year=2023
7	<ol style="list-style-type: none"> 1. Asia includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand, Vietnam, Mainland China, Hong Kong, Japan, Korea, Macau, Taiwan. Unless context requires within the document, ‘China’ refers to the People’s Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administrative Region (Macau) and Taiwan. ‘Korea’ or ‘South Korea’ refers to the Republic of Korea.
8	<ol style="list-style-type: none"> 1. Asset to deposit ratio excludes \$20,798 million held with central banks that has been confirmed as repayable at the point of stress. Advances exclude repurchase agreement and other similar secured lending and include loans and advances to customers held at fair value through profit or loss. Deposits include customer accounts held at fair value through profit or loss and excludes repurchase agreements 2. Headcount relates to number of full-time employees excluding Global Business Services (GBS) staff
11	<ol style="list-style-type: none"> 1. 2022 Report on the Balance of international Payments of China (issued by SAFE) 2. IMF: GDP, current prices https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADV_EC/WEOWORLD 3. IMF: Currency Composition of Official Foreign Exchange Reserve - At a Glance 4. IMF: https://www.imf.org/en/News/Articles/2022/05/14/pr22153-imf-board-concludes-sdr-valuation-review 5. https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/global-wealth-report-2022-en.pdf

Page	Explanatory note or definition
11	<ol style="list-style-type: none"> 6. China Offshore China offshore income includes CCIB offshore and CPBB offshore income 7. Based on latest New Economy client list 8. Based on China Central Depository & Clearing data 9. The Asset Triple A Treasuries Awards 2023 10. https://av.sc.com/hk/content/docs/hk-scbhk-to-set-up-securities-firm-in-beijing-en.pdf
12	<ol style="list-style-type: none"> 1. Standard Chartered Global Research 2. https://theaseanpost.com/article/future-consumption-asean
13	<ol style="list-style-type: none"> 1. World Development Indicators (WDI), World Bank 2. IMF: GDP, current prices https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADV_EC/WEOWORLD 3. Bloomberg data 4. https://news.abplive.com/technology/2022-g20-summit-india-stack-digital-economy-aadhaar-upi-narendra-modi-open-api-status-1563675 5. https://www.ibef.org/industry/ecommerce 6. Standard Chartered Data and Bangladesh Bank Quarterly Scheduled Banks Statistics; February 2023 Monthly Business Review, IDLC Finance Ltd. (Leading asset management company) https://www.bb.org.bd/en/index.php/publication/publicity/2/14
14	<ol style="list-style-type: none"> 1. Boston Consultancy Group paper “Jan 2023 BCG Protectionism Pandemic War Future of Trade”, only select trade corridors selected 2. https://www.adb.org/publications/asian-economic-integration-report-2022
15	<ol style="list-style-type: none"> 1. Boston Consultancy Group paper “Global Wealth 2022 Report, Standing Still Is Not An Option” 2. Combination of two different Asia Private Banker league tables
17	<ol style="list-style-type: none"> 1. Bain & Co Southeast Asia’s Green Economy 2022 Report 2. Bloomberg data 3. Jointly established by DBS Bank, Singapore Exchange, Standard Chartered and Temasek

Financial overview

Saleem Razvi
CFO, Asia



Overview



A diversified franchise, with deeply rooted presence...
(FY'22)

RoTE 11.9%

Income \$10.9bn

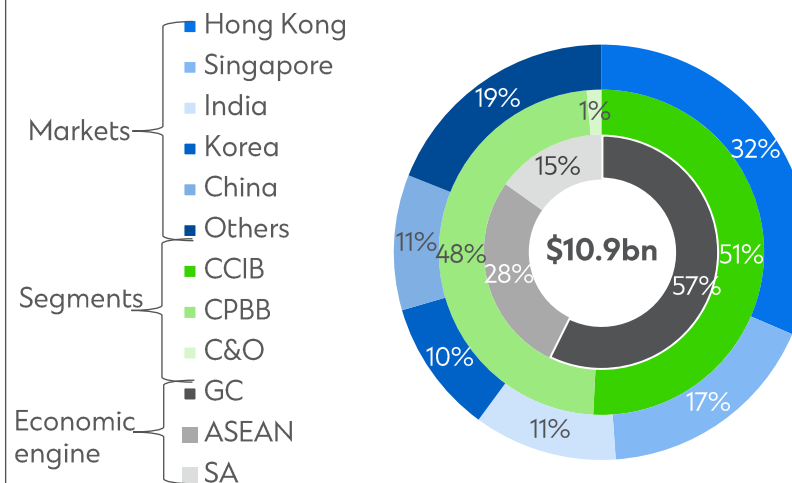
CIR 61%

PBT \$3.6bn

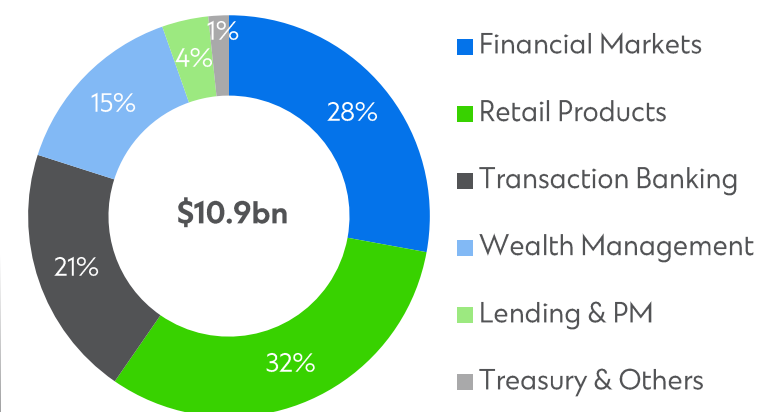
ADR¹ 64%

Headcount² 38k

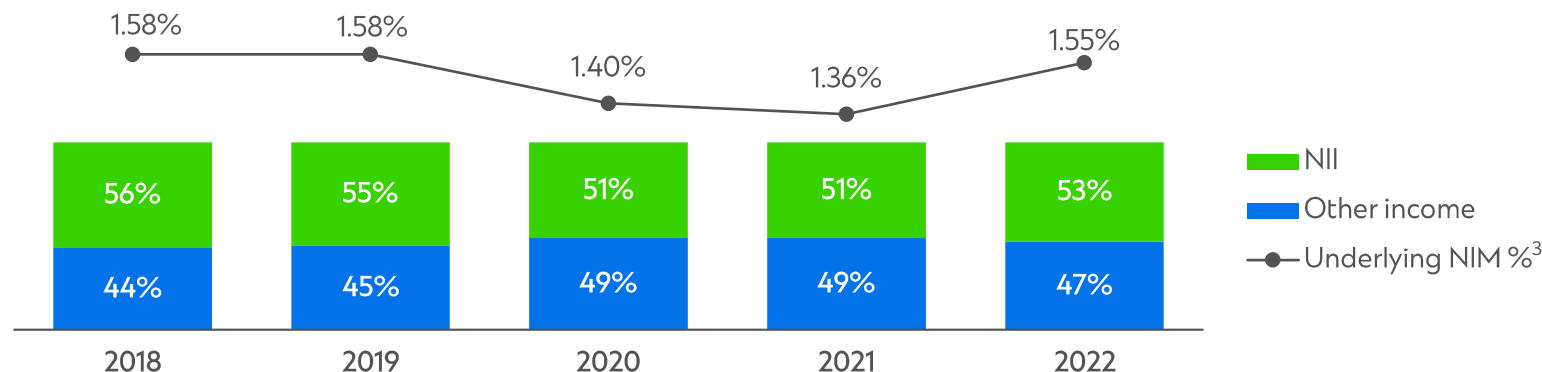
FY'22 income split by markets and segments...



FY'22 income split by products



Net interest income and Other income split



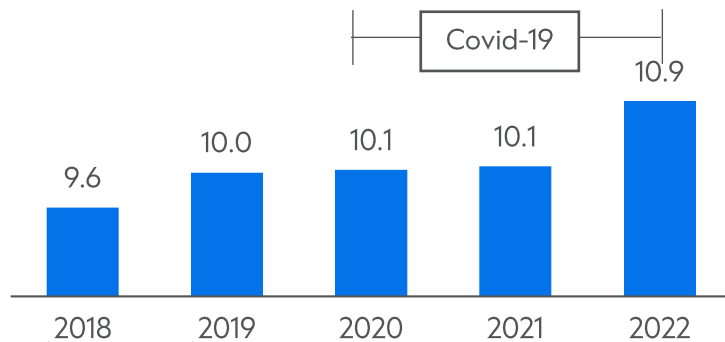
Resilience and recovery



Asia historical performance¹

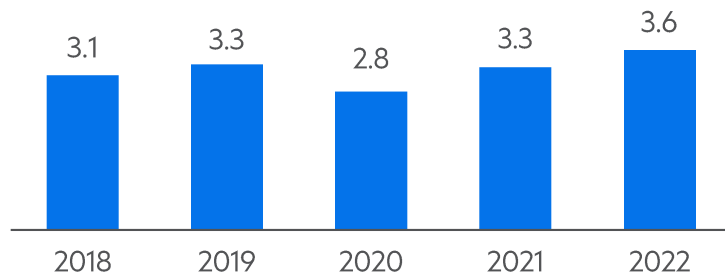
Income (\$bn)

FY'22
↑ 13% YoY, ccy



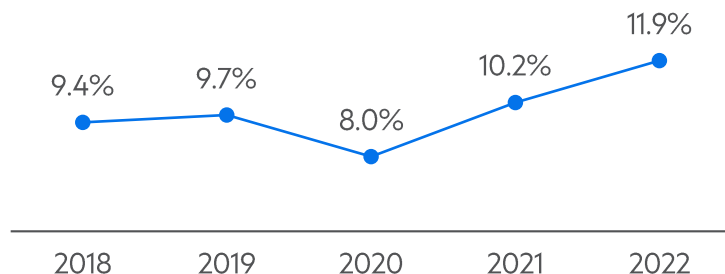
PBT (\$bn)

FY'22
↑ 15% YoY, ccy



RoTE

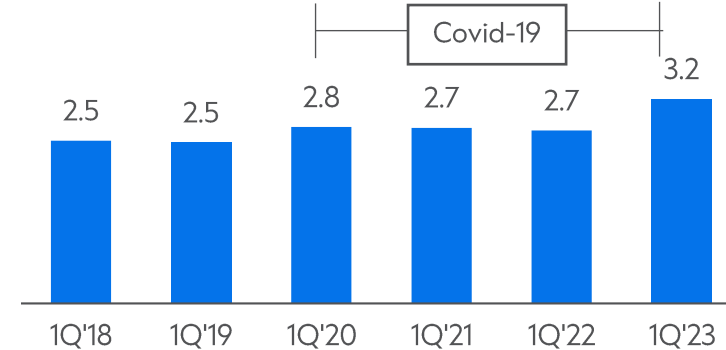
FY'22



Asia quarterly performance¹

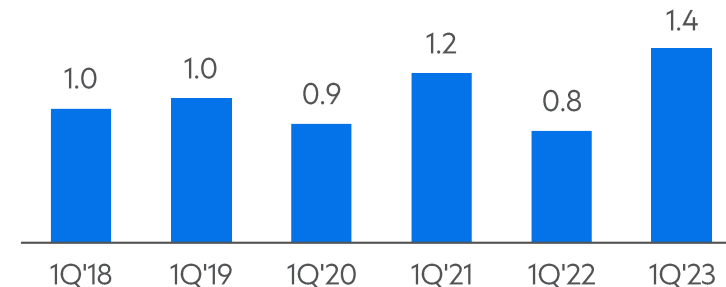
Income (\$bn)

1Q'23
↑ 23% YoY, ccy



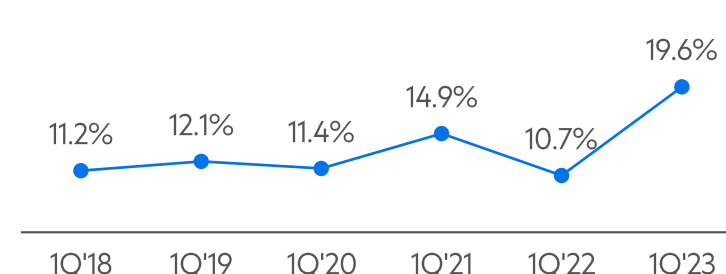
PBT (\$bn)

1Q'23
↑ 65% YoY, ccy



RoTE

1Q'23
↑ 9%pts YoY

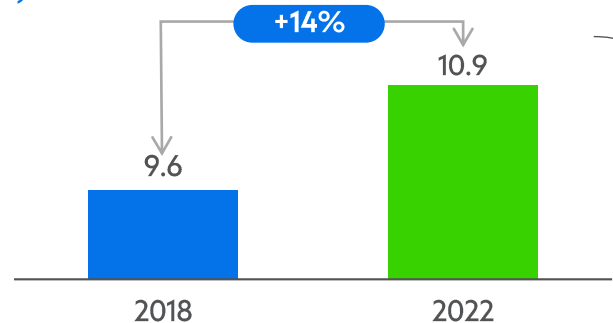


Driving CIR and RWA efficiency

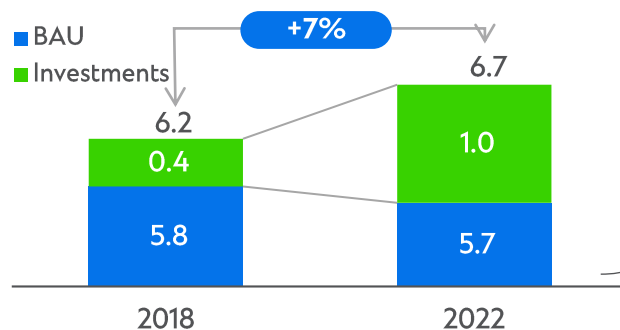


Income-to-Cost Jaws¹

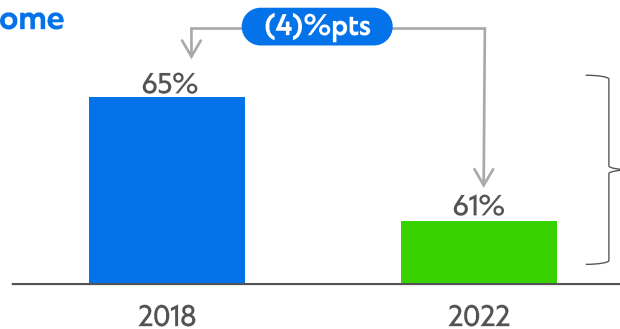
Income¹ (\$bn)



Cost (\$bn)



Cost-to-Income Ratio (%)



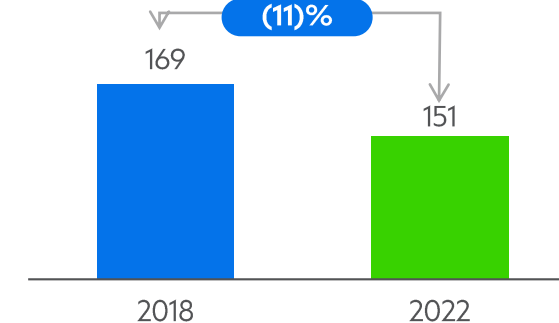
7%
Positive jaws

13%
Headcount reduction

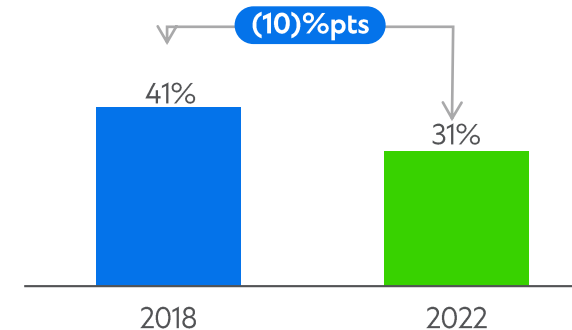
>100
Branch reduction

Risk weighted assets

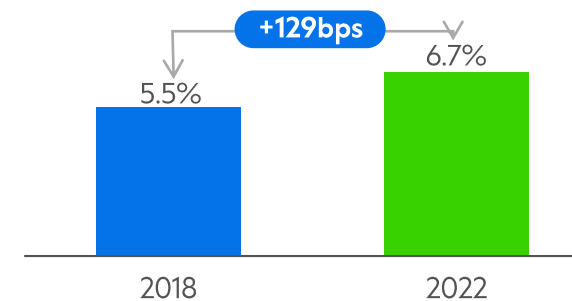
RWA (\$bn)



RWA density² (%)



Income RoRWA (%)



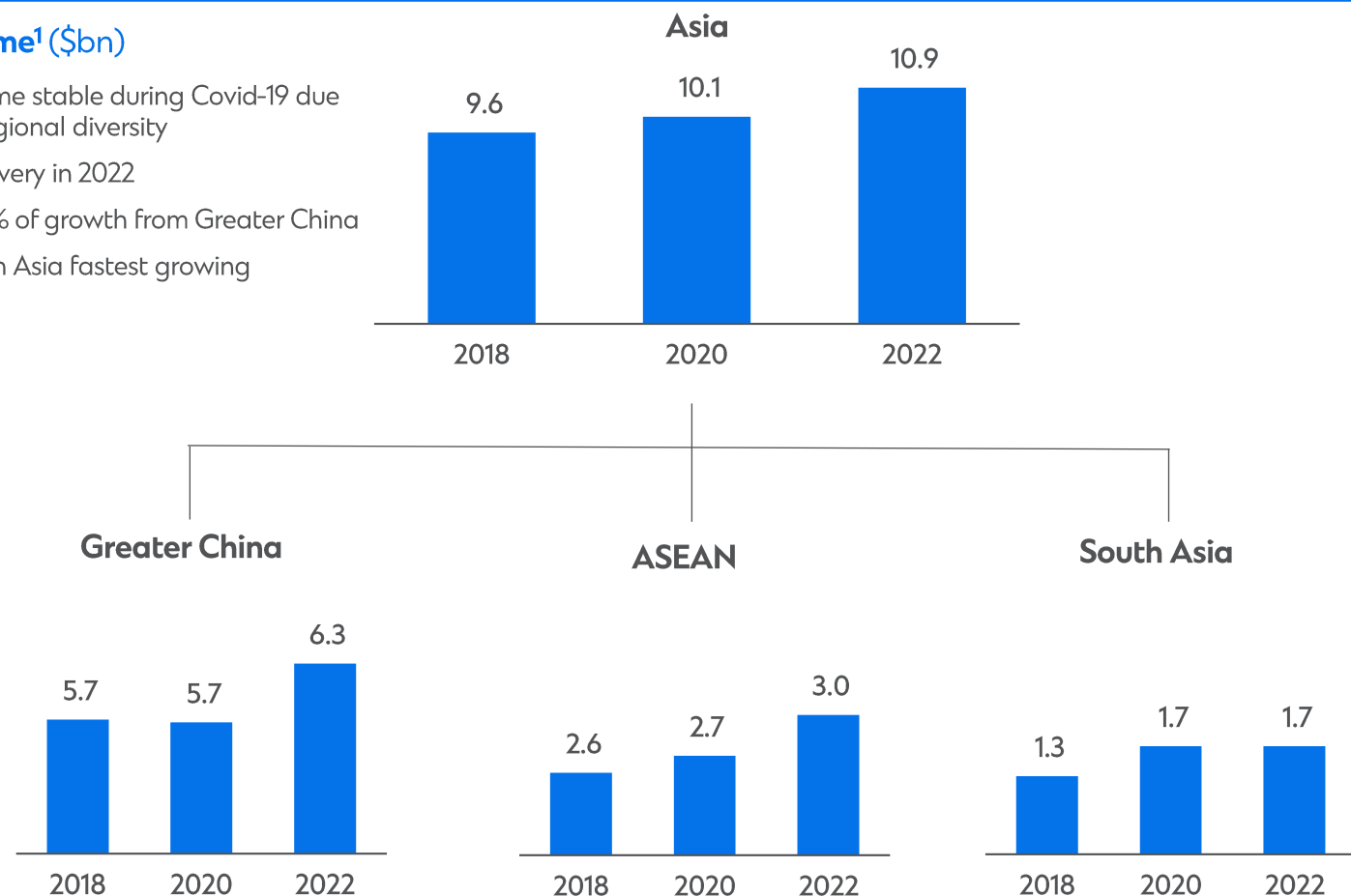
Value of 3 economic engines and 2 financial hubs



3 economic engines

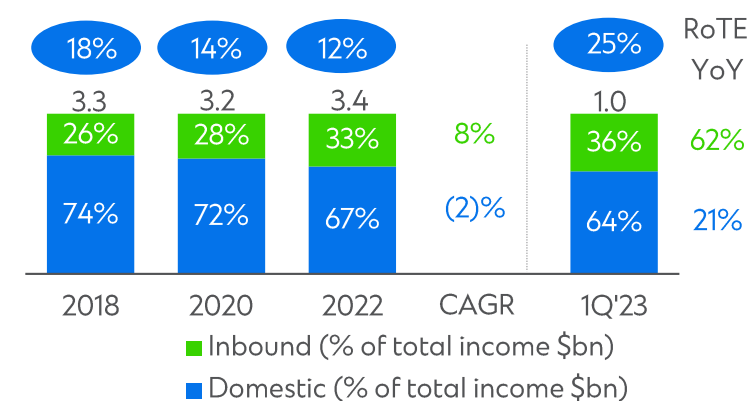
Income¹ (\$bn)

- Income stable during Covid-19 due to regional diversity
- Recovery in 2022
- ~40% of growth from Greater China
- South Asia fastest growing

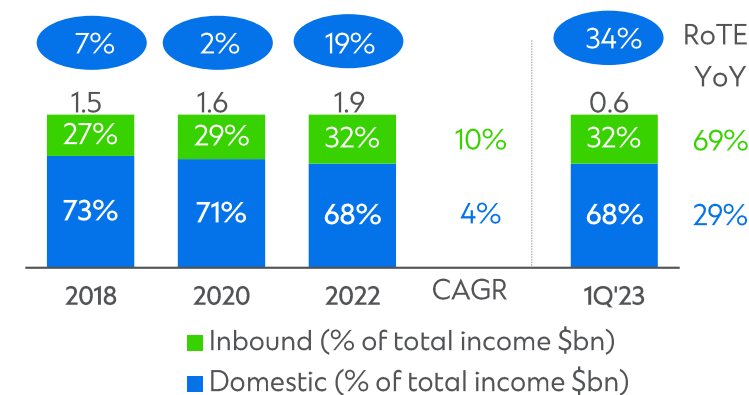


2 financial hubs

Hong Kong



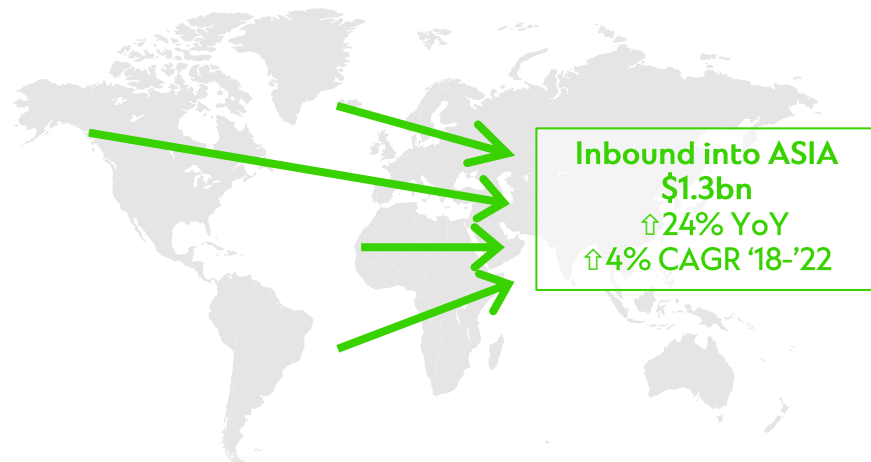
Singapore



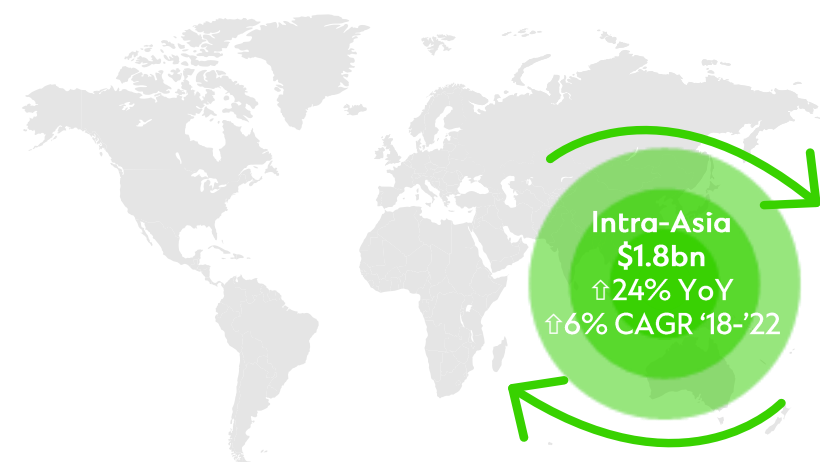
Strong cross-border income growth across key corridors



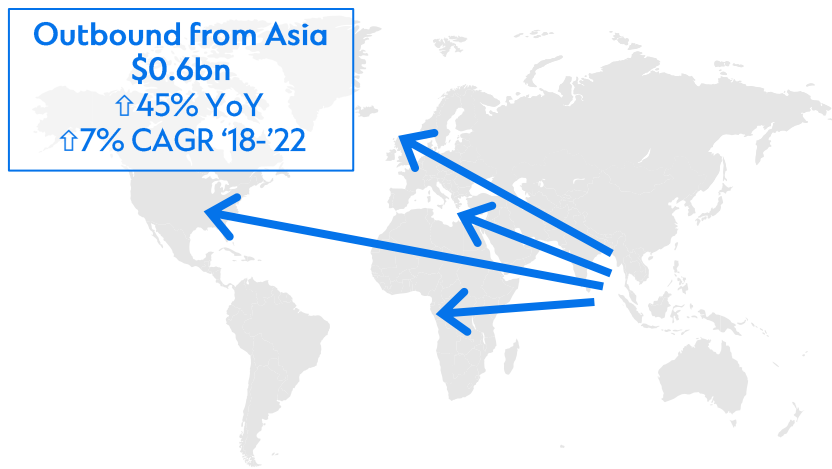
Cross-border income into Asia is the highest-returning, growing strongly



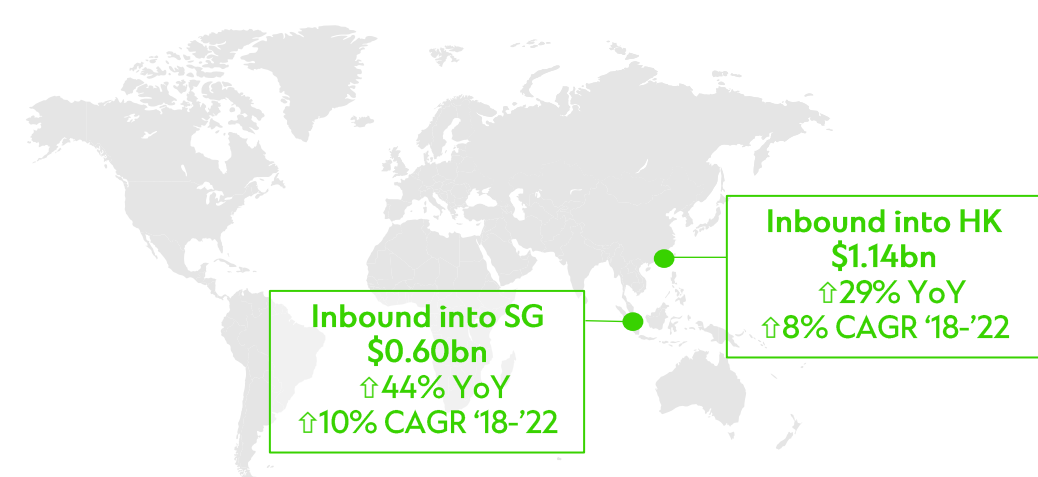
Intra-Asia income is now the biggest cross-border corridor and growing fastest



Outbound from Asia into the network will grow with Asia economic development



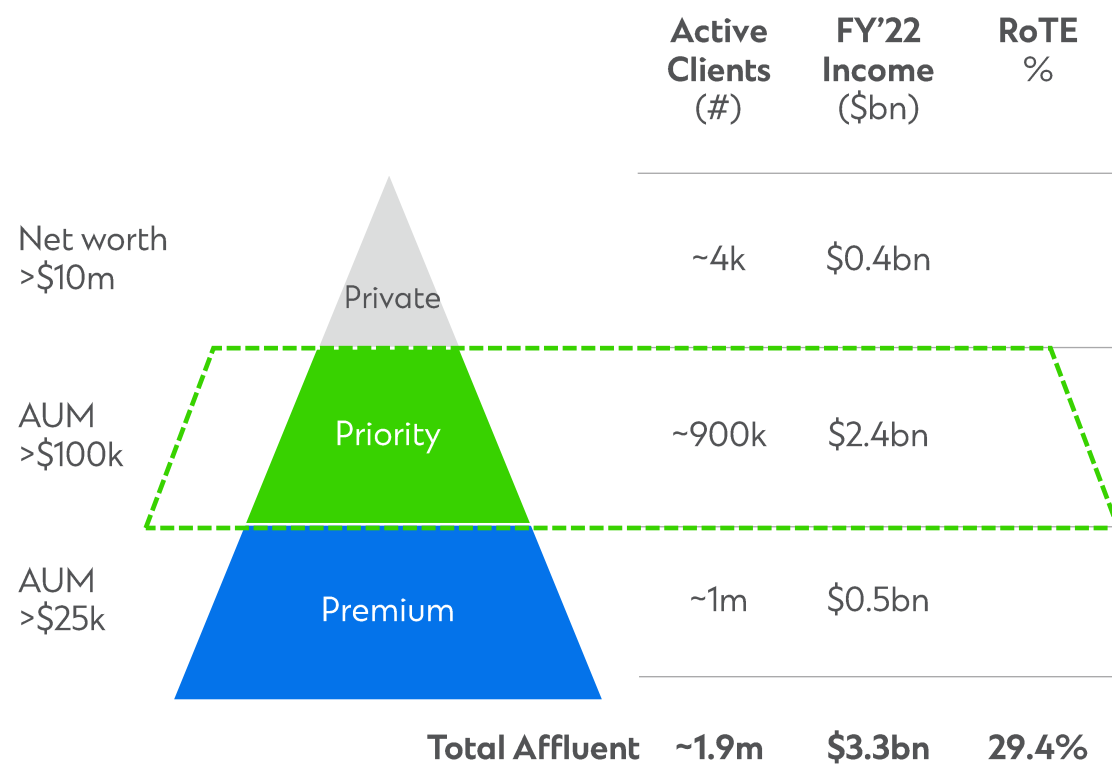
Singapore and Hong Kong super-connector hubs drive cross-border income growth



Building the Affluent franchise

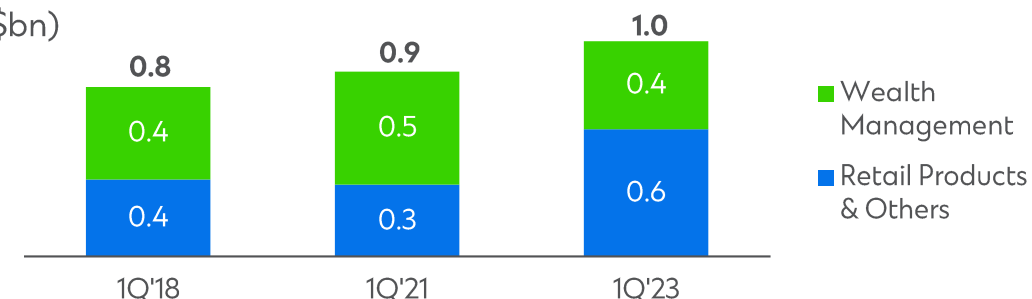


Affluent clients (FY'22)



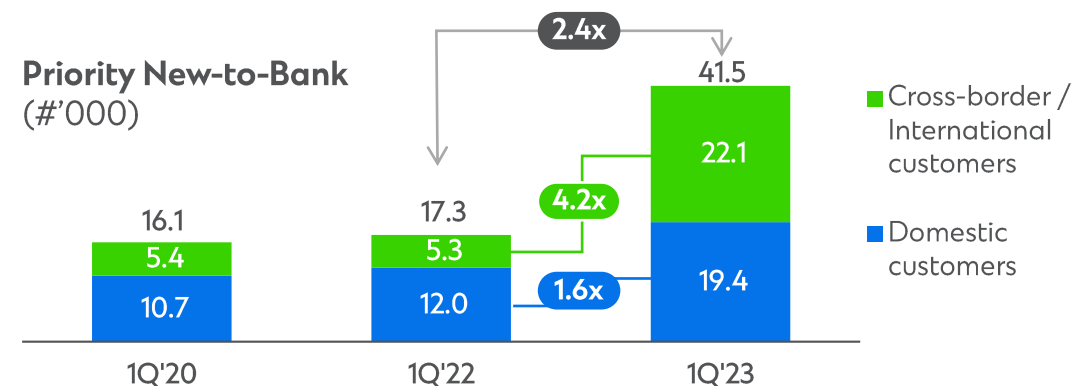
The affluent business has been hampered by Covid-19 over last three years

Affluent income (\$bn)



Rapid recovery from Covid-19 driven by cross-border business

Priority New-to-Bank (#'000)



A strong, liquid and well diversified balance sheet in Asia...

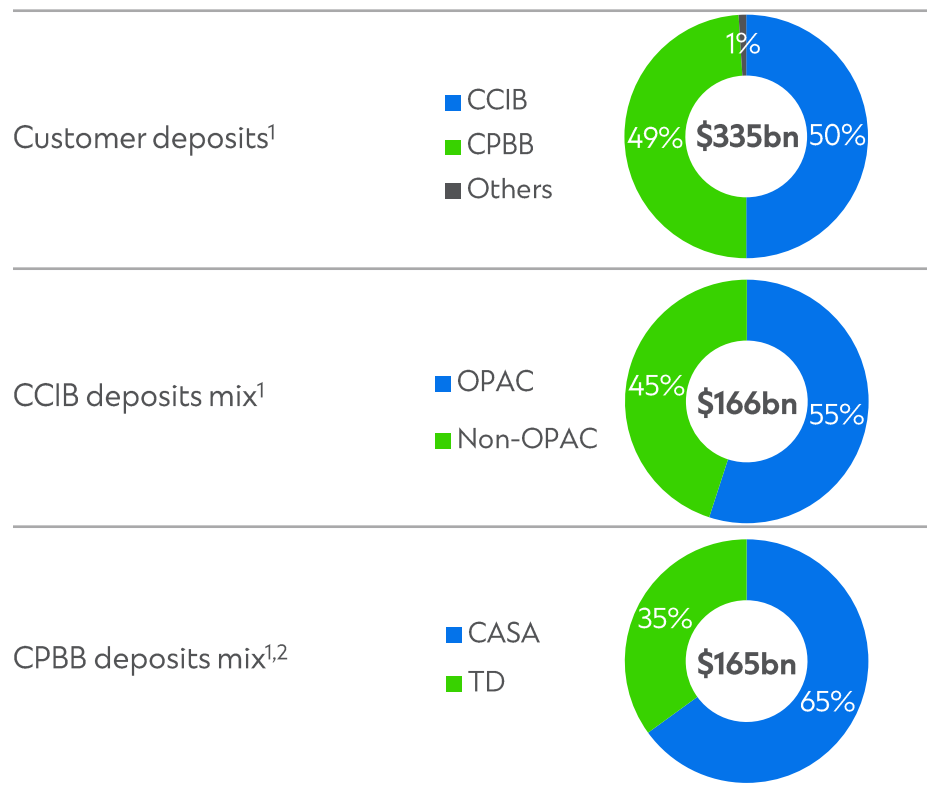


Asia (FY'22)

AD Ratio³ 64%

CCIB assets <1 year tenor % ~70%

Treasury assets (highly liquid) ~1/3 of total balance sheet



No impact from recent banking sector stress

Customer deposits¹

Sticky and low-cost deposits

- CPBB Deposits, 65% in CASA; 35% in Term Deposits
 - CPBB CASA, LCY 70%; USD 20%
 - ~30% of CPBB deposits are insured
- ~70% of CCIB deposits are TB and Securities Services, of which ~70% is OPAC

....and in Hong Kong and Singapore



Hong Kong (FY'22)

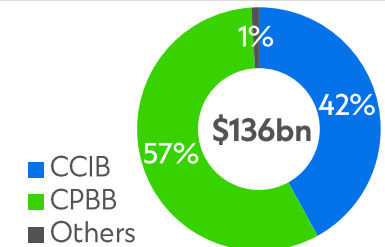
AD Ratio 59%

LCR 179%

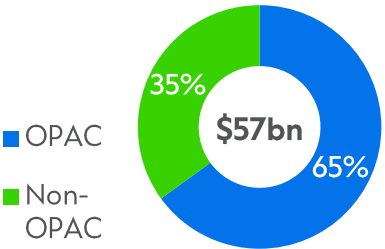
CCIB assets <1 year tenor % 65%

USD deposits 38%

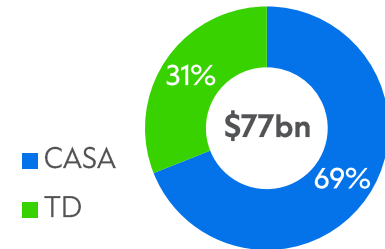
Customer deposits¹



CCIB deposits mix¹

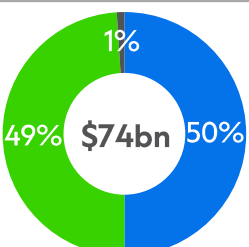


CPBB deposits mix^{1,2}

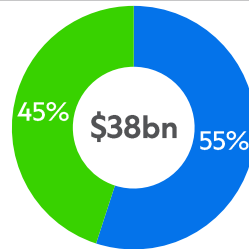


Singapore (FY'22)

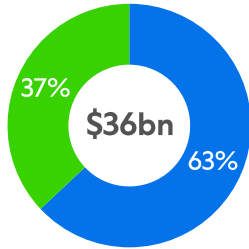
Customer deposits¹



CCIB deposits mix¹



CPBB deposits mix^{1,2}



AD Ratio 56%

LCR 202%

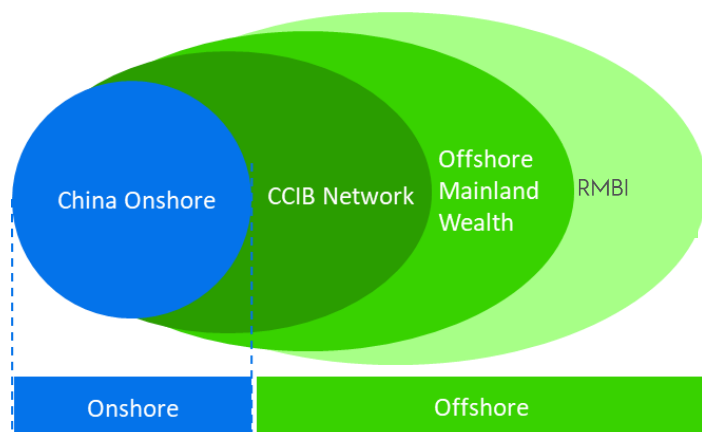
CCIB assets <1 year tenor % 77%

USD deposits 51%

Expect strong China recovery in 2023

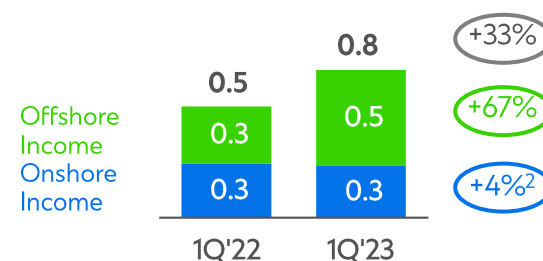


Our China related business includes....

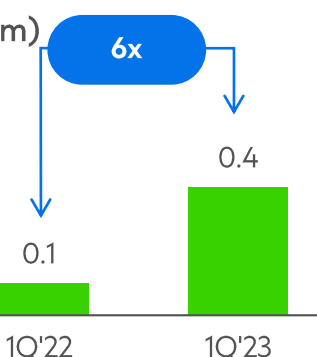


There has been a strong recovery in 1Q'23

Total Income (\$m)



PBT (\$m)

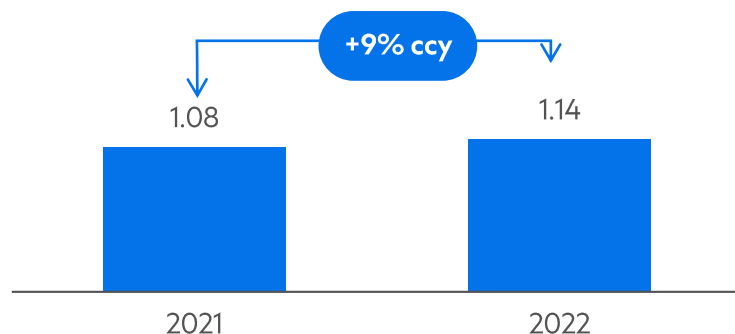


• Offshore business RoTE ~3x-4x Onshore (FY'22)

• New Economy client income up 40% YoY • Greater Bay Area income \$0.15bn, up ~40% YoY

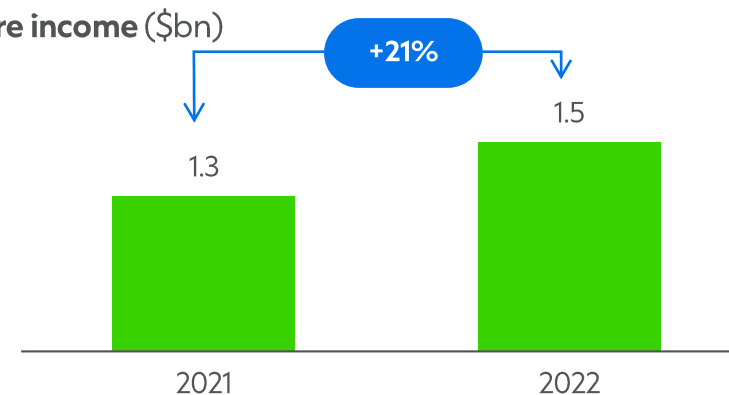
A record onshore income performance in 2022

Onshore income (\$bn)



China is the Group's largest offshore income contributor; growing strongly

Offshore income (\$bn)



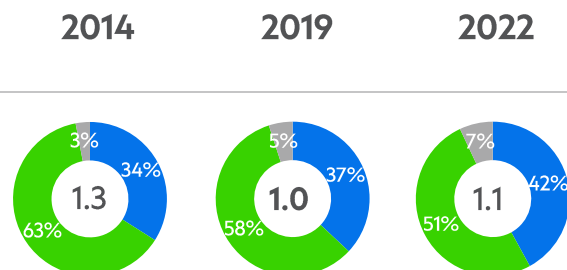
Continue to make strong progress in Korea, delivering record profits in 2022



A steady progression from 2014 to 2022

Changing business mix (Income \$bn)

CCIB, CPBB,
Treasury &
Others mix



Driving efficiency

CIR	89%	76%	64%
Branches #	283	216	169
Headcount #	5.7k	4.4k	3.7k

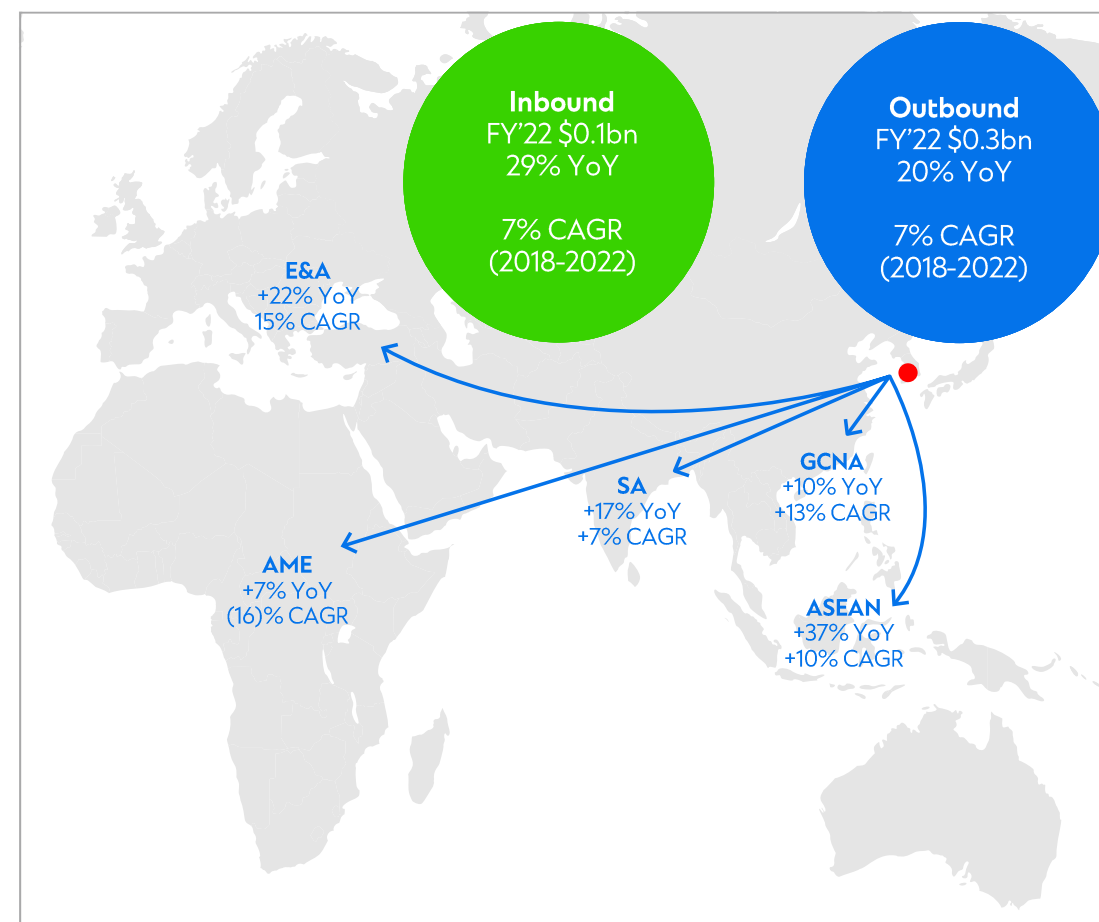
Optimising balance sheet

LI (\$bn)	(0.4)	(0.0)	(0.1)
RWA (\$bn)	21.3	17.0	14.5

Delivering a complete business transformation

Income (\$bn)	1.3	1.0	1.1
PBT (\$bn)	(0.2)	0.2	0.4
RoTE	(4.6)%	5.6%	11.5%

Cross-border flows


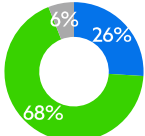



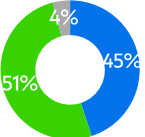



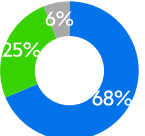



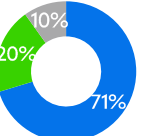



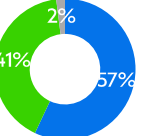




Other key markets in Asia



FY'22 (\$m)

- Improving returns
- Recovering from Covid-19
- Strong start in 2023, with good growth potential

	Income	CCIB, CPBB, Treasury & Others Income mix	PBT	RoTE %	FY'18 RoTE %
Taiwan	 472		 121	 13.2%	14.5%
Malaysia	 420		 146	 10.2%	4.5%
Bangladesh	 311		 148	 14.3%	11.2%
Indonesia	 214		 35	 5.6%	4.6%
Vietnam	 196		 74	 18.3%	4.0%

Notes



These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
21	<ol style="list-style-type: none"> 1. Asset to deposit ratio excludes \$20,798 million held with central banks that has been confirmed as repayable at the point of stress. Advances exclude repurchase agreement and other similar secured lending and include loans and advances to customers held at fair value through profit or loss. Deposits include customer accounts held at fair value through profit or loss and excludes repurchase agreements 2. Headcount relates to number of full-time employees excluding Global Business Services (GBS) staff 3. Asia net interest margin (NIM) is computed on a different basis of preparation compared to Group NIM as it does not adjust for trading book funding costs or financial guarantee fees
22	<ol style="list-style-type: none"> 1. 2018-21 historical performance has been restated to align to Group's current underlying performance reporting structure
23	<ol style="list-style-type: none"> 1. 2018-21 historical performance has been restated to align to Group's current underlying performance reporting structure 2. RWA density is calculated using Total RWA divided by Total Assets
24	<ol style="list-style-type: none"> 1. 2018-21 historical performance has been restated to align to Group's current underlying performance reporting structure
27	<ol style="list-style-type: none"> 1. Excludes deposits held at FVTPL 2. %s exclude mortgage-linked deposits and structured deposits 3. Excludes \$20,798 held with central banks that has been confirmed as repayable at the point of stress. Advances exclude repurchase agreement and other similar secured lending and include loans and advances to customers held at fair value through profit or loss. Deposits include customer accounts held at fair value through profit or loss.
28	<ol style="list-style-type: none"> 1. Excludes deposits held at FVTPL 2. %s exclude mortgage-linked deposits and structured deposits



China

Jerry Zhang
Cluster CEO
China and Japan



Key messages



1

Compelling
opportunities from
China opening and
structural reforms

2

Uniquely advantaged
as a proxy of China
opening

3

Investing in network,
wealth and digital
partnerships

Focus on growth and reopening present attractive opportunities



Reasons to be optimistic

- Solid recovery in 1Q'23
- Committed to accelerating growth and reforms
- Policy support for property sector

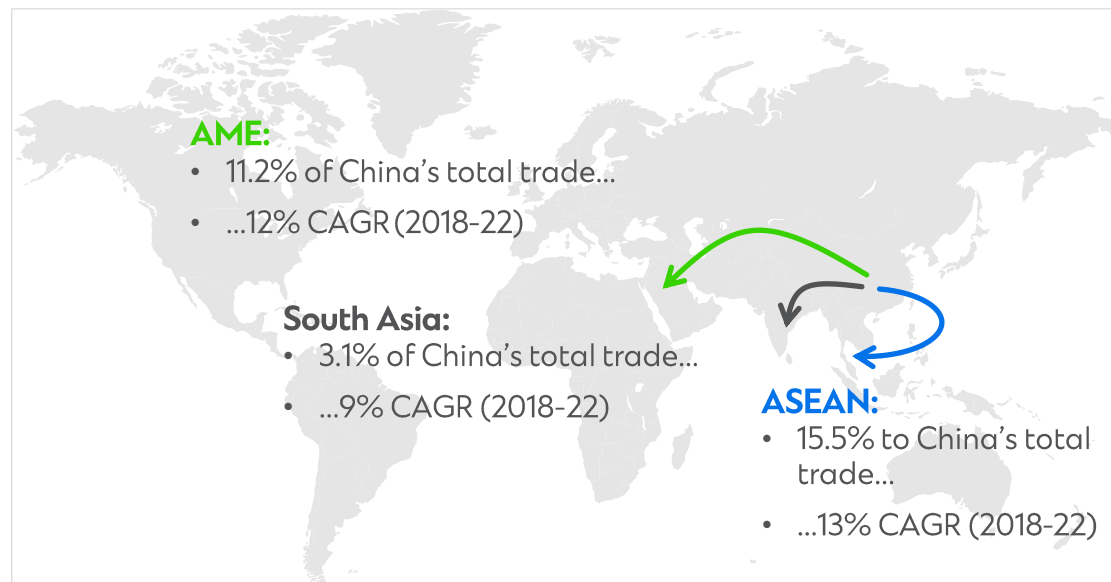
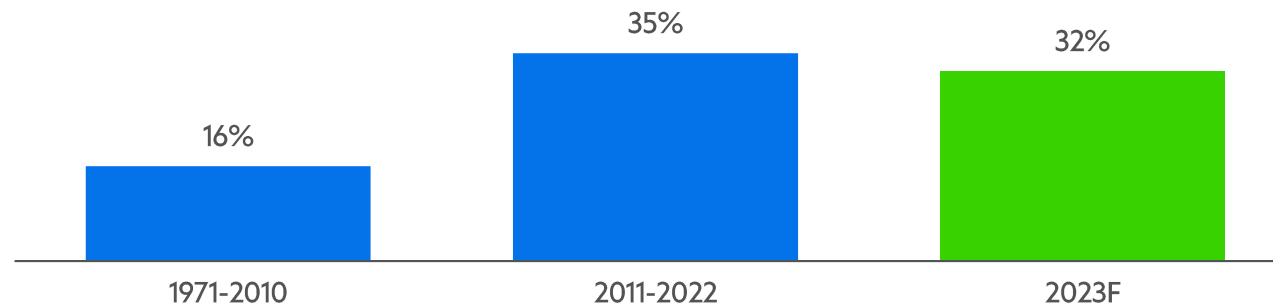
Structural trends remain intact

- China Opening
 - Global assets reallocation into China
 - Supply chain shift towards **ASEAN, South Asia & Middle East**
 - RMB Internationalisation
- Rising affluent with wealth diversification needs
- National priorities over New Economy and ESG

Risks to be monitored

- Geopolitical tensions between the US and China
- Property sector's tail risk to be monitored
- Future policy changes

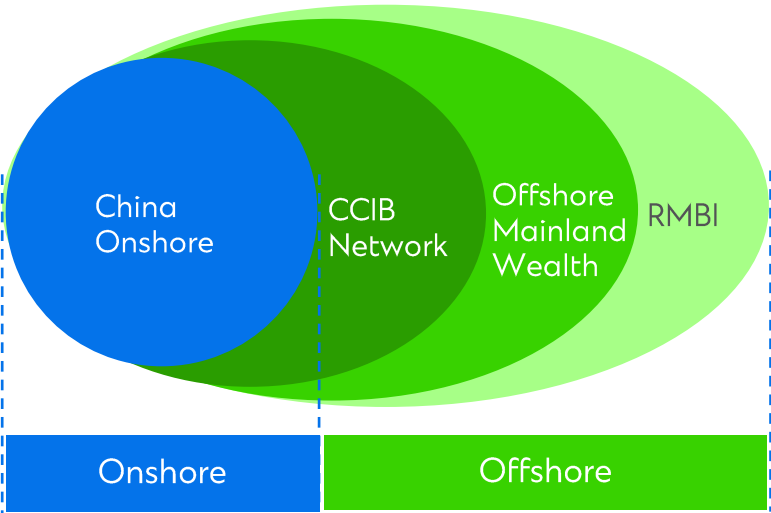
China's share of world GDP growth¹, %



Our China business and why it is important



Our China business includes...



China is one of Group's five strategic priorities

- \$300mn investments in growth opportunities and strategic priorities (2022-2024)
- Doubling onshore and offshore PBT of China business by 2024

Highly return accretive franchise with consistent delivery; Offshore income growth outpaced onshore with higher return

	FY'21		FY'22		1Q'21		1Q'22		1Q'23		FY'22 YoY	1Q'23 YoY
Operating income (\$bn)	2.4		2.7		0.6		0.6		0.8		+14%	+33%
	1.3		1.5		0.3		0.3		0.5		+21%	+67%
	1.1		1.1		0.3		0.3		0.3		+9% ¹	+4% ¹
PBT (\$bn)	0.7		0.5		0.3		0.1		0.4		-35%/+12%	~6x/+82%
	PBT (ex-China CRE LI)											

We are investing in areas with opportunities...

- CCIB Network
- Wealth Management
- Greater Bay Area
- Digitalisation, platforms, partnerships and people

We are uniquely advantaged



Leveraging our unique advantages...

Onshore

Leading international franchise in China

Largest network income contributor market

Offshore

Only international bank in all 10 ASEAN markets

Hong Kong as key capabilities hub

3rd largest Affluent Bank in Asia in 2022

Best RMB Bank in 20 markets

The 1st international bank approved as CIPS direct participant in Hong Kong

Strong market recognition; received 48 accolades

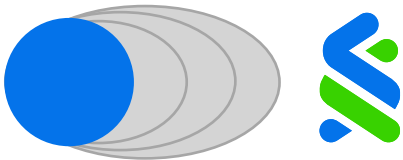
... with the broadest set of licenses¹

	standard chartered	Bank A	Bank B	Bank C
Financial markets				
CGB Underwriting				
CGB Futures				
CGB Market Maker				
LPR Panel bank				
SHIBOR Panel bank				
Local Govt Bond Underwriting				
Type A Corporate Bond underwriting				
CNY IRS market making				
ABS originator				
Primary dealer of credit risk mitigation instrument				
Local fund custody				
Securities Co.				
CIPS direct participant in Hong Kong				

Comprehensive in-progress No License

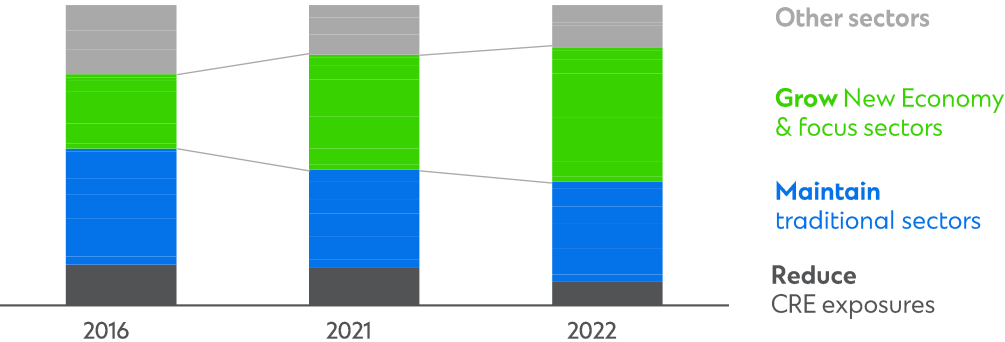
Footnotes on page 44; Glossary on page 93

CCIB focusing in New Economy sectors and Sustainable Finance



Growing new economy sectors

CCIB income contribution by sectors



...paying off with early success

40%
of CCIB's income in corporate portfolio

40%
Income growth YoY¹

Market leader in Green and Sustainable Finance

Green is China's core agenda...

\$15tn+ investment required by China to achieve net zero

... we are making difference in the markets



- 1st China-EU Common Ground Taxonomy aligned green syndication
- Offering onshore sustainable deposits

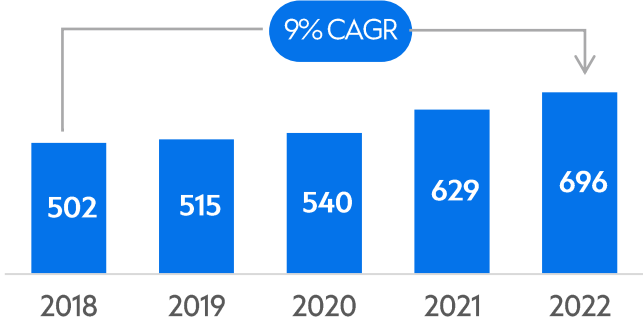


- Green ESG Corporate Pioneer
- Excellent Bank of the Year for Green Finance Practice²

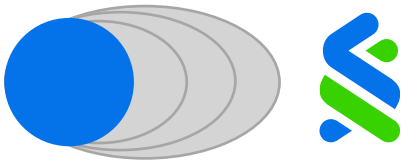
... and continuing to invest

Strong resilience with consecutive years of income growth

Onshore CCIB Income (\$m)



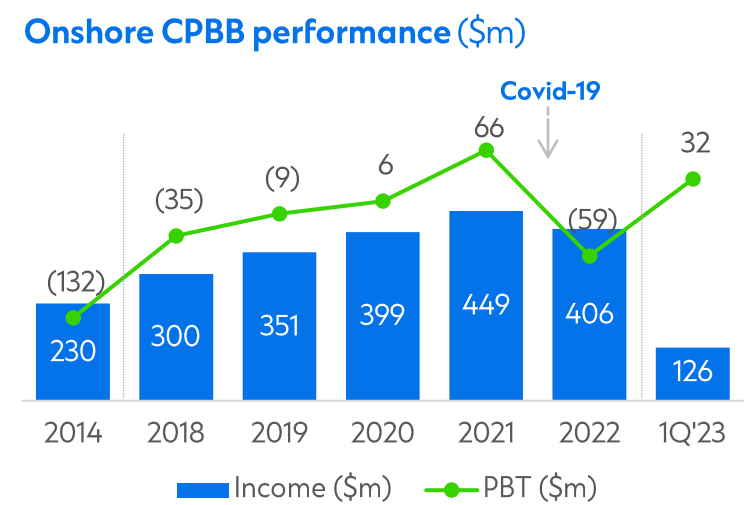
Focused strategy to build a scalable and sustainable CPBB business



Top international franchise in China

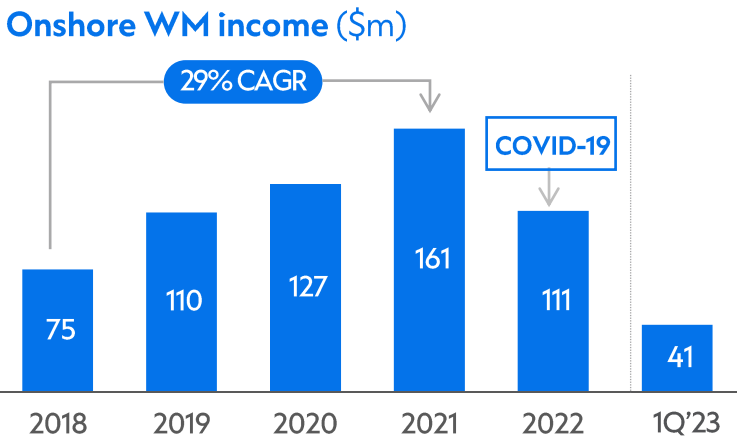
- ~ 80 branch outlets in 23 cities
- 60% retail outlets in Tier-1 cities
- Continuous investment in enhancing digital capabilities

Sustainable income growth with improving profitability



Affluent – focusing on mainland wealth opportunities

- 2nd largest no. of HNWLs¹
- 4th largest WM income market in the Group
- Distinctive “Open Architecture” wealth strategy
- Onshore access to offshore markets
- Digitalised client journey



Mass and SME – scaling up via digital solutions and partnerships

 >1 million customers

Diversification



蚂蚁集团
ANT GROUP

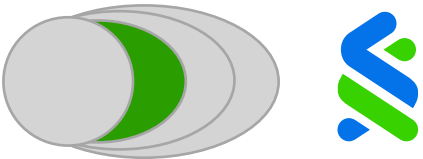


JDT 京东科技



WeBank 微众银行

China is the Group's largest network originating market



Highly interconnected network with long history

China corridor teams in **20+** markets

Chinese speaking corridor bankers **+45%** YoY

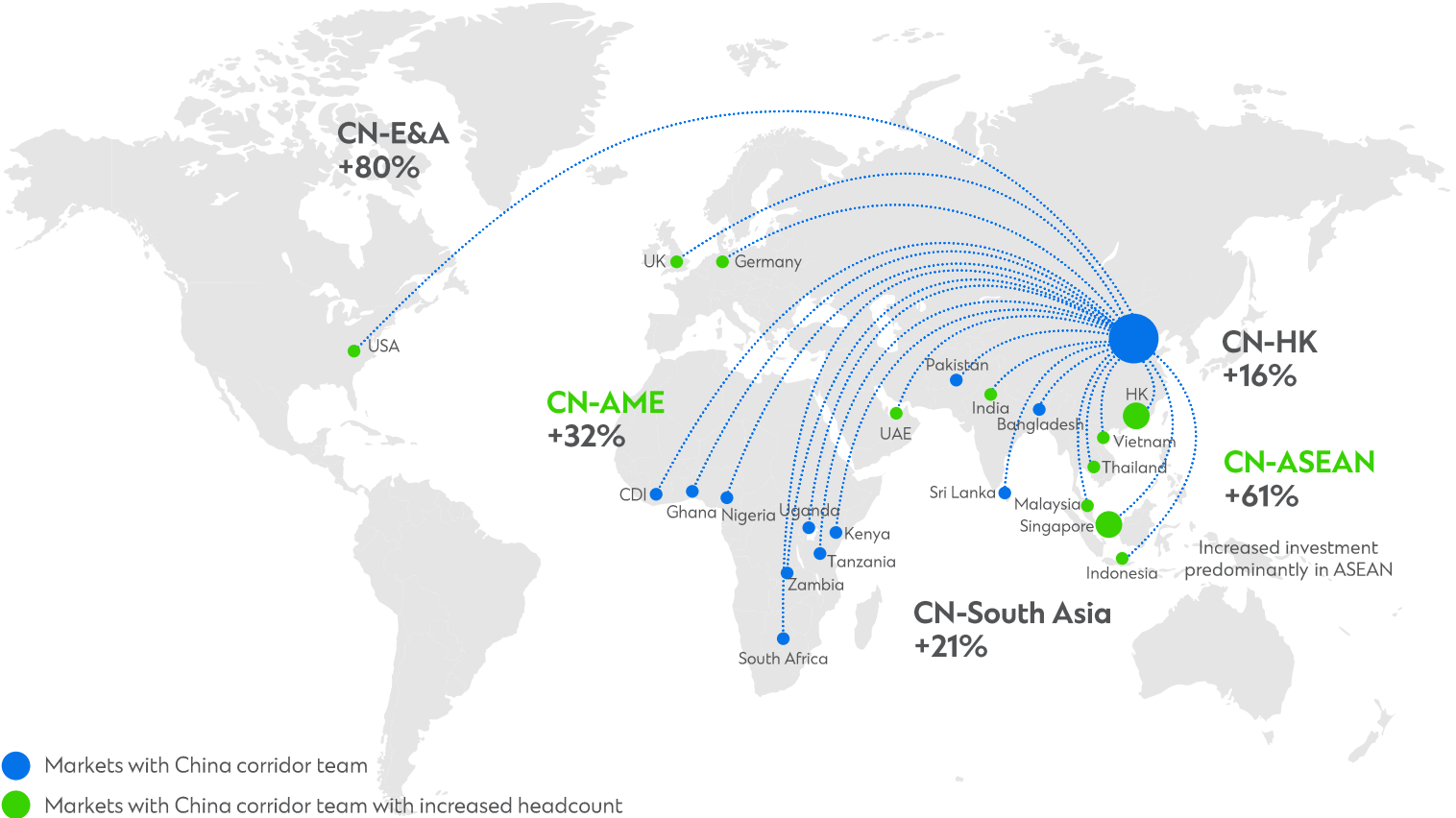
FI corridor bankers in key financial hubs

Overall China originated ...

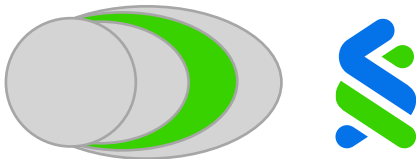
CCIB Network income (FY'22 YoY)

↑ 25%

Locations with dedicated China corridor bankers –
Income growth in major corridors (FY'22 YoY)



Third largest Affluent bank in Asia bridging wealth diversification needs



Compelling opportunities

- 2nd largest number of HNWLs¹ globally ...
- ... to double by 2026¹
- Growing wealth diversification needs
- Wealth Centre of Choice – HK / SG

Uniquely positioned

- Top 3 Wealth Manager in Asia
- Leading franchise in CN, HK, SG
- Dedicated wealth management team in GBA



Outstanding product capabilities

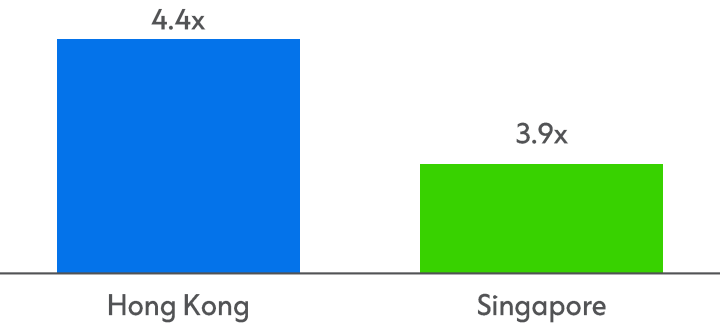
- Distinctive “open architecture” WM capabilities
- Best-in-class investment solutions
- Seamless collaboration across markets

...and are further investing in

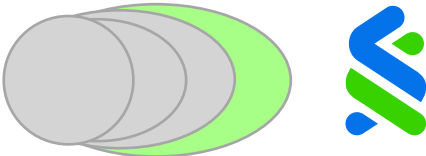
- RMs and wealth specialists in HK/SG
- Wealth Management Connect infrastructure
- Partnerships with other local Chinese banks

Strong momentum in 1Q '23

1Q'23 Priority new-to-bank acquisition (growth % YoY)



Market leading RMB capabilities strengthen our unique position as a proxy of China opening



RMB internationalisation offers significant growth potential

Significant progress made over past 2 decades... top 5 currency globally

Int'l Payments currency (SWIFT)

2010	2022
1. USD	1. USD 42%
2. EUR	2. EUR 36%
3. GBP	3. GBP 6%
4. JPY	4. JPY 2.9%
5. AUD	5. RMB 2.2%
...	...
35. RMB 0.0%	

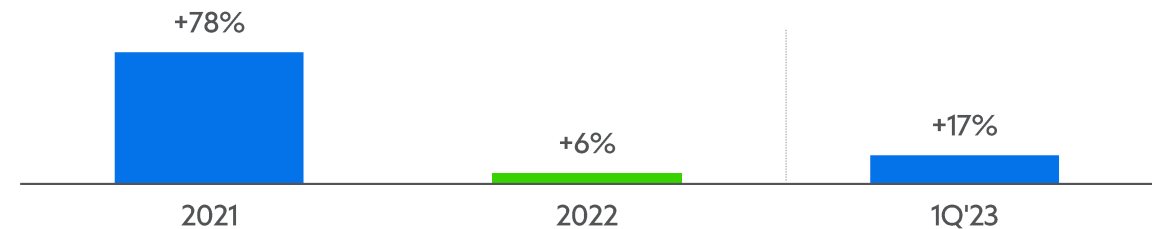
Traded currency (BIS)

2001	2022
1. USD	1. USD 44%
2. EUR	2. EUR 15%
3. JPY	3. JPY 8%
4. GBP	4. GBP 6%
5. CHF	5. RMB \$526b 3.5%
...	...
30. RMB \$0.01b 0.0%	

- Positioning RMB as an alternate currency for trade settlement, financing and investment
- Recent landmark deals show acceleration

Market recognition reflects our capabilities in RMB

- Offering RMB in 38 markets – RMB account, remittance, trade finance and FX...
- Best RMB Bank in 20 markets
- The 1st international bank approved as CIPS direct participant in Hong Kong
- #1 international bank in terms of CIPS indirect participation sign-ups
- YoY growth in cross-border RMB Payment volumes



... strengthen our unique position as a proxy of China opening

- RMB offerings amplify our network strength to capture the cross-border capital and trade flows

Income **+19%**
CAGR (2019-2022)

Key messages



1

Compelling
opportunities from
China opening and
structural reforms

2

Uniquely advantaged
as a proxy of China
opening

3

Investing in network,
wealth and digital
partnerships

Notes



These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
35	1. Absolute GDP value published by IMF
36	1. China onshore income YoY growth at constant currency basis
37	1. Standard Chartered, PBoC, CFETS, NAFMII
38	1. Based on latest New Economy client list 2. By the Economic Observer
39	1. Credit Suisse “Global Wealth Report 2022” Number of Millionaires in 2021 and 2026, Regions and Selected Countries Table: https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/global-wealth-report-2022-en.pdf
41	1. Credit Suisse “Global Wealth Report 2022” Number of Millionaires in 2021 and 2026, Regions and Selected Countries Table: https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/global-wealth-report-2022-en.pdf



Hong Kong

Mary Huen
Cluster CEO, Hong Kong,
Taiwan, and Macau



Key messages



1

Hong Kong's
super-connector role
remains intact; with
renewed optimism
post reopening

2

A trusted and
high-returning
franchise; well
positioned to capture
structural opportunities

3

Differentiation
in proposition,
partnerships,
and capabilities; which
includes Mox, to
address the market

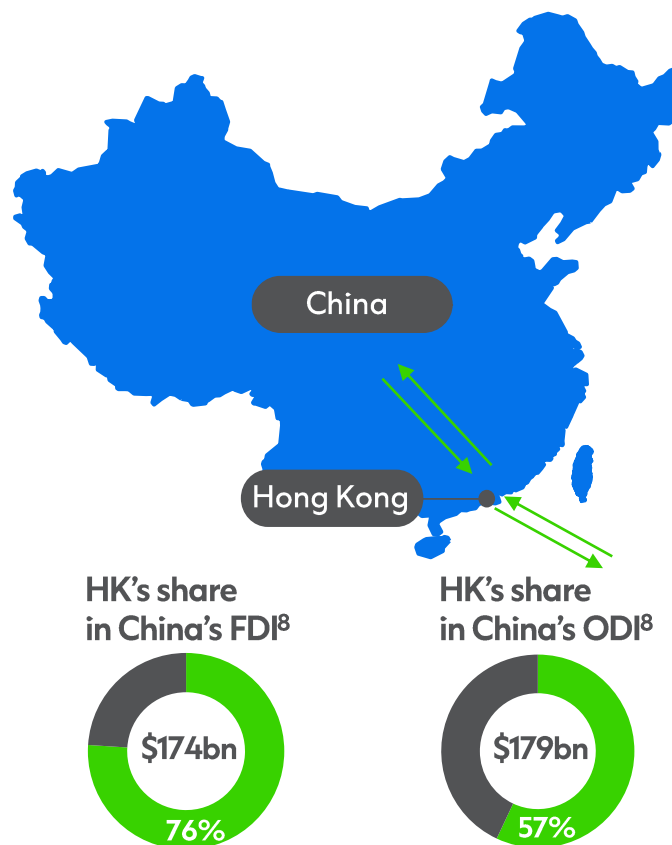
Hong Kong's role as a super connector remains intact



Breadth and depth of markets as a top global player

- Largest hub for arranging international **bond issuance** from Asia; one-third of the market¹
- World's 4th largest **stock market** by market capitalisation²
- World's largest **IPO market** 7 out of 14 years³
- 3rd largest in **interest rate derivatives** and 4th largest in **FX market** by turnover⁴
- World's largest **offshore RMB hub**⁵
- **Banking deposits** growing (~\$2tn)⁶
 - > 50% in foreign currency
- Top **Wealth Hub** in Asia⁷
 - AUM >\$4.6tn

Last stop in, first stop out



Unique capabilities of Connect Schemes

Connect Schemes

Purpose

- International access to China
- China access to the rest of the world

Suite of Connect Schemes

- Stock Connect
- Bond Connect
- Wealth Management Connect (GBA)
- ETF Connect
- Swap Connect

Why does it matter?

- Hong Kong is the only financial hub to be the gateway for Connect Schemes
- Simplified and direct two-way access between China and global capital markets

Top 3 player in a highly returns-accretive market



Leading player in Hong Kong

- Oldest **note-issuing bank** in Hong Kong
- Top 2 amongst 8 **virtual banks**¹ in Hong Kong
- Awarded **Best RMB Bank**² (2014-2022)



Strong franchise with scale and depth

- **Household name** for all segments in Hong Kong
- **Over 2 million retail clients** served by ~6K employees
- Banking **~90% of the Top 100 HK companies** by market capitalisation



Largest contributor to the Group

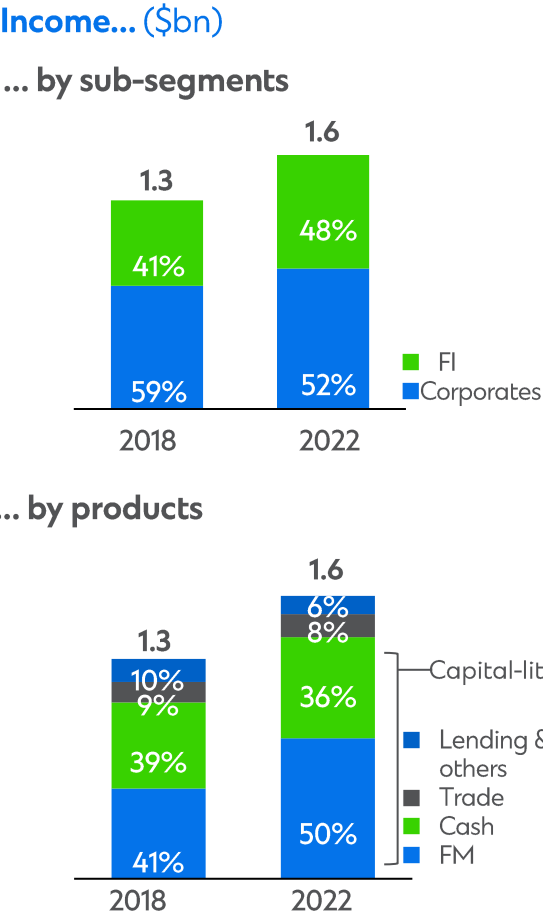
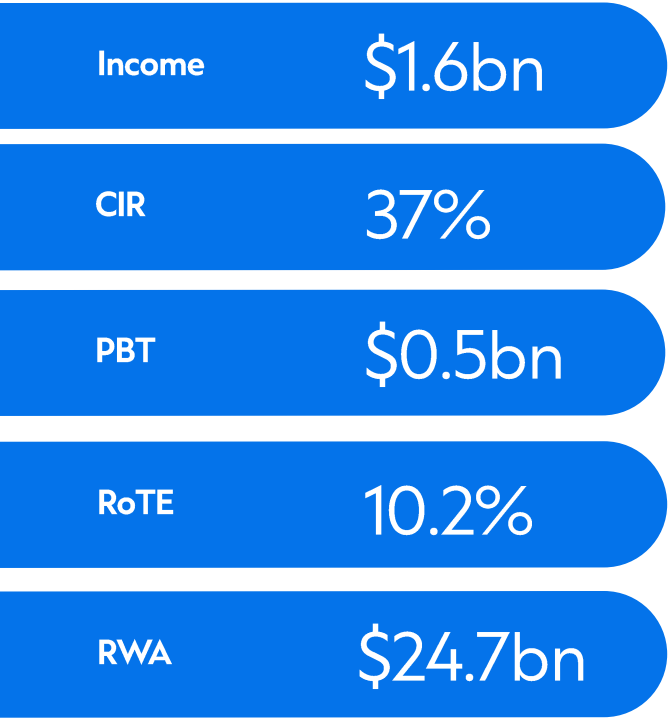
- A **third of the Group's profits** are generated in Hong Kong
- **Largest customer deposit base** in the Group
- **Largest CPBB and CCIB business** in the Group



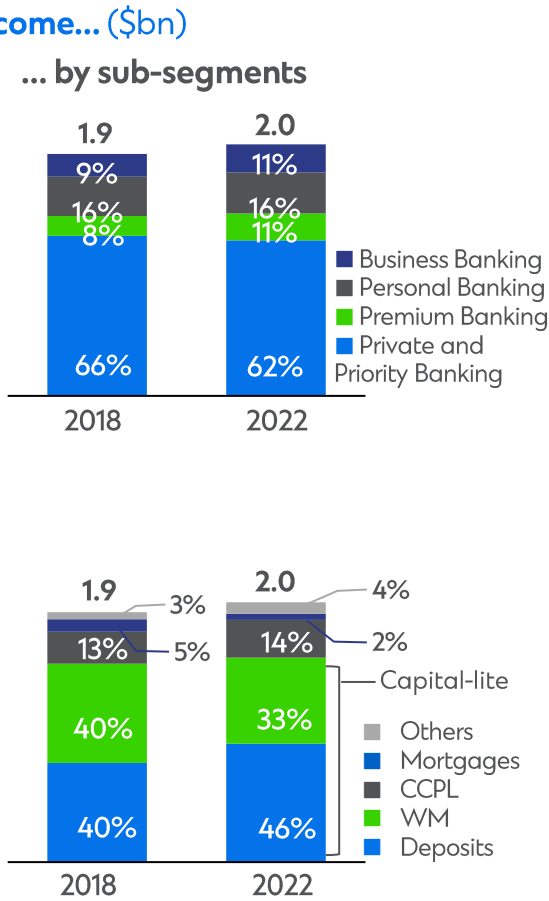
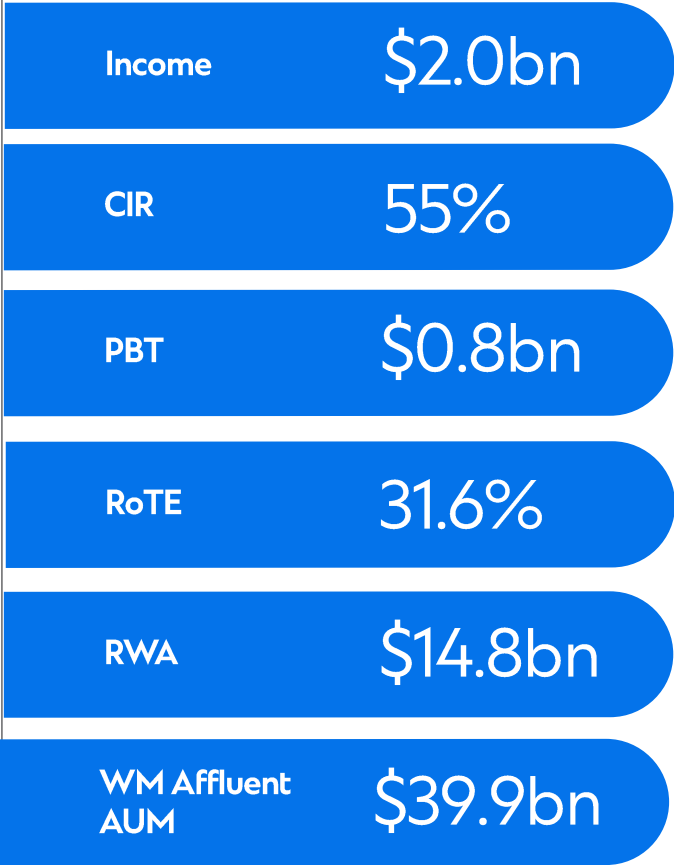
Diversified and profitable



CCIB¹ KPIs (FY'22)



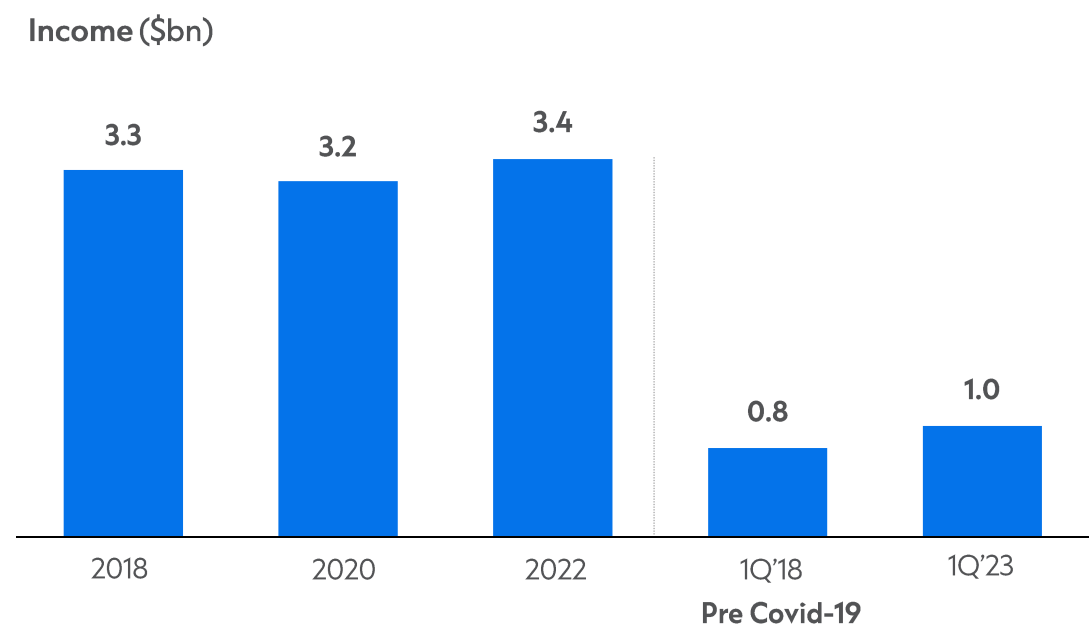
CPBB KPIs (FY'22)



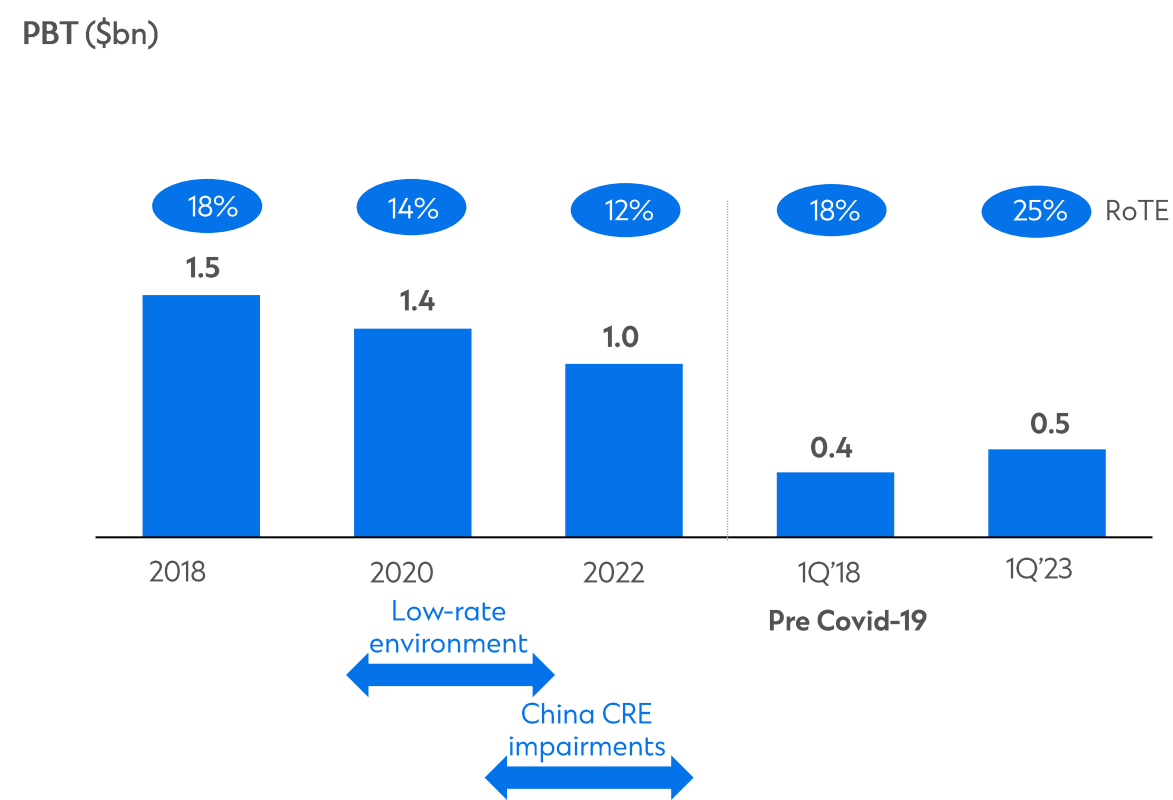
From a strong rebound in 2022 to a record high 1Q'23 performance



Resilient: Income recovery in tough environment



High Returns: Capture the rebound



Record-high 1Q'23 performance; better than Pre Covid-19 levels

Renewed optimism reflected through rebound in activity



Hong Kong post Covid-19 rebound is just beginning...

Visitor arrivals to Hong Kong¹

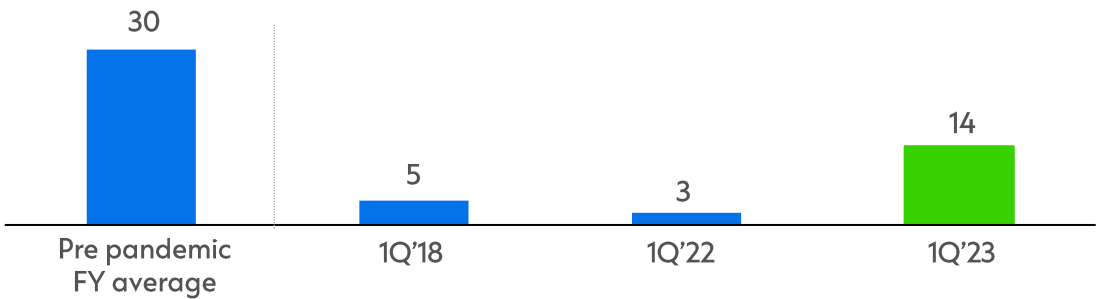
Period	Visitor Arrivals (m)
2018	65.1
2019	55.9
2020	3.6
2021	0.1
2022	0.6
1Q'23	4.4

Retail sales²

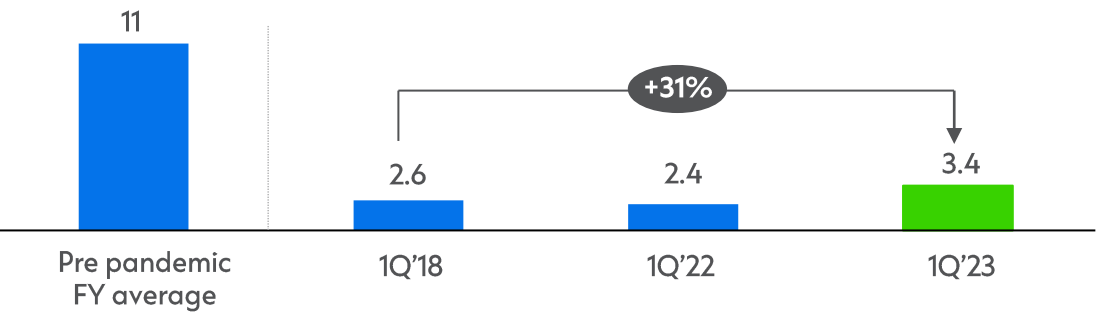
Time Period	Retail Sales (HK \$bn)
2018	485
2019	431
2020	326
2021	353
2022	350
1Q'23	103

... early signs are encouraging

Greater China Priority New To Bank accounts opened (#'000)








Total credit card spend (\$bn)



Six strategic priorities to capture structural opportunities



Structural opportunities

-  Capabilities centre for China opening
-  Global hub for offshore Renminbi
-  GBA is the test-bed for China opening
-  Global gateway for affluent and wealth
-  Asia's green financial centre
-  Increasing demand for new ways of banking

Six strategic priorities

- 1 Capitalise on China opening
- 2 Market leadership in RMB Internationalisation
- 3 Dominant GBA themes: New Economy and Wealth
- 4 Double down on affluent and wealth opportunity
- 5 Build leadership in sustainability
- 6 Scale mass with virtual bank model

#1: Capitalise on China opening



Hong Kong's best-in-class capabilities offer solutions across client groups

Connect Schemes

Expand market leadership across Connect programmes

- Expand market leadership to Swap Connect
- First bank to engage clients; be the primary advisor
- Bank of choice due to network and capabilities

Corporate Treasury Centres

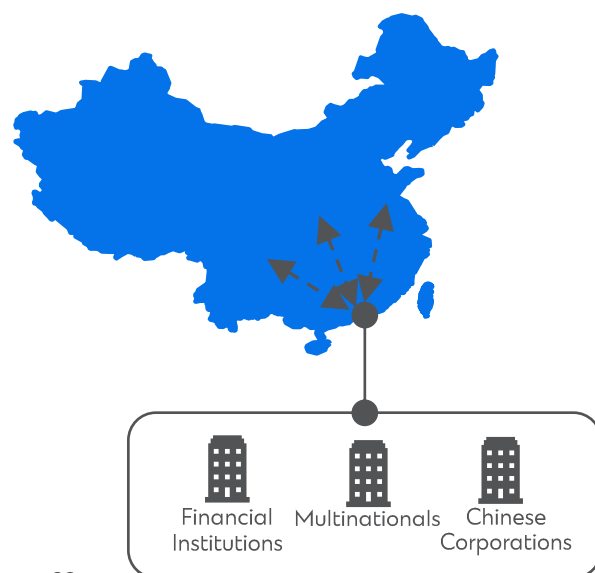
Exponentially grow Corporate Treasury Centre (CTC) clients

- CTCs provide cash management and risk management services, such as FX hedging
- CTC relationships are highly sticky, given time and effort to create

FX strength in RMB

Strong FX business, best in market for RMB

- Industry leading electronic trading platform
 - Enable access to best-available RMB pricing
 - Access to 130 currencies across the globe
- Strong RMB structured product capability to facilitate various client risk management needs



17%

SCB market share
In Bond Connect¹

债券通
BOND CONNECT

#2: Market leadership in RMB Internationalisation



Unique capabilities

CIPS: The 1st international bank approved as CIPS direct participant outside of mainland China

- CIPS (Cross-border Interbank Payment System) is a global RMB clearing infrastructure
- A direct participant status allows us to (1) enhance speed to market, and (2) clearing for indirect participants

Central Bank Digital Currency

mBridge: Real corporate transactions in CBDC pilot

- mBridge, a platform that connects the digital currency of multiple countries on a single, common tech infrastructure
- Completed pilot involving real corporate transactions

Strengthen balance sheet

Grow RMB balance sheet in Hong Kong

- Largest offshore RMB deposit base in the Group
- Provides RMB funding to the rest of the Group



Convertibility

Remittability

Investibility

Hedgability



#3: Dominant GBA themes: New Economy and Wealth



Strengthen presence

Growing physical presence serving GBA clients

- GBA Centre in CBD area in Guangzhou
- Wealth hubs in affluent locations in Hong Kong

Expand Wealth partnership

Growing partnerships to enhance our GBA proposition

- A natural partner for large mainland China banks with low HK presence
- Policy support for Hong Kong banks to partner with multiple mainland China banks to facilitate **Wealth Connect**
- Exploring partnerships with mainland China banks to scale

New Economy growth

Growing exponentially in the New Economy segment

>200

New Economy clients;
growth since launch in 2019

28%

Income CAGR (2020-2022)

Guangzhou



Hong Kong



#4: Double down on affluent and wealth opportunity



Drive partnerships

Growing exclusive partnerships with iconic brands

- Cathay: Home carrier; high potential affluent base
- Launched in 2021, Cathay credit card ~40% of portfolio spend and acquisition

Priority Private

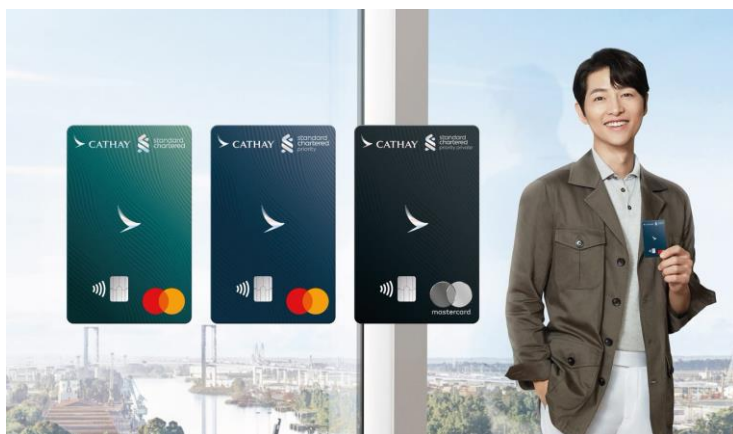
Sharpened focus on Priority Private

- Top end affluent sub-segment of Priority Banking base
- Generate 6x revenue of a normal Priority client
- Differentiated product and service model to tailor for their sophisticated needs

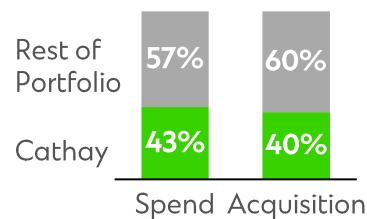
Digital Wealth to scale

Scale with digital advisory and sales

- Launched full suite of key digital wealth products
- 25% of Wealth sales income sourced digitally



Strong Cathay partnership FY'22



80%

Mutual fund transactions
conducted digitally

71%

FX transactions
conducted digitally

#5: Build leadership in sustainability



Market leading products

Innovative and expansive product solutions

- Most extensive sustainable product suite in Hong Kong
- Launched first green mortgage in Asia

Landmark deals

Enhancing SF credentials with landmark deals

- Landmark deals, enhancing our market credentials:
 - West Kowloon Cultural District Authority
 - Shui On Group
 - LEO Paper Group
- Virtuous cycle: Deals enhance credentials, attract more business

First mover advantage

First mover status strengthens overall proposition

- First bank to sign MoU obtaining technical advice for IFC Edge green building standard
- Build on our first mover advantage in HKEX Core Climate

12x

Sustainable Finance Income
CAGR (2019 – 2022)



CORE
CLIMATE

HKEX
香港交易所

Edge
Excellence In Design
For Greater Efficiencies

#6: Scale mass with virtual bank model



Unlock value

Spearheading innovation with new virtual bank model

- Capturing the mass with a fresh brand complementary to SCB
- Breed innovation and creativity that can be a learning for us
- Scalable and portable tech stack further benefitting the Group

Partnerships

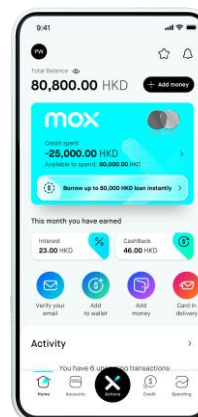
A unique partner ecosystem offering unparalleled value

- Bringing together the city's telecom and travel leaders (HKT and Trip.com) for strategic collaborations and innovations
- No.1 virtual bank app in Hong Kong based on App Store rating
- Top 2 virtual bank in size with 450K+ customers

Future

From digital lending to digital wealth

- Grow the right client base, leveraging JV partners
- Expand into Digital Wealth



No.1

virtual bank app in HK
based on App Store and Google Play Store rating¹

Top 2

virtual bank in size among 8 VBs in HK²

Key messages



1

Hong Kong's
super-connector role
remains intact; with
renewed optimism
post reopening

2

A trusted and
high-returning
franchise, well
positioned to capture
structural opportunities

3

Differentiation
in proposition,
partnerships,
and capabilities; which
includes Mox, to
address the market

Notes



These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
47	<ol style="list-style-type: none"> 1. Hong Kong Monetary Authority - Keynote speech at the ICMA “The Asian International Bond Markets: Development and Trends” Report Launch Event (hkma.gov.hk) – Bullet point #13 2. Bloomberg – by market capitalisation, 31st Dec 2022 3. Hong Kong drops to 7th spot on global IPO venue ranking as fundraising plunges 52 per cent in first quarter: Refinitiv South China Morning Post (scmp.com) 4. Hong Kong Monetary Authority Quarterly Bulletin – December 2022 (hkma.gov.hk) 5. https://www.brandhk.gov.hk/docs/default-source/factsheets-library/hong-kong-themes/2023-05-02/Rankings_en.pdf 6. https://www.statista.com/statistics/1228473/hong-kong-customer-deposits-at-authorized-institutions/ 7. https://www.caproasia.com/2022/07/23/hong-kong-sfc-asset-wealth-management-report-2021-4-55-trillion-aum-private-banking-private-wealth-aum-1-35-trillion-54003-headcount/ 8. HKTDC Research
48	<ol style="list-style-type: none"> 1. Latest published financial accounts of the eight virtual banks in Hong Kong, Customer # based on media articles 2. Awarded by Asset Triple A Treasurise Awards 2023
49	<ol style="list-style-type: none"> 1. FY18 is adjusted for Medium Enterprise / High Value Small Business – moving from CCIB to CPBB for consistent comparison vs. FY22
51	<ol style="list-style-type: none"> 1. HK Tourism Board – Tourism Board Statistics Database 2. https://www.censtatd.gov.hk/en/web_table.html?id=620-67001#
53	<ol style="list-style-type: none"> 1. Based on Asset under Custodian in China Central Depository & Clearing as a proxy representation
58	<ol style="list-style-type: none"> 1. Apple App Store and Google Play Store in Hong Kong on 15 March 2023 2. Latest published financial accounts of the eight virtual banks in Hong Kong, Customer # based on media articles



Greater Bay Area

Anthony Lin
CEO, GBA



Key messages



1

GBA is an economic powerhouse presenting significant growth opportunities

2

Focus on the fast-growing new economy sector and cross-border wealth management

3

Leverage GBA Centre as an innovation and operations hub

GBA is an economic powerhouse connecting China with rest of the world



1% of land,
5% population,
11% of China GDP

\$1.9tn

GDP¹ (2022), #12 globally >Korea

87m

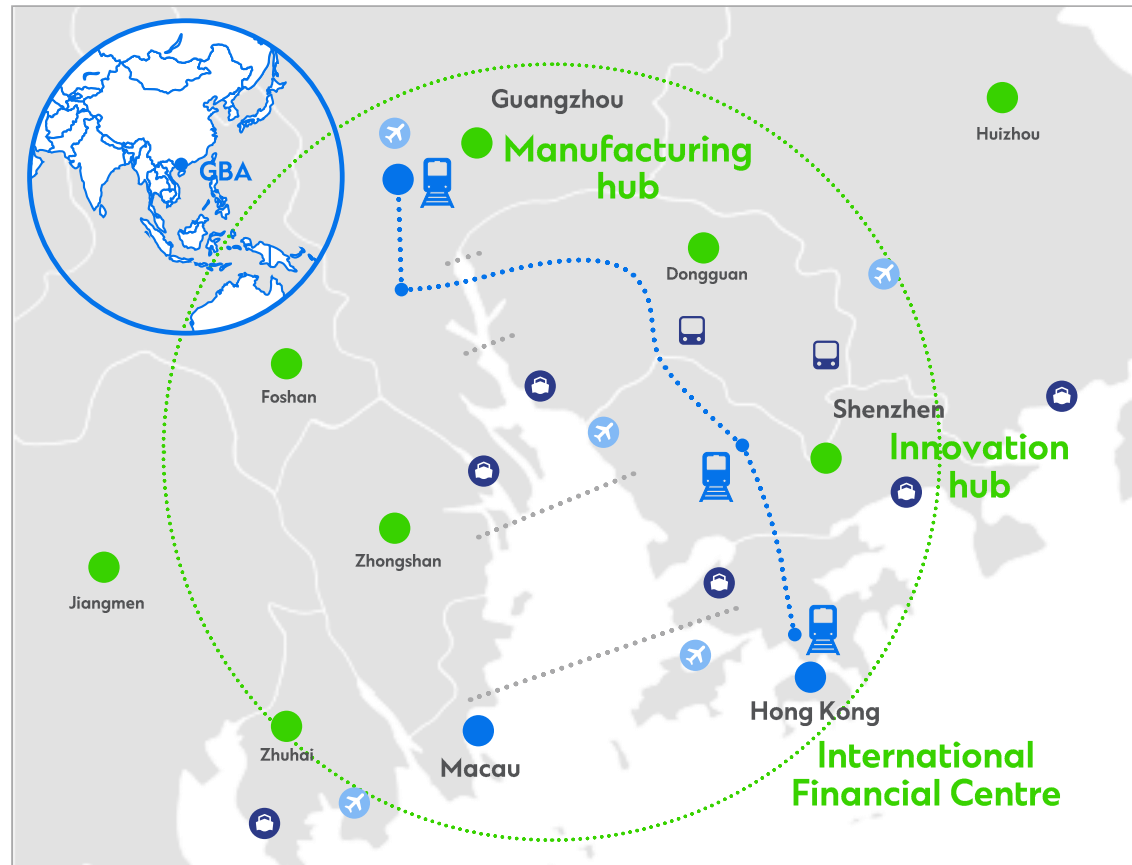
Population² (2021) c. Germany

>23m

Population growth³ (2010-2020)

2x

Gen-Z population growth (2010-2020)³; 36% of total GBA population growth is Gen-Z



1/3rd

Cross-border eCommerce trade of China⁴

1m

Affluent families with combined net worth >\$1tn⁵

57k

National level high-tech firms in 2022⁶



4

international airports



3

of world's top ports



HK <-> Shenzhen **14 mins**

HK <-> Guangzhou **45 mins**

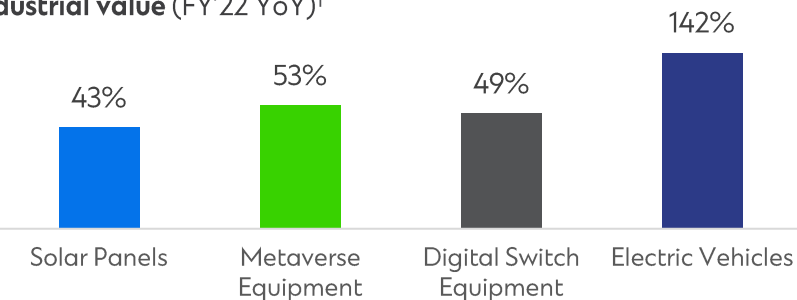
Grow new economy corporate business



Macro drivers

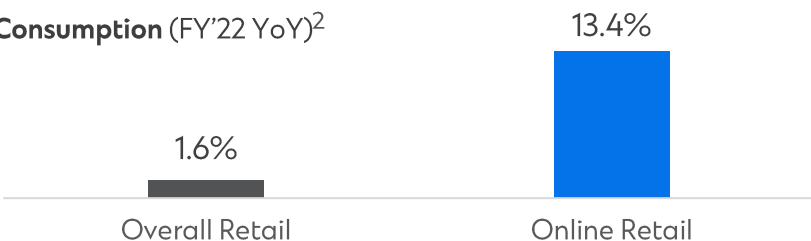
GBA is home to top global tech giants

Industrial value (FY'22 YoY)¹



Online retail is becoming a major driver of retail consumption

Consumption (FY'22 YoY)²

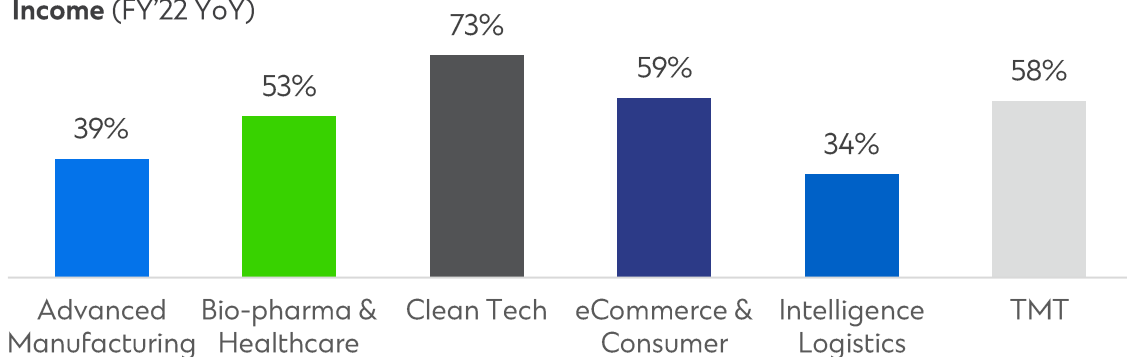


Seize the opportunity

New economy client income doubled since 2020

- **Dedicated** new economy team to acquire and serve clients
- Focus on **niche market leaders** and **emerging future champions**
- **65%** of new clients acquired since 2020 are from new economy sectors
- **>60%** income from capital-lite products
- **Global network**, complete **segment coverage**, and full **product offerings** ensure continuity of services through clients' life cycle

Income (FY'22 YoY)



Capture cross-border wealth management opportunities



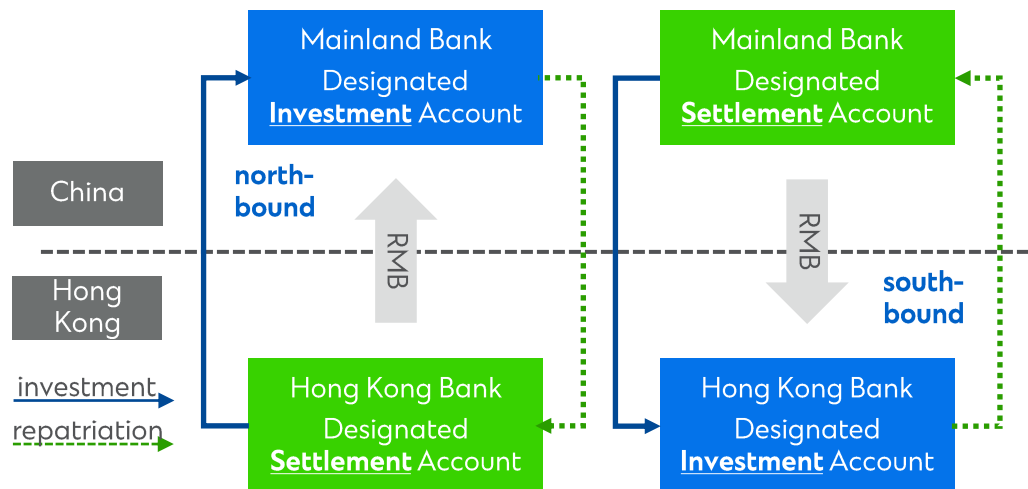
Macro drivers

4 out of 10 wealthiest Chinese cities are in GBA¹



Wealth Management Connect (WMC) is China's **first personal capital account** opening pilot scheme

WMC process and funding flows



Seize the opportunity



First batch of banks to launch WMC on inauguration day



Strong presence, tailor-made CVPs, and cutting-edge WM platform make SCB HK highly attractive



Be the **“GBA Bank of Choice”** of our Hong Kong and China customers

- Dedicated RM and services team in Hong Kong and Shenzhen providing seamless cross-border service

... and we are making good progress



Top WMC foreign bank in Shenzhen south-bound account opening



First-in-market “GBA WMC Investor Forum” post border reopening



WM capabilities attracting big Chinese bank partners

GBA Centre established to support growth



GBA Centre: business, technology and operations hub

Guangzhou is an ideal location for an innovation hub



Robust innovation and technology **ecosystem**



Strong **talent pool** in information & cyber security, data analytics and cloud computing



GBA is one of the **most preferred**¹ destinations for young talent in China



Strong government **policy support**

Delivering world-class innovative banking solutions



An ideal platform to support Hong Kong and China given its **proximity, language, and culture** similarity



Strategically located in Guangzhou CBD to **attract talent**

... and we are making good progress



20 tech teams focused on data analytics, robotic process automation, and AI & machine learning



New **SC China mobile banking**, from ideation to launch in ~4months



Supported the launch of **Trust Bank**

SWOOSH by **SCNXT**
Artificial Intelligence System

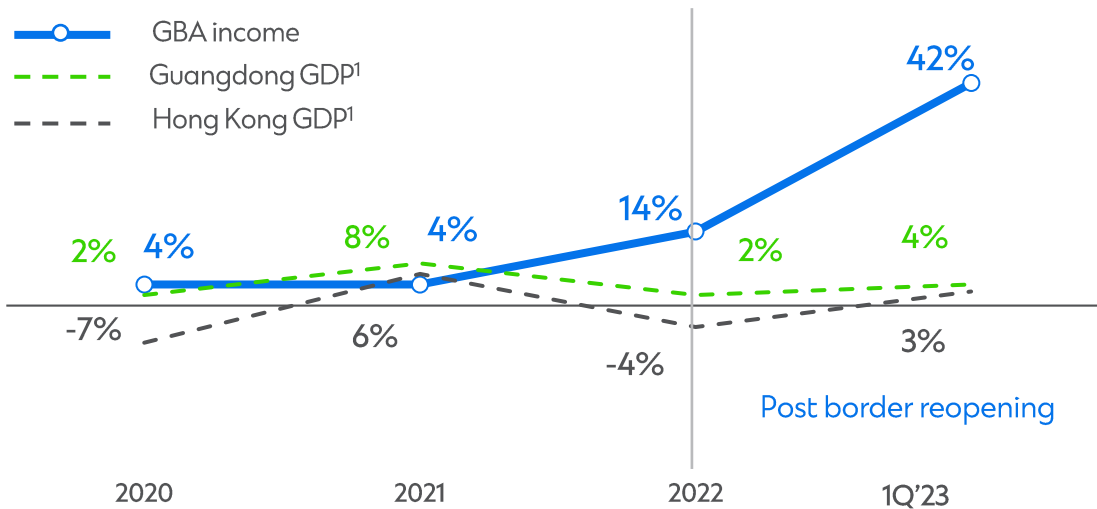
cool.
Digital & Data Accelerator

GBA 2022 GDP ~5x of Hong Kong



GBA delivered positive growth amid the pandemic...

YoY growth



.... with ~75% high returning capital-lite income



>\$0.5bn income in 2022



Growing quickly; up 14% in 2022 despite Covid-19
Focusing on the high growth new economy sector



Double-digit RoTE



With high growth potential

Key messages



1

GBA is an economic powerhouse presenting significant growth opportunities

2

Focus on the fast-growing new economy sector and cross-border wealth management

3

Leverage GBA Centre as an innovation and operations hub

Notes



These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
63	<ol style="list-style-type: none">1. Respective gov't statistics and census bureaus https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADV_EC/WEO_WORLD2. https://www.bayarea.gov.hk/en/about/the-cities.html3. https://www.21jingji.com/article/20230218/herald/3b5a0d052c99a9e504506d385ed63911.html; Chinese-equivalent of Gen-Z refers to persons born between 1990 to 19994. https://epaper.southcn.com/nfdaily/html/202302/25/content_10051919.html5. 2022 Hurun Wealth Report6. http://www.21jingji.com/article/20221222/cd7987b1e0180c9e9e1876a8787b57a6.html
64	<ol style="list-style-type: none">1. Guangdong Province Bureau of Statistics2. Guangdong Province Bureau of Statistics
65	<ol style="list-style-type: none">1. 2022 Hurun Wealth Report
66	<ol style="list-style-type: none">1. https://m.huanqiu.com/article/42IfjBEQFWK
67	<ol style="list-style-type: none">1. Respective gov't statistics and census bureaus

Asia Risk

Darren Kim
CRO, Asia



Key messages



1

A strong risk culture
resulting in resilient
credit portfolios

2

Continue to enhance
management of non-
financial risks

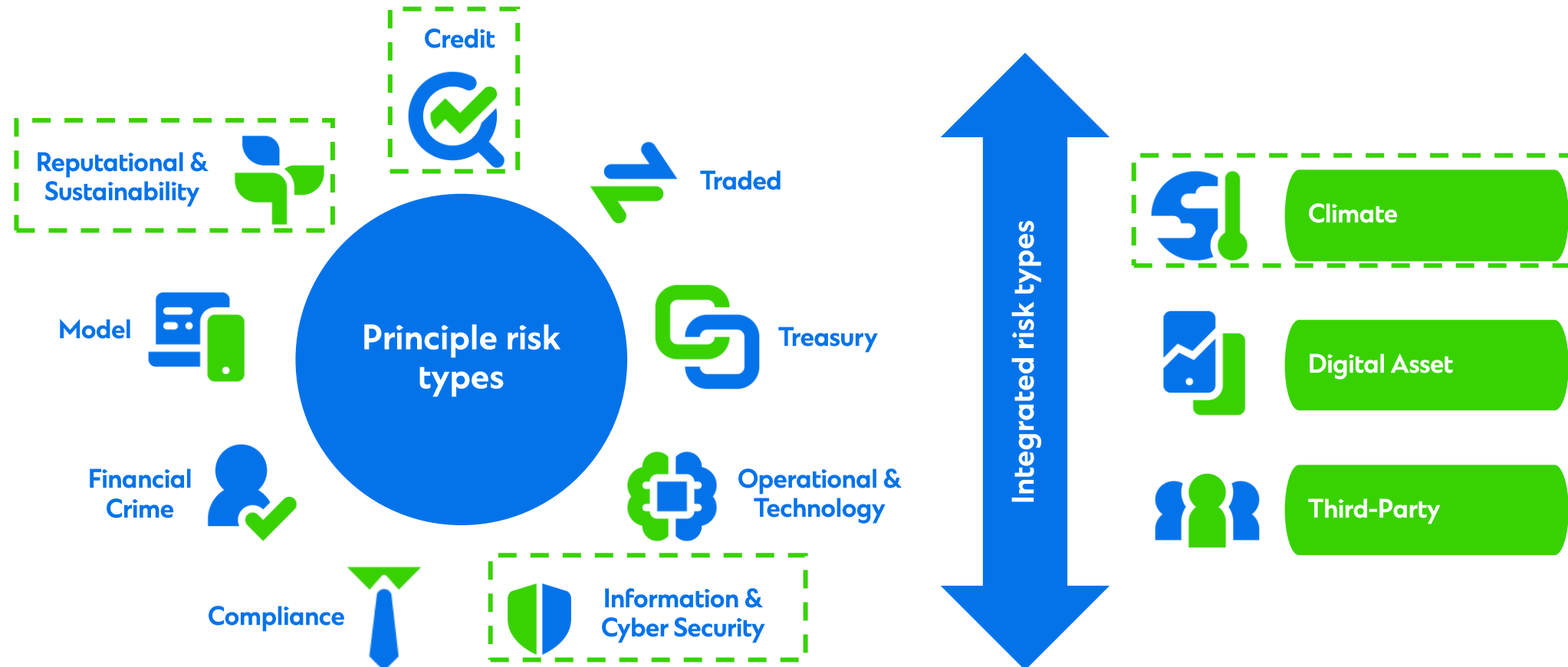
3

Vigilance over
macroeconomic,
geopolitical and
sovereign risks

Comprehensive risk management framework



Topical and emerging risks: Macroeconomic, Geopolitical and Sovereign

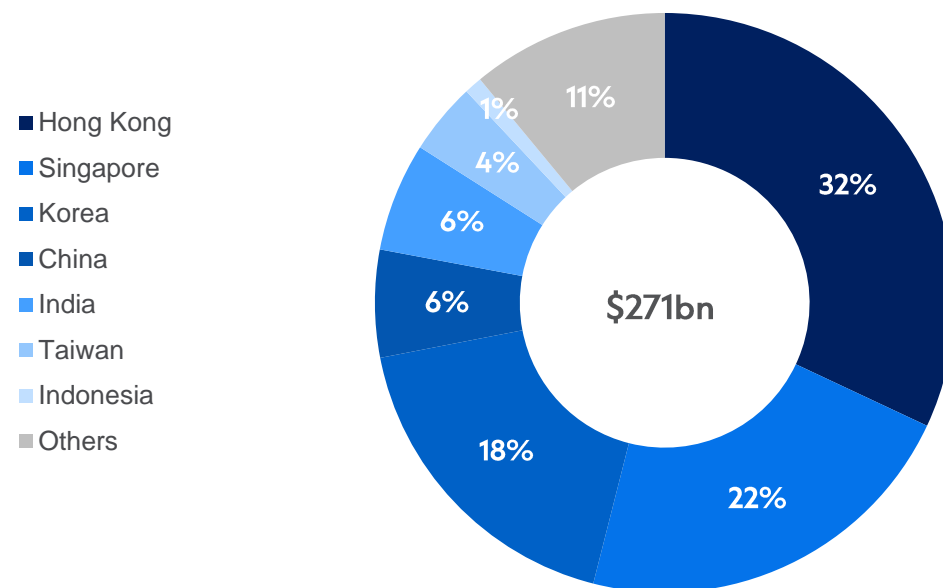


Well diversified portfolio and stable NPL



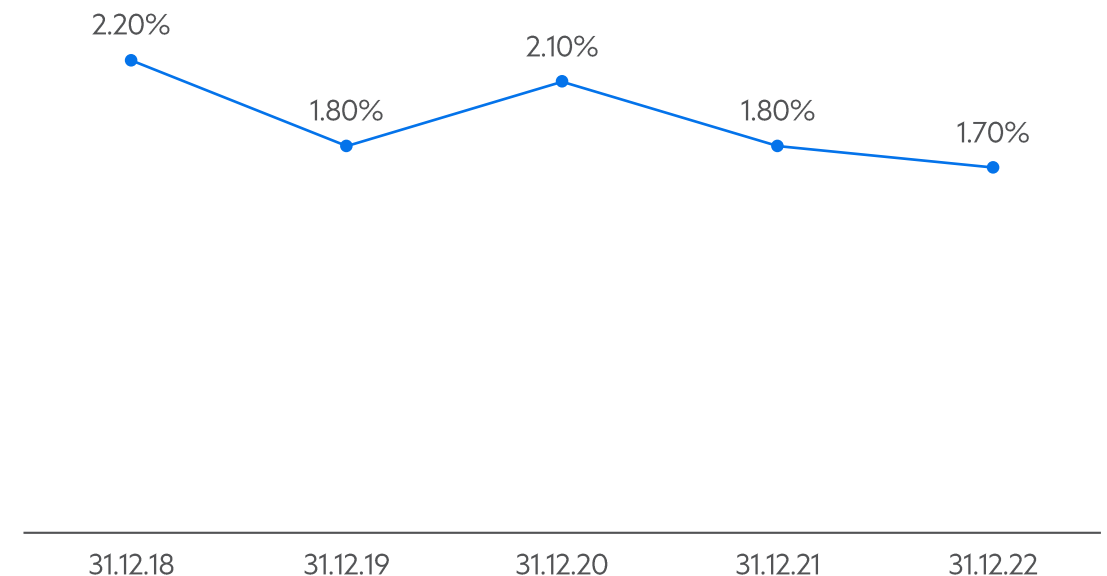
Well diversified portfolio...

Loans & Advances to Customers by geography¹ (31.12.22)



... stable NPL

NPL ratio¹



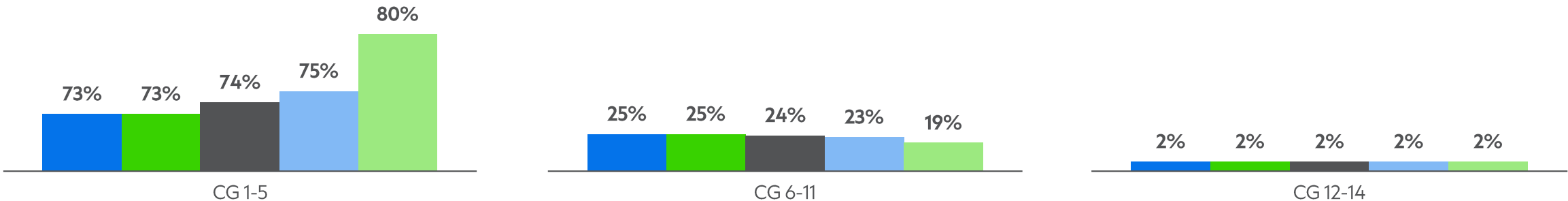
Resilient CCIB credit portfolio



Improving Portfolio mix

Asia: Overall Credit Grade movement¹

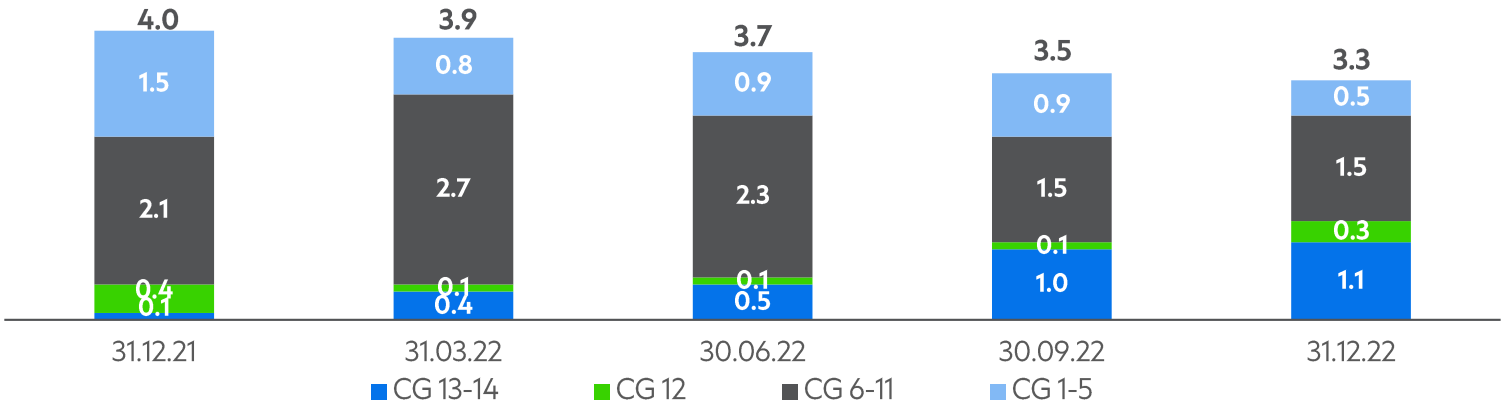
■ 31.12.18 ■ 31.12.19 ■ 31.12.20 ■ 31.12.21 ■ 31.12.22



Closely monitoring reduced China CRE exposure

China CRE Exposure (\$bn)²

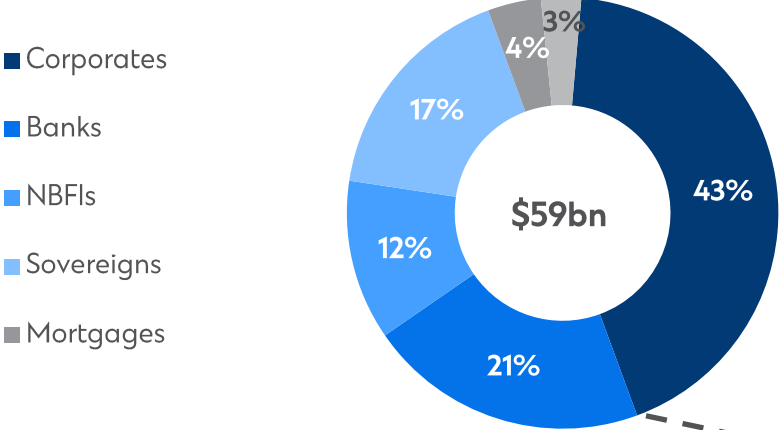
- 52% of the portfolio is secured; average LTV <45%
- De-risked Chinese developers



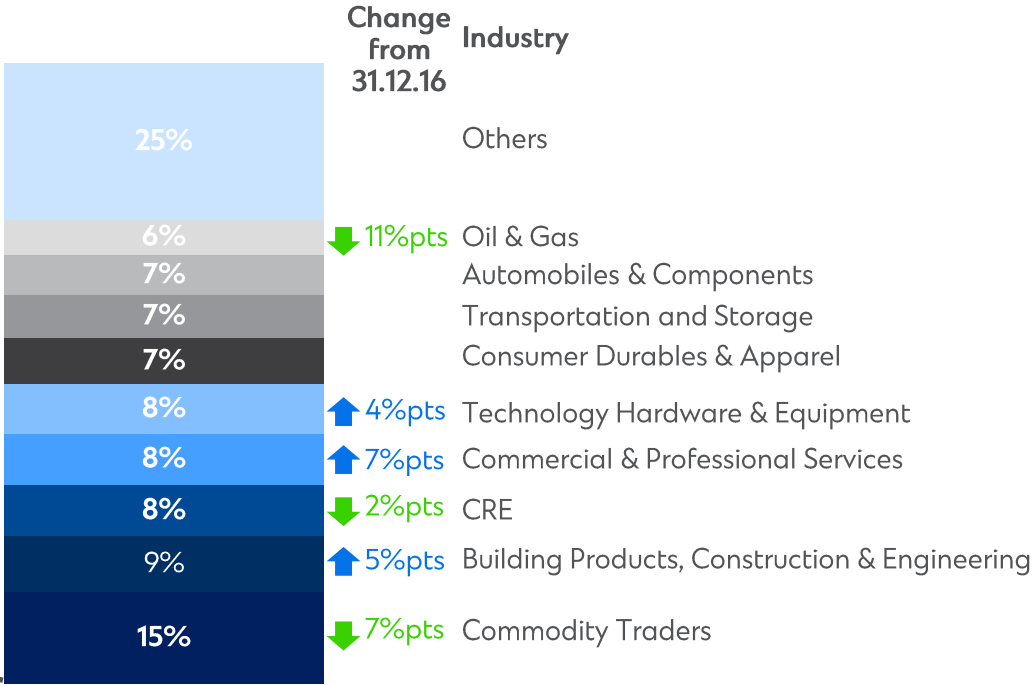
Proactive management of China exposure



Well diversified China exposure¹ (\$bn)



Increasing diversification over the years¹



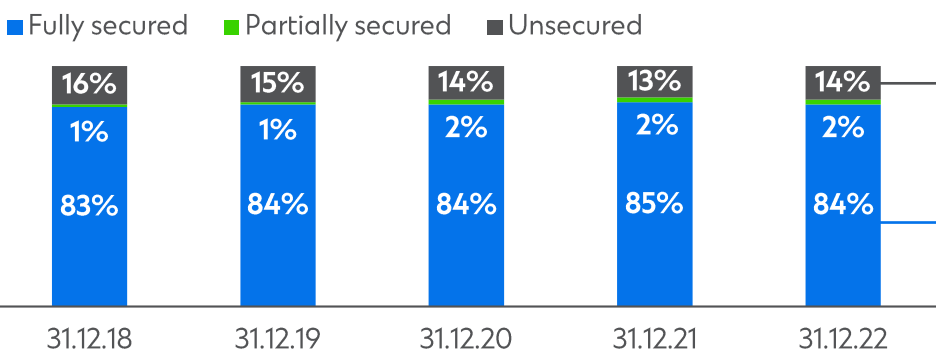
- 80% of CCIB exposure is investment grade
- 73% of corporate exposure is <1 year tenor
- 89% of bank exposures to top 5 banks²; 88% <1 year tenor
- 80% of bank and non-bank financial institutions (NBFI) exposures and 44% of corporate exposures to State Owned Enterprises

- Growing new economy and focus sectors
- Focus on industry leaders with strong financial resilience
- Regular portfolio reviews and stress testing

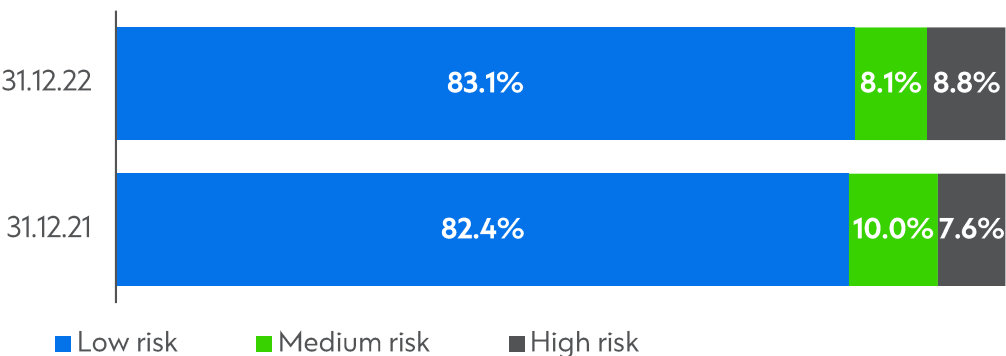
CPBB credit portfolio continues to remain stable and resilient



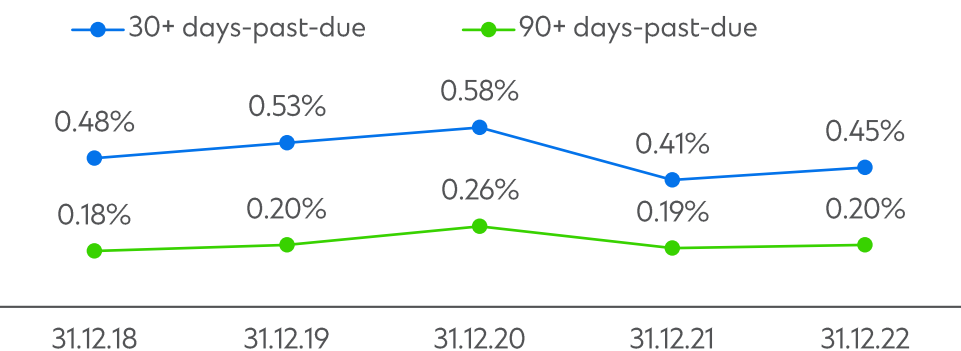
Highly secured¹



>80% of unsecured exposures are in low-risk segments

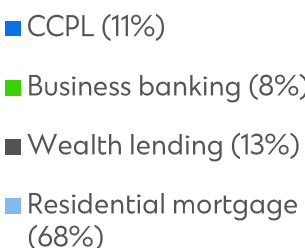


Stable delinquency rates



Mortgage accounts for 68% of portfolio; low average LTV at ~45%

Asia CPBB portfolio distribution



Mortgage LTV distribution (%)

	Asia		HK	
	31.12.22	31.12.22	31.12.21	
<50%	60.9	49.2	69.4	
50% to 59%	15.5	19.7	10.9	
60% to 69%	9.8	8.2	4.0	
70% to 79%	6.5	3.8	9.1	
80% to 89%	3.6	8.3	5.4	
>90%	3.8	10.8	1.1	
Average LTV	44.7	52.6	43.8	

We are actively managing other non-credit risks



Sustainability and climate risk

Asia focus areas:

- Building capacity and capability including development of internal transition models
- Expansion of climate risk assessments in CCIB
- Increase coverage of CPBB mortgage book physical risk assessments
- Introduction of Climate-related Risk Appetite metrics in key markets including Hong Kong, Singapore, China, India, Korea

Singapore

- Guidelines on Environmental Risk Management
- 2023 Climate Risk Stress Test

India

- Discussion guidance on Climate Risk and Sustainable Finance

Hong Kong

- Supervisory Policy Manual on Climate Risk Management
- 2023 Climate Risk Stress Test

China

- Climate disclosures

Information and Cyber Security (“ICS”) Risk

Asia focus areas:

- Threat led assessment driven by scenario planning and key controls required to mitigate risk within appetite
- Deliver initiatives in the Asia region to further improve ICS posture and cyber resilience including
 - Cyber Resilience Assessment Framework
 - Intelligence-led Cyber Attack Simulation Testing (“iCAST”)
 - Secure Tertiary Data Backup
- Our iCAST exercise in Hong Kong engaged certified third-parties to perform cyber-attacks simulations with improving results

Macroeconomic, geopolitical and sovereign risks



Macroeconomic risks

- Inflationary pressures
- High interest rates
- Refinancing risk

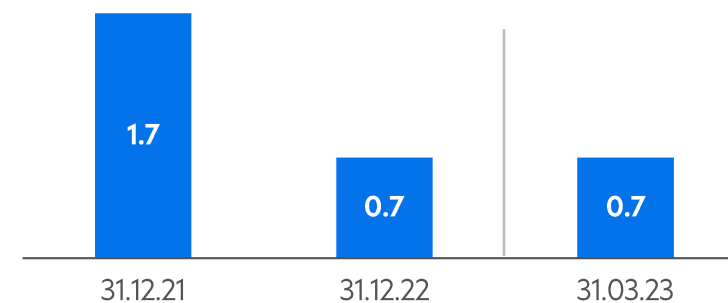
Geopolitical risks

- Geopolitical risks under watch :
 - US-China bifurcation
 - Heightened tensions in Taiwan
 - Korean peninsula
 - Russia/Ukraine war
- Adopt a pre-emptive approach in managing risks, mainly via scenario-based exposures analyses

Sovereign risk – Sri Lanka

- Pro-actively downgraded our sovereign rating in 2018
- 2020-2022 further downgraded in-line with the deteriorating external situation
- Reduced Country Risk limits in phases to manage exposure without any adverse impact to clients

Sri Lanka Net Nominal¹ (\$bn)



Notes



These notes refer to the metrics and defined terms on the following pages

Page	Explanatory note or definition
73	1. Management view
74	1. Net Nominal basis based on where the ultimate parent entities and credit responsibility is 2. Net Nominal basis based on where the ultimate parent entities and credit responsibility is in the specified country and to entities outside of the country but with substantial cashflow generated from the country
75	1. Net Nominal basis based on where the ultimate parent entities and credit responsibility is 2. By Tier 1 capital
76	1. 2018 and 2019 data is for erstwhile Retail banking; 2020 data onwards is for CPBB
78	1. Net Nominal basis based on where the ultimate parent entities and credit responsibility is



Setting the Global Benchmark

Barbaros Uygun
CEO, Mox Bank

Key Messages

1

A unique customer experience at a lower cost-to-serve

HKT[®] PCCW[®] Trip.com

2

A scalable and portable tech stack and know-how

3

Setting the global benchmark; targeting profitability in 2024

Setting the Global Benchmark



Purpose

Reimagine banking to empower possibilities

Differentiation

Superior **customer experience** at **lower cost-to-serve**

Scalable and portable **platform**

Customer promise

Safe, simple, smart and fun!

Customer segments

Mass and mass affluent

Strategic direction

Be the #1 Virtual Bank for Cards, **Digital Lending** and **Digital Wealth**

Be the community's **most loved banking brand**

Setting Benchmark in NPS, Deliveries and Scalability



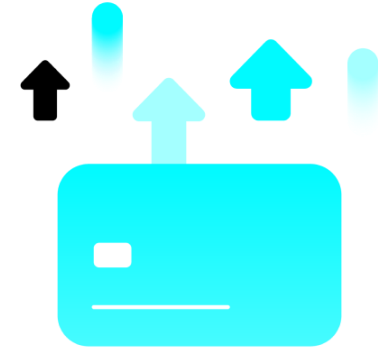
Positive customer feedback

- Most recommended¹ Virtual Bank in HK (YouGov)
- #1 rated virtual banking app in² HK (Apple and Google Stores)
- #1 in Net Promoter Score (NPS)³ in HK
- Over 50 awards⁴ won around the world
- Forbes World's Best Banks 2023⁵



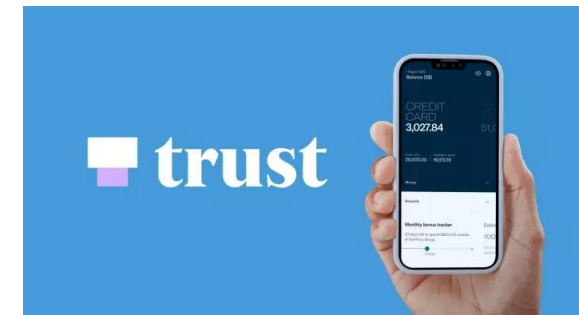
Market-first deliveries

- 1st in market to open account, credit card and loan in < 5 mins
- 1st VB to offer transfer with Mox Credit, mid-market rate FX
- 1st in market to launch a digital loan above credit line
- Aim to be the 1st VB in line to launch HK and US Stock trading



Cost efficient, scalable and portable platform

Transferred tech stack and know-how to Trust in Singapore



Winning market share in Hong Kong

Market share among all retail banks in HK¹

New credit card account balances in Hong Kong

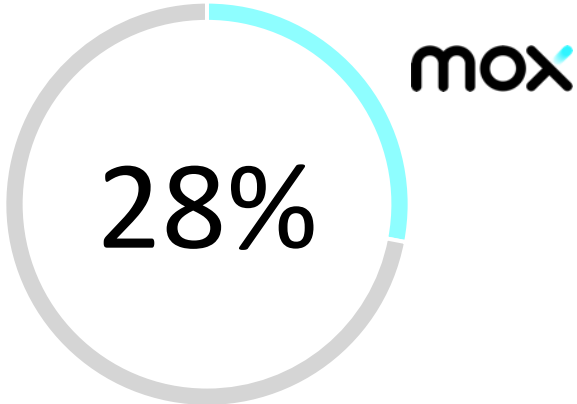
	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23
Mox Rank	#1	#1	#1	#1	#1	#1

New loan on card trades (i.e. individual loans) in Hong Kong

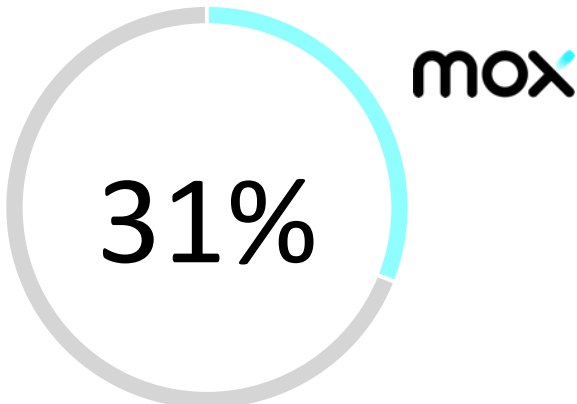
	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23
Mox Rank	#1	#1	#1	#1	#1	#1

Market share among 8 Virtual Banks in HK²

Customer deposits
Rank #2

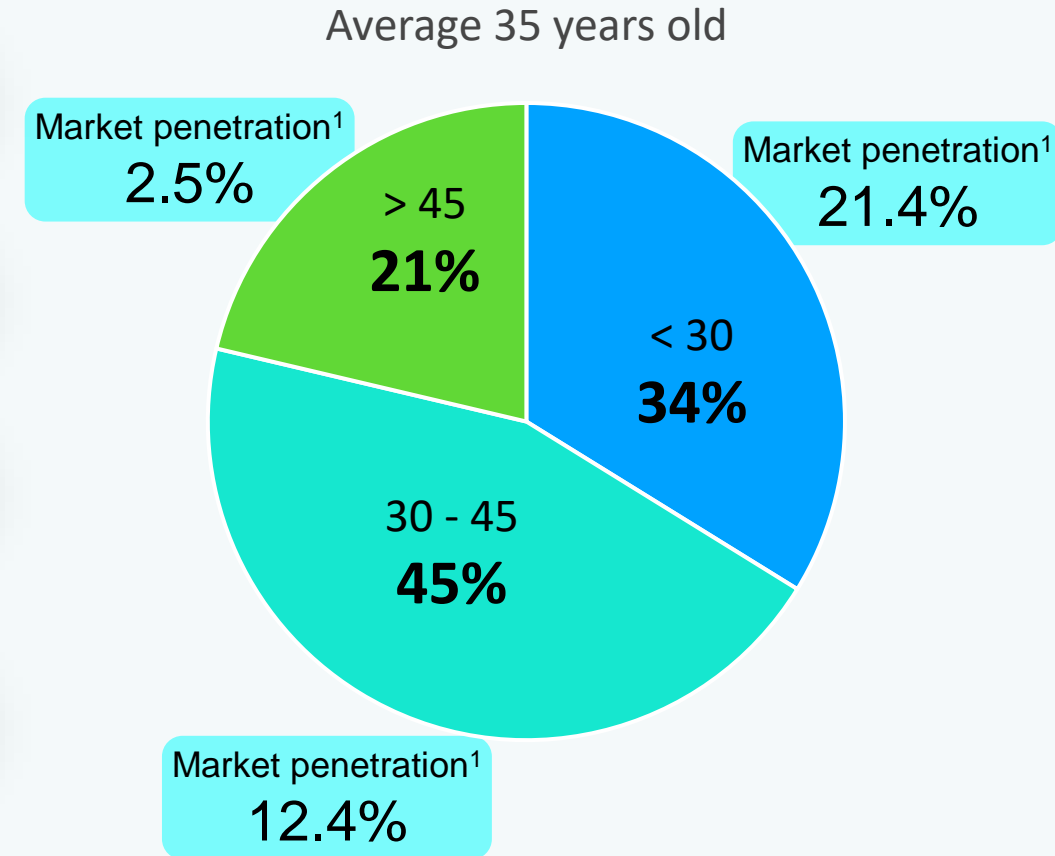
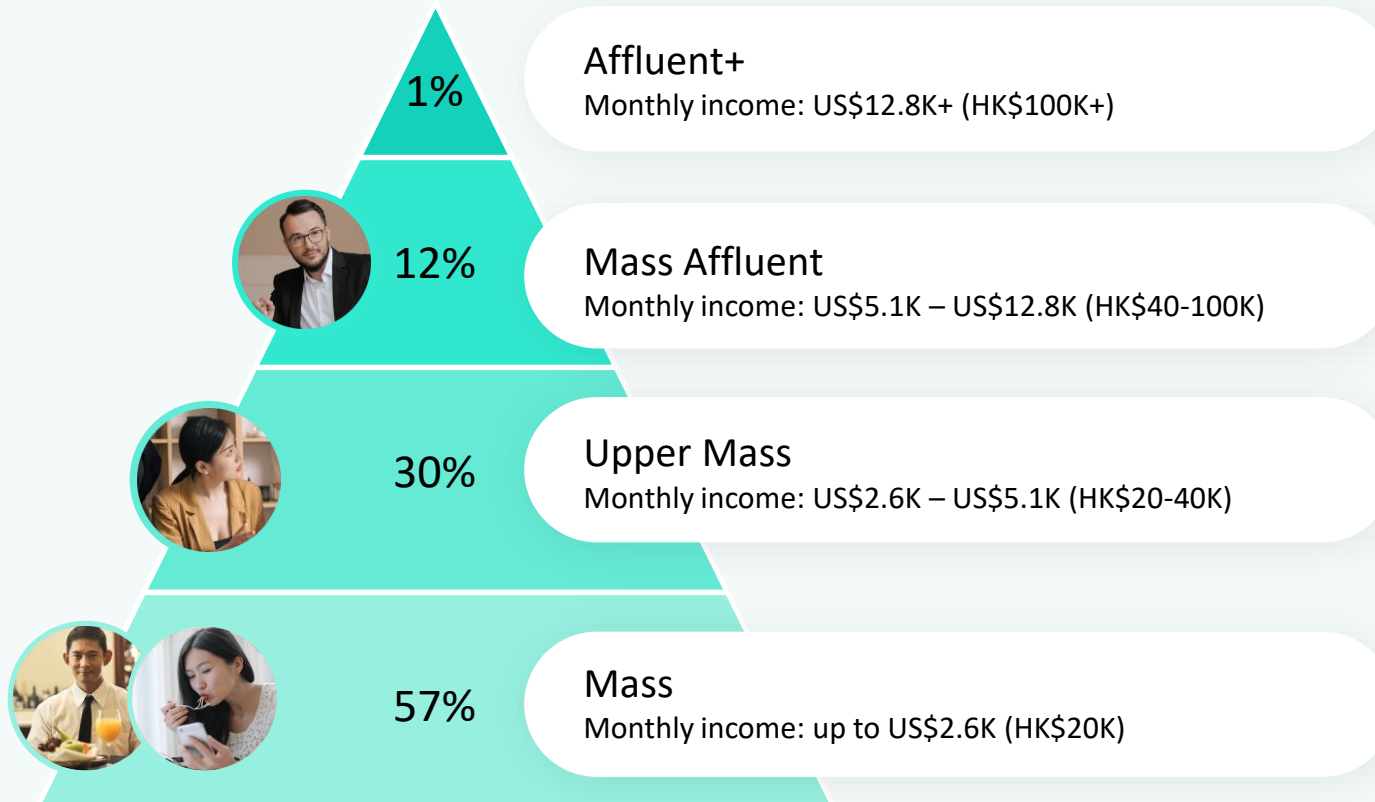


Loans and advances
Rank #1



Market share gains complimentary to the main bank

More than 1 in 5 people aged below 30 bank with Mox



Strong customer engagement driving main bank

~15x

Average number of logins
per month

3.2x

Average product and service
per customer¹

2min 47sec

Fastest time customer opened
account with Mox

73%

Customers' register Mox as Faster
Payment System (FPS) receiving bank

28%

% of customers with 4+ products and services¹
(i.e. Mox main bank behaviour)

62%

% of customers from joint venture
partners and existing customers

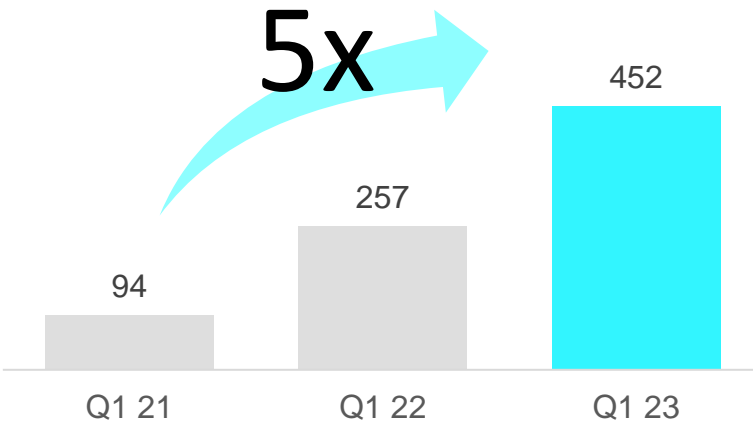
HKT[®]

PCCW[®]

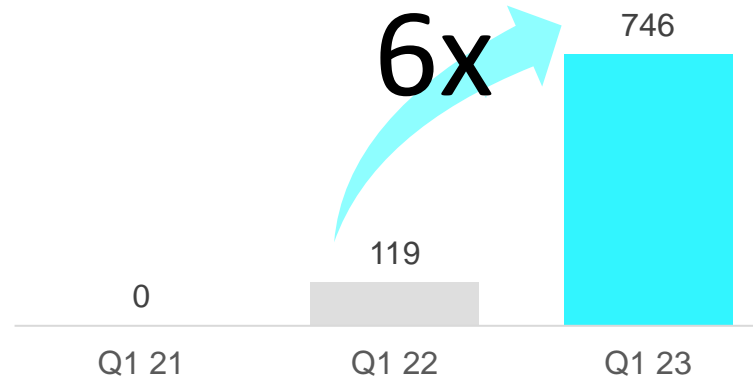
Trip.

Member-get- member

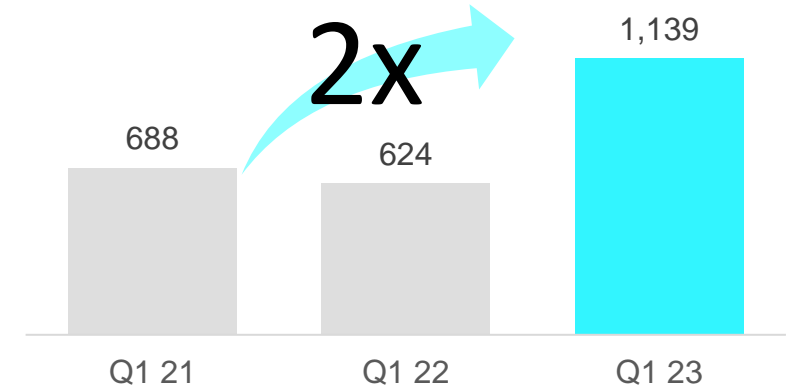
Path to Profitability



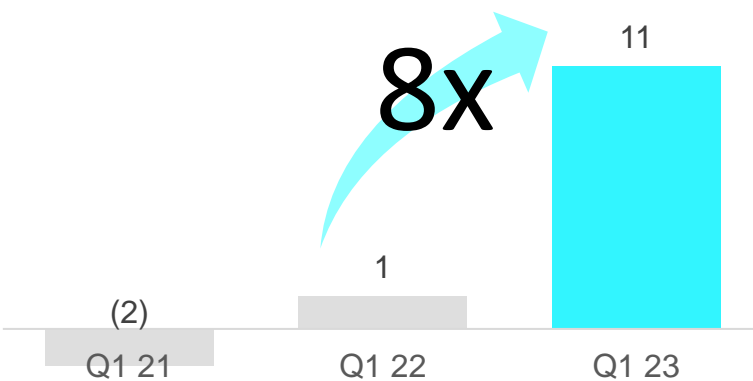
Customers Onboarded (000)



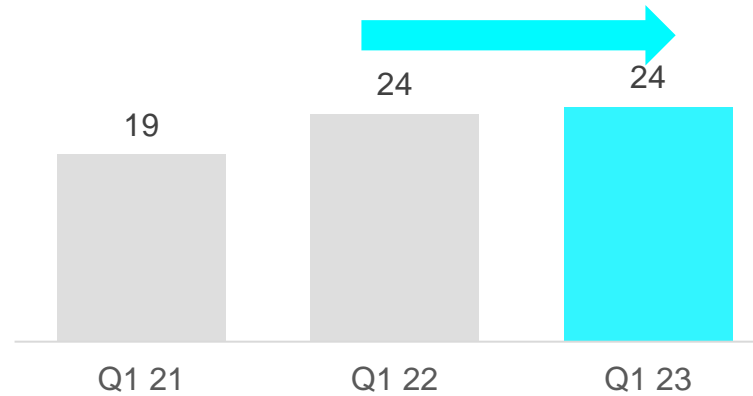
Customer Loans and Advances (US\$m)



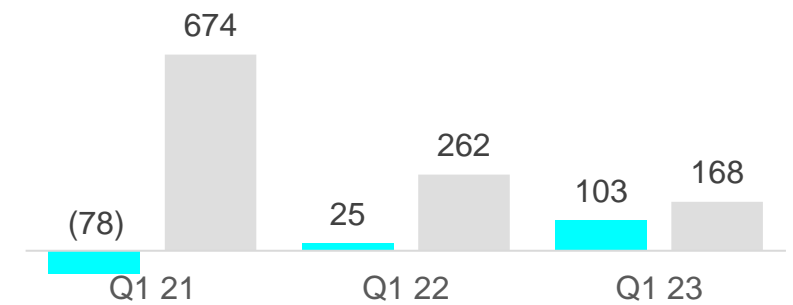
Customer Deposits (US\$m)



Income (US\$m)



Expenses (US\$m)



Annualised income / customer (blue)
Annualised cost-to-serve¹ / customer (grey)

Continuing to build features customers love



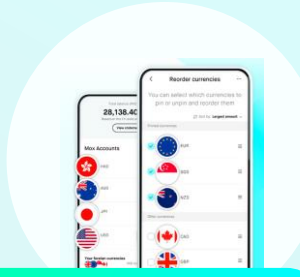
Smart banking

- Open account, Mox Credit and Loan within minutes from your phone
- Add money from other banks instantly
- Move money, request or send instantly using FPS
- Pay bills to over 900 organisations (Utilities, Government, etc)
- Refer friends & earn reward (MGM) or use PROMO codes
- Payroll services on FPS and ECG
- Customer Service: in-app chat, in-app call, phone, email



Smart Borrowing

- Instant Loan
- Split Purchase
- Merchant Split Purchase
- Split Statement
- Instant Clear (transfer external credit card bills to Mox to repay in instalments)



Smart Saving

- Asia's first numberless all-in-one bank card
- Asia's first "flip" feature to spend on credit or debt with same card
- Digital wallets - Apple Pay and Google Pay
- Scratch cards to earn additional rewards
- Update daily spending limits and Card PIN instantly from the app
- Real-time spending insights to help with budgeting and overspending



Mox Credit

- Instant application decision. No fee.
- Pay bills from Mox Credit
- Transfer from Mox Credit
- Cash advance
- Global ATM services
- HKT Autopay Switch to effortlessly move HKT bills to Mox



Smart Spending

- Daily interest paid into your account on HKD
- 24/7 time deposits from as low as HKD1 with no early withdrawal fee
- 24/7 currency exchange at mid-market rate
- Personalized savings goals with Goal accounts
- Mox Bonus – behavioural deposit rate to unlock higher interest rates
- Savings calculator to help you achieve your goals
- Personalised time deposit pricing

Mox Invest

Upcoming in 2023

- US and Hong Kong stock trading
- Yield enhancement fund
- Mutual fund: Single fund trading
- ... and more

+ Significant potential GBA opportunities

Key Messages

1

A unique customer experience at a lower cost-to-serve

HKT[®]  PCCW[®] Trip.com

2

A scalable and portable tech stack and know-how

3

Setting the global benchmark; targeting profitability in 2024

Notes

These notes refer to the metrics and defined terms on the following pages



Page	Explanatory note or definition
83	<ol style="list-style-type: none"> Based on the net recommendation score from YouGov's Hong Kong BrandIndex banking and payment sector survey of 5,600 aged 18+ respondents between 1 January and 30 June 2022 Mox is the #1 rated bank in Hong Kong by Net Promoter Score and the #1 rated virtual bank app in Apple App Store (4.8/5) and Google Play Store (4.6/5) in Hong Kong (as of 27 April 2023) Based on a research done by Human8 in December 2022 by comparing NPS among all virtual banks plus four main traditional banks in Hong Kong Awards won by Mox since 2020 <div> <div> Award Organisation Global Brand Awards World Economic Magazine e-Zone The Asian Banker Asian Banking and Finance World Economic Magazine Marketing-interactive: MARKies Award 2022 https://awards.marketing-interactive.com/markies-hk/winners/ IDC Financial Insights Innovation Awards The Asset Triple A Digital Awards 2022 2022 Digital CX Awards by <u>The Digital Banker</u> EDigest Brand Awards 2022 </div> <div> Award Name 2023 Innovative Digital Bank of the Year - Hong Kong World Economic Magazine Award 2023 - Best Digital Bank Hong Kong 2023 e-Brand Award - The Best Virtual Bank Financial Technology Innovation Awards 2022 - Best Core Banking Implementation for Small Bank Virtual Bank of the Year - Hong Kong Credit Card Initiative of the Year - Hong Kong World Economic Magazine Award 2022 - Best Mobile Banking Hong Kong 2022 1.Best Idea – Launch/Rebranding: Gold 2.Best Idea – Branded Content: Silver 3.Best Idea – Video: Silver 4.Best Use of Content: Bronze 5.Best Use of Integrated Media: Bronze Asia's Best in Infrastructure Modernisation (for the initiative of Taking Mox Bank live with Vault) Best Retail Mobile Banking Experience Outstanding Digital CX Strategy by a Virtual Bank Best Product in Virtual Bank App </div> </div>

Notes

These notes refer to the metrics and defined terms on the following pages



Page	Explanatory note or definition	
83	Award Organisation Mastercard Sia Partners Communications Association of Hong Kong (CAHK) YouTube NowTV HK 01 eDigest Price.com AVA Awards AVA Awards Celent Model Bank GDUSA Webby Webby Digital CX Awards Digital CX Awards 2021 International Business Awards Fast Company Honoree World Business Outlook World Business Outlook Global Finance Global Finance	Award Name 1. New Mastercard Product Launch: Mox Debit Plus with all in one credit and debit flap - Hong Kong 2.Highest Market Share Debit Card Spend - 1st Runner Up - Hong Kong 3.Highest Market Share Consumer Card - 1st Runner Up - Hong Kong 4.New Service Launch: Revolver Analysis - Hong Kong Best Mobile Banking App in Hong Kong and Asia - Sia Partners 2021 International Mobile Banking Benchmark CAHK STAR Award 2021 - TGT Best FinTech Award (Bronze Award) YouTube Works Awards Hong Kong 2021 - Better Together! BNC Leadership Business Award 2021 - Best Virtual Banking Services award FinTech Awards (01 金融科技卓Lk獎) - Virtual Retail Banking Service Best brand award - Virtual Bank experience Price Consumer Choice Award 2021 Platinum Award Gold Award 2021 Retail Digital Banking Award Package Design Awards Webby Honoree Webby Nominee 2021 Winner - Outstanding Digital CX in Banking App Platform 2021 Highly Acclaimed: Outstanding Digital CX Strategy - Overall Gold Stevie Winner The best-designed finance projects of 2021 Best Digital Bank Hong Kong 2021 Best Retail Bank Hong Kong 2021 Best Bill Payment & Presentment Best Open Banking APIs

Notes

These notes refer to the metrics and defined terms on the following pages



Page	Explanatory note or definition	
83	Award Organisation	Award Name
	IDC	2021 IDC Future Enterprise Awards HK - Future Enterprise of the Year
	MarCom	Digital Media - Website - Financial Services - Platinum
	MarCom	Digital Media - Mobile App/Web - Banking - Gold
	IDC	IDC Digital Transformation Awards - Gamechanger for Hong Kong
	CSS Design Awards	Best UI Design
	CSS Design Awards	Best UX Design
	CSS Design Awards	Best Innovation
	Global Brand Awards	Fastest Growing Retail Banking Brand in Hong Kong
	Horizon Interactive	Best in Category in Websites - Bank / Finance
	Horizon Interactive	Gold in Mobile Apps - Business
	Horizon Interactive	Gold in Video - Motion Graphics / Effects
	5. Mox is on Forbes' World's Best Banks 2023	
84	1. TransUnion Unsecured Lending Market Update (April 2023)	
	2. Full Year 2022 published financial accounts of the eight virtual banks in Hong Kong	
85	1. Estimate based on Census and Statistics Department, March 2023 version (Hong Kong population aged 20-29 = 720K, aged 30-45 = 1.65m, and aged 45+ = 3.5m)	
86	1. Maximum 12 products and services including 1) Savings Account, 2) Goals Account, 3) FX, 4) Bill payments, 5) Fund transfers, 6) Payroll, 7) Debit Card / Credit Card, 8) Cash advance, 9) Instant Loan, 10) Split Purchase / Merchant Instalment, 11) Instant Clear and 12) Time deposits	
87	1. Cost-to-serve = Total operating expenses less marketing and build expenses	

Selected technical and abbreviated terms



Term	Definition
ADR	Advances-to-Deposits ratio
AIBL	Average interest-bearing liabilities
AIEA	Average interest-earning assets
AUI	Assets Under Influence
AUM	Assets Under Management
bps	Basis points
CASA	Client current accounts and savings accounts
CBD	Central Business District
ccy	A performance measure on a constant currency basis is presented such that comparative periods are adjusted for the current year's functional currency rate
CCIB	The Group's Corporate, Commercial & Institutional Banking client segment
CDP	Carbon Disclosure Project
CET1	Common Equity Tier 1 capital, a measure of CET1 capital as a percentage of RWA
CG12	Credit Grade 12 accounts. Credit grades are indicators of likelihood of default. Credit grades 1 to 12 are assigned to performing customers, while credit grades 13 and 14 are assigned to non-performing or defaulted customers
CGB	China Government Bond
CIPS	Cross-Border Interbank Payment System
CIR	Cost-to-Income ratio
C&O	Central & Others segments
CPBB	The Group's Consumer, Private & Business Banking client segment
CRE	Commercial Real Estate
CTC	Corporates Treasury Centres
CVP	Customer Value Proposition
DPD	Days-Past-Due: one or more days that interest and/or principal payments are overdue based on the contractual terms
DVA	Debit Valuation Adjustment: the Group calculates DVA on its derivative liabilities to reflect changes in its own credit standing
EA (NPP) / Early Alerts	Early Alerts: a non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring or attention by management
EM	Emerging Markets
E&S	Environmental and Social
FI	Financial Institutions, e.g. banks, insurance companies, funds, brokers
FM	The Group's Financial Markets business
FVOCI	Fair value through Other Comprehensive Income

Term	Definition
GCC	Gulf Cooperation Council
GCNA	Greater China and North Asia
GDP	Gross Domestic Product
GFANZ	Glasgow Financial Alliance for Net Zero
HNWIs	High-Net-Worth Individual
IEA	International Energy Agency
IRoRWA	Annualised income return on risk weighted assets
L&A	Loans & Advances to customers
LCR	Liquidity Coverage Ratio
Loan-loss rate (LLR)	Total credit impairment for loans and advances to customers over average loans and advances to customers
LPR	Loan Prime Rate
M&M	Metals and Mining
MREL	Minimum requirement for own funds and eligible liabilities
MTCO2e	Metric tons of carbon dioxide equivalent
n.a.	Not applicable
Network activities	Corporate and institutional banking services offered to clients utilising the Group's unique network in 59 markets
Net nominal	Net Nominal is the aggregate of loans and advances to customers/loans and advances to banks, restricted balances with central banks, derivatives (net of master netting agreements), investment debt and equity securities, and letters of credit and guarantees
NFI	Non-Funded Income
NGFS	Network of Central Banks and Supervisors for Greening the Financial System
NII	Net Interest Income
NIM	Net Interest Margin: net interest income adjusted for interest expense incurred on amortised cost liabilities used to fund the Financial Markets business, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss
Nm	Not meaningful
NPS	Net Promoter Score
NTB	New to bank clients
NZBA	Net-Zero Banking Alliance
PBT	Underlying profit before tax
PCAF	Partnership for Carbon Accounting Financials
PPOP	Pre-Provision Operating Profit: income net of expenses but before impairments
PRP	Performance related pay

Selected technical and abbreviated terms



Term	Definition
P&L	Profit and Loss
RTC	Regional Treasury Centres
SDG	Sustainable Development Goals
SDR	Special Drawing Rights
SF	Sustainable Finance
SHIBOR	Shanghai Interbank Offered Rate
SME	Small and Medium Enterprises
SOE	State-owned enterprises
QoQ	Quarter-on-Quarter change
RoTE	Return on Tangible Equity: The ratio of the current year's profit available for distribution to ordinary shareholders to the weighted average tangible equity, being ordinary shareholders' equity less the average goodwill and intangible assets for the reporting period. Where a target RoTE is stated, this is based on profit and equity expectations for future periods
RWA	Risk-Weighted Assets are a measure of the Group's assets adjusted for their associated risks
TCFD	Task Force on Climate-Related Financial Disclosures
TD	Time deposits
tn	Trillion
Underlying RoTE	The ratio of the current year's profit available for distribution to ordinary shareholders plus fair value movements through other comprehensive income relating to the Ventures segment to the weighted average ordinary shareholders' equity for the reporting period.
WM	The Group's Wealth Management business
Ventures	SC Ventures + Mox + Trust
YoY	Year-on-Year change
YTD	Year-to-date
%pt	Percentage point

Important Notice



The information included in this document may contain “forward-looking statements” based upon current expectations or beliefs as well as statements formulated with assumptions about future events. Forward-looking statements include, without limitations, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, ESG commitments, ambitions and targets). Forward-looking statements often use words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “aim”, “continue” or other words of similar meaning. Forward-looking statements may also (or additionally) be identified by the fact that they do not relate only to historical or current facts.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, the Group’s plan and objectives, to differ materially from those expressed or implied in the forward-looking statements. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

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