

ASEAN Banker's Conference 2018

Jakarta, 3-4 May 2018



Dear Participant of ASEAN Banker's Conference (ABC) 2018,

Welcome to Jakarta!

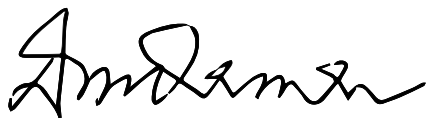
We are very excited about your presence at our 3rd ASEAN Banker's Conference. We fondly call this ABC which has become a regular Annual event for us. We started in Bangkok back in 2016, held our event last year in KL & now we have gathered here in Jakarta for our 2018 event. We have close to 80 Bankers from 39 different Financial Institutions from ASEAN member countries.

ABC gives us a platform to talk about Correspondent Banking – both on Product and Compliance front. And as we all are well aware, there's a lot happening on both areas. We have planned this 2 day event around the same theme.

We hope ABC 2018 will be a great Networking opportunity given the number & diversity of participants. So let's meet and greet as many fellow bankers as possible and exchange our experiences in next 2 days.

On behalf of all my colleagues, I would like to warmly welcome you all in Jakarta again. Local team has worked very hard in last several weeks to make this event a success. But despite all our efforts we know there will be flaws. So let me apologise in advance if there are any errors or inconvenience anywhere.

Thank you very much for taking the trouble to join our event. We hope you will find this short trip a useful and enjoyable one.



Dewan Masud Qamar

Head of Correspondent Banking, ASEAN
On behalf of the ABC 2018 organising team

Dewan Masud Qamar

Head of Correspondent Banking, ASEAN
Standard Chartered Bank Singapore



Qamar manages Correspondent Banking (Clearing & Trade) business for Bank clients across ASEAN region. He has over 20 years of banking experience across FI Relationship Management, Transaction Banking product & sales.

Qamar started his career with Citibank in Bangladesh as an FI Relationship Manager in 1996, joined Standard Chartered Bank Bangladesh in 1998 and subsequently moved on to Head the FI business. In 2005 Qamar moved to Singapore and took up Regional US\$ Clearing role for Asia.

Qamar has a Bachelor of Electrical Engineering (BE) and a Masters in Business Admin (MBA) degree.

Qamar is based in Singapore. He is blessed with 3 daughters and enjoys travelling across the globe with family.

Michael Sugirin

Head of Open Account and Trade Implementation
Transaction Banking
Standard Chartered Bank



Michael Sugirin is the Managing Director & Global Head, Open Account Trade & Trade Implementation at Standard Chartered. This role spans across supply chain finance, receivable and commodity financing.

Prior to this role, Michael was the Head of Transaction Banking in Indonesia at Standard Chartered Bank Indonesia. Michael is a 20 year transaction banker veteran with extensive experience in management, sales and product development. Michael has worked in Jakarta, Singapore and New York.

e: Michael.Sugirin@sc.com

Haze Heng

Head Sanctions, Asean and South Asia

Standard Chartered Bank



Miss Haze Heng is an Executive Director and our current Head of Sanctions Compliance for Standard Chartered Bank, covering the ASEAN and South Asia region. Based in Singapore, her role primarily focused on sanctions compliance risk management, the implementations of sanctions controls and sanctions advisory matters for the region.

Miss Heng has over 10 years of AML/ Sanctions compliance experience whereby in her previous roles, her primary responsibilities include developing and implementing controls around the Regional AML

and Sanctions Compliance framework for the Asia Pacific region. She has diverse exposure across wealth management, Retail Banking, and institutional banking.

e: Haze.Heng@sc.com

Vipin Vashishtha

Global Head – Trade Asset Sales & Syndication
Capital Structuring and Distribution Group
Standard Chartered Bank



Vipin has extensive experience in Trade Finance space through roles across Trade Distribution, Products, Strategy and Operations. Vipin has almost 20 years of diverse experience through stints in Banking and Strategy & Process consulting across a wide set of industries such as Financial Services, Automotive, Oil & Gas, Logistics, FMCG. He has been with Standard Chartered for over 10 years and is currently focused on distribution and syndication of trade finance assets globally, enabling solutions to serve the clients better.

Vipin holds an MBA from IIM, Bangalore, and a bachelor's degree in Mechanical Engineering. He is a board member of South East Asia Regional Committee of ITFA (International Trade & Forfeiting Association).

e: Vipin.Vashishtha@sc.com
w: www.linkedin.com/in/vipinvash

Shirish WADIVKAR

Managing Director, Global Head - Correspondent Banking Products
Transaction Banking
Standard Chartered Bank



Currently the Global Head of Correspondent Banking Products, Shirish has extensive experience in the last nine years to deliver value added payment & collections propositions across wide spectrum of institutional and individual clients of the bank.

Shirish has 18 years' of experience as a multi-region, multi-product professional. He has been with Standard Chartered for over 14 years and has worked in emerging markets of India, Middle-east, Sub-Saharan Africa and Asia.

Creating and nurturing new franchise opportunities through emergent-

technology and strategic alliances are areas of passion. He is currently focused on delivering commercial applications of Distributed Ledger Technology.

He is a MBA from XLRI Jamshedpur, India with a bachelor's degree in Industrial Engineering. Together with his spouse; an educator with a deep professional background in social work; they are raising an 11-year-old.

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w: www.linkedin.com/in/shirishw

Aldian Taloputra

Economist

Standard Chartered Bank Indonesia



Aldian Taloputra is Economist at Standard Chartered Bank, Indonesia.

Before joining Standard Chartered Bank in December 2015, Aldian was Chief Economist at Mandiri Sekuritas for eight years, since he joined in February 2007. He provides economic and market analysis and often invited as speakers in several forums.

Aldian started his career in, as Research Economist at International Monetary Fund in Jakarta where he had great opportunity to involve in policy assistance to government

and Bank Indonesia and act as the on-the-ground resource for the fund.

Aldian earned his Master degree on Public Policy Analysis from National Graduate Institute for Policy Studies in 2004, and a Bachelor degree from Economic Faculty of University of Indonesia in 2000. From time to time, Aldian writes articles for Bisnis Indonesia while his comments are regularly quoted by both domestic and international media, such as Kompas, Bisnis Indonesia, Bloomberg, Reuters.

Juliana Nehat (Lily)

Country Head, Financial Crime Compliance

Standard Chartered Bank Indonesia



Juliana (Lily) Nehat re-join FCC SCB Indonesia since Aug 2016 after 5 years back joining Indonesia local bank CIMB Niaga as AML Head.

Lily has started her career at AML/CTF world since she was still with American Express Bank in 2000. Her first job was a CDD advisor for Retail, Corporate Banking & Private Banking. She then moved to SCB Indonesia when SCB Indonesia was acquiring Amex Bank in 2008 and spent the career until 2011 before she decided to join CIMB Niaga. She has an honor degree in economy and holds ACAMS certification.

Now she is the Country Head of FCC Indonesia supervising implementation of AML/CTF, Sanctions & ABC at SCB Indonesia.

Dyza Rovina

Head of Executive Office Division and Corporate
Secretary of Indonesia Eximbank



Born in Jakarta on December 1st 1971. Graduate from Magister Management of Monetary and Banking, Universitas Indonesia and started her career at Indonesia Eximbank (previous- PT Bank Ekspor Indonesia) in 1999.

She has various experiences and positions in International Division, Risk Management and Strategic Planning Division and Human Resources Division of Indonesia Eximbank. She is currently Head of Executive Office Division and Corporate Secretary which area of secretariat and protocol, communication, external affairs and change management are under her supervision.

Laetitia Moncarz

Director Payments Markets, ASEAN Region



Laetitia Moncarz is a Director for Payments Markets with the ASEAN countries. Her main focus is on SWIFT's strategic payments initiatives related to Correspondent Banking, Renminbi Internationalization and Intraday Liquidity.

Laetitia has undertaken various positions in the banking and consulting industries. Prior to join SWIFT, she was the Head of Correspondent Banking for Asia-Pacific at BNP Paribas Singapore, where she was responsible for correspondent services for Asian currencies as well as services provided by correspondent banks to BNP Paribas Asian entities. Her main focus was on the RMB development where she represented BNP Paribas at the RMB working group organised by the Monetary Authority of Singapore (MAS).

Previously, Laetitia worked for Coface, an Export Credit Agency in Singapore where she was in charge of Marketing & Commercial operations.

Before moving to Singapore 10 years ago, Laetitia was consultant at KPMG and Atos Consulting in Paris where she was handling organisation and finance projects for the Public sector and government entities.

About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,800 banking organisations, securities institutions and corporate customers in over 200 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

SWIFT

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Adrian Gunadi *Co-Founder & CEO*

Adrian completed his bachelor degree in Faculty of Economics in University of Indonesia and MBA at Rotterdam School of Management.

His last role was **Director of Retail Banking** at **Bank Muamalat Indonesia** — managing SME, consumer, micro, liabilities, and e-banking across 400 branches.

Trained as banker since the beginning, Adrian was all too aware with the difficulties of getting financial access from formal institution, he knew that there must be a better way. By creating Investree, he's putting all his banking experience to digitalize financial inclusion in Indonesia and help businesses and individuals.

Curriculum Vitae

Adrian has extensive network and relationship with financial institutions, SOE, private sector, and regulators in Indonesia. A Self-starter with a passion for building robust business model and technology. He has diverse experiences in product structuring, origination, credit, retail network, restructuring, and digital - branchless banking. He is also avid sports enthusiast with passion in running and golf. He finished some *world marathon majors*: NYC 2015, Chicago 2016, and Berlin 2017.

Co-Founder & CEO at Investree
October 2015 - Present

Managing Director, Retail Banking at PT Bank Muamalat Indonesia Tbk
June 2009 - September 2015

Head of Shariah Banking at PermataBank
2007 - 2009

Product Structuring at Standard Chartered Bank
2005 - 2007

Cash & Trade Product Manager at Citi
1998 - 2002



Curriculum Vitae

Education Background

Rotterdam School of Management, Erasmus University

Master of Business Administration (M.B.A.), Finance and Financial Management Services.

2002 – 2003

University of Indonesia

Bachelor Degree, Accounting.

1995 – 1999

Award

Indonesia's Endeavor Entrepreneur, London 2017

Organization

Vice Chairman Indonesian Fintech Association



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#semuabisatumboh



ASEAN Economic Outlook Growth in the fast lane

Aldian Taloputra, Indonesia Senior Economist

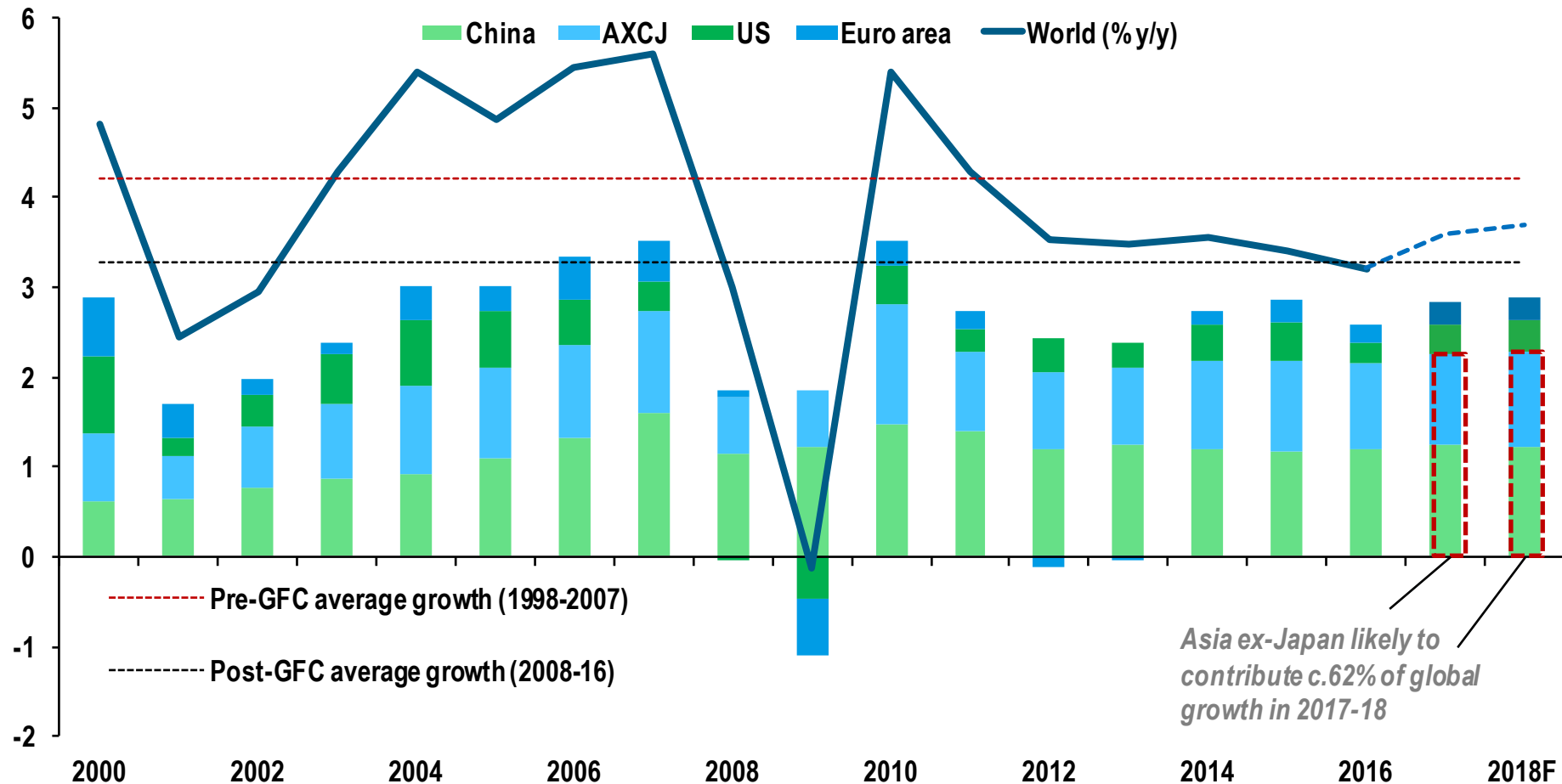
May 2018

If you are in scope for MiFID II and want to opt out of our Research services, please [contact us](#).

We forecast solid global growth of 3.9% in 2018

But we see little chance that global growth will recover to the 4.2% pre-GFC average

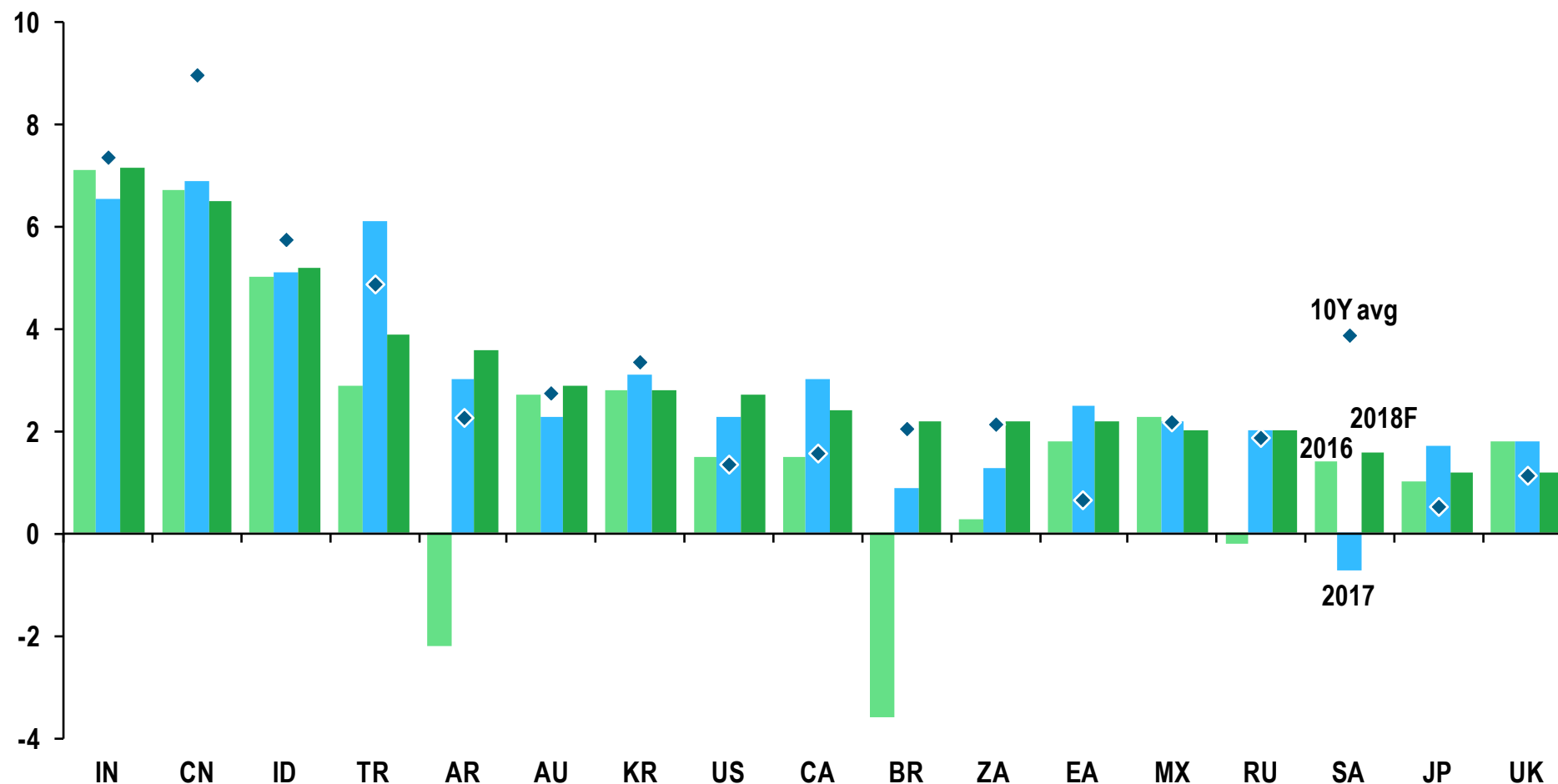
CN, EA, US ppt contributions to global growth; global GDP growth, % y/y



Asia ex-Japan likely to contribute c.62% of global growth in 2017-18

Global growth – a positive story

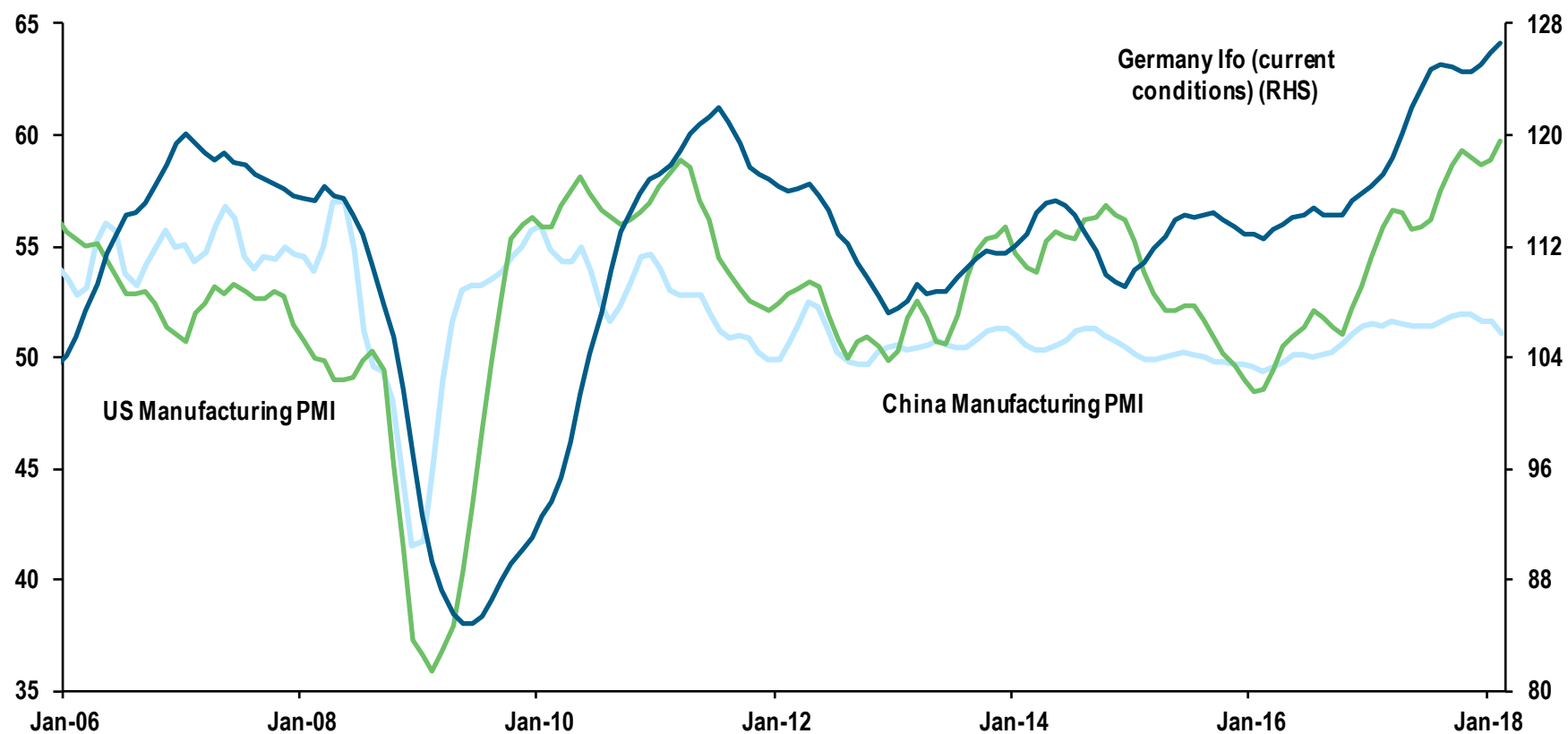
GDP growth is below 10Y average in developing economies but above 10Y average in advanced economies
G20 GDP growth, % y/y



Sentiment is priced to perfection, despite rising tail risks

Sentiment indicators have been at multi-year highs in the US and Europe

Indices, 3mma

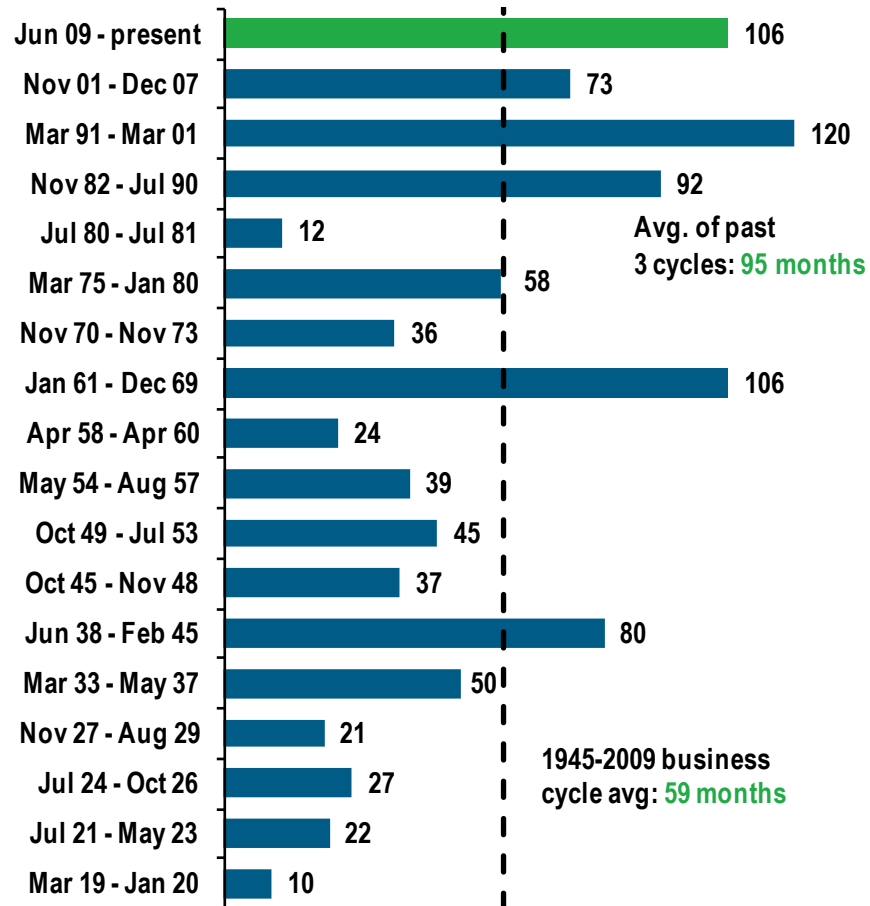


Source: Bloomberg, Standard Chartered Research

US – late cycle?

Average upswing chart

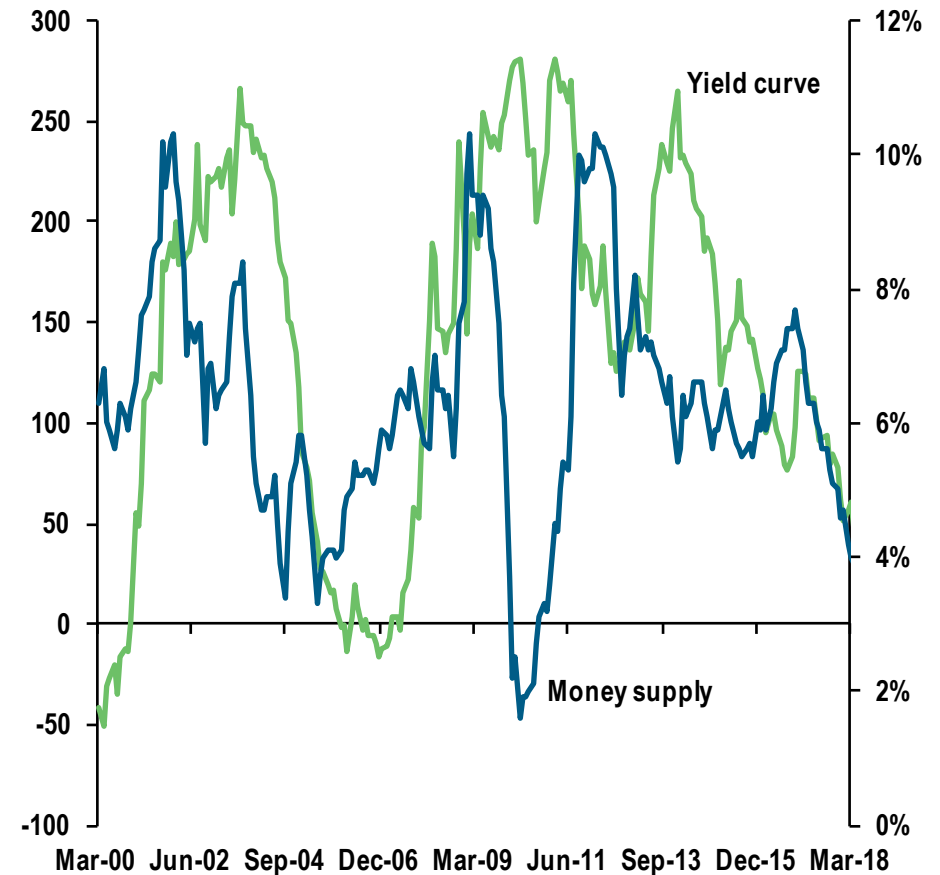
Number of month during the upward cycle



Source: Bloomberg, Standard Chartered Research

Yield curve, US M2 say we are late in the cycle

UST curve 10Y-2Y, bps (LHS) vs M2, % y/y (RHS)

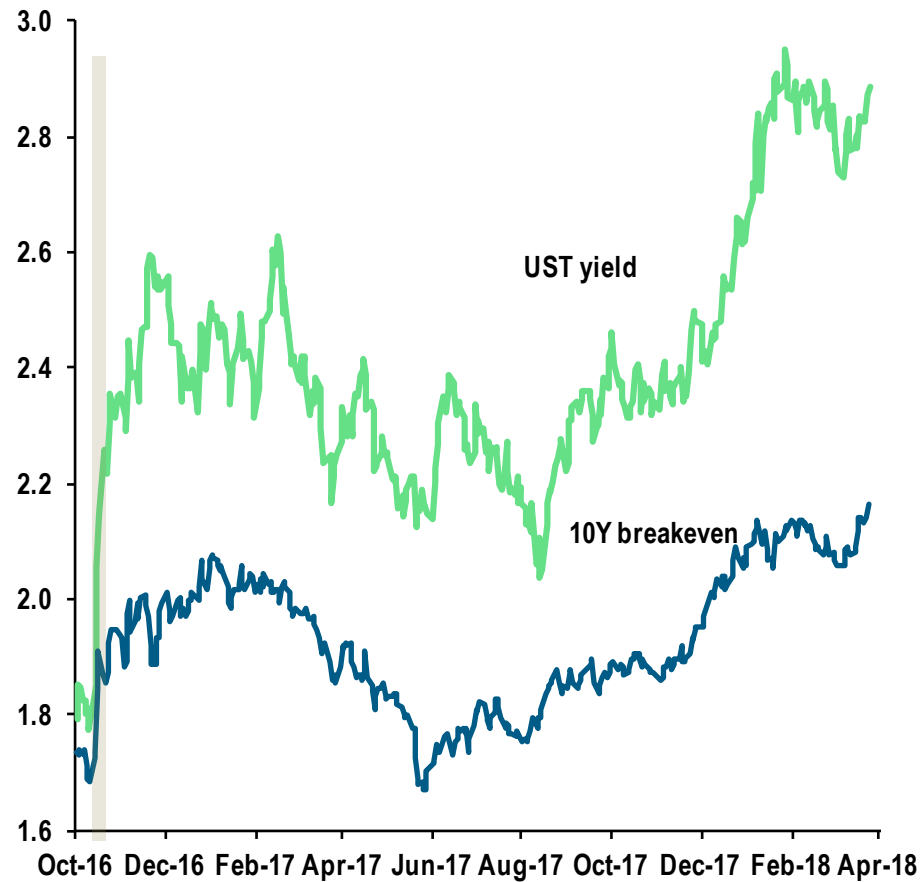


Source: Bloomberg, Standard Chartered Research

US – Looser fiscal policy and cautious Fed tightening

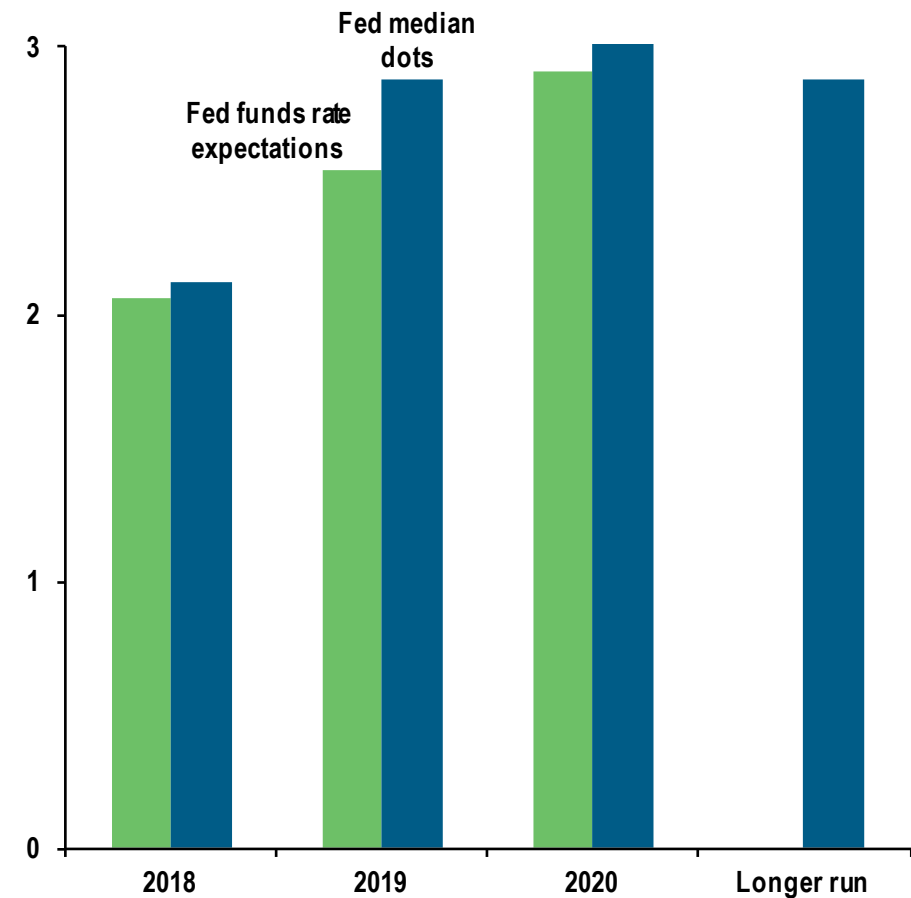
Second leg of the Trump reflation trade

Yield/spread, %



Market expectations still below Fed median dots

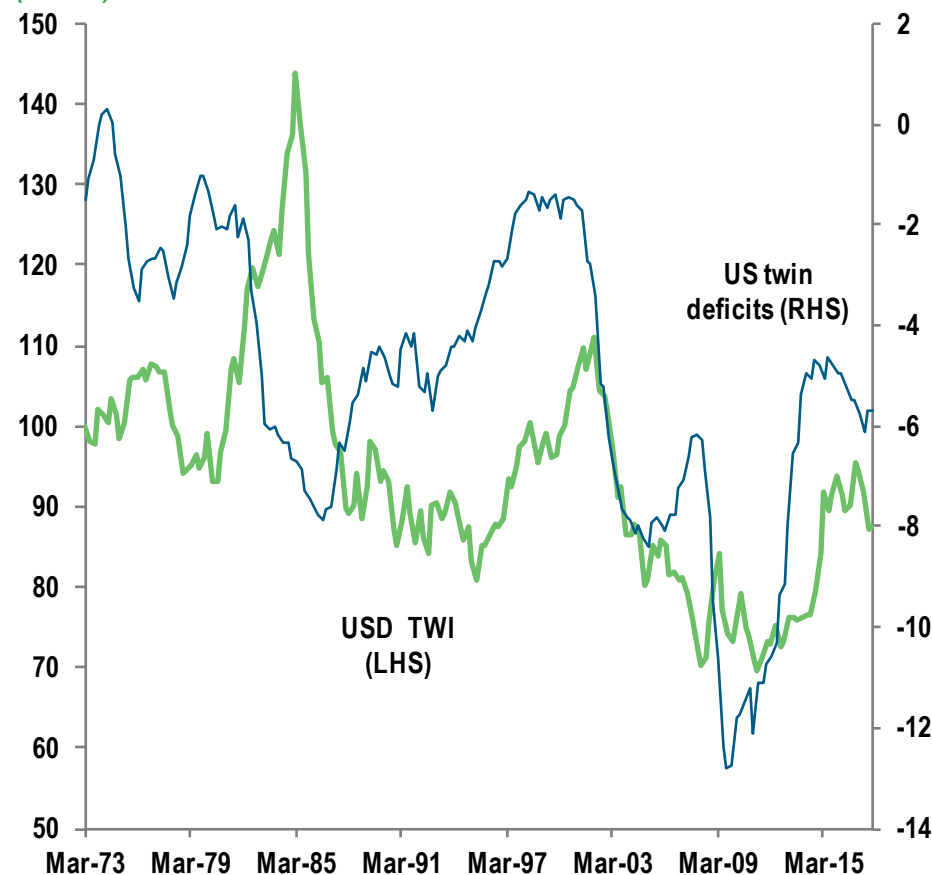
Rate, %



Fundamental factors driving the USD are changing

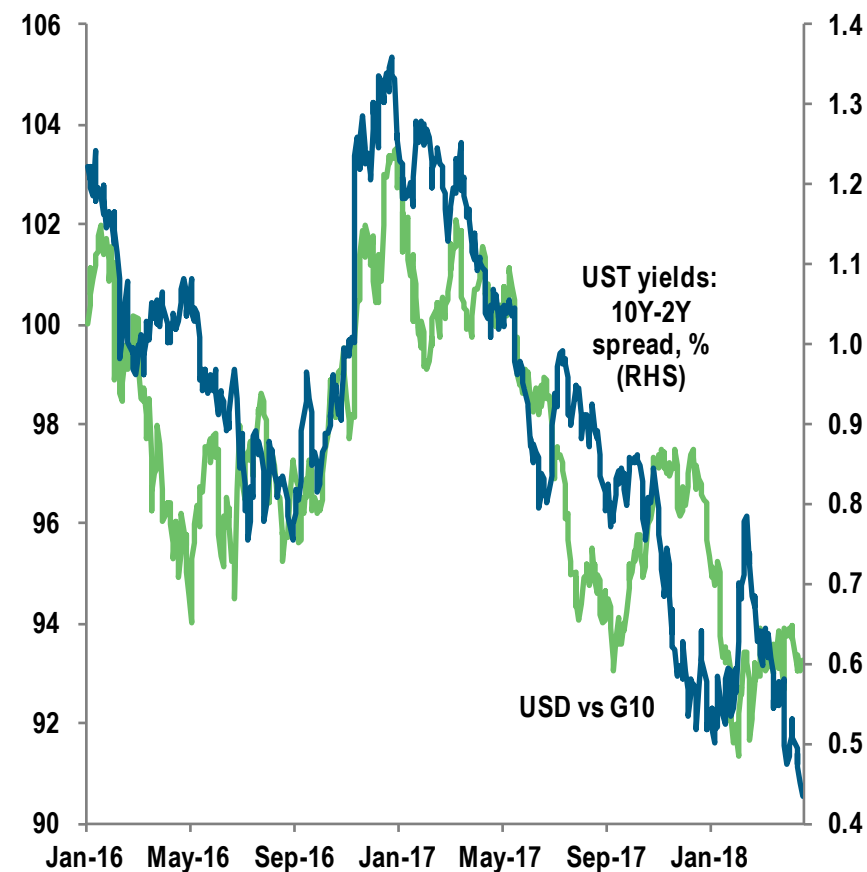
Focus back on the twin deficits

USD narrow TWI (LHS) vs US fiscal + C/A deficits, % (RHS)



The USD and the UST curve

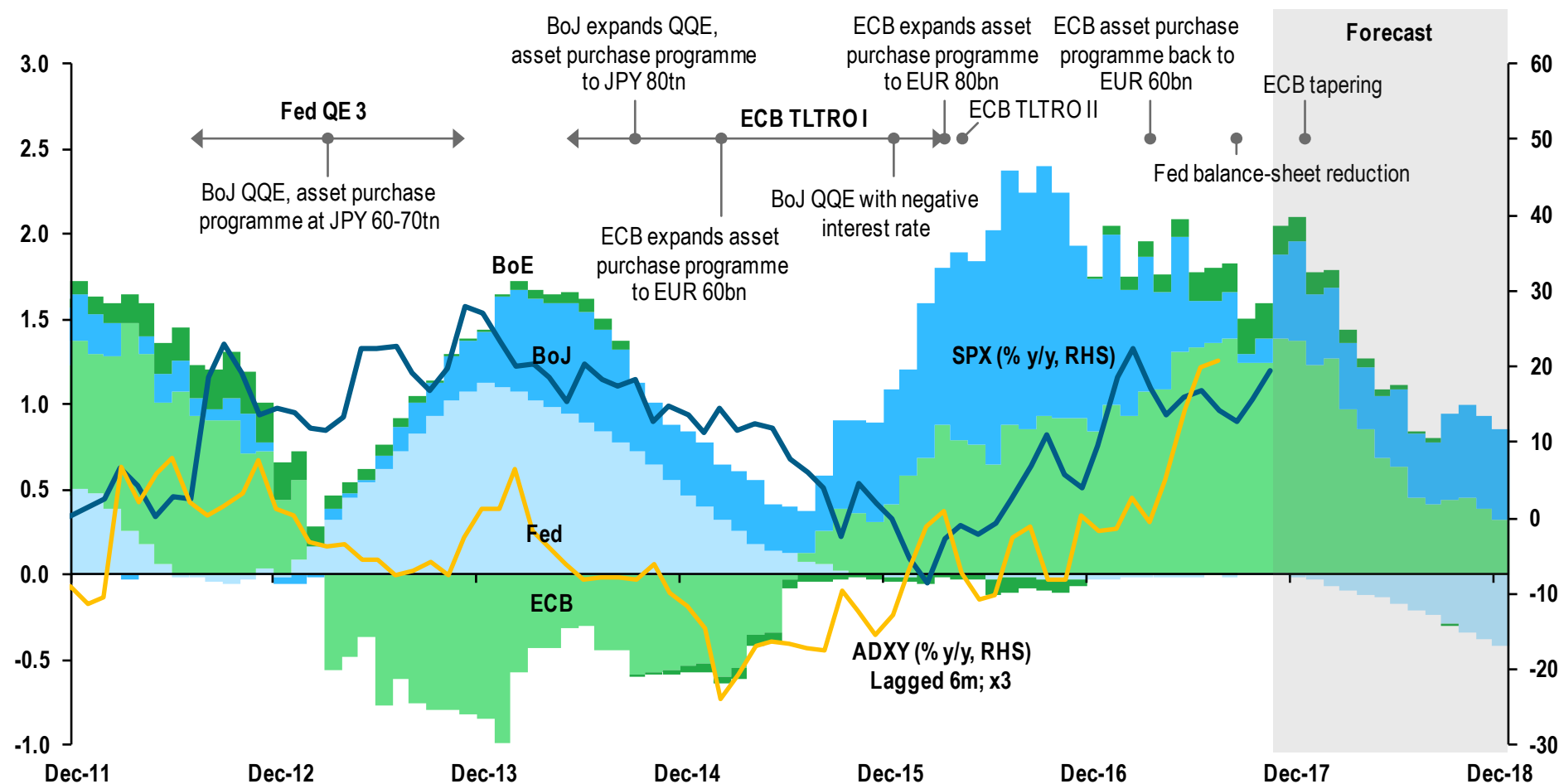
USD index vs UST curve, 10Y minus 2Y (bps)



Major central banks are likely to slow the pace of easing sharply

Major central banks' balance-sheet expansion to slow sharply in 2018, contract in 2019

Change in central bank balance-sheet size, y/y, USD tn (LHS); SPX index. % y/y (RHS)



Global risks: Leverage is high in some countries

Asia leverage heatmap – China's corporate sector debt ratio has stabilised, household sector debt growth is slowing; debt-servicing ratios improving for Malaysian households but worsening for Korean and Australian households

		CN	IN	ID	KR	MY	PH	TW	TH	HK	SG	AU	JP	US
Economy	Our overall leverage indicator		↓	↓	↓	↓	↓	↑	↓	↑	↑	↓		↓
	Total credit/GDP	246.7↑	136.1↓	68.0↑	221.6↑	240.5↓	100.3↑	141.5↑	195.6↓	324.7↑	311.1↑	250.3↑	394.3	243.8
	Credit-GDP growth spread (5-yr avg, bps)	653.8	-0.4↓	441.0↓	215.8	145.3↓	247.2↑	-42.0↓	166.2↓	688.4	344.0↑	357.5	40.1↓	36.1↑
> Private non-financial	Total borrowings/GDP	188.4↑	68.3↓	39.5↓	183.0↑	187.6↓	67.2↑	105.1↑	153.8↓	324.6↑	195.9↑	209.0	159.1↑	149.4↑
	DSR	17.9↑	8.8↓	4.3↓	20.1↑	13.3			10.0↓	28.0↑	19.6↑	21.3	14.5	14.8↑
– Corporate	Business borrowings/GDP	140.9	54.5↓	22.6↓	100.2↓	102.0	58.2↑	59.9↑	75.4	256.1↑	121.0↑	77.4↓	101.8↑	72.3↑
	Debt/Equity	79.2↓	90.7↓	66.3↓	54.0↓	57.0↑	92.5↑	48.4↓	73.4	55.5↑	65.9	61.7↑	66.0	
	EBITDA/Interest expense	6.9↑	4.1	8.0↑	12.4↑	7.5↓	6.4↑	19.7↑	11.6↑	12.5	6.1↓	6.1↓	26.2↑	
– Household	Household borrowing/GDP	47.5↑	13.8↑	16.9	82.8↑	85.6↓	9.0↑	45.2↑	78.4↓	68.6↑	74.8	131.6↑	57.2	77.2↓
	Borrowing/Household income	107.4↑	13.6↑	28.1↑	155.6↑	185.3↓	15.7↑	70.3↑	159.0↓	170.3↑	138.4↓	187.9↑	127.5	
	Debt service ratio	11.4↑	1.9↑	4.7↑	15.2↑	19.6↓	1.8↑	6.3↑	18.5↓	15.4↑	13.4↓	20.7↑	10.6↓	8.2
> Government	Government debt/GDP	58.3↓	67.8	28.5↑	38.6↑	52.9↓	33.1↓	36.4↓	41.8↓	0.1↓	115.3↑	41.3↑	235.3	94.4↓
	Int. payments/Govt. revenue	7.2↑	22.2↓	11.8↑	5.5↑	12.5↑	13.9↓	4.6↑	4.7↑	0.0↓	0.0	4.3↑	5.5↓	7.7
> Private financial	Tier 1 capital adequacy ratio	11.1	11.3↑	22.0↑	13.5↑	13.8	13.6	11.0↑	14.6↑	16.1↑	14.6↑	12.1↑	13.5↑	13.5↑
	Non-performing loans ratio	1.7↑	9.8↑	2.9↑	0.9↓	1.7	1.8↓	0.3↑	3.1↑	0.8↑	1.2↑	1.0	1.3↓	1.1↓
External debt	External debt/GDP	5.1↓	14.6↓	31.4↓	14.4↓	43.1↓	17.1↓	30.1↓	21.1↓	84.2↑	79.3	44.2↓	43.8↑	71.9
	Total Ext. debt (incl. fin. sector)/GDP	13.5	20.2↓	34.4↓	27.8↓	67.8↓	24.2↓		32.2↓	453.7↑	438.1↓	108.5↓	72.5↑	96.7
	FCY share of total external debt	61.0↑	60.6↑	79.0↑	71.0↑	66.0↑	91.3↑		68.9↑	93.0↑		26.0↑	35.0↑	
	External debt/FX reserves	0.2↑	0.9↓	2.5	0.6	1.3	0.6↓	0.4↓	0.5↓	0.7	0.9	10.5↓	1.8↑	333.3

↓ Slower

↑ Faster

Low

Moderate/sustainable

High

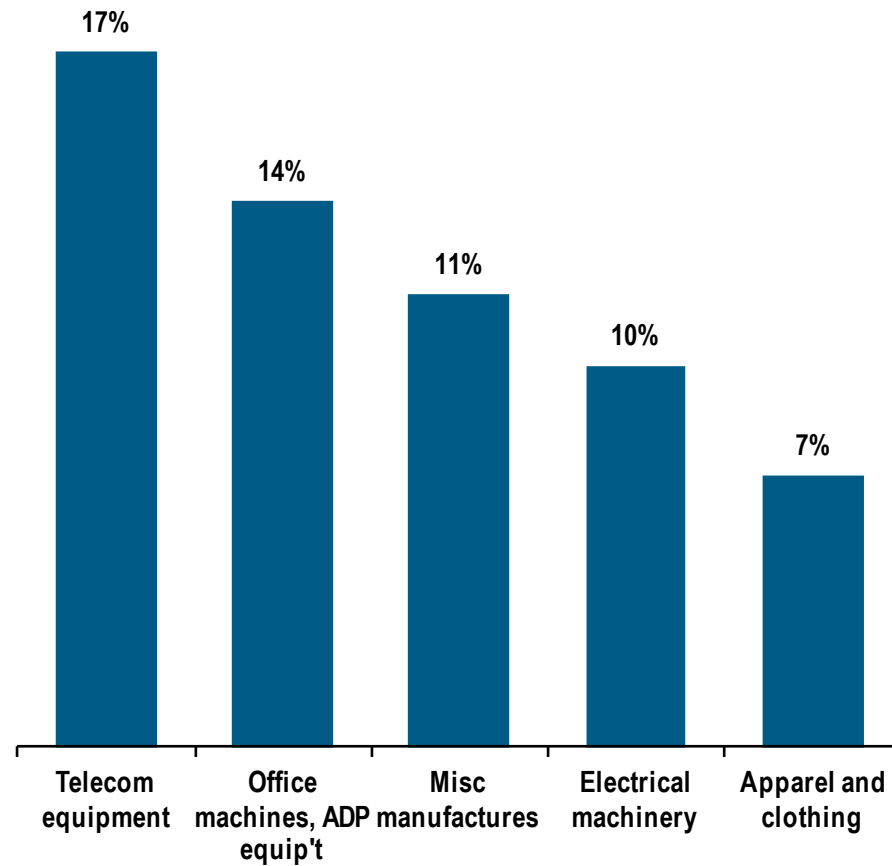
Note: Cell colours indicate leverage and potential stress. Arrows measure metrics growth with respect to trend. Metrics growing faster than their 3YMA are identified with an upward arrow (↑); those growing slower than the 3YMA are marked with a downward arrow (↓); thresholds for 'faster (↑)' and 'slower (↓)' are 3YMA +/- 0.5 standard deviations; * Equity ratios as of end-2016, all other numbers as of Q2-2017; # The difference between 5Y CAGR of credit growth and 5Y CAGR of nominal GDP growth. A difference of more than 500bps is our threshold for a red flag
Source: Bloomberg, CEIC, BIS, IMF, national sources, Moody's, Standard Chartered Research

Global risks: Trade protectionism – US and China

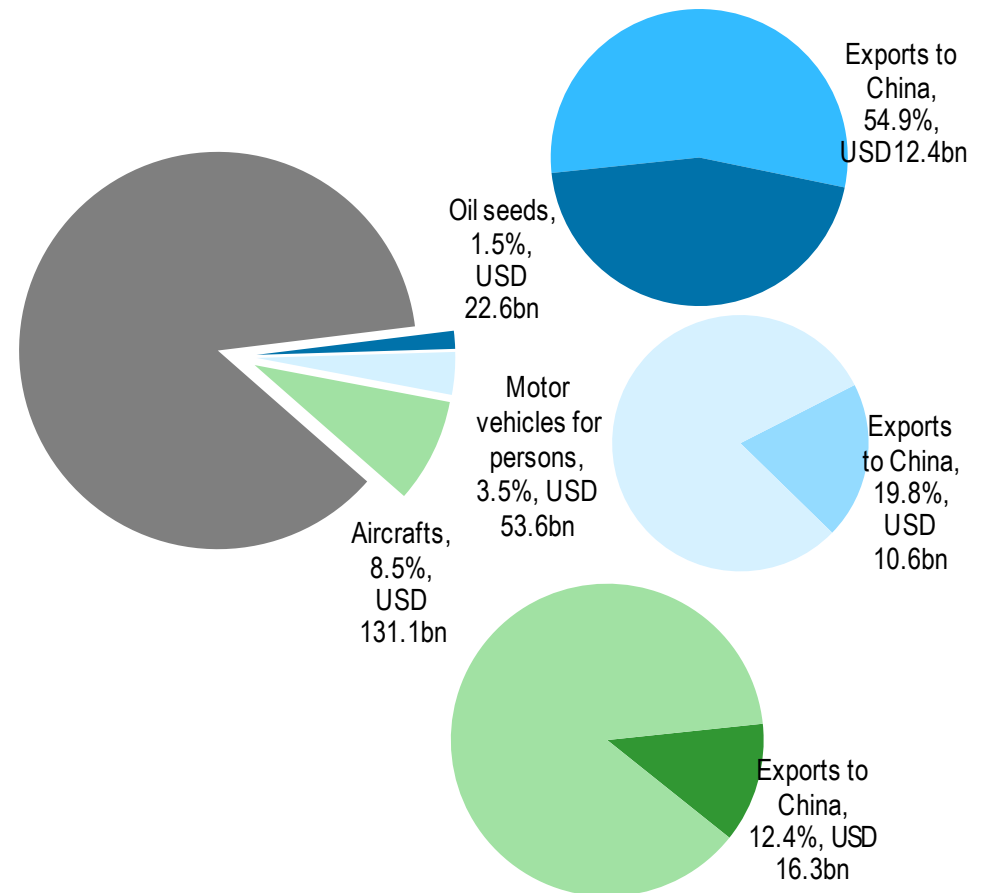
- US steel and aluminium tariffs: some US allies have secured temporary exemptions
 - EU, South Korea, Argentina, Australia, Brazil, Canada and Mexico.
- US 'Section 301' investigation: 25% duties on targeted Chinese products
- Affects some USD 50-60bn worth of Chinese products
- Could be June before tariffs take effect; investment restrictions within 60 days
- Impact could be 5% decline in Chinese exports, -0.15% of GDP
 - If US bans all imports of Chinese tech products impact is -1.3% of Chinese GDP
 - If US bans all direct and indirect imports from China, impact is -3.2% of Chinese GDP
- A measured response so far from China, set to affect USD 3bn of imports from US
 - If China bans all agricultural and transport equipment imports impact is -0.2% US GDP
 - If China bans all direct and indirect imports from the US, production could slow by 3-6%, impact is -0.9% of US GDP
 - Highest impact on US GDP from any hit to accounting and management consultancy, computer, electronic and optical, wholesale, chemical and non-vehicle industries

Trade protectionism - which industries?

Top 5 US imports from China
2016, % of total US imports

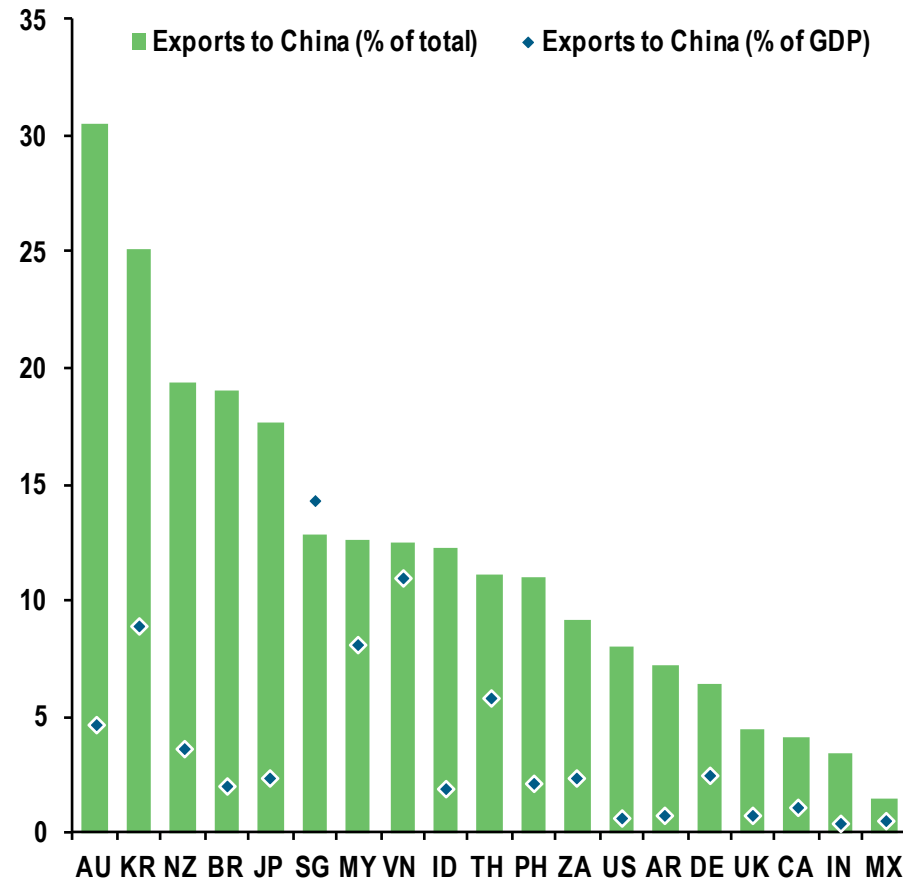


US exports to China vulnerable in a trade war
US exports, share of total and share going to China



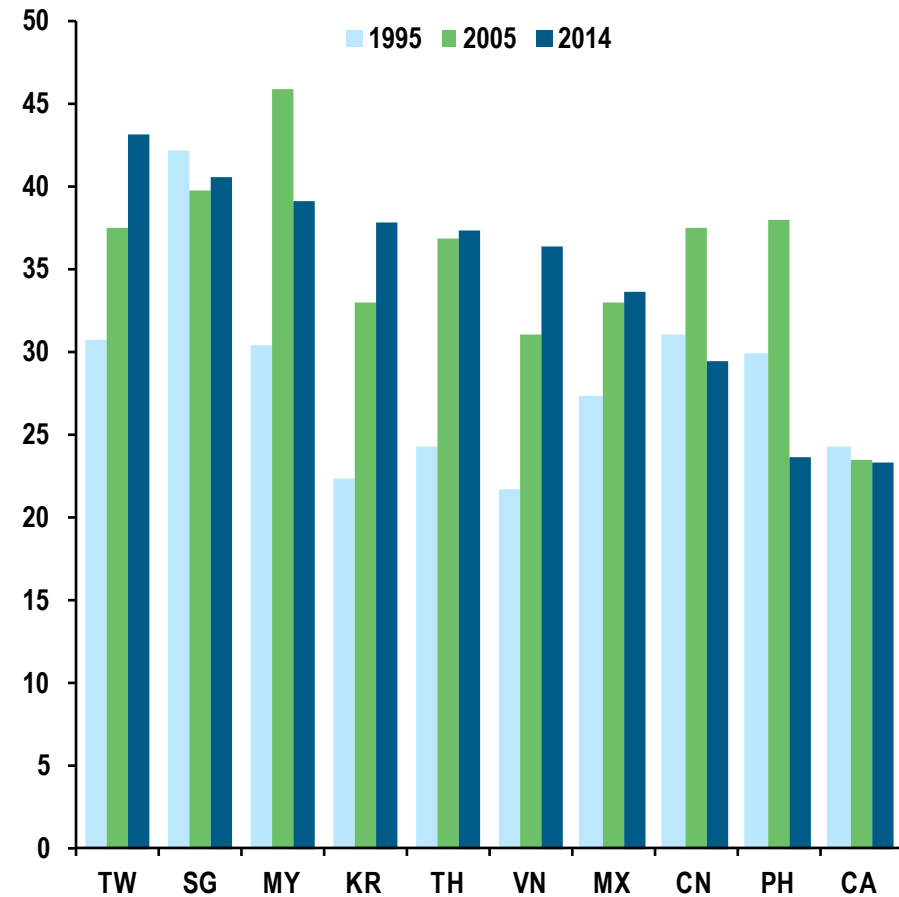
Trade protectionism - broader impact

Which markets are most exposed if China gets hit by US protectionism? (exports to China)



Source: IMF DOTS, IMF WEO, Standard Chartered Research

Generally higher import content in Asia than two decades ago (import content, % of total exports)

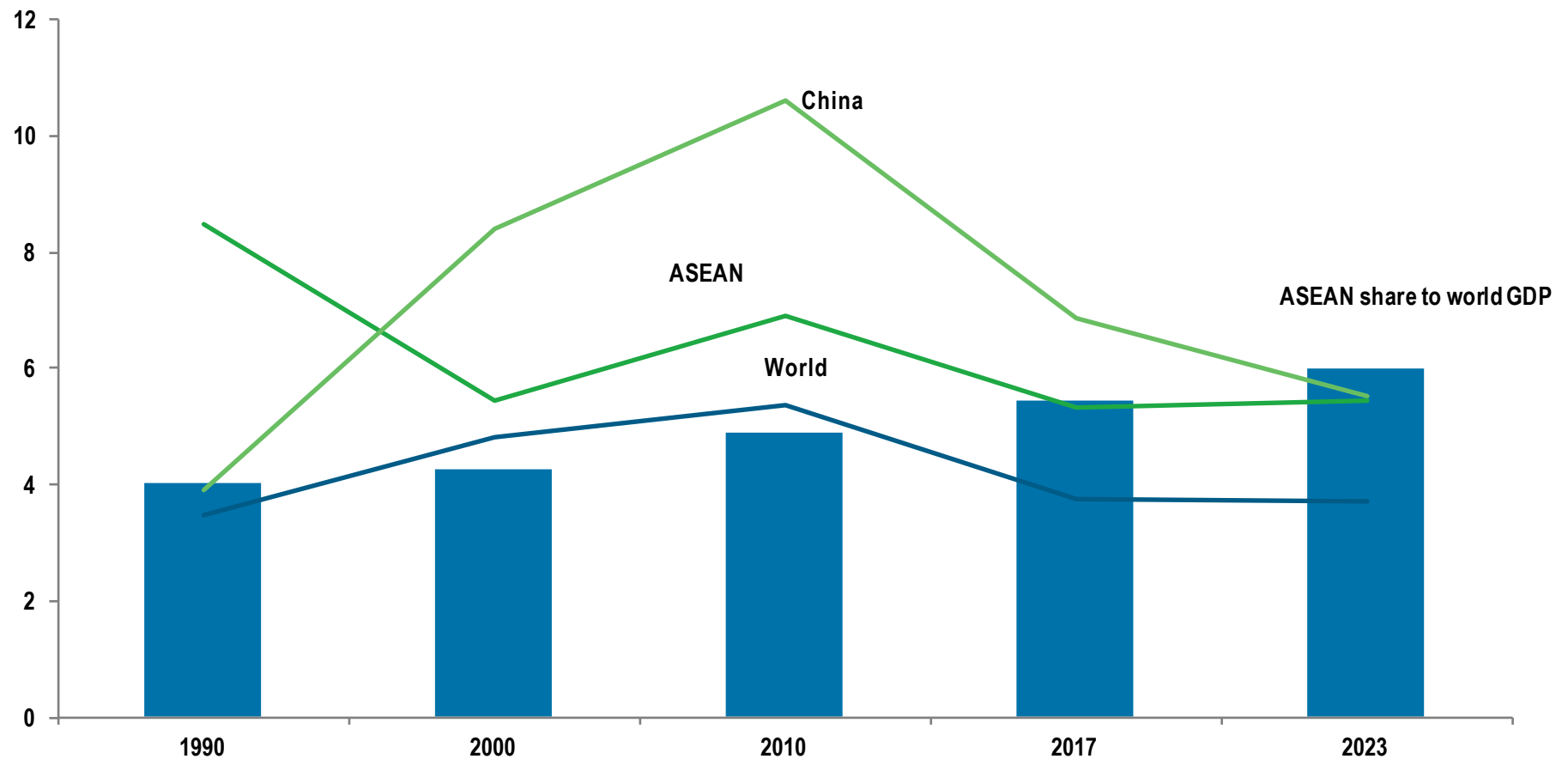


Source: OECD, Standard Chartered Research

ASEAN is among the fastest growing region in the world

ASEAN contribution to growth is likely to increase while China to moderate

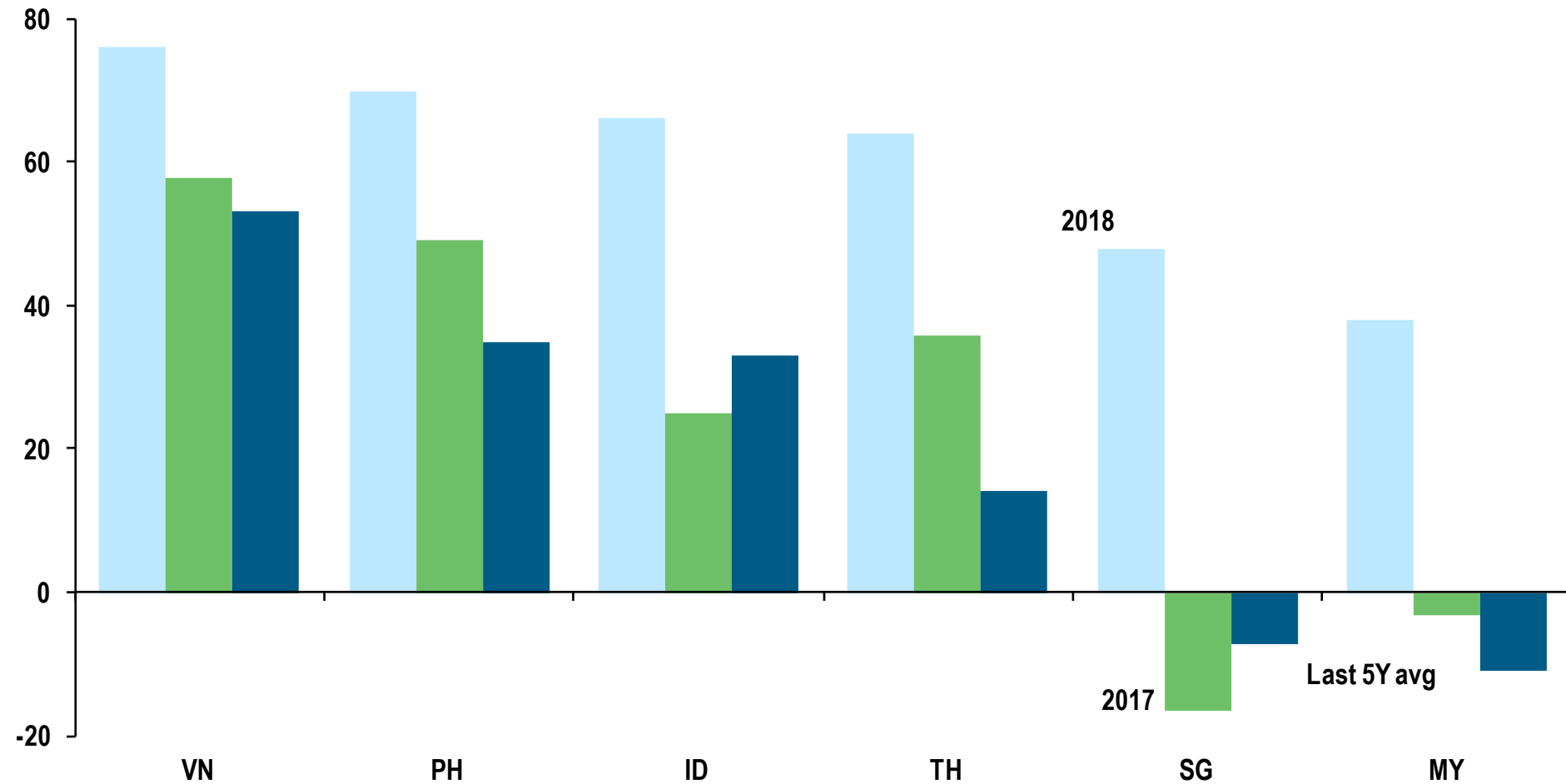
ASEAN, China, World GDP growth, % y/y, ASEAN share to world GDP



We are all bulls

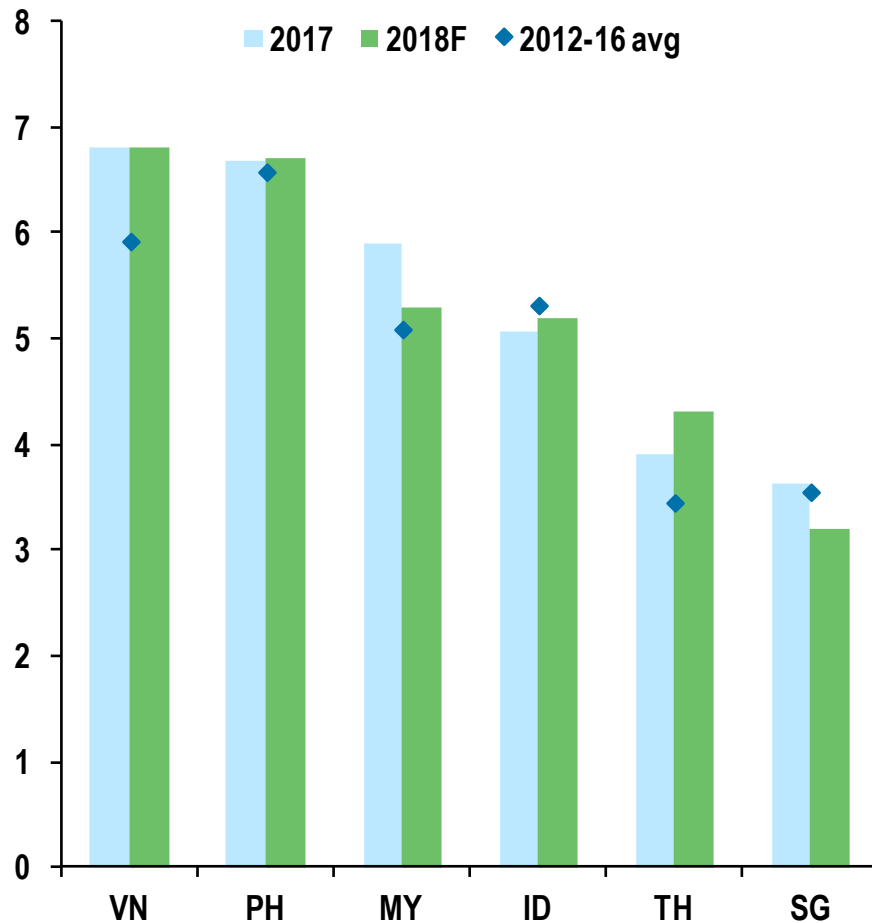
Clients are at their most upbeat in years

How do you see your business prospects in 2018?; optimists minus pessimists

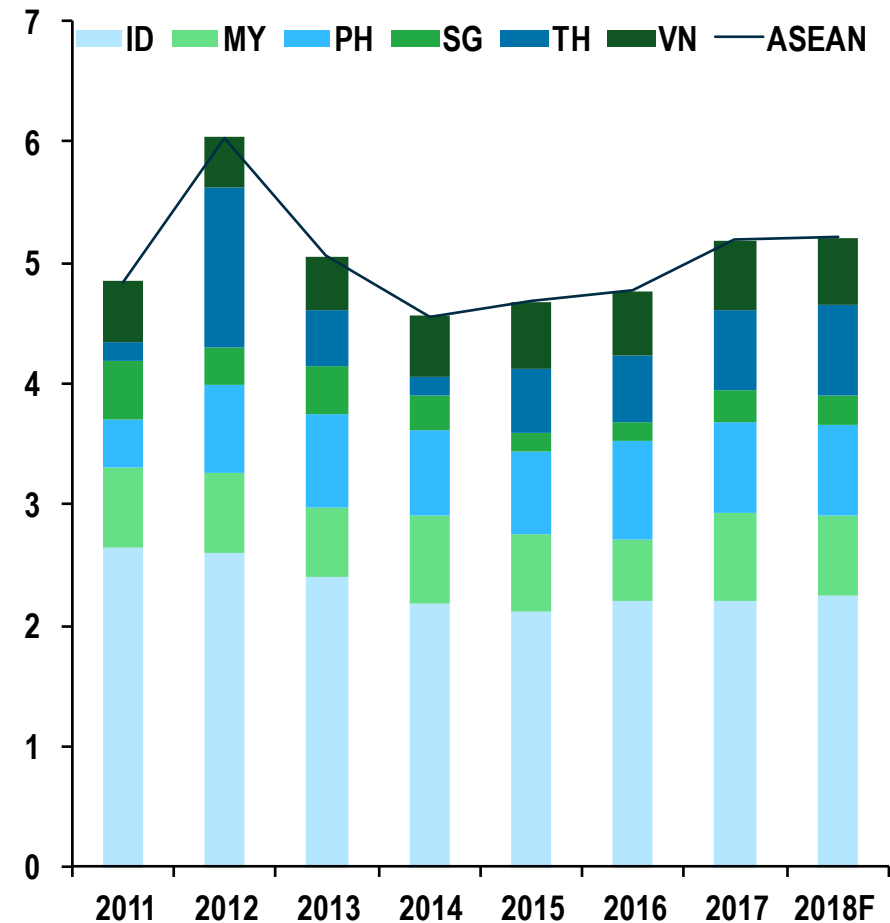


Growth in 2018 likely to remain stable from 2017

Growth to moderate in MY and SG, pick up in ID and TH, GDP, % y/y



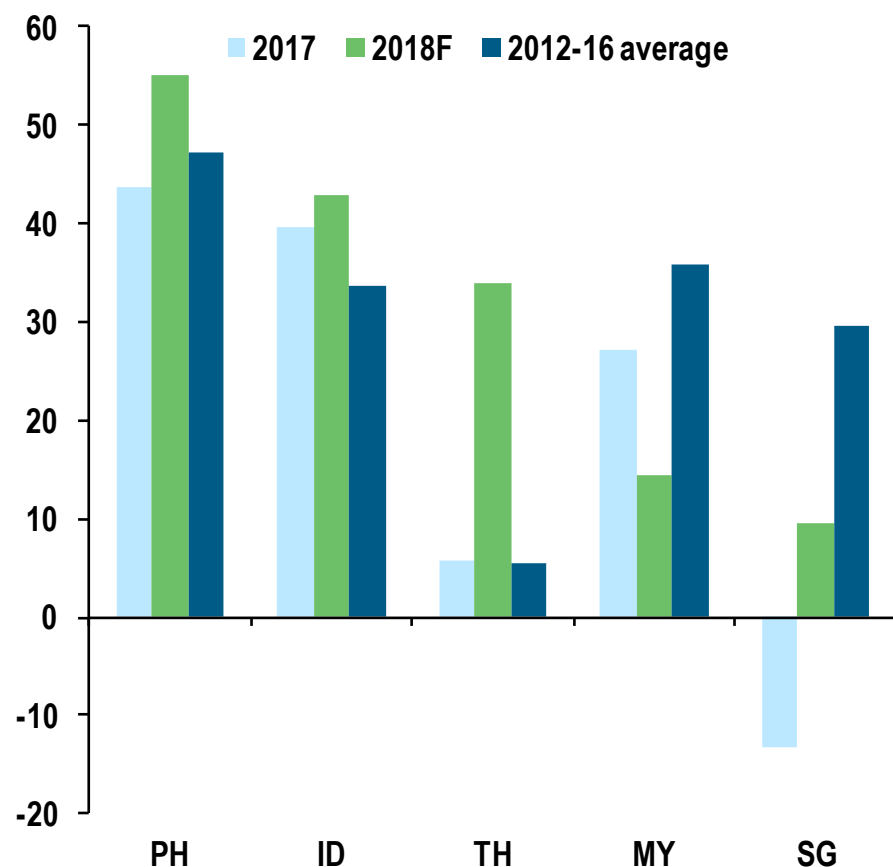
PH and TH share of contribution has been rising
Ppt contribution to ASEAN GDP growth



Infrastructure remains the buzz word

Investments to support growth in 2018

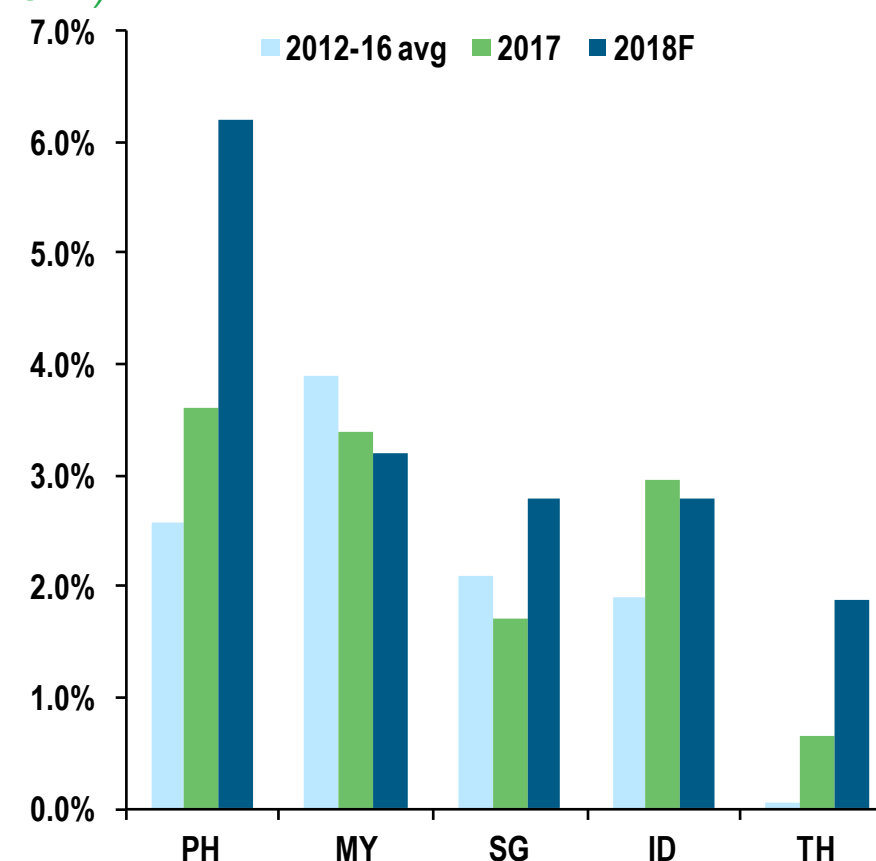
Investments (% share of increase in y/y GDP)



Source: CEIC, Standard Chartered Research

Thailand infrastructure development to accelerate in 2018, Infrastructure spending (% of GDP)

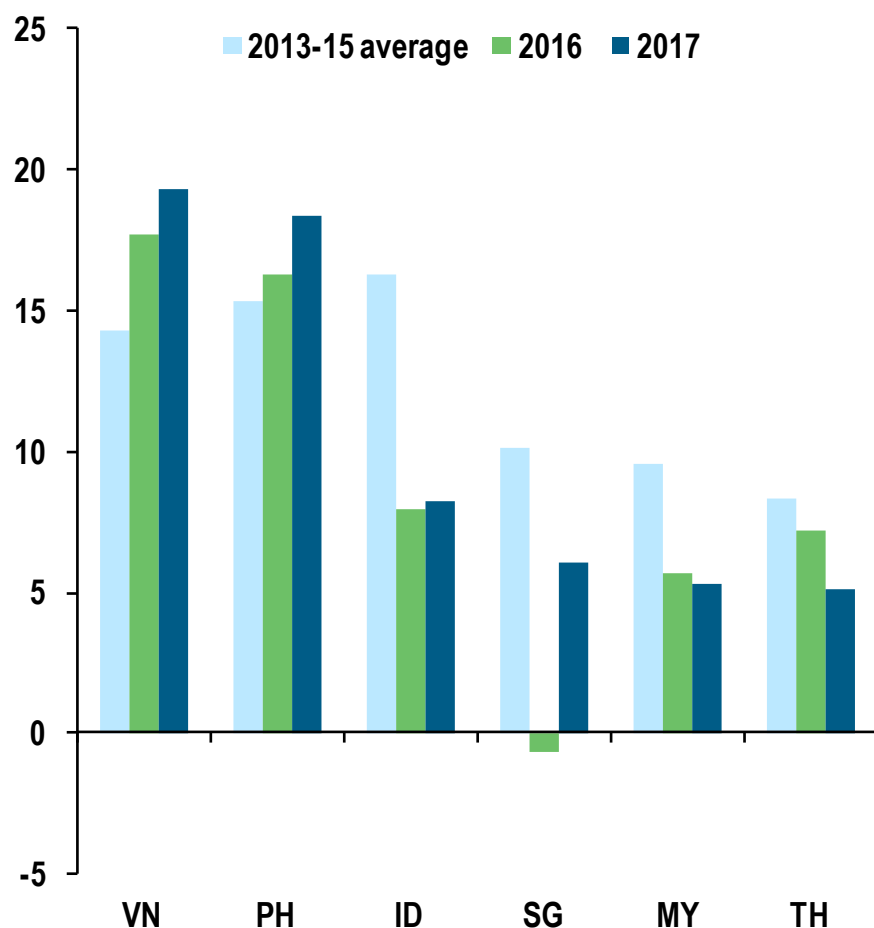
Infrastructure spending (% of GDP)



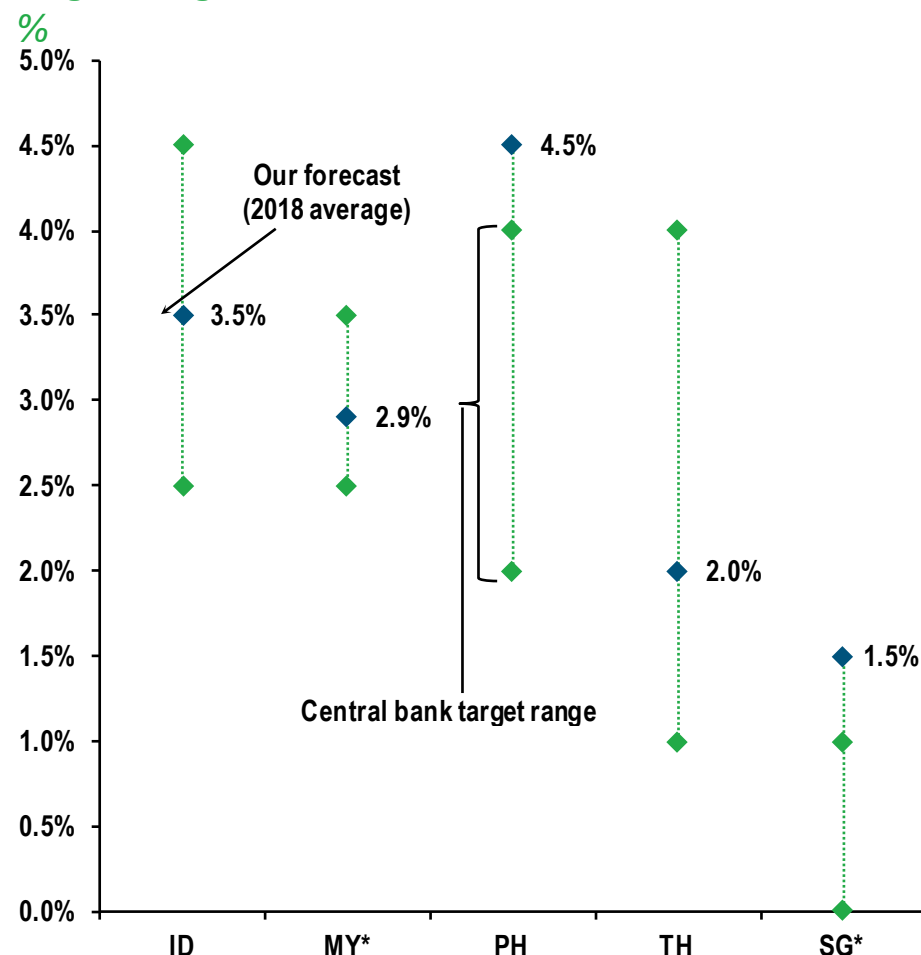
*TH: 3Y average, Source: National sources, CEIC, Standard Chartered Research

Fiscal spending to help; monetary policy to remain loose

Private sector sentiment picked up slightly *Loan growth; % y/y*



Asia CPI inflation to remain within central banks' target ranges



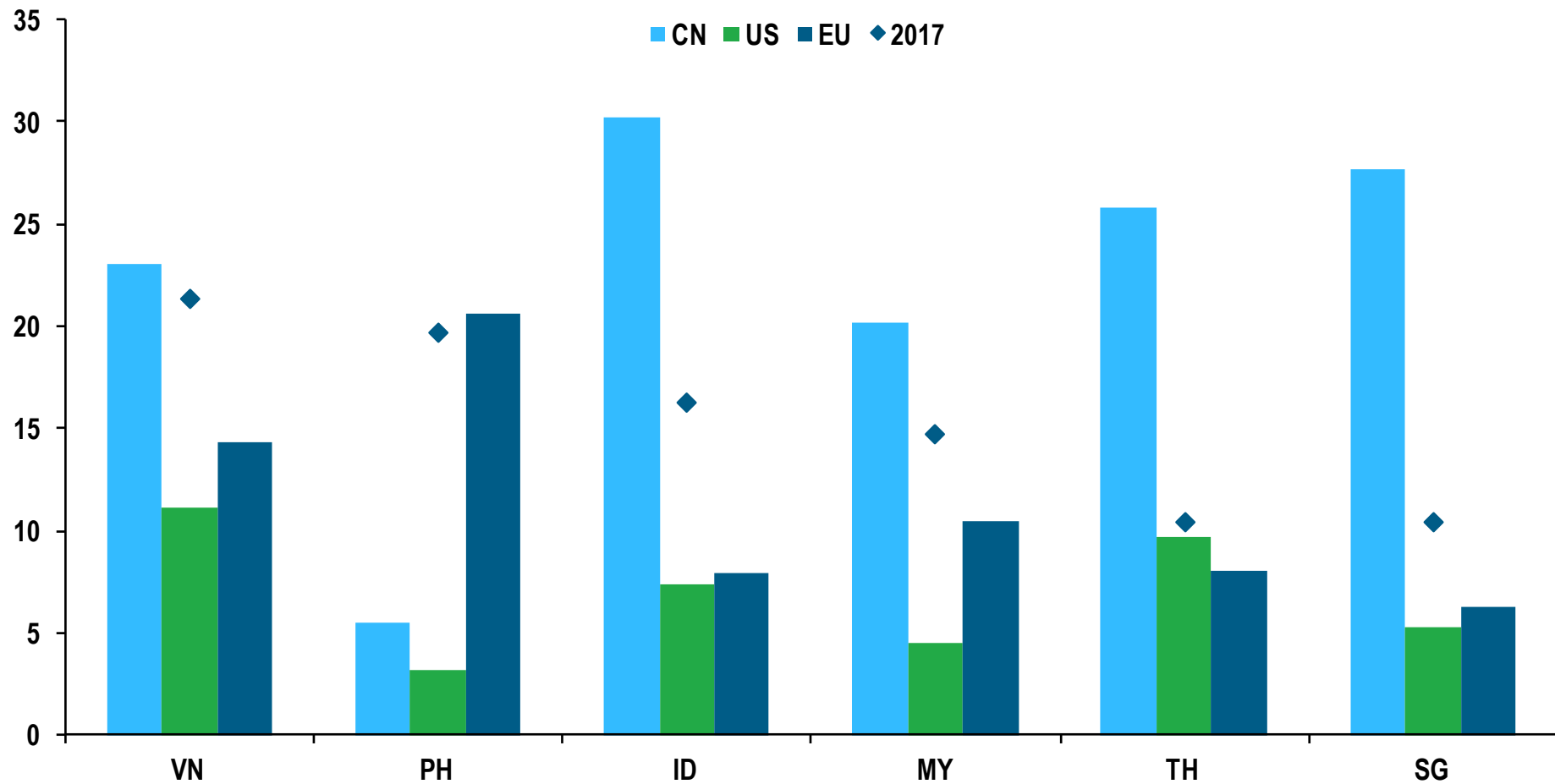
*Note that Singapore and Malaysia's monetary policies are not inflation-targeting. The range provided are forecasts from official sources

Source: CEIC, Standard Chartered Research 17

China was a primary driver of ASEAN exports in 2017

External demand from China was key in 2017

% share of increase in total exports in 2017



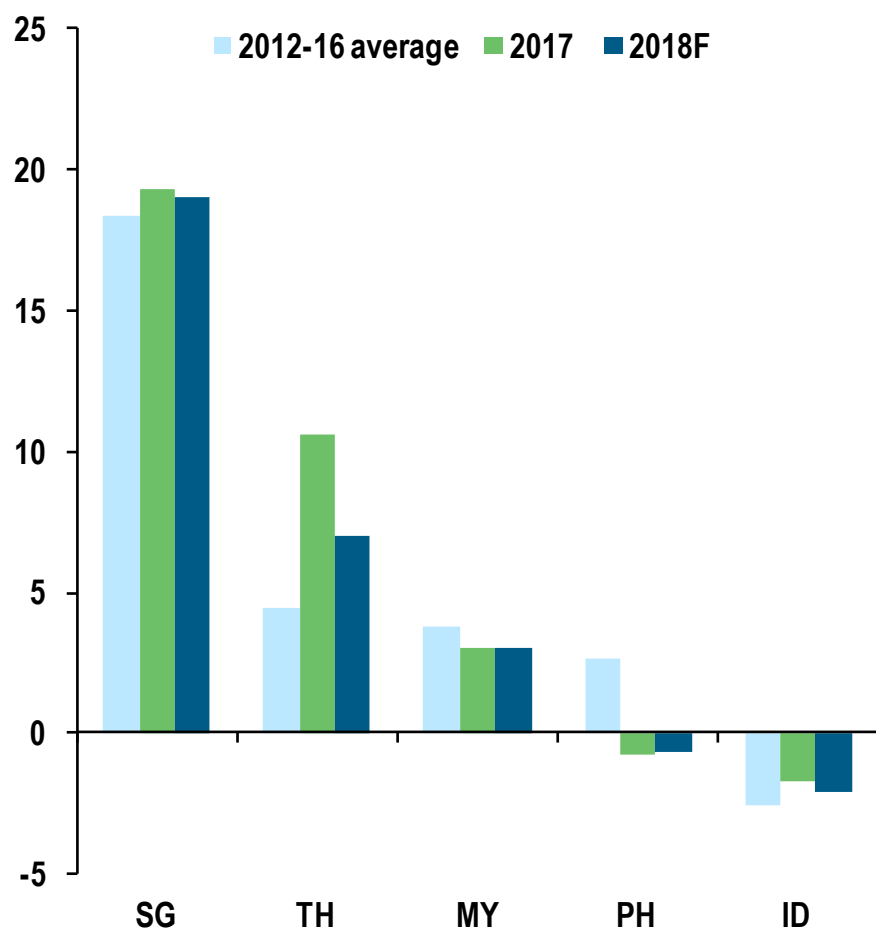
Post GFC, ASEAN is the third largest recipient of FDI inflows

Share of FDI inflows into ASEAN rose by c.3ppt from post the Global Financial Crisis
% of World FDI inflows

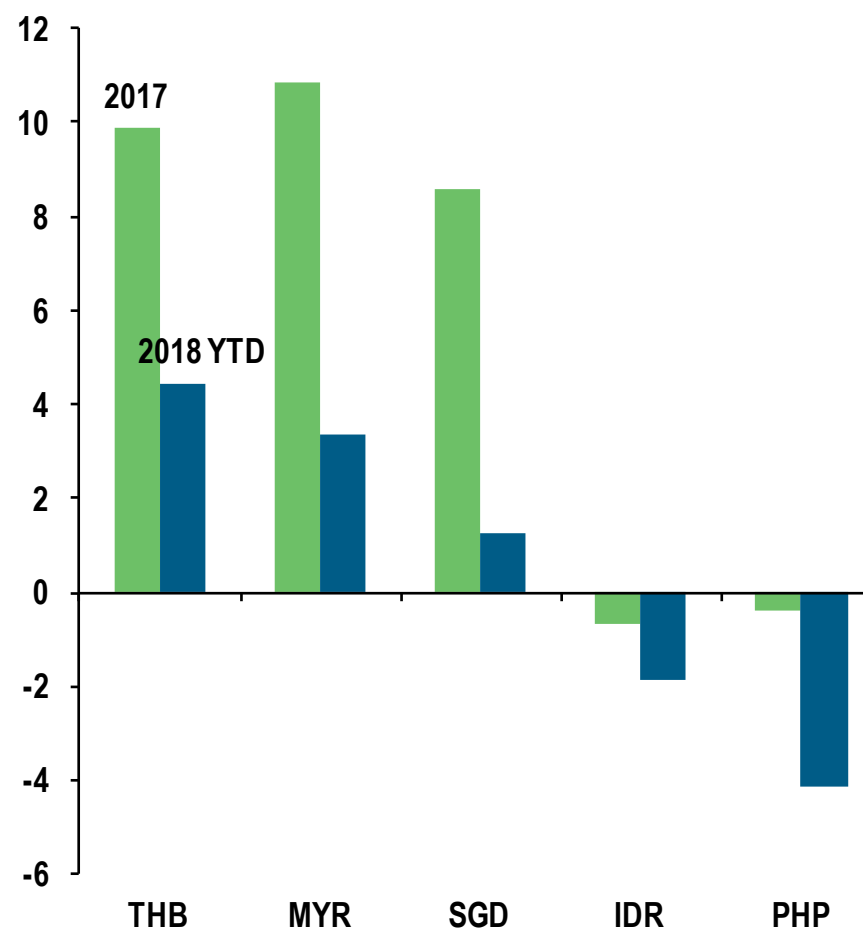


Mixed performance in FX due to different C/A dynamics

PH and ID remain in deficit on higher imports for infrastructure projects (C/A balance, % of GDP)



Currencies of countries with C/A depreciated against the USD (FX performance, %)

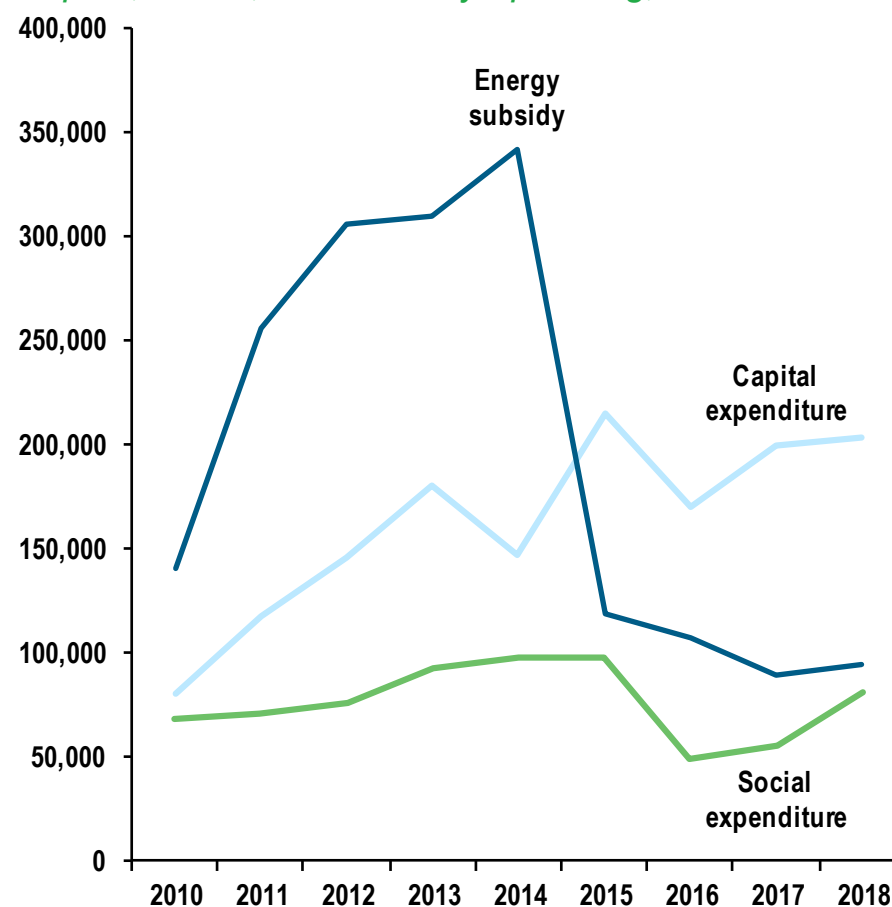


Indonesia – Steady as she goes

	2017	2018	2019
GDP growth (real % y/y)	5.1	5.2	5.4
CPI (% end of period)	3.6	4.0	3.8
Policy rate (%)	4.25	4.25	4.25
USD-IDR	13,568	13,500	13,300
Current account balance (% GDP)	-1.8	-2.1	-2.5
Fiscal balance (% GDP)	-2.6	-2.6	-2.6

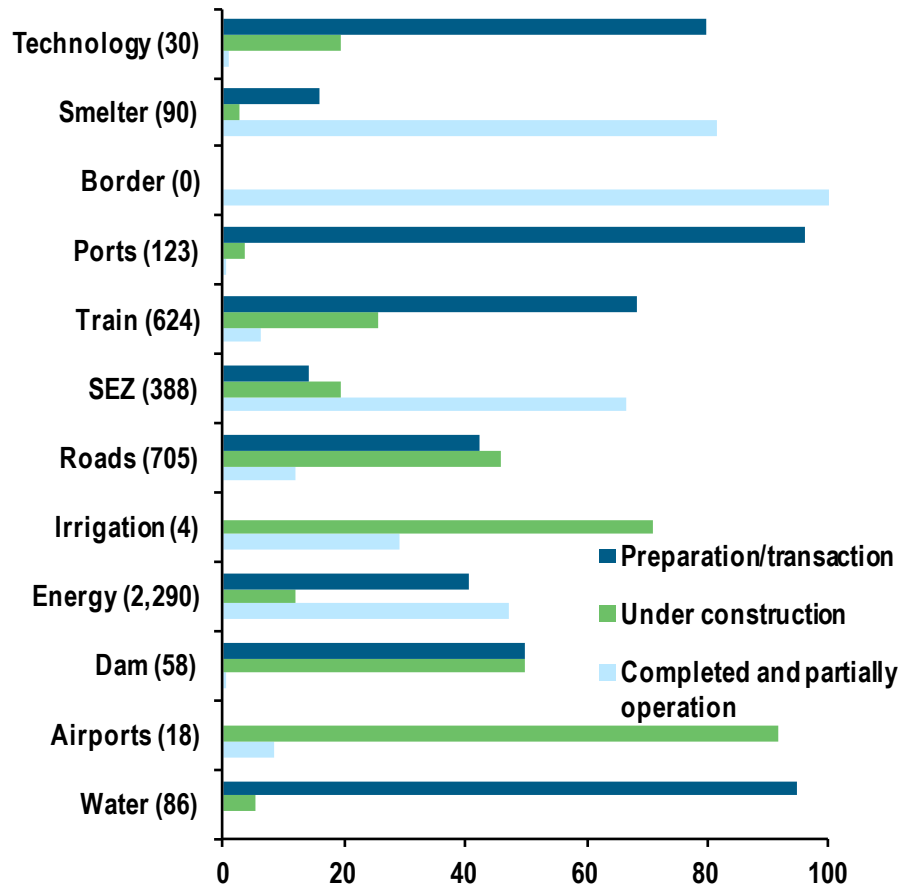
Government allocates more spending to support consumer purchasing power

Capital, social, and subsidy spending, IDR bn

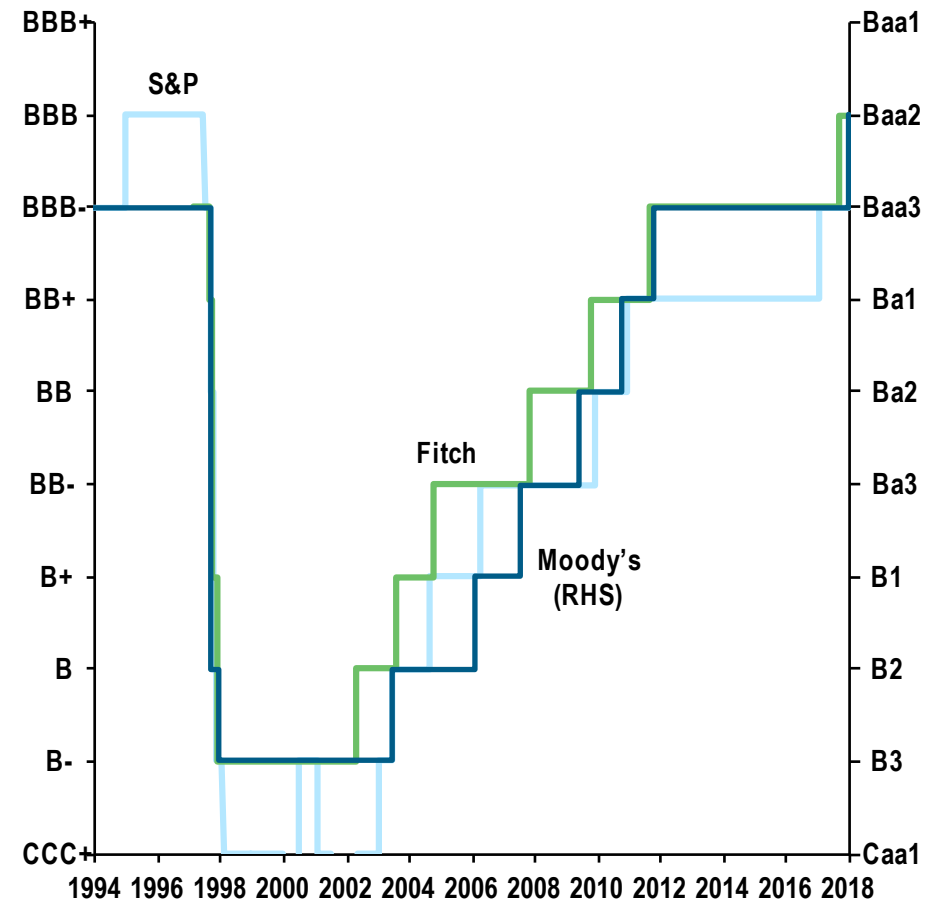


ID – Infrastructure and structural reform to support growth

Strategic infrastructure progress as of January
*Progress achieved, % of total value of projects;
 numbers in brackets indicate total investment, IDR tn*



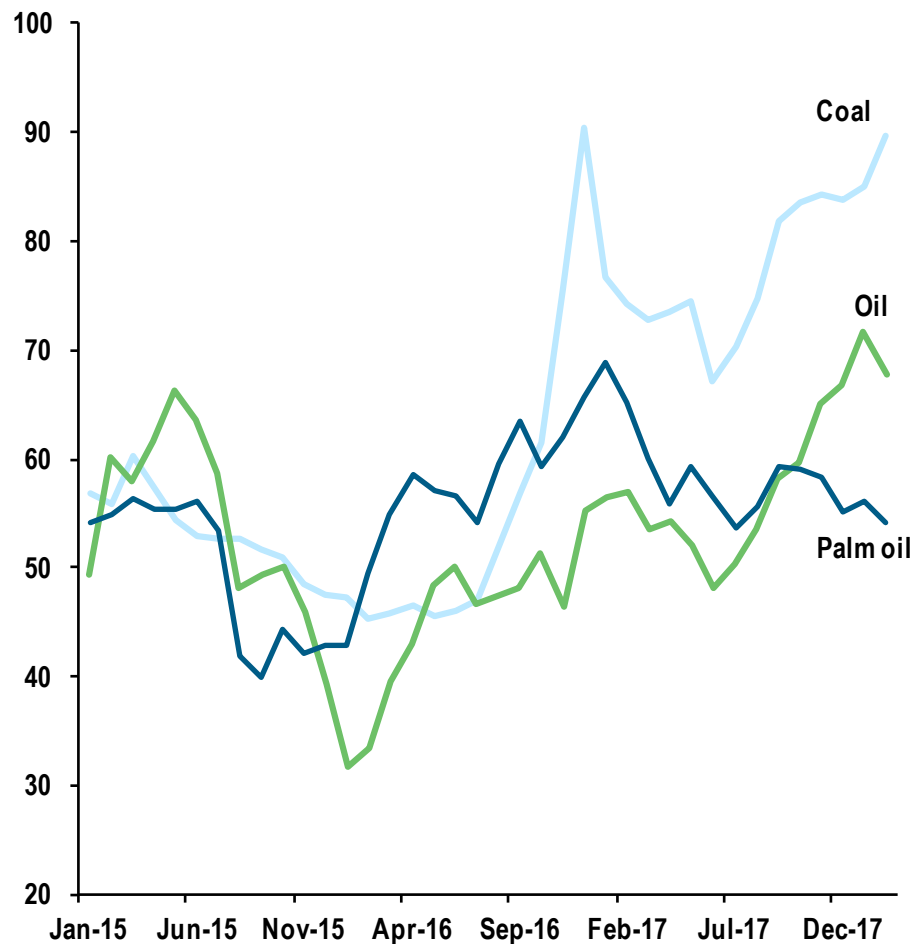
Indonesia has regained its investment-grade status
Long-term rating



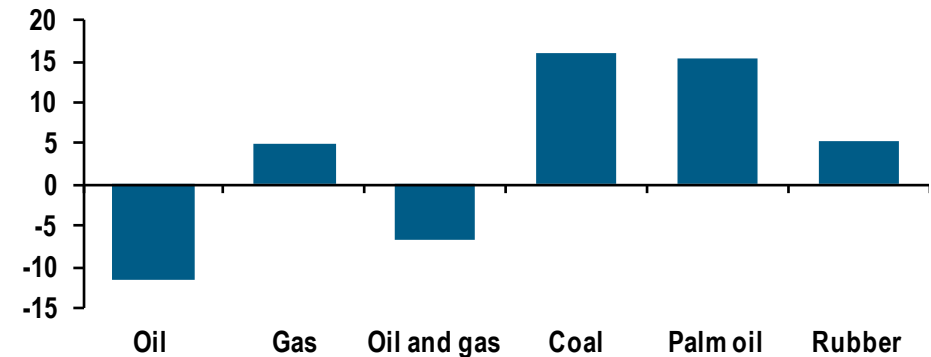
ID – Commodity prices are likely to remain supportive of growth

Commodity price mix favours Indonesia's trade

Commodity price index, 2011=100

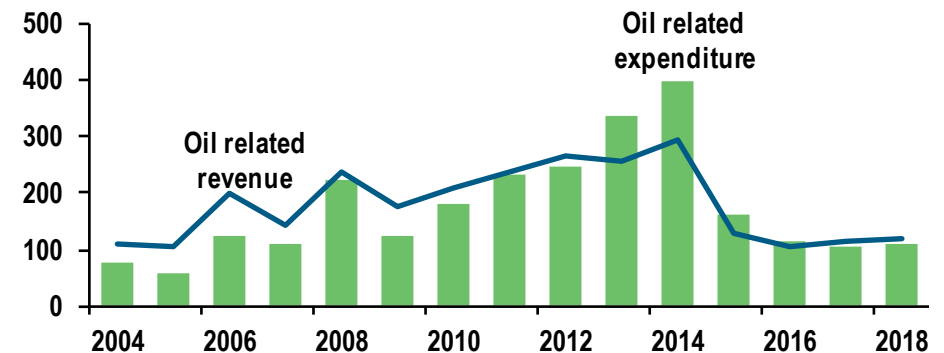


Oil trade deficit easily offset by surpluses in other commodities (trade balance, selected commodities, Jan-Oct 2017, USD bn)



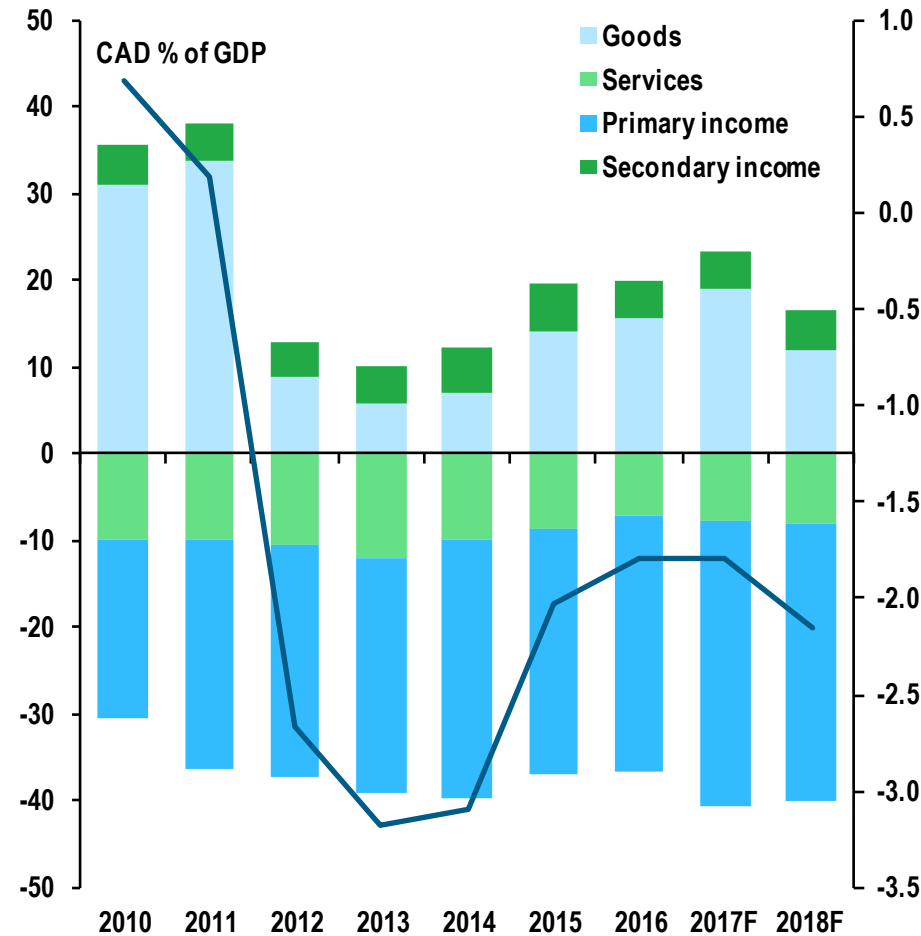
Higher oil price turns positive for budget after government significantly cut subsidies

Oil revenue and expenditure, IDR tn



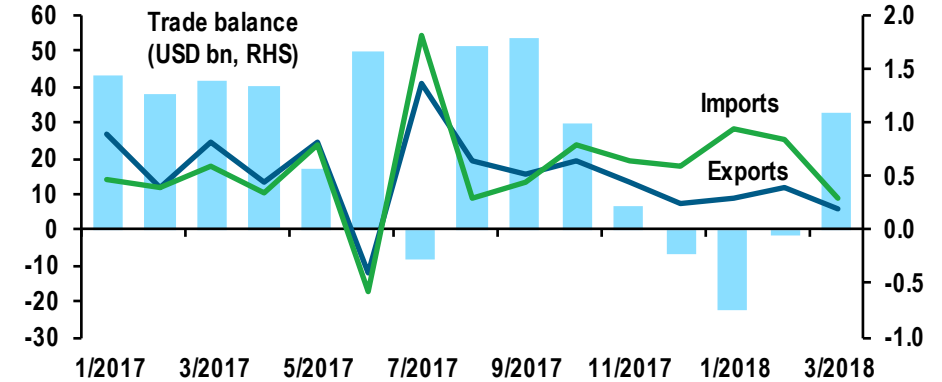
IDR – Neutral; wider trade deficit is key risk to watch

C/A deficit is likely to widen but remain manageable
USD bn (LHS), % of GDP (RHS)

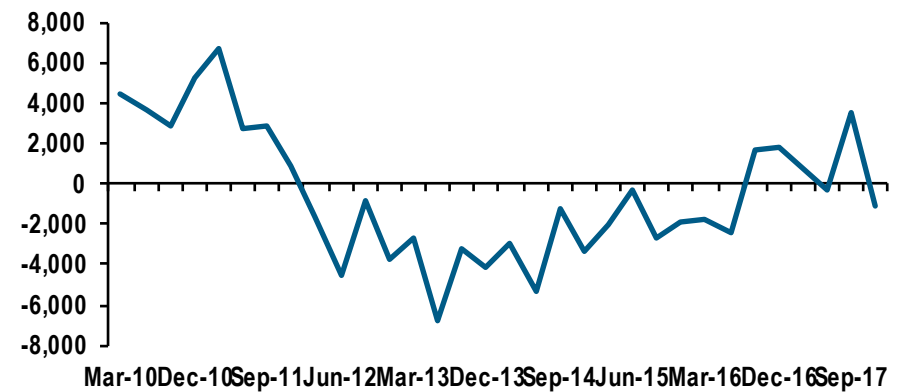


Steady high commodity prices and global demand to prevent sharp deterioration in trade balance

Export, import growth, % y/y (RHS), trade bal., USD mn (LHS)



Basic balance turned to deficit in Q4-17 as goods surplus declined
(C/A deficit plus net FDI, USD mn)



Malaysia – Easing off the accelerator

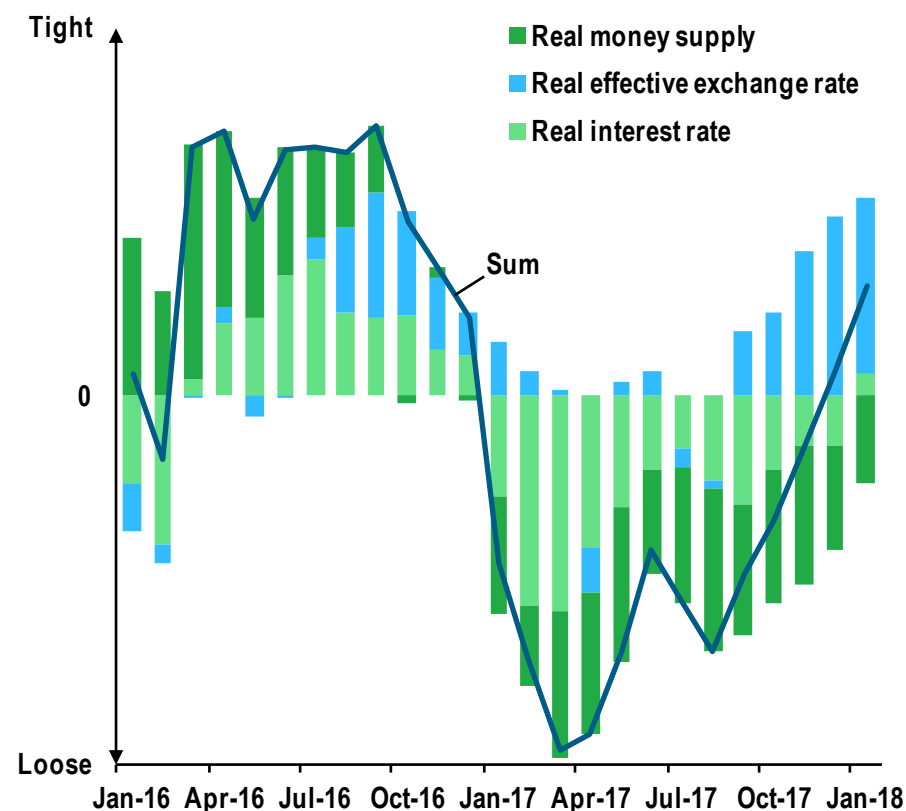
Malaysia macroeconomic forecasts

	2017	2018	2019
GDP growth (real % y/y)	5.9	5.3	5.1
CPI (% annual average)	3.8	2.9	2.5
Policy rate (%)*	3.00	3.25	3.25
USD-MYR*	4.05	3.75	3.80
Current account balance (% GDP)	3.0	3.0	3.4
Fiscal balance (% GDP)	-3.0	-2.8	-2.4

*end-period; Source: Standard Chartered Research

Stronger MYR and higher interest rates are tightening monetary conditions

Our proprietary Monetary Conditions Index

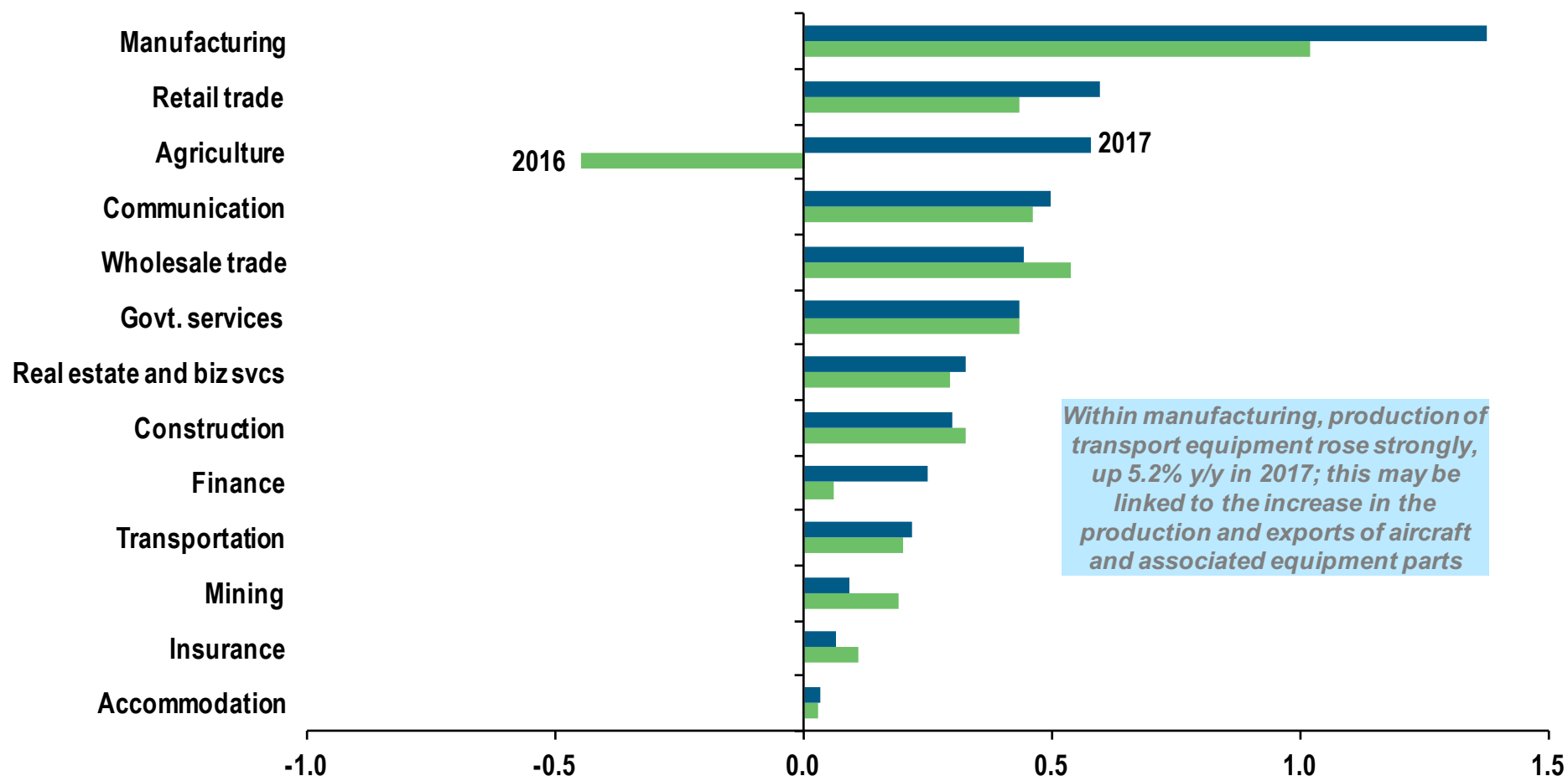


Source: Standard Chartered Research

MY – Manufacturing and agriculture saw the biggest pick-up in 2017

Agriculture rebounded in 2017 on increased palm oil production

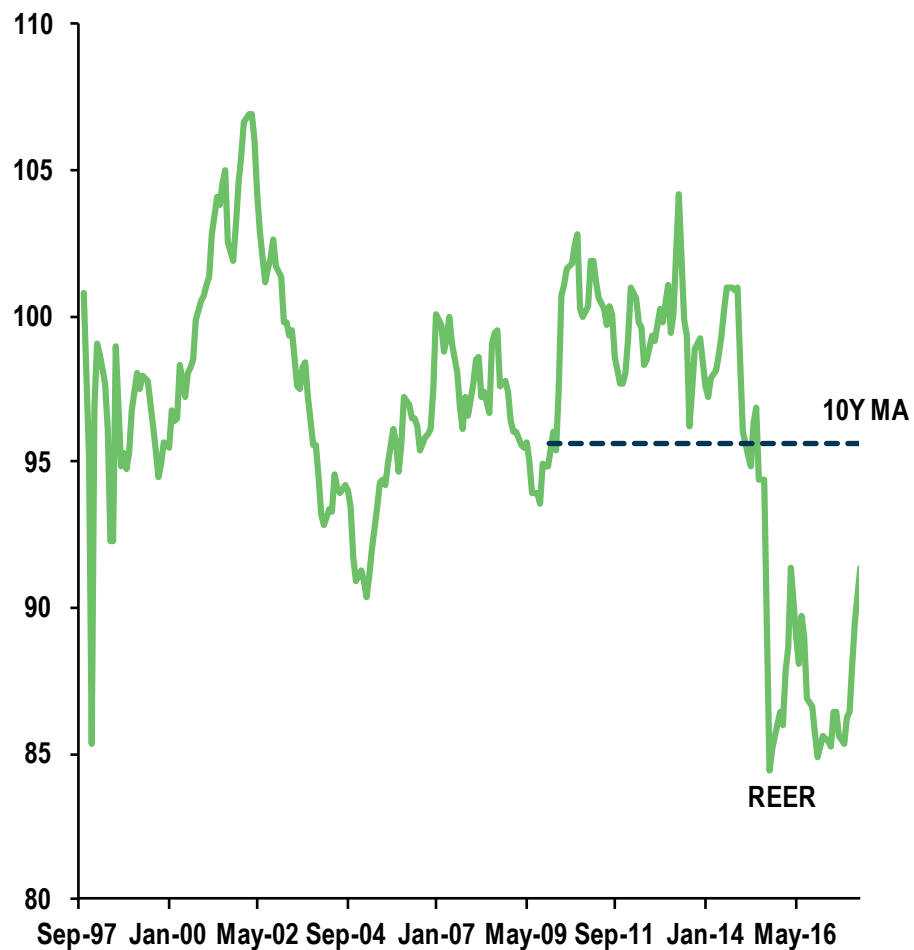
Ppt contribution to y/y GDP growth by sector



MYR – Valuations among the most attractive in EM FX universe

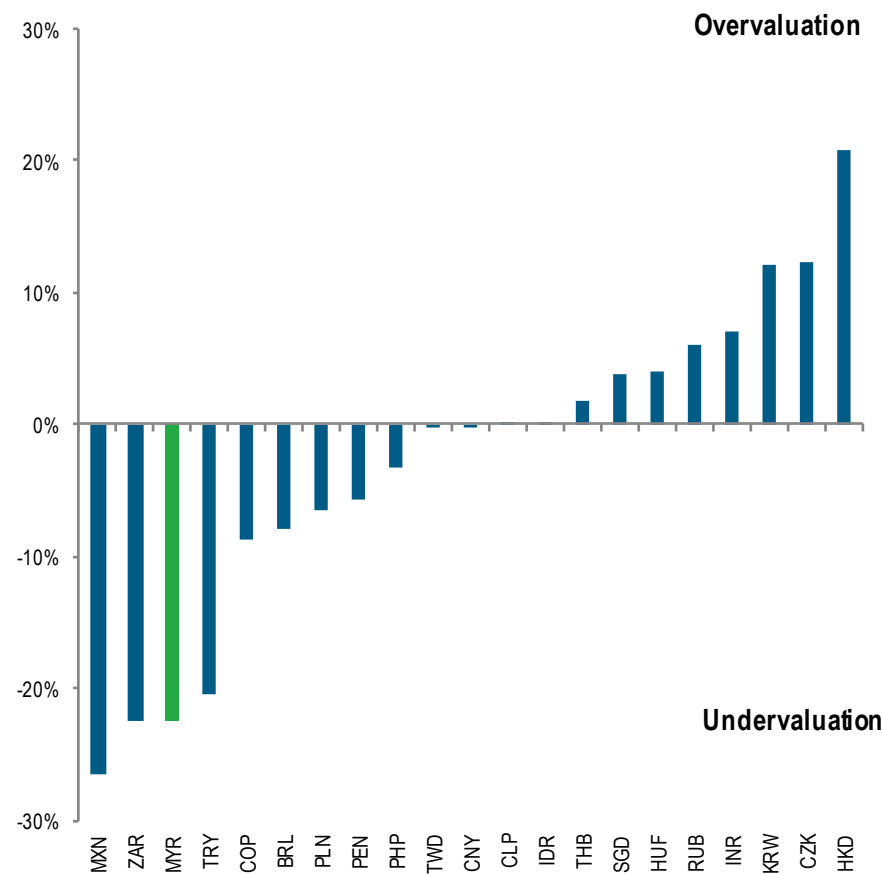
REER suggests room for appreciation

MYR REER



MYR remains the outlier in Asia

FXV model



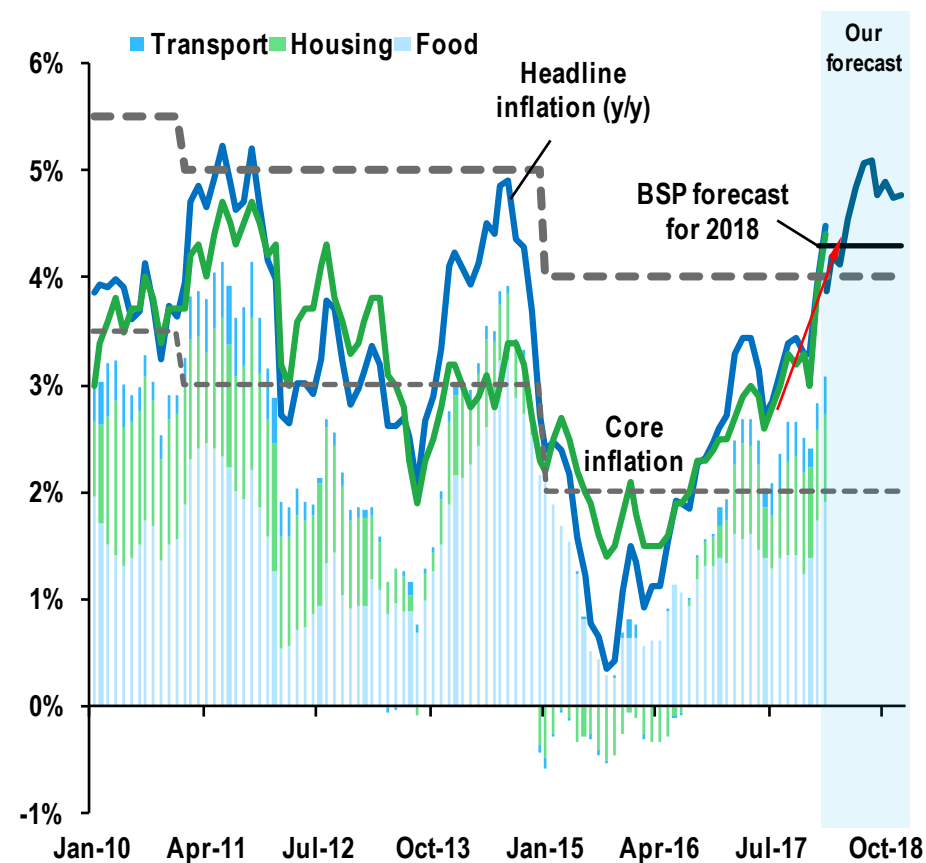
Philippines – BSP still dovish, but we see hikes in H2

Philippines macroeconomic forecasts

	2017	2018	2019
GDP growth (real % y/y)	6.7	6.7	6.4
CPI (% annual average)	3.2	4.5	4.3
Policy rate (%)*	3.00	3.50	3.50
USD-PHP*	49.85	50.50	50.00
Current account balance (% GDP)	-0.8	-0.7	-0.4
Fiscal balance (% GDP)	-3.0	-3.0	-2.7

*end-period; Source: Standard Chartered Research

Inflation is likely to edge above BSP target in the medium term (% y/y)

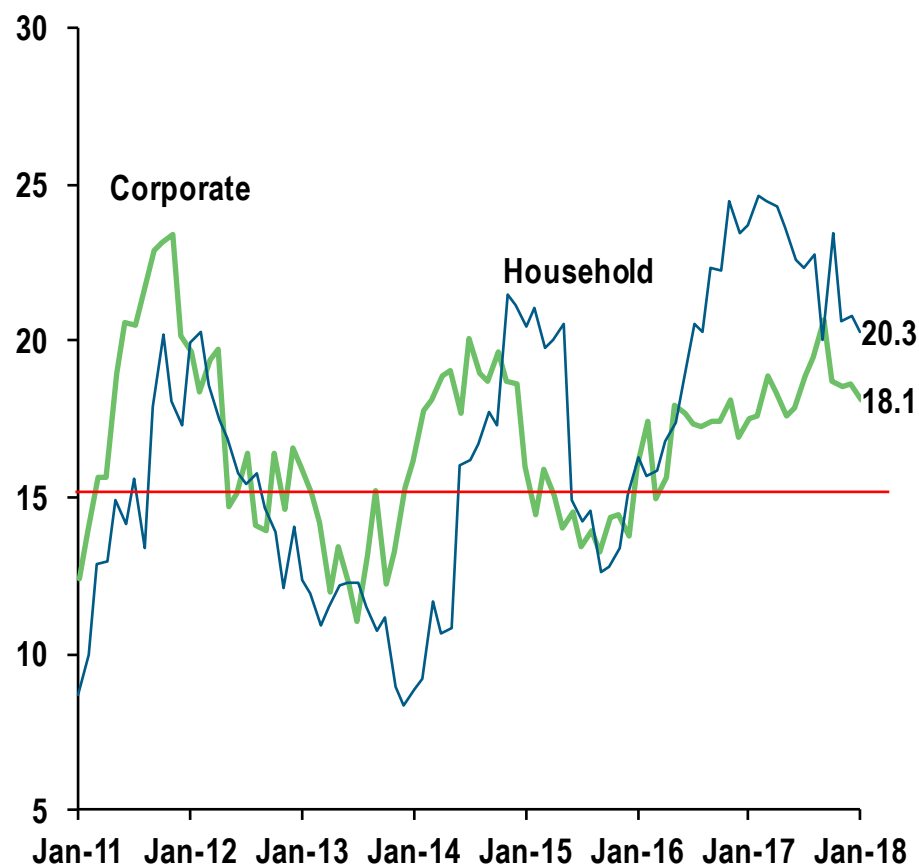


Source: CEIC, Standard Chartered Research

PH – Investments likely to recover from 2017 low levels

Sustained strong credit growth needs monitoring, despite coming off a low base

% y/y



BSP has had to consistently revise up its inflation forecasts,

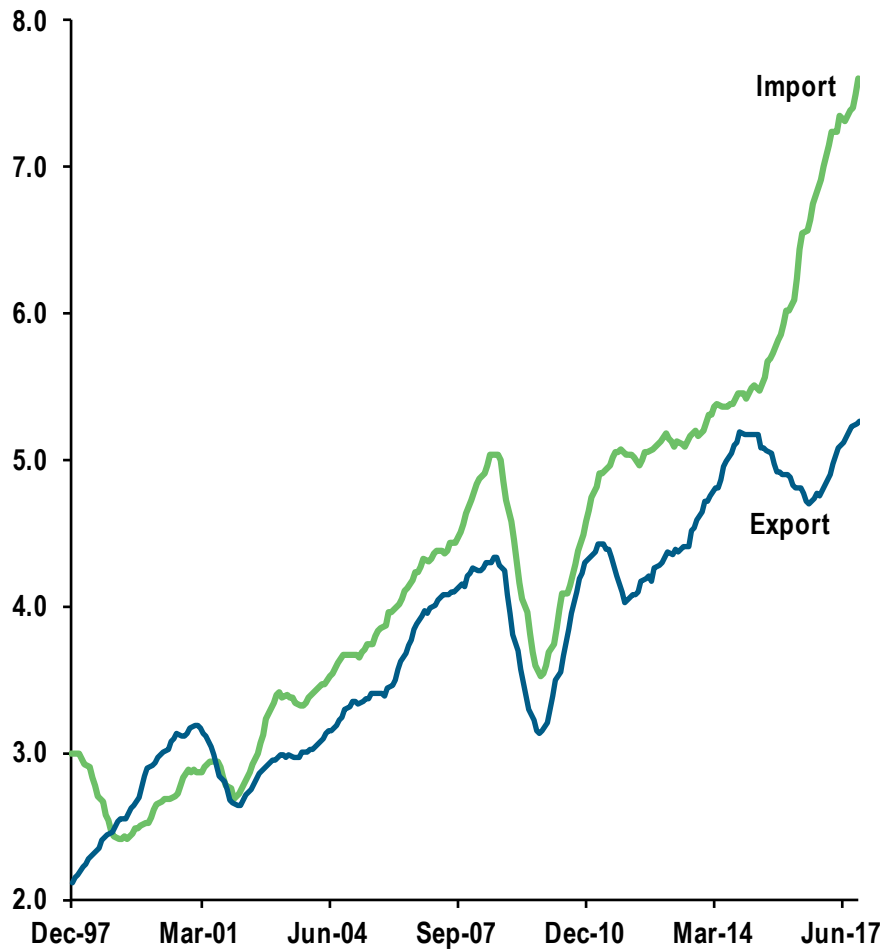
BSP inflation forecasts, 2018-19

BSP meeting date	2018	2019
11 May 2017	3.0	
22 June 2017	3.0	3.0
10 Aug 2017	3.2	3.1
21 Sep 2017	3.2	3.2
9 Nov 2017	3.4	3.2
14 Dec 2017	3.4	3.2
8 Feb 2018	4.3	3.5
22 March 2018	4.5*	3.5*

PHP – Mind the gap

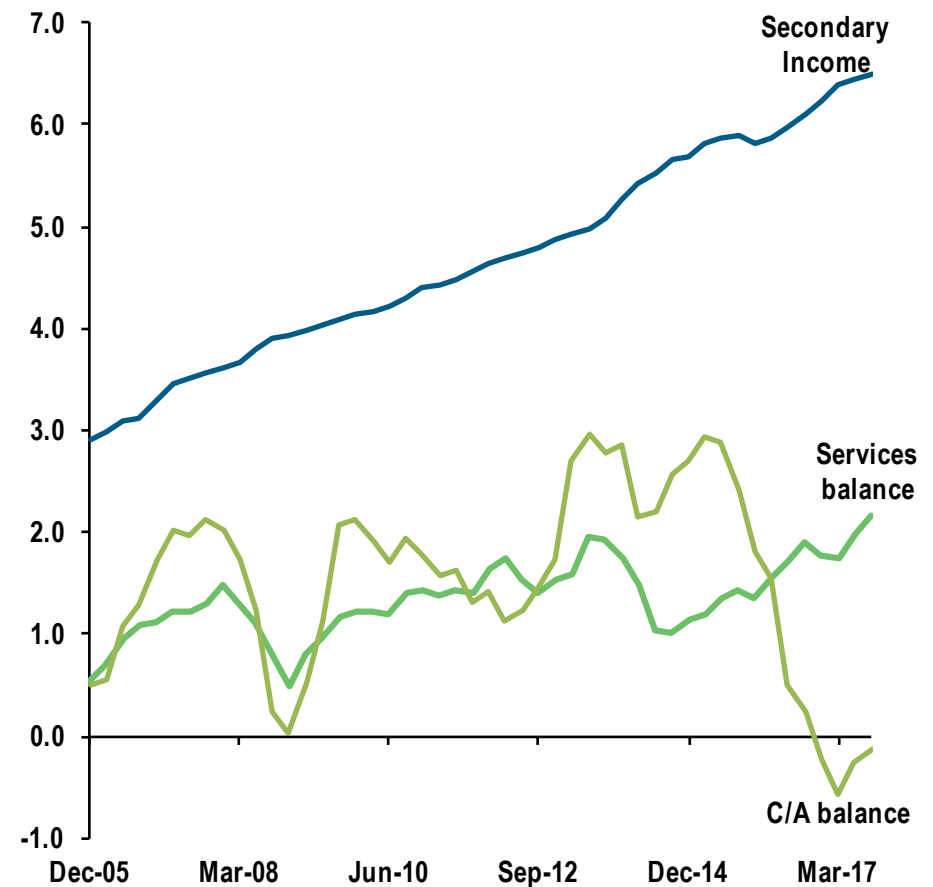
Philippines trade deficit continues to widen

Monthly imports, exports (12mma, USD bn)



Remittances and services only partly offset the impact of trade deficit widening on the C/A

Balance of payment (4qma, USD bn)



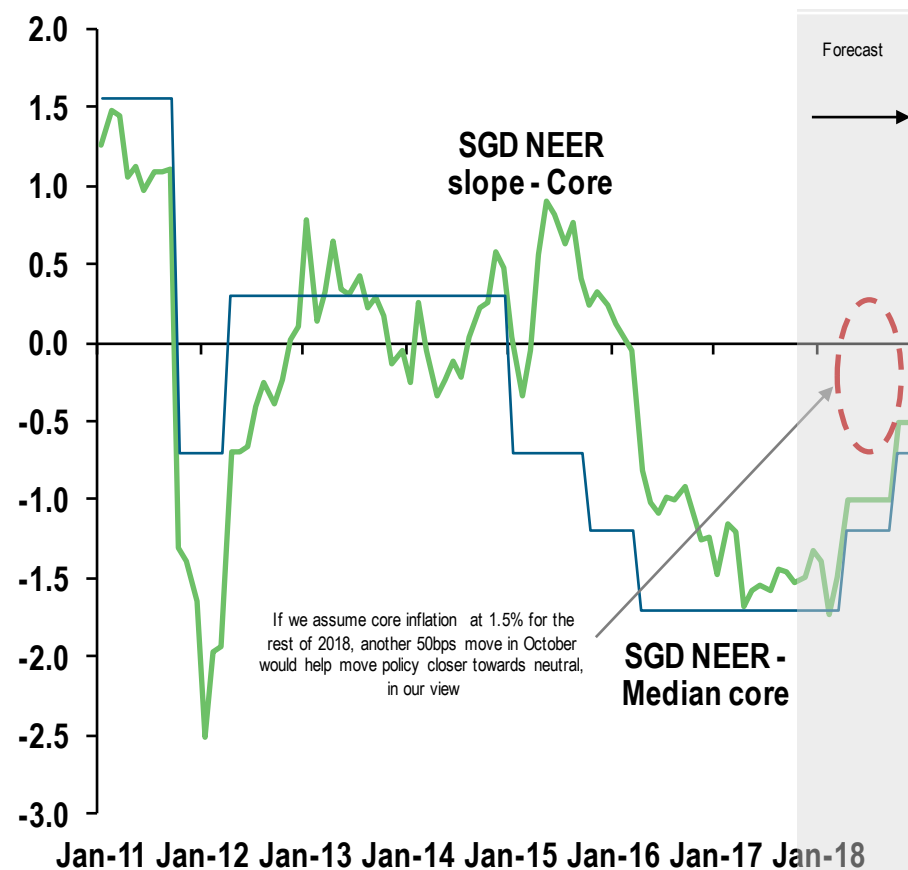
Singapore – One more and done

Singapore macroeconomic forecasts

	2017	2018	2019
GDP growth (real % y/y)	3.6	3.2	2.5
CPI (% annual average)	0.6	1.3	1.7
3M SGD SIBOR*	1.30	1.65	1.90
USD-SGD*	1.34	1.25	1.24
Current account balance (% GDP)	19.3	19.0	18.0
Fiscal balance (% GDP)	2.1	-0.1	0.2

*end-period; Source: Standard Chartered Research

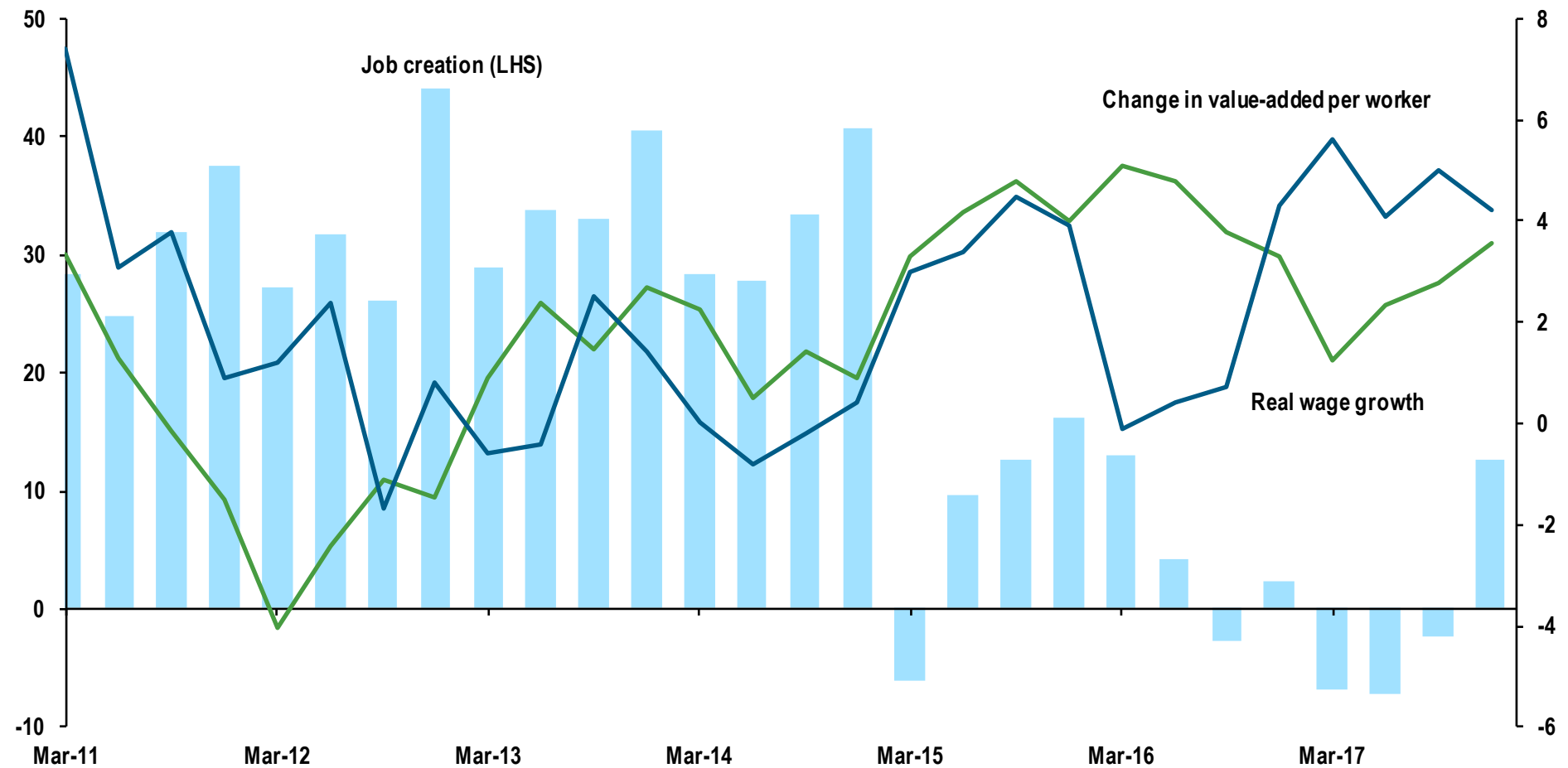
We expect another 50bps increase in the slope in October (ppt)



Source: MAS, CEIC, Standard Chartered Research

SG – Improving labour market conditions to support private consumption

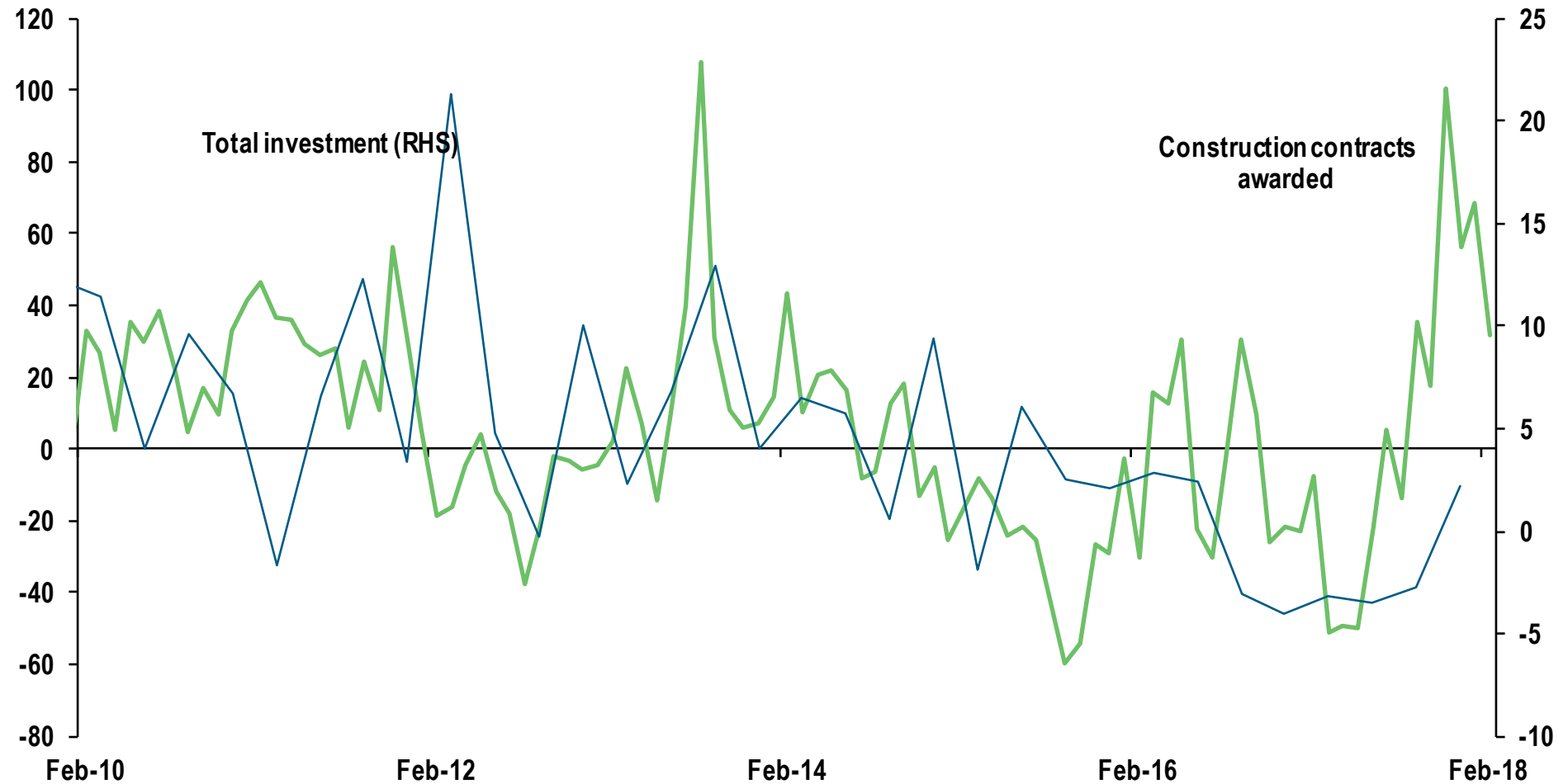
Labour-market conditions have improved
'000 people (LHS); % y/y 3mma (RHS)



SG – The construction sector likely bottomed out

Pick-up in construction contracts awarded in the past six months to support growth

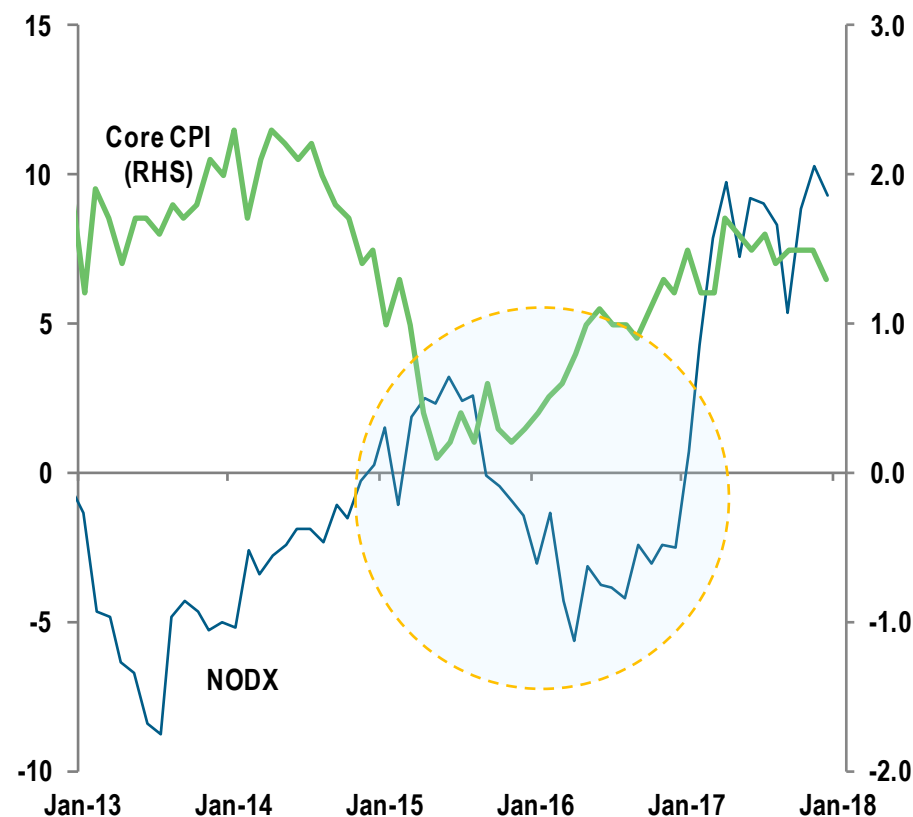
% y/y 3mma



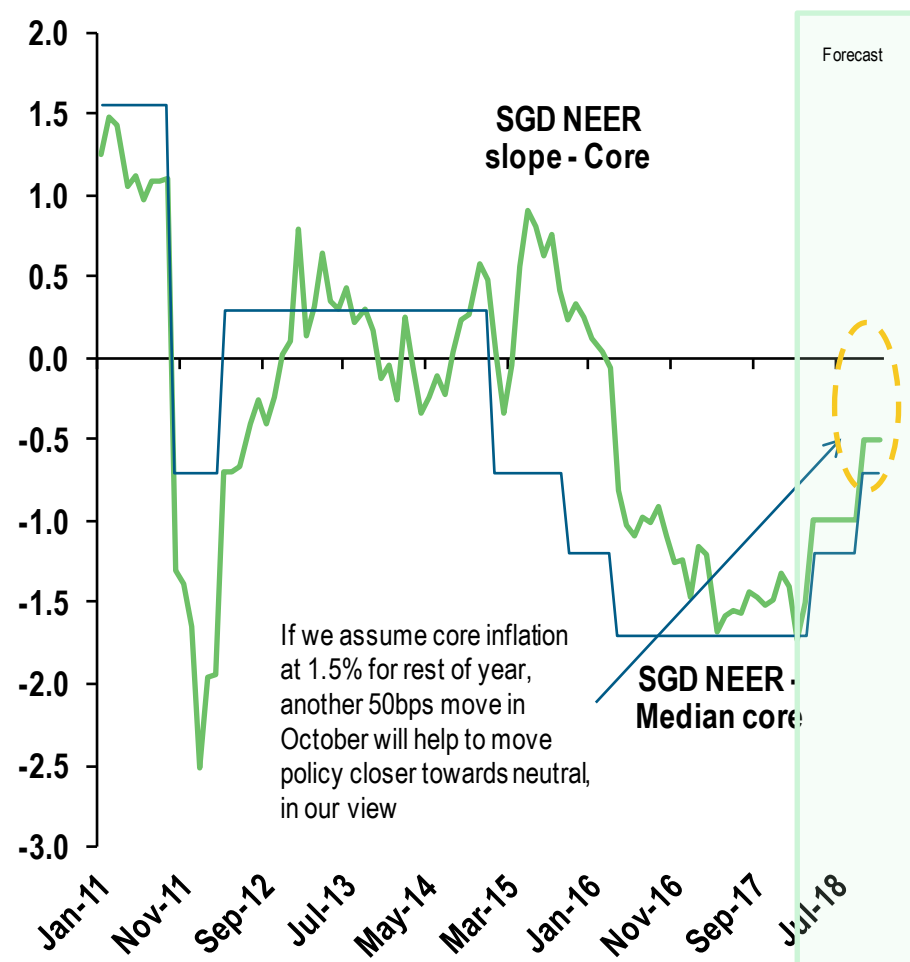
SGD – MAS policy to be supportive for the SGD

Improvement in core inflation and exports over the past three years is not reflected in SGD NEER

Core inflation (% y/y), NODX (6mma, % y/y)



We expect another 50bps move in October



Thailand – Headed for policy normalisation

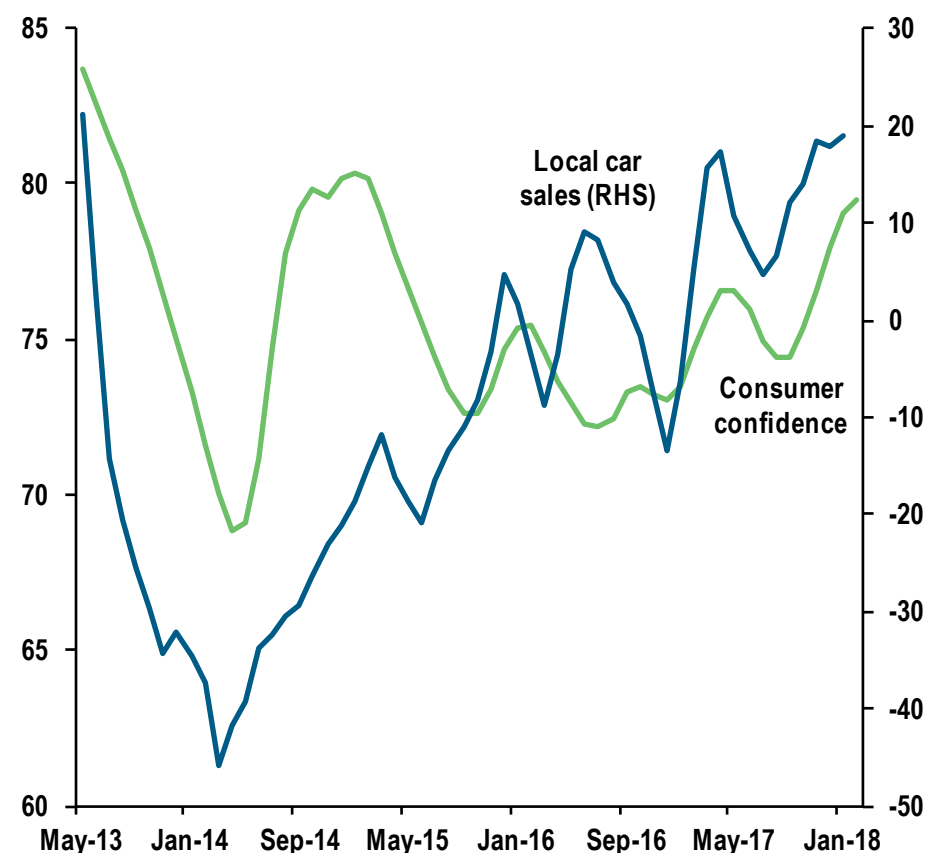
Thailand macroeconomic forecasts

	2017	2018	2019
GDP growth (real % y/y)	3.9	4.3	4.5
CPI (% annual average)	0.7	2.0	2.3
Policy rate (%)*	1.50	2.00	2.50
USD-THB*	32.57	29.00	29.50
Current account balance (% GDP)	10.8	7.0	3.0
Fiscal balance (% GDP)**	-3.6	-3.0	-3.0

*end-period; **for fiscal year ending in September; Source: Standard Chartered Research

Local car sales rise on improving confidence

Consumer confidence; local car sales (% y/y); 3mma

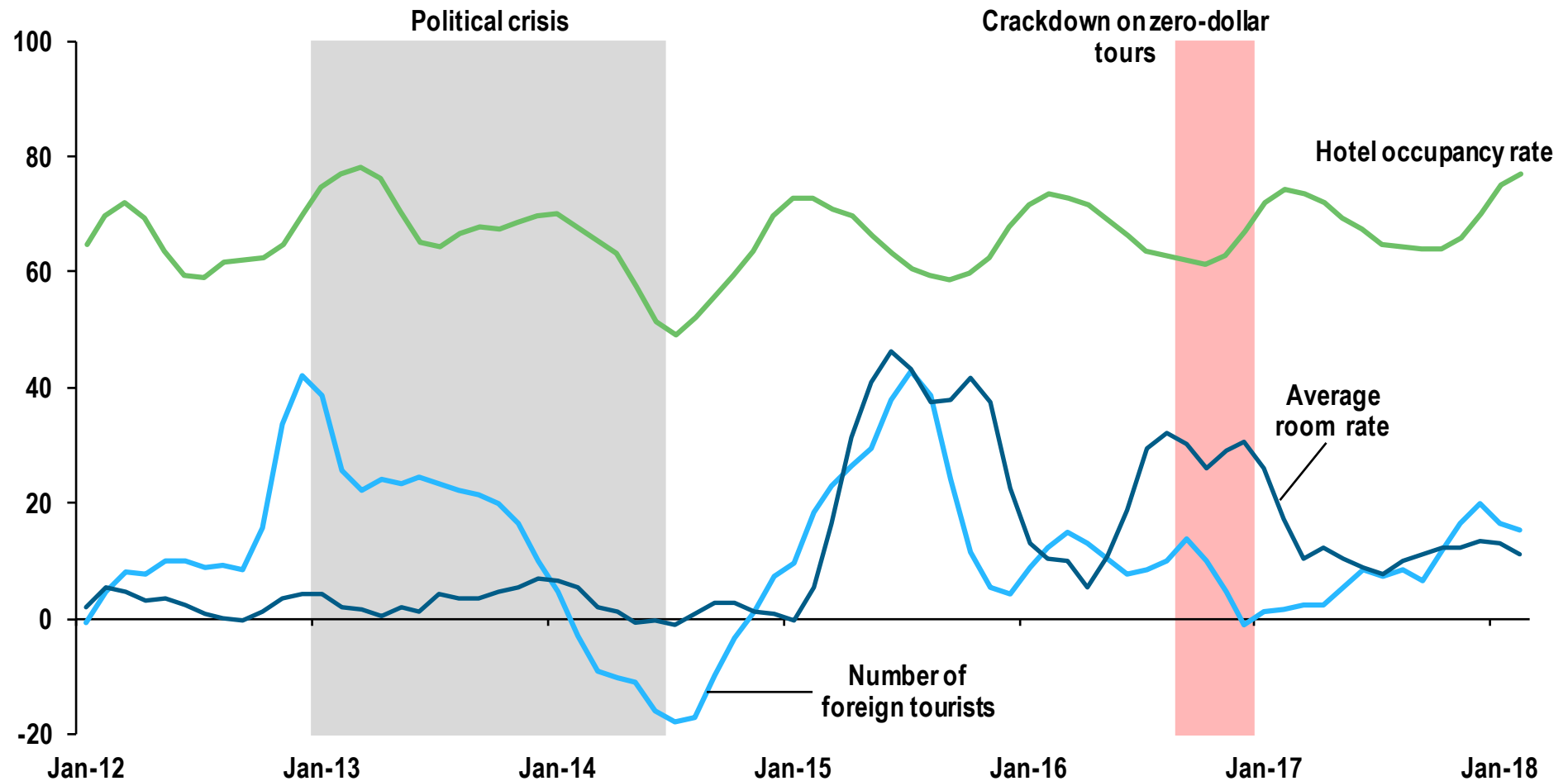


Source: Bloomberg, Standard Chartered Research

TH – Double-digit tourist arrival growth...

...despite negative factors such as strong THB, pollution, airports/beaches operating above capacity

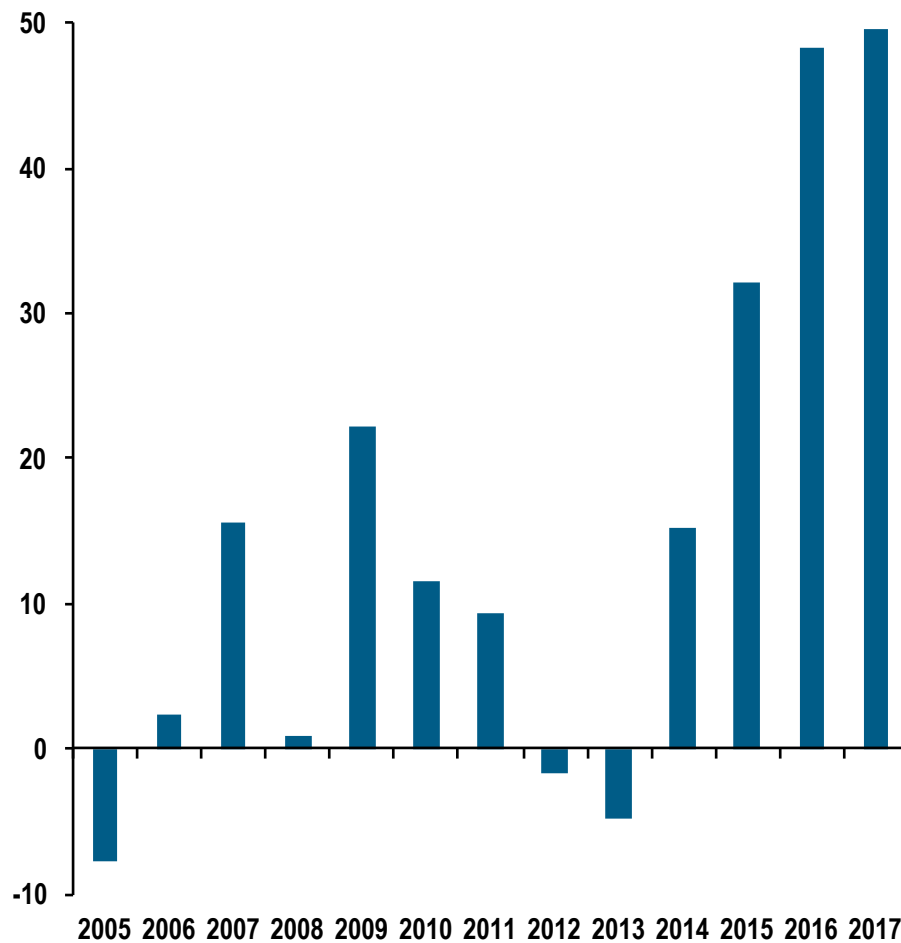
Foreign tourists, room rate (% y/y); hotel occupancy (%); 3mma



THB – Structural shifts are driving the currency

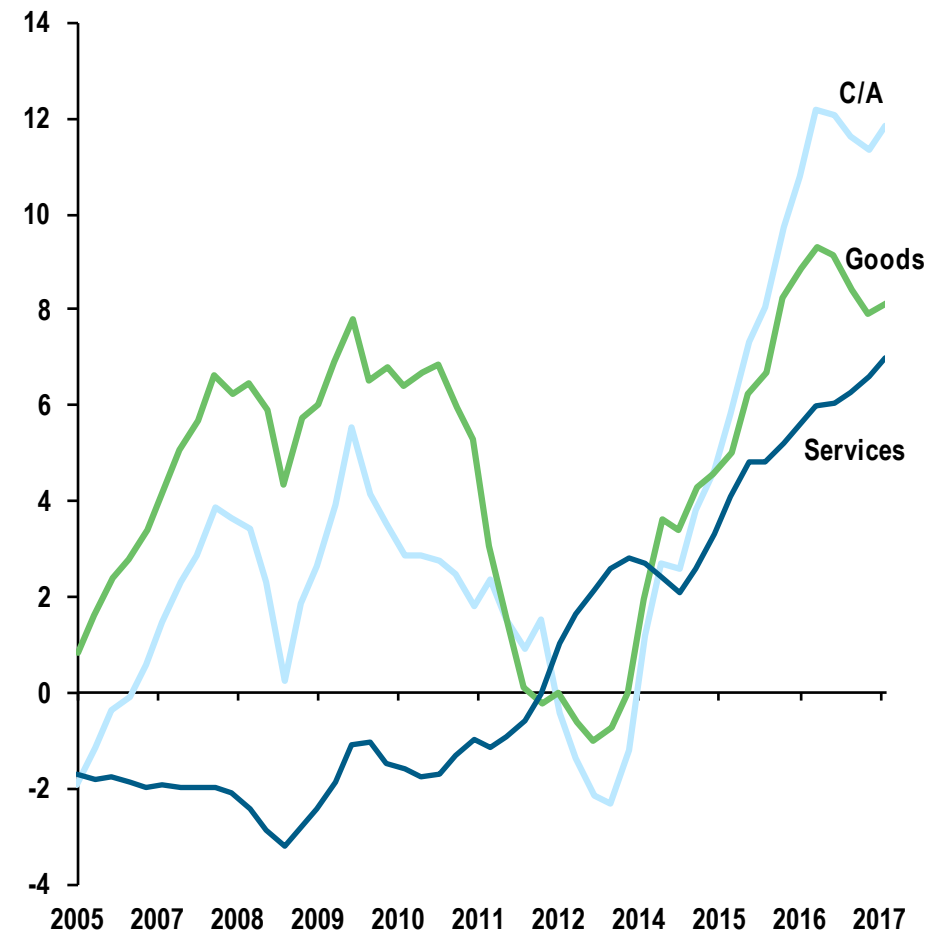
Massive C/A surplus supports the THB

Annual C/A balance (USD bn)



Tourism receipts are supporting the C/A balance

C/A, goods and services balances (USD bn, 4qma)



Vietnam – Chugging along

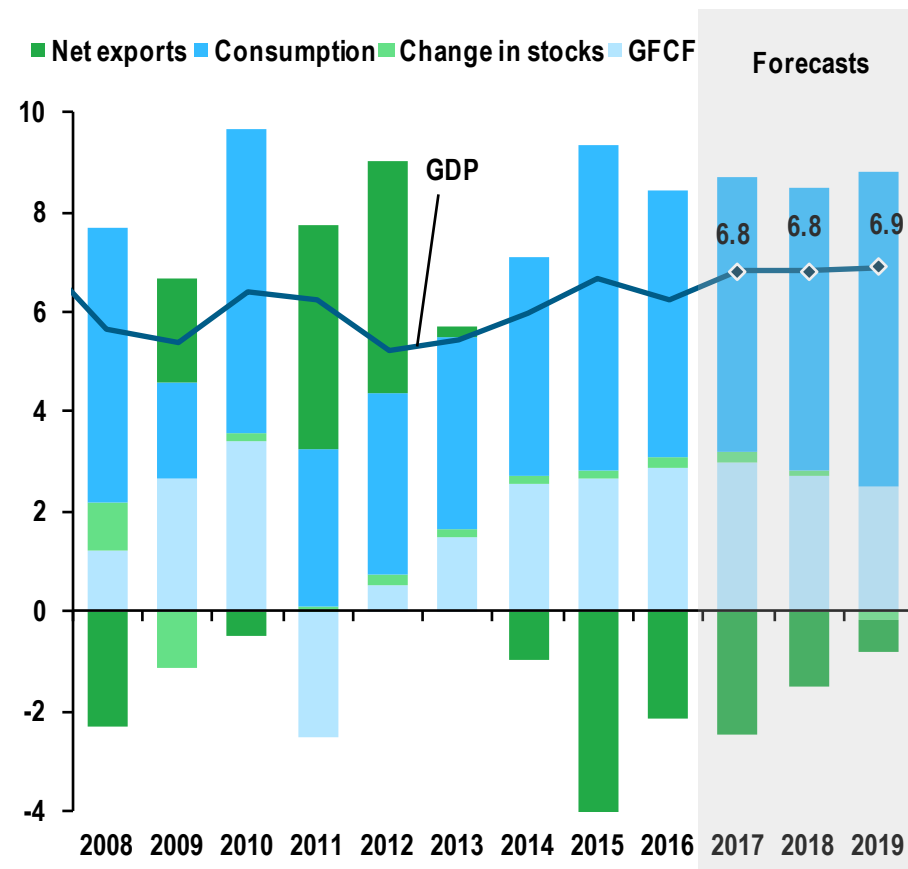
Vietnam macroeconomic forecasts

	2017	2018	2019
GDP growth (real % y/y)	6.8	6.8	6.9
CPI (% annual average)	3.5	4.5	5.2
Policy rate (%)*	6.25	6.25	7.00
USD-VND*	22,900	22,600	22,600
Current account balance (% GDP)	1.3	1.1	1.7
Fiscal balance (% GDP)	-5.9	-6.0	-5.5

*end-period; Source: Standard Chartered Research

Growth is likely to remain strong in 2018

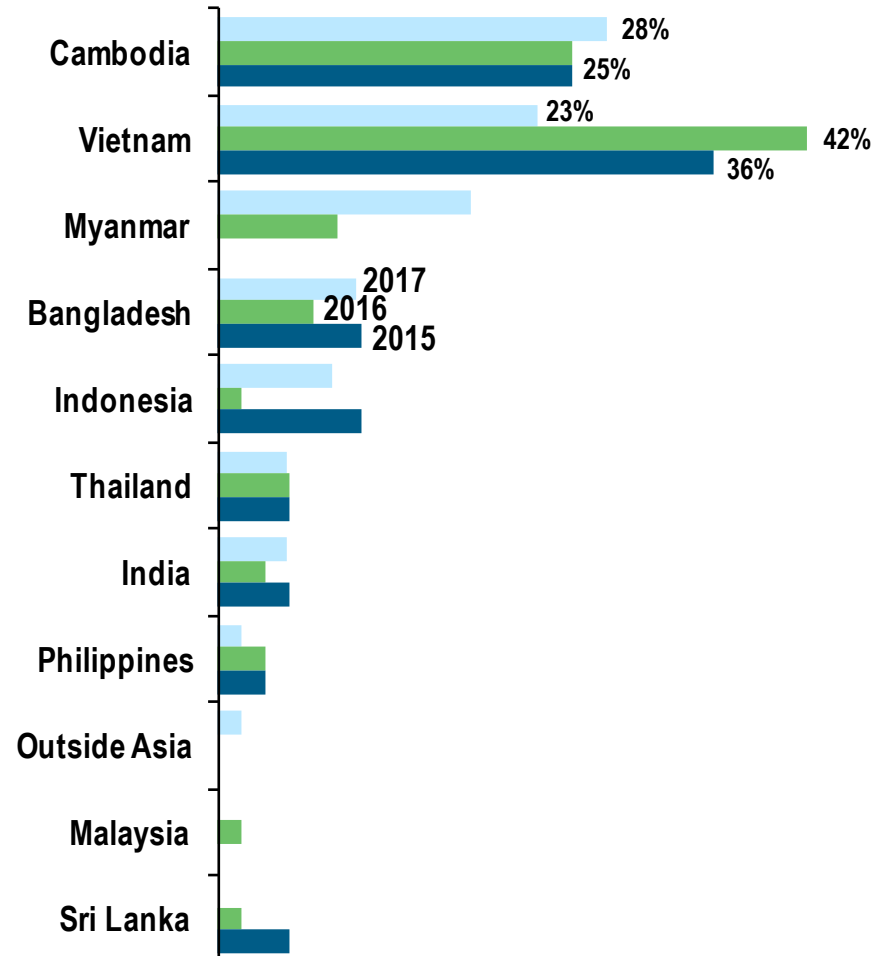
Contributions (ppt), real GDP growth (% y/y)



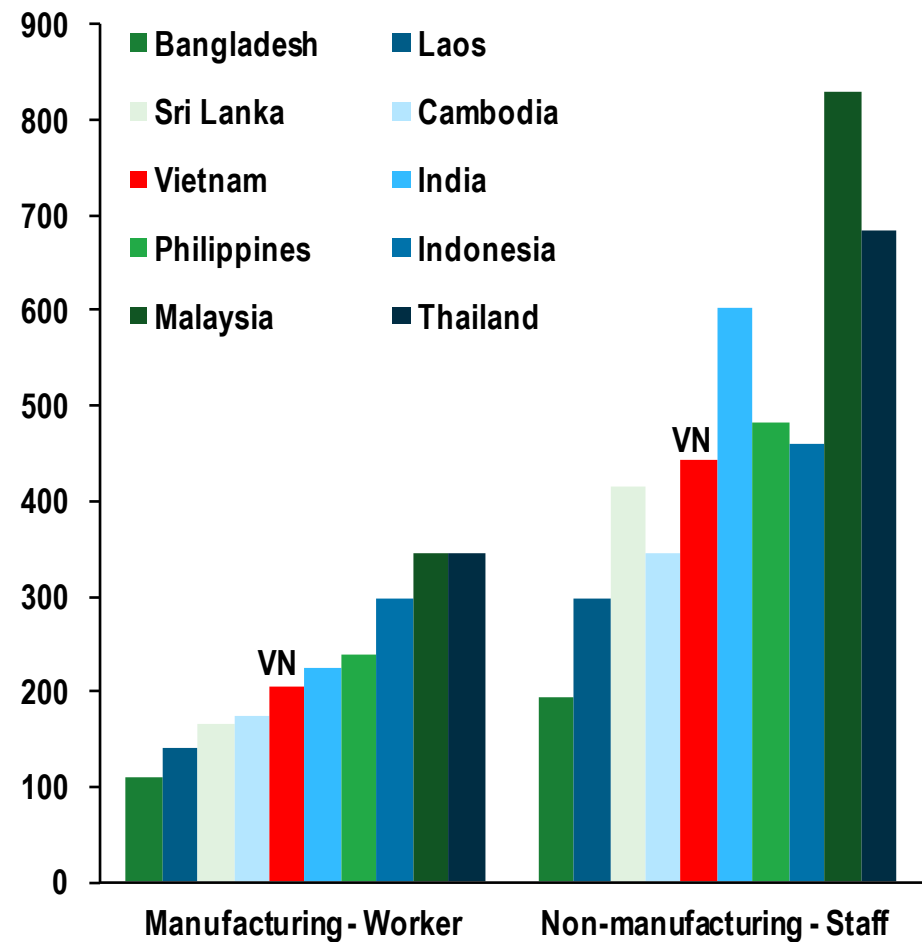
Source: CEIC, Standard Chartered Research

VN – Manufacturers can save up to 22% on wages in Vietnam

If you plan to move capacity out of China, to where?
% of respondents (manufacturing clients in PRD)



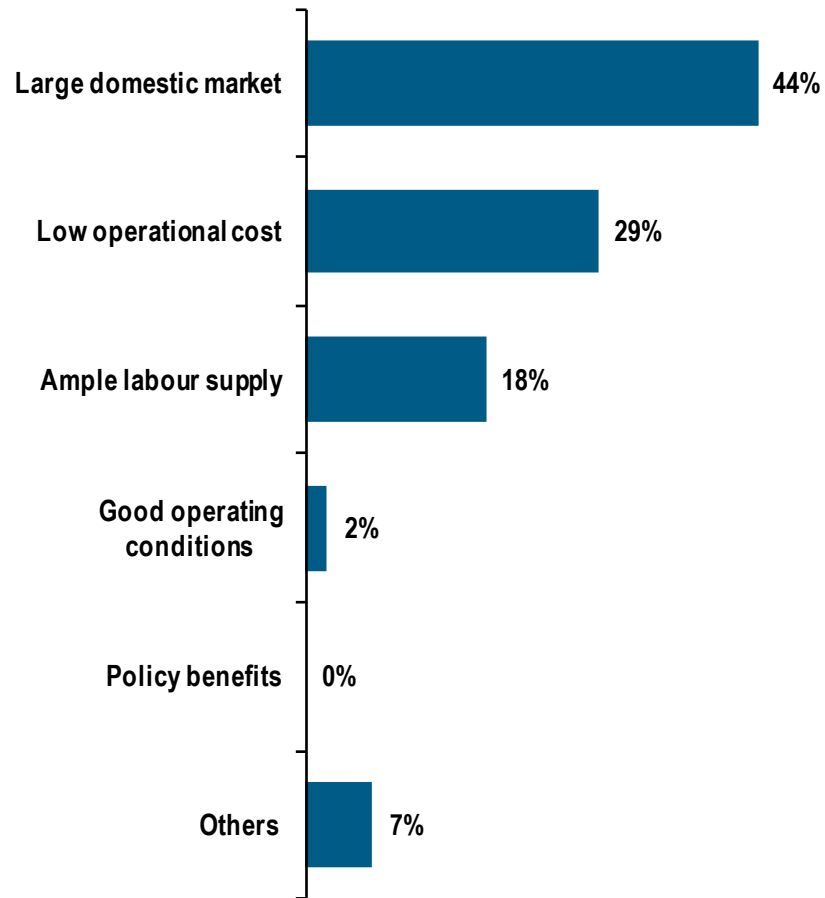
Low wages in Vietnam is a significant advantage
(labour costs in various cities, USD per month)



VN – Moving up the manufacturing value chain

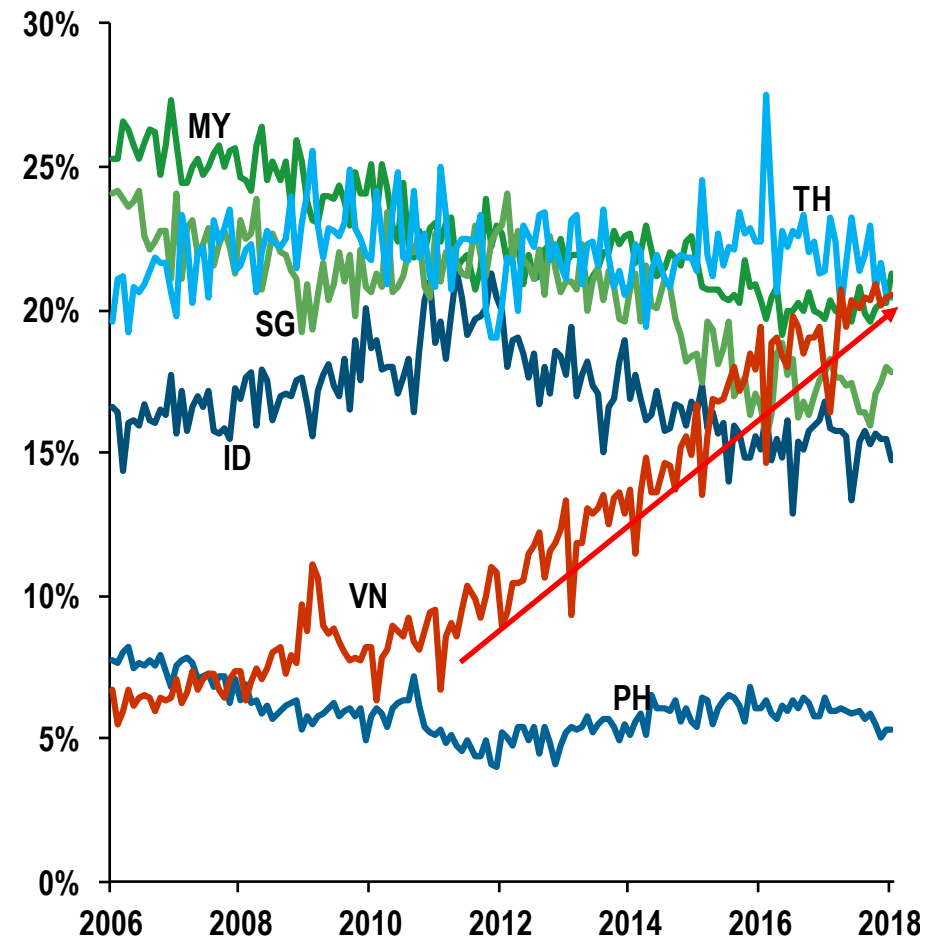
Why did you invest in Vietnam?

% of respondents, our survey of foreign firms in Vietnam



Gaining export share within ASEAN-6

ppt share, % 3mma



Why choose ASEAN?

✓ **Growing domestic market**

- growing wealth, better economic outlook

✓ **Strong labour supply**

- ample labour supply, lower wages, other savings

✓ **Client demand**

- diversify production centres

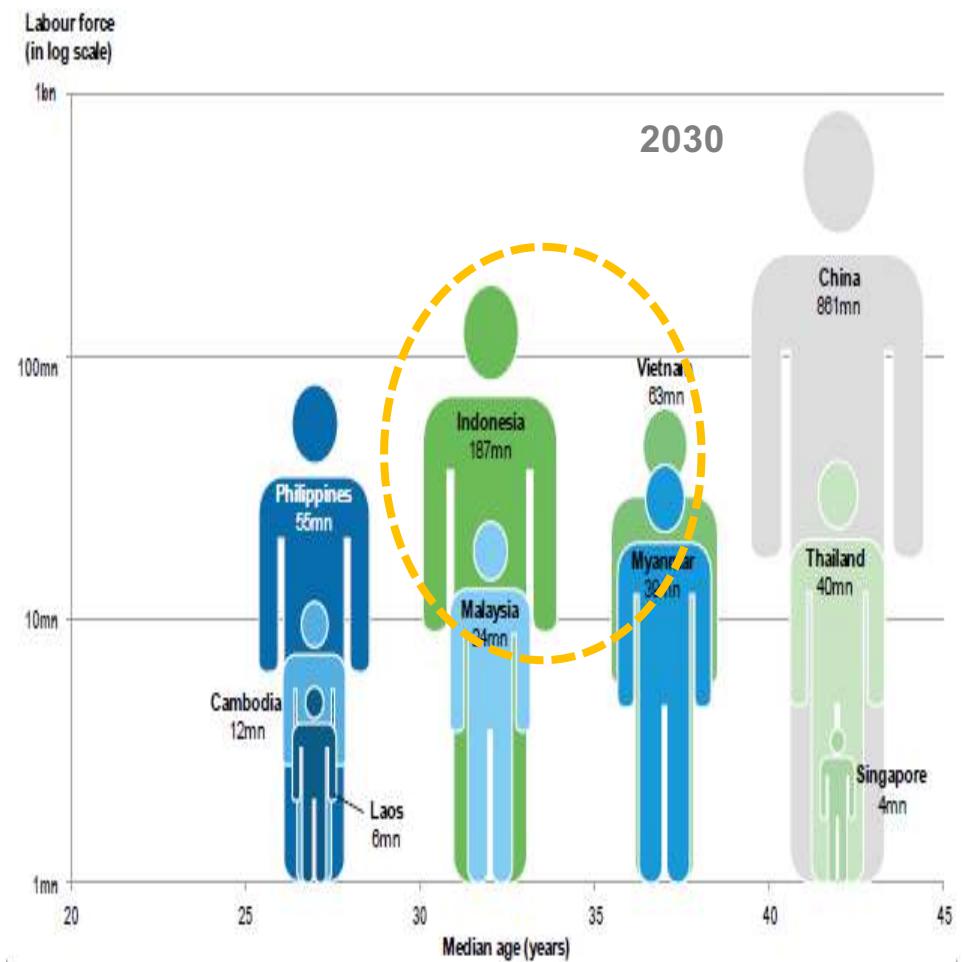
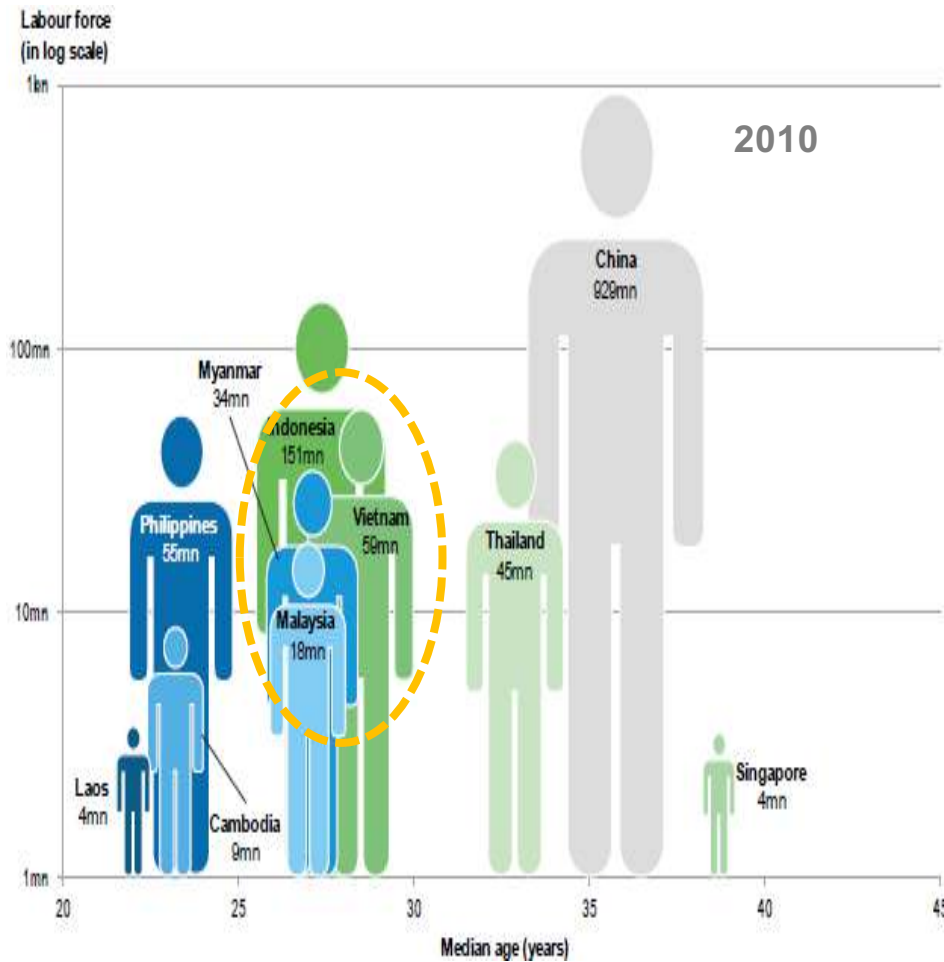
✓ **Stable region**

- regional governments focus on pro-growth policies

Favourable demographics

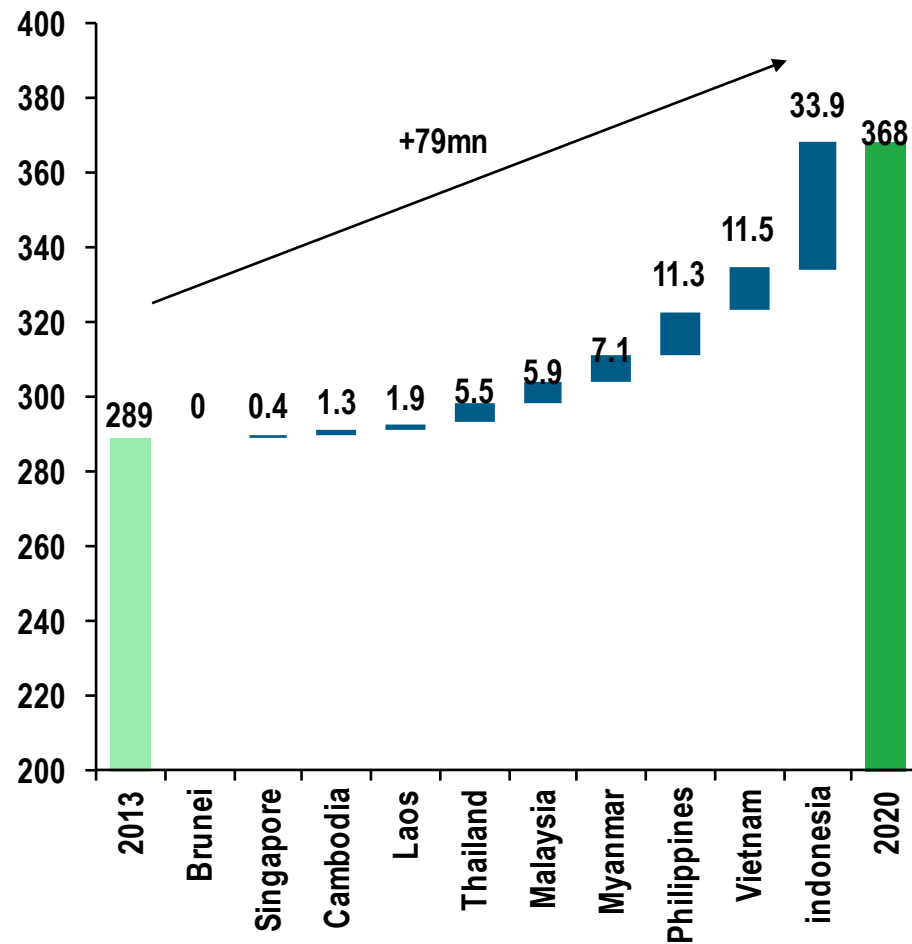
ASEAN median age and labour force 2010 vs. 2030

Median age (years, x-axis) vs labour force (population in log scale, y-axis)

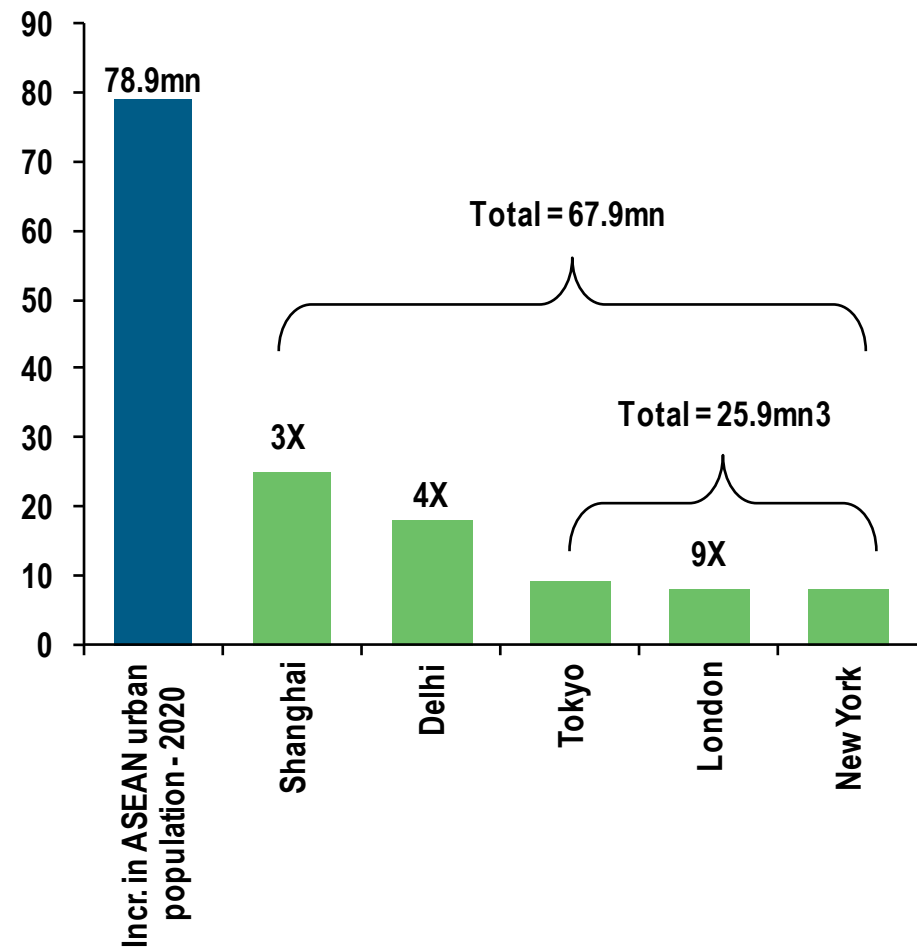


ASEAN – It's a consumer market too

Significant growth in the urban population
Millions



Rise in ASEAN's urban population to dwarf current populations of major cities (millions)



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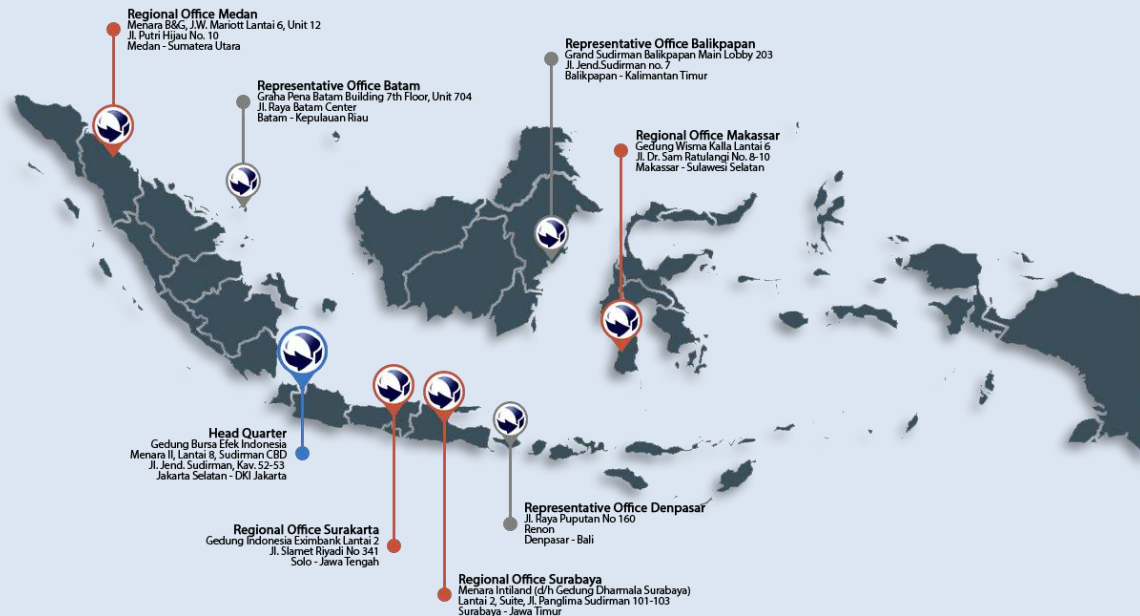
Indonesia Eximbank

Panel Discussion on ASEAN Trade
Standard Chartered Bank Asean Banker's Conference

Mei 2018

Indonesia Eximbank (IEB) is a financial institution wholly-owned by the Government of the Republic of Indonesia that was established pursuant to the Act No.2 Year 2009 to perform the National Export Financing (PEN).

Office Network



Key Activities

1. Financing
2. Guarantee
3. Insurance
4. Advisory Services

Mandate & Responsibilities

- To support national export programme through national export financing.
- Export facilitation in the form of financing, guarantee and insurance

Special Institution Status

Indonesia Eximbank operates independently, in accordance to its own Law (Lex Specialist)

Government Ownership

Wholly-owned by the State with Sovereign status

International Credit Ratings

- idAAA (stable) Pefindo : June, 2017
- Baa3 (Positive) Moody's: February, 2018
- BBB (Stable) Fitch: Januari, 2018
- BBB- (Stable) S&P: December, 2017

2

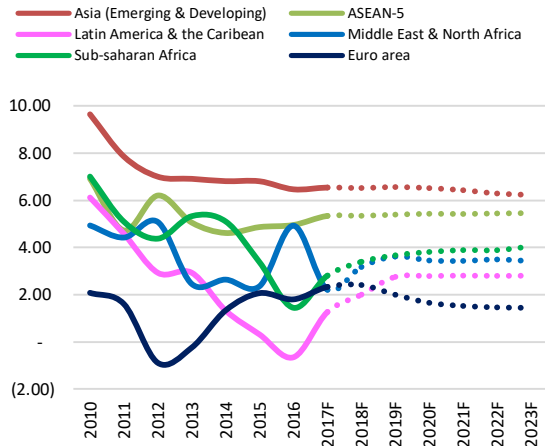


The Role of Indonesia Eximbank

Rising Trade Within the Region - An Important Buffer

3

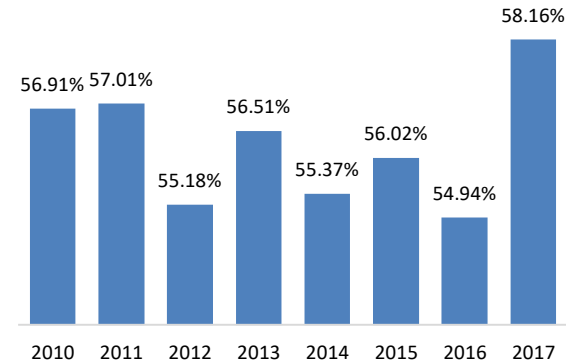
Global Economic Projection



Source: World Economic Outlook April 2018, IMF

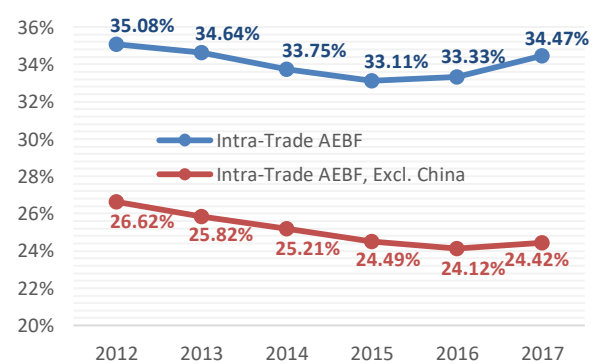
Long-term projection estimate that the Asian Economy will be the driver of the global economy. If the intra-region trade are interconnected then it will be a cushioned if the global economy slowing down. With the strengthening of Asian Economies should be stronger intra-Asia trade. In turn, the sustainable benefit can be perceived by each country region.

Intra-Asia Trade



Source: Comtrade

Intra-AEBF Trade



Source: CEIC

Indonesia Eximbank together with 10 eximbank Asian countries cooperate to form Asian Eximbank Forum (AEBF).

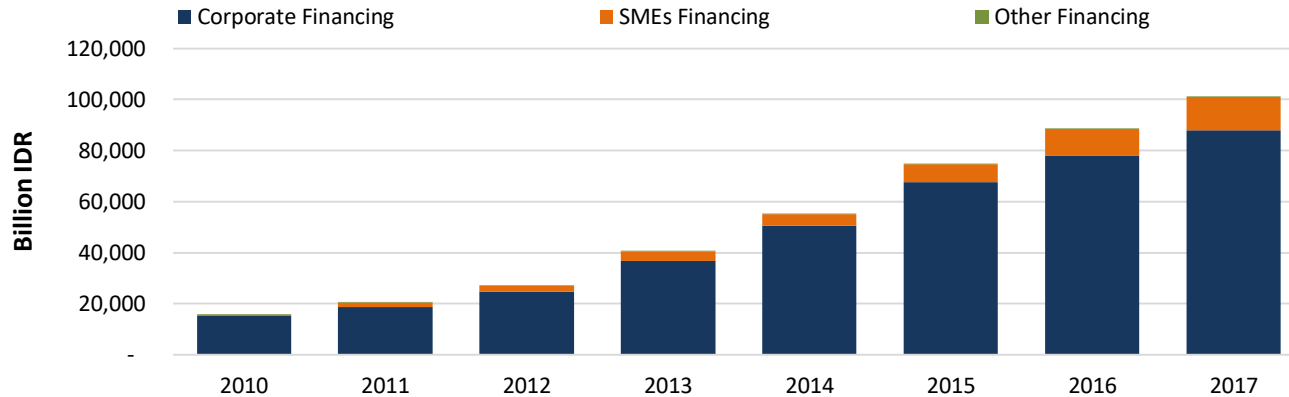
The forum endeavours to share the expertise and knowledge gained by Asian ECAs amongst the members and explore possible areas of cooperation. It has served as an excellent platform that are promoting intra-regional trade, response to global financial crisis, challenges and sustainable growth mechanisms, regional cooperation and connectivity amongst others. The members have entered into various bilateral and multilateral facilities and arrangements. The members have also executed reciprocal risk participation agreements amongst themselves promoting intra-regional trade.

When Indonesia Eximbank hosted this forum in 2016, we proposed to set up credit lines among member countries to realize real transactions. This effort aims to strengthen intra-region trade considering the potential of supply and demand between member countries.

Some measures undertaken:

-

Disbursements by Segment of Financing



In 2017, Indonesia Eximbank continued to support Indonesian companies by providing its wide range of financial services from financing, guarantee, insurance and advisory services for large-scale corporate to SMEs. We seek to influence policy to drive competitiveness, creating jobs, women's empowerment and lasting economic growth.

In recent years, we have increasingly focused support on small medium enterprises (SMEs). In 2017, the loans extended to SMEs reached IDR13.0 trillion (USD0.96 billion), an increase of 24.0% from the previous year's SMEs financing of IDR10.5 trillion (USD0.78 billion). Through Indonesia Eximbank financing, we are helping firms to minimize the financial risks of overseas trade. Accessing working capital to fulfil export orders and making sure an overseas buyer will pay on time because it can be particularly daunting for SMEs.

SMEs are the backbone of our economy, and the driving force of jobs and growth. Some of our SMEs debtor in agriculture, fisheries and handicraft sector employ a large women workers as tea pickers, handcrafters, and employee.

The Role of Indonesia Eximbank

Strengthening International Cooperation

6

Indonesia Eximbank has established international cooperation with **280 financial institutions** worldwide as an effort to support national exports.

Financial Institution Cooperation

280

Institutions
(Banking, Eximbank & Agency)

Membership
International
Forum

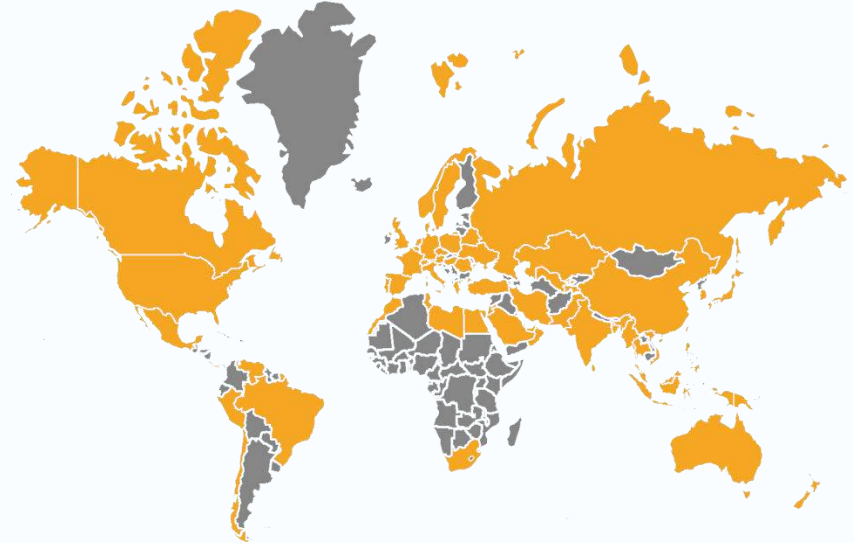
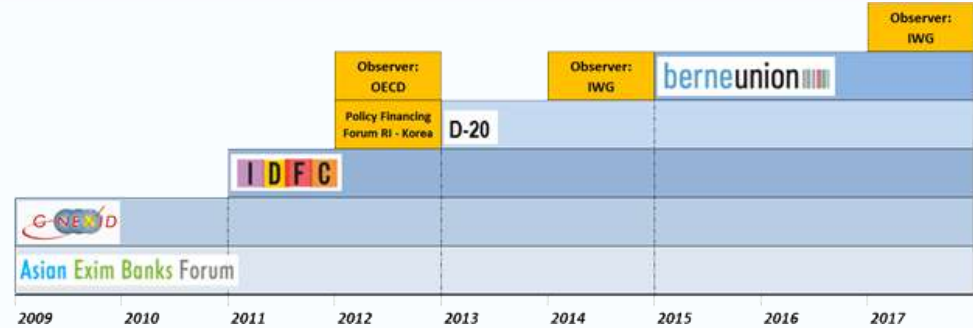
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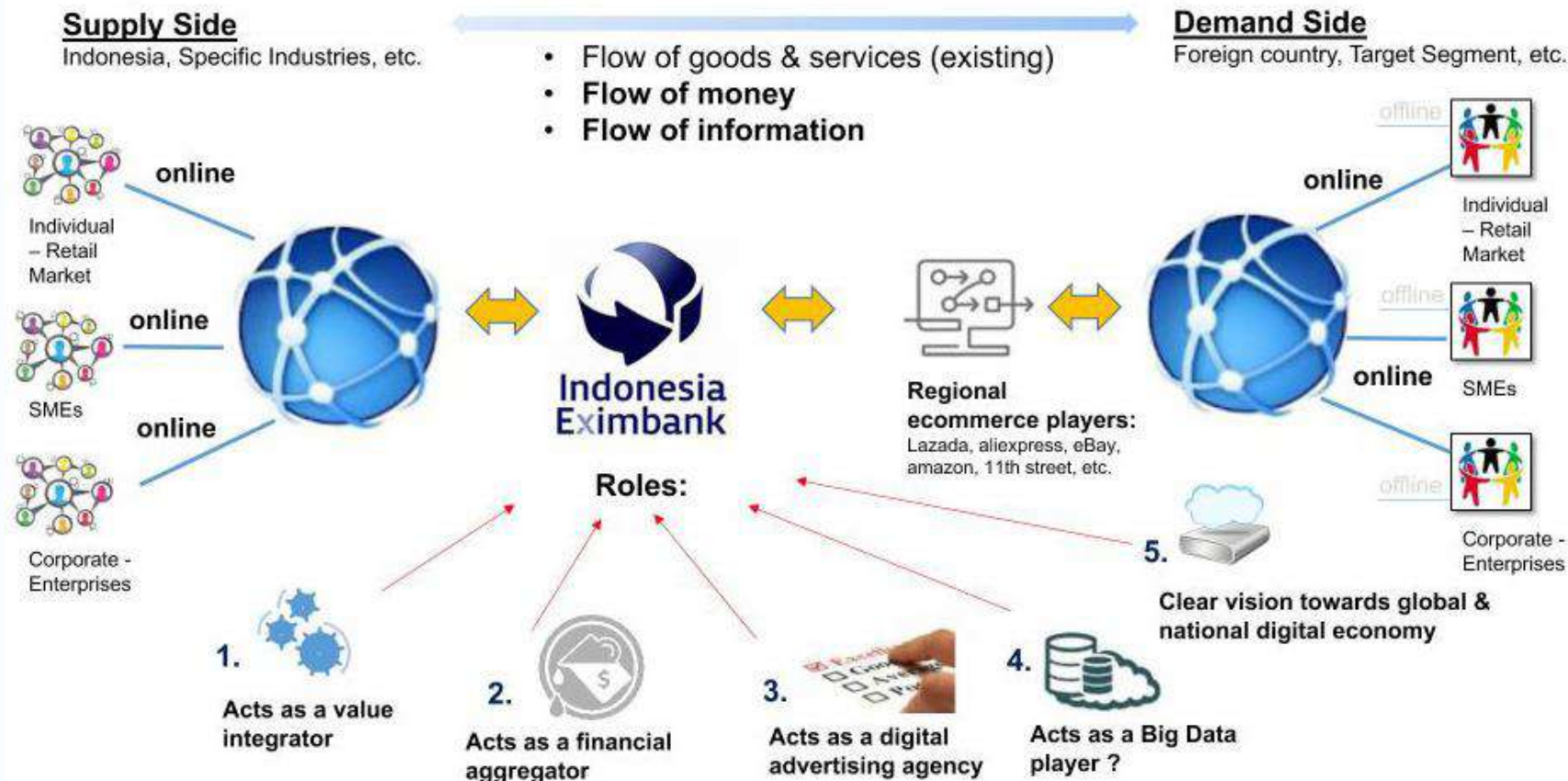
Forum

Interwoven
Cooperation
spread across

68

Countries around
the world





Peer-to-Peer Lending Addressing Indonesia's Credit Gap

Adrian A. Gunadi

Co-Founder & CEO Investree

Vice Chairman Indonesian Fintech Association

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Agenda

1

Fintech

2

Investree

3

Collaboration

4

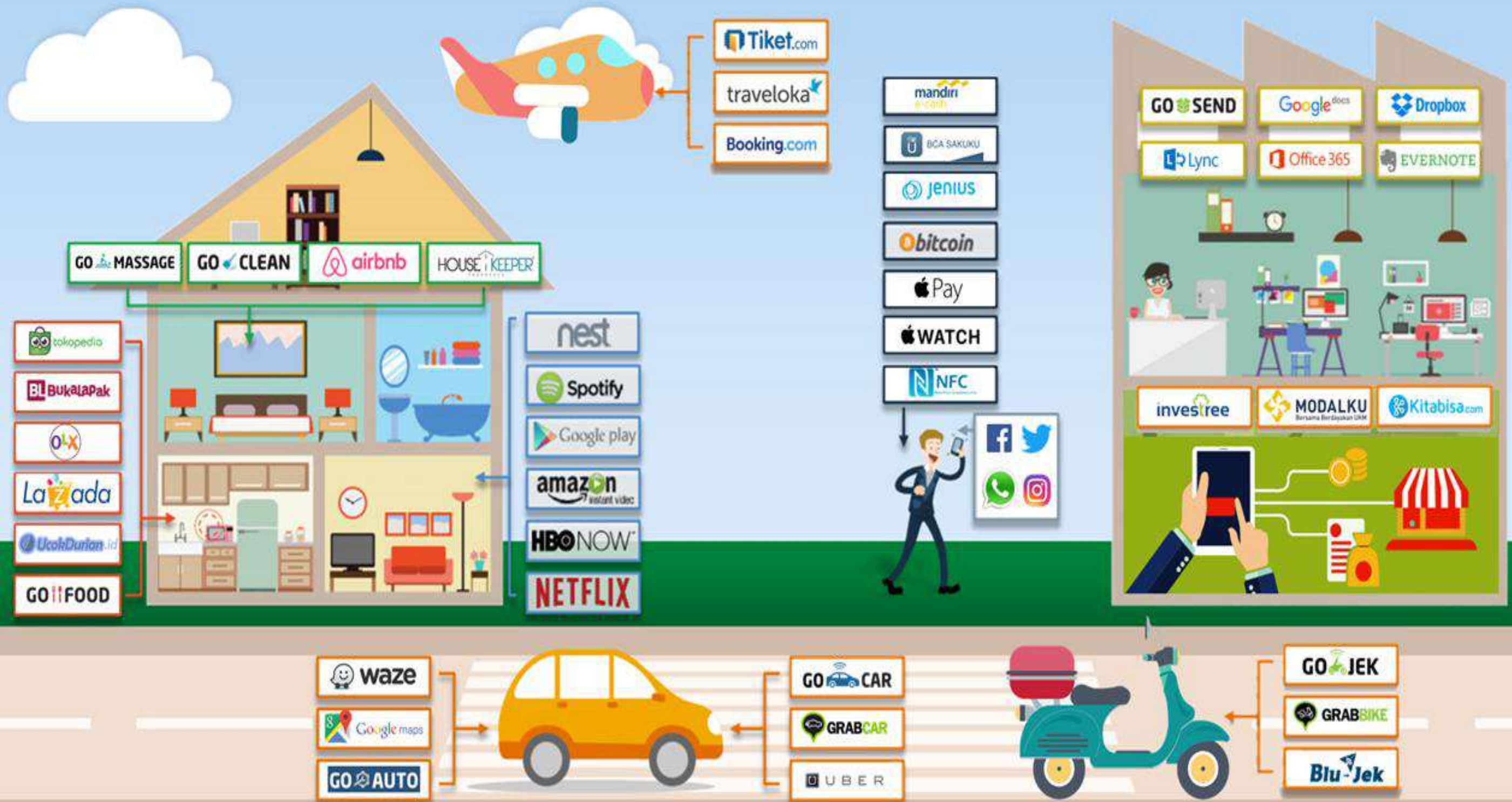
Our Impact



Fintech

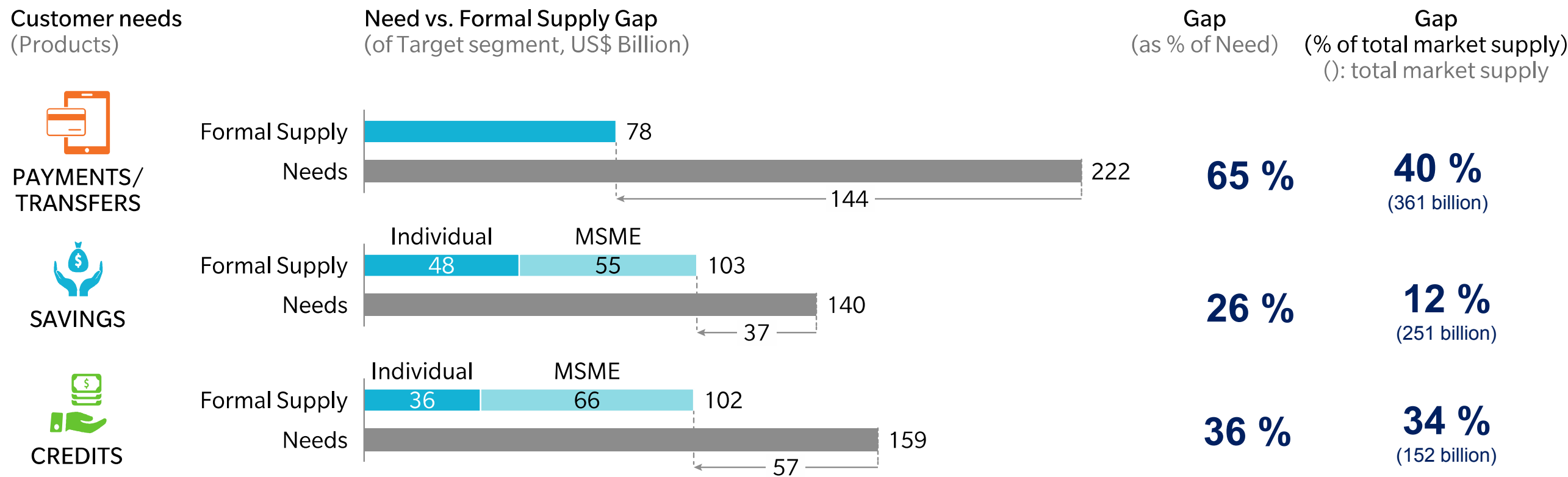
Indonesia is Entering Digital Economy Era

How digital has touched every aspect



Fintech Opportunities in Indonesia

Using technology to accelerate financial inclusion



Source: AFTECH, Mckinsey2016

Indonesia Fintech

Anggota-anggota kami

PAYMENTS



LENDING



MARKET PROVISION



INVESTMENT



INSURETECH



POJK 77 on P2P Lending December 2016

Item	Remarks
Registration & Licensing	1 year to apply license
Minimum capital	IDR2.5bn (USD188K)
Foreign ownership	Max. 85%
Maximum loan size	IDR2.0bn (USD150K)
Maximum Interest Rate	Not Regulated
Investors	Residents, non-residents, have bank accounts
Borrowers	Residents, IDR denominated loans, have accounts
AML	Required
Consumer Protection	As per banking standards
KYC	Required
Digital Signature	Acceptable



Investree

Investree's Key Strategic Position

Why we're different

Proven industry track record helmed by experienced management team (>20 years in banking for each key BOD/BOC)

Comprehensive product offering serving unbanked SME



Strong emphasis and dedicated risk management team with solid technology support functions



Synergy, partnerships and ecosystem with institutional investors, e-commerce

Scalable and Robust operational process to ensure efficient and secure transaction



FINTECH

Our Busy Marketplace for Lenders & Borrowers

[Home](#)
[Pinjaman Personal](#)
[Pinjaman Bisnis](#)
[Pendanaan](#)
[Cara Kerja](#)
[Tentang Kami](#)
[Masuk](#)

Buat hari ini lebih bermakna

Lender menginginkan return menarik. Borrower menginginkan bunga bersahabat. Kami merevolusi cara pinjam meminjam, membuatnya lebih menguntungkan bagi kedua pihak.

Dapatkan return hingga

20%

p.a.
dari pokok pinjaman.

Asumsi pendanaan selama 1 tahun pada pinjaman grade C3, sebelum pajak.

Berikan Pinjaman

Atau



Pinjam dengan

0,9%

per bulan
atas nilai pinjaman

Perhitungan berdasarkan analisis scoring.

Ajukan Pinjaman

[Home](#)
[Pinjaman Personal](#)
[Pinjaman Bisnis](#)
[Pendanaan](#)
[Cara Kerja](#)
[Tentang Kami](#)
[Masuk](#)

YEG Jasa Penunjang Jasa Keuangan Lainnya Ytdl Pinjaman Personal	Pinjaman: IDR 10.000.000	Grade & Rate: C3 2,20%	Term: 12 Bulan	Disbursed 100% 1 Hours funding	Batas Funding Pendanaan Selesai
SAU Jasa Sistem Komunikasi Pinjaman Personal	Pinjaman: IDR 50.000.000	Grade & Rate: A3 1,00%	Term: 12 Bulan	Disbursed 100% 24 Minutes funding	Batas Funding Pendanaan Selesai
PT ETT FOOD AND BEVERAGES Pinjaman Bisnis	Pinjaman: IDR 658.000.000	Grade & Rate: A1 14%	Term: 41 Hari	Funded 100% 1 Days funding	Batas Funding 13 Hari Lagi
PT BTSB TOBACCO MANUFACTURERS Pinjaman Bisnis	Pinjaman: IDR 683.000.000	Grade & Rate: A2 16%	Term: 75 Hari	Funded 100% 1 Days funding	Batas Funding 10 Hari Lagi
PT IJS ELECTRONICS Pinjaman Bisnis	Pinjaman: IDR 223.000.000	Grade & Rate: B1 16%	Term: 90 Hari	Funded 100% 8 Minutes funding	Batas Funding 10 Hari Lagi
PT NSI KEMENTERIAN Pinjaman Bisnis	Pinjaman: IDR 712.000.000	Grade & Rate: A1++ 12%	Term: 83 Hari	Funded 100% 3 Days funding	Batas Funding 10 Hari Lagi

[Chat with Us!](#)



Collaboration

Unique Propositions

P2P & Banks, complement each other if done right

Best Case Scenario

Banks

P2P Lending

Type of Products	Traditional working capital & investment loan products	Innovative products (e.g. MCA, POS Financing)
Duration of Loan Products	Long (2+ years)	Short (<2 years)
Target Customers	Prime Borrowers with strong credit rating	Credit-worthy borrowers outside or within the banking system
Operational strengths	Offline distribution channel, transactions via banking system & operational scale	Technology, innovative credit assessment & electronic transactions

The Bankers' Fintech Grief Cycle



How Banks & Fintech Can Collaborate

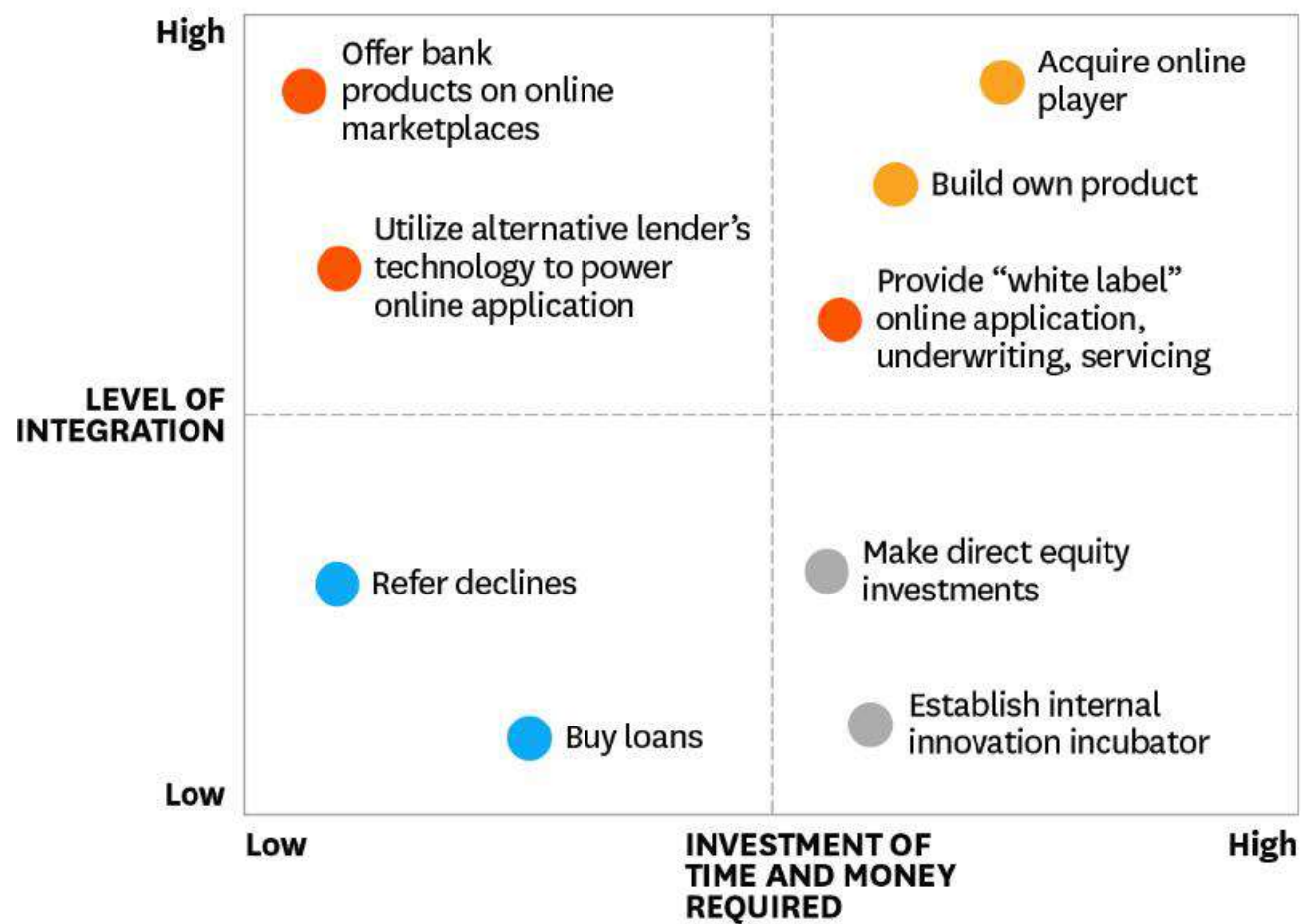


Diagram 1. New world brings real threat to incumbent banks

Old World ...



... New World





Our Impact

Awards

BEST FINTECH ENTREPRENEUR



Awarded by



INDONESIA FINTECH OF THE YEAR 2017



Awarded by



Borrower Story

“As the owner of a creative company, the first thing we always thought about was how we can get a loan from the bank, while banks always need physical collateral.

Until finally, we met Investree.

We found working with Investree was as good as promised. Their friendly and experienced team walked us through the process. **No collateral required. It was fast and simple!**”



Anantya Van Bronckhorst

Co-CEO of leading digital agency in Indonesia

#SemuaBisaTumbuh



AIA Central | 21st Floor

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cs@investree.id

www.Investree.id



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2018 | PT Investree Radhika Jaya

Correspondent Banking Story Our Cash and Trade Capabilities

April 2018

A leading international bank, with a history of more than 160 years in some of the world's most dynamic markets

Driving investment, trade and the creation of wealth across Asia, Africa and the Middle East



Financial strength

Robust and liquid balance sheet, strongly capitalised and predominantly deposit funded franchise

13.6%

Core tier 1 capital ratio

69.4%

Loans to deposits ratio

A/A1/A+

S&P/Moody's/Fitch Credit Ratings



Deep local knowledge

International network with local knowledge

Providing access to markets, assets and capital across our footprint

A diverse group of people challenging the norm to generate value for our clients

125

Nationalities



Dynamic markets

Unrivalled presence in growth markets of Asia, Africa and the Middle East

Present in Australia, Europe and the Americas to facilitate cross-border transactions



Client spectrum

Customised, value-added solutions to meet our client needs across the spectrum

Here for good: We stay open for our clients, even in difficult times.

Our Correspondent Banking proposition

Quick facts

34

markets with direct
clearing memberships



100+

clearing networks
connectivity



4,400+

relationships with
financial institutions
across the globe



Top-three

non-US bank
for USD Clearing¹



Top-three

bank for Trade Finance
globally²



Top-two

in overall global
client satisfaction³



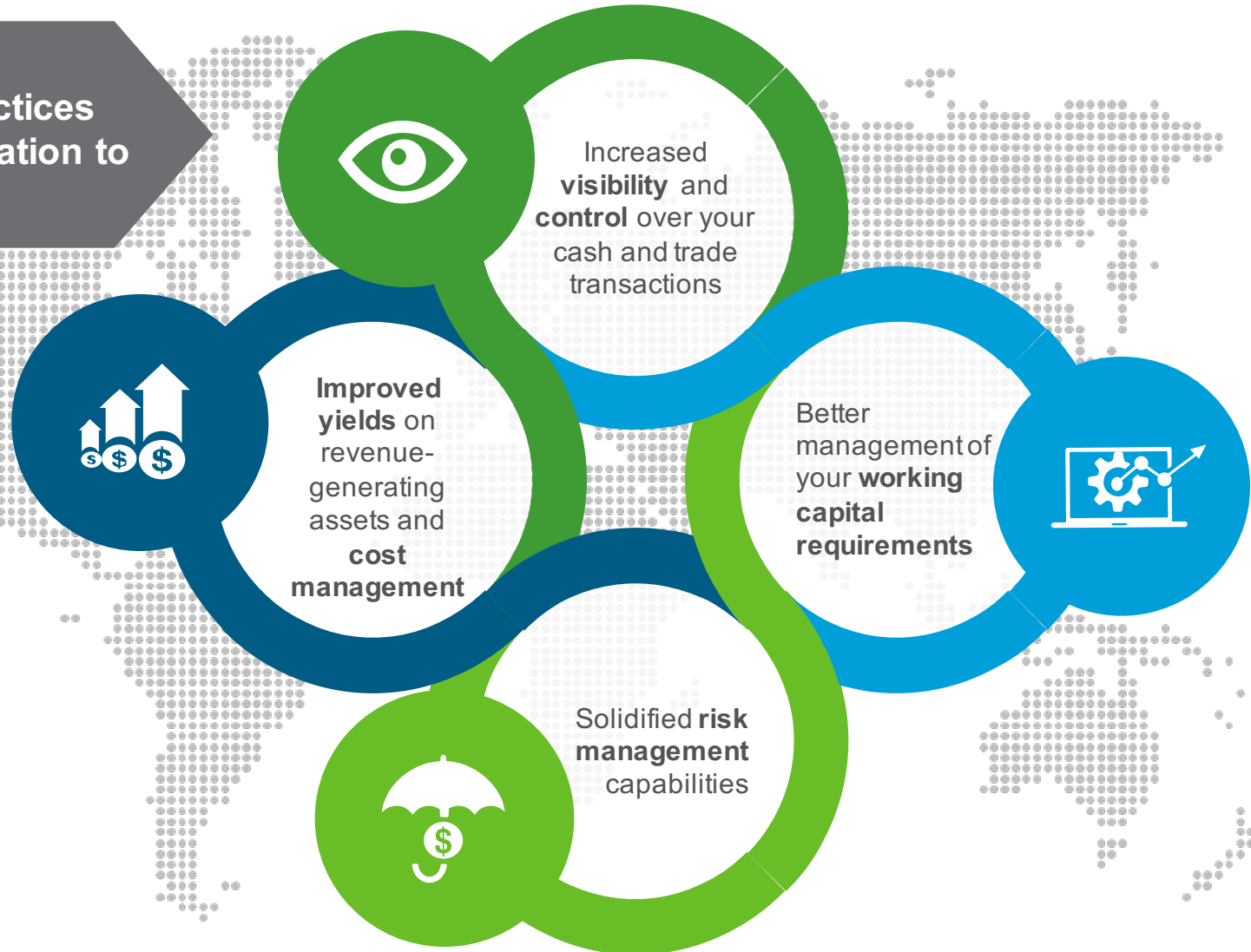
¹ Clearing House Interbank Payment System Information

² Oliver Wyman Transaction Banking Benchmarking Study 2016

³ Fimetricx Survey 2016/2017

We understand and anticipate your correspondent banking needs

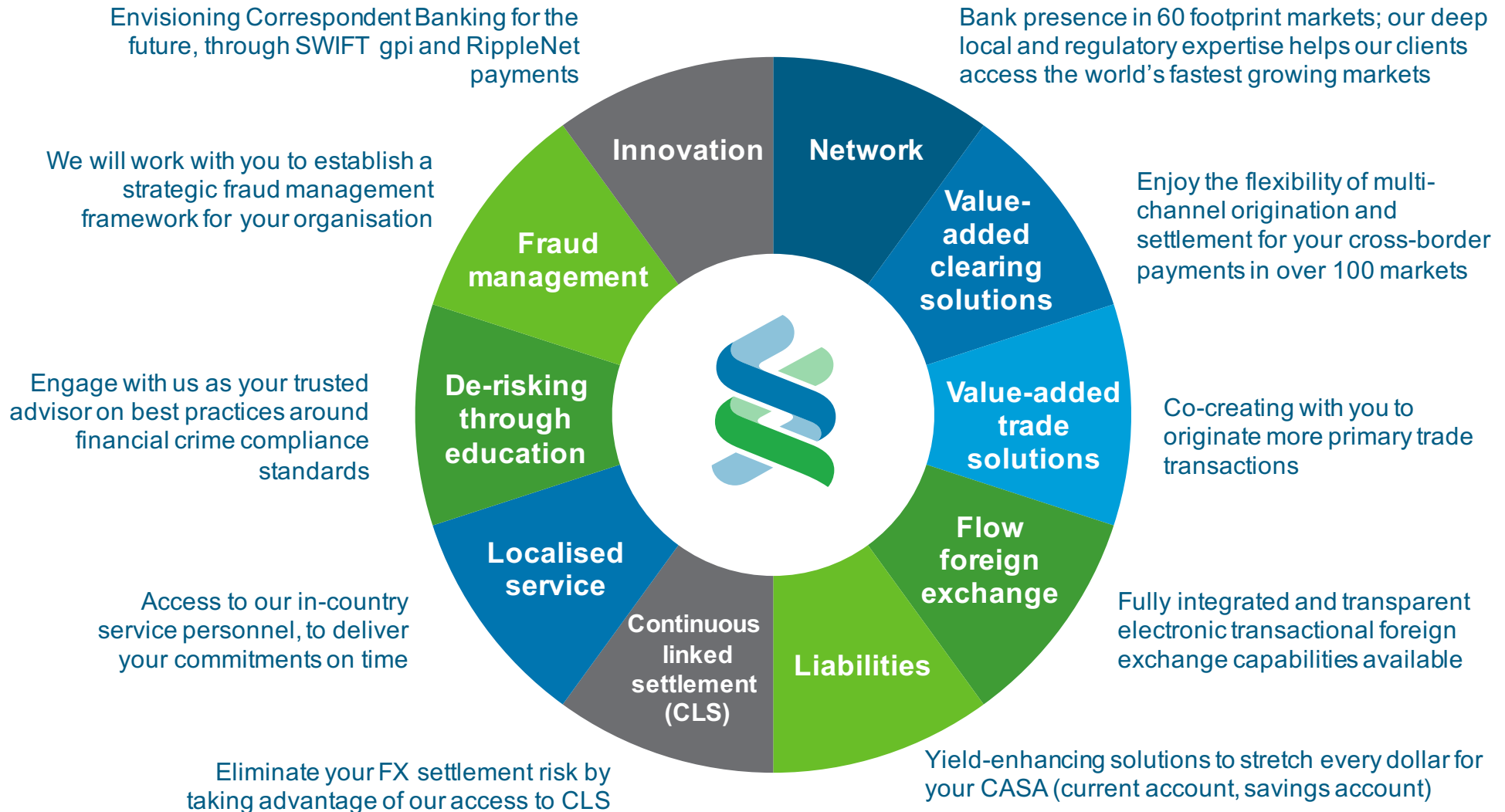
Our product suite combines best practices and local customisation to deliver:



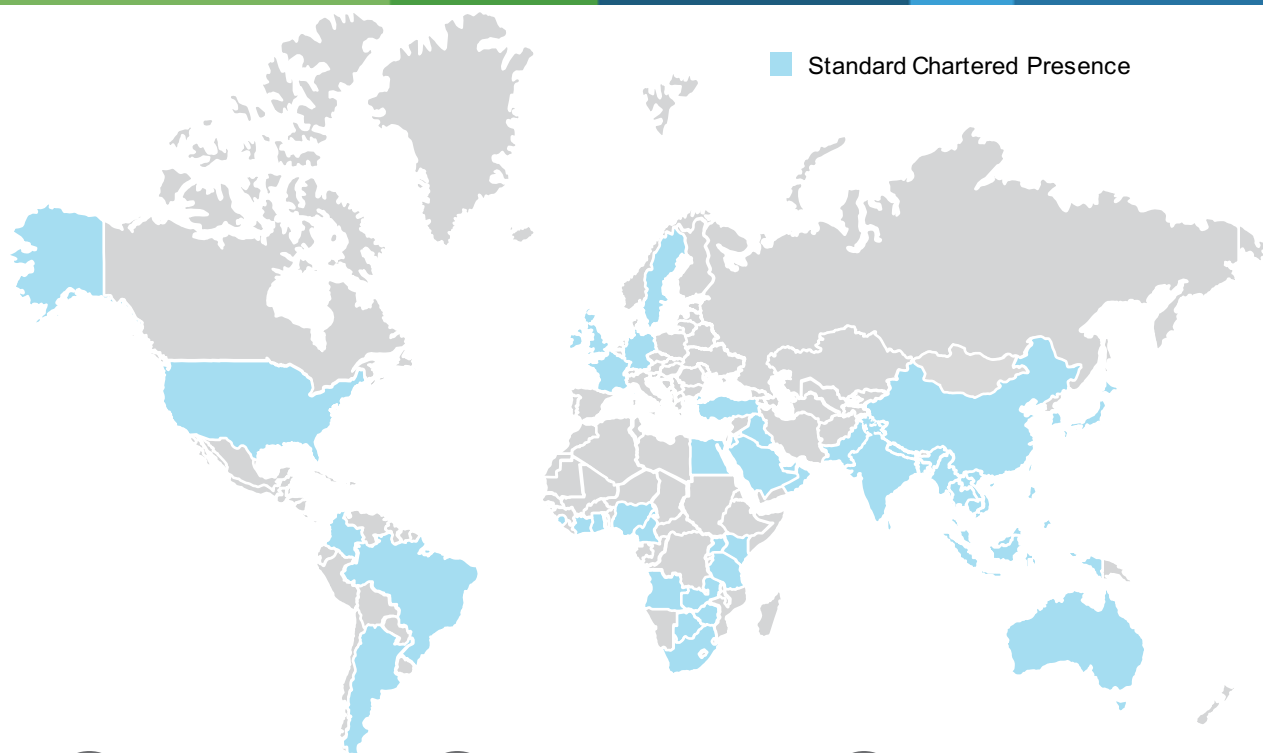
Correspondent Banking Story

The Standard Chartered advantage

The Standard Chartered advantage



Benefit from our history, deep relationships and broad network



60

Footprint markets

Access Asia, Africa and the Middle East on the back of our relationships

34

Clearing memberships²

Local expertise

We have a deep understanding of local markets

Infrastructure depth

Direct membership to over 100 clearing systems globally

6

GREATER CHINA & NORTH ASIA

China
Hong Kong
Japan
South Korea
Macau
Taiwan

15

ASEAN & SOUTH ASIA

Australia
Bangladesh
Brunei
Cambodia¹
India
Indonesia
Laos¹
Malaysia
Myanmar¹
Nepal
Philippines
Singapore
Sri Lanka
Thailand
Vietnam

25

AFRICA & MIDDLE EAST

Angola
Bahrain
Botswana
Cameroon
Cote d'Ivoire
Egypt¹
Ghana
Iraq
Jordan
Kenya
Lebanon¹
Mauritius
Nigeria
Oman
Pakistan
Qatar
Saudi Arabia
Sierra Leone
South Africa
Tanzania
The Gambia
United Arab Emirates
Uganda
Zambia
Zimbabwe

14

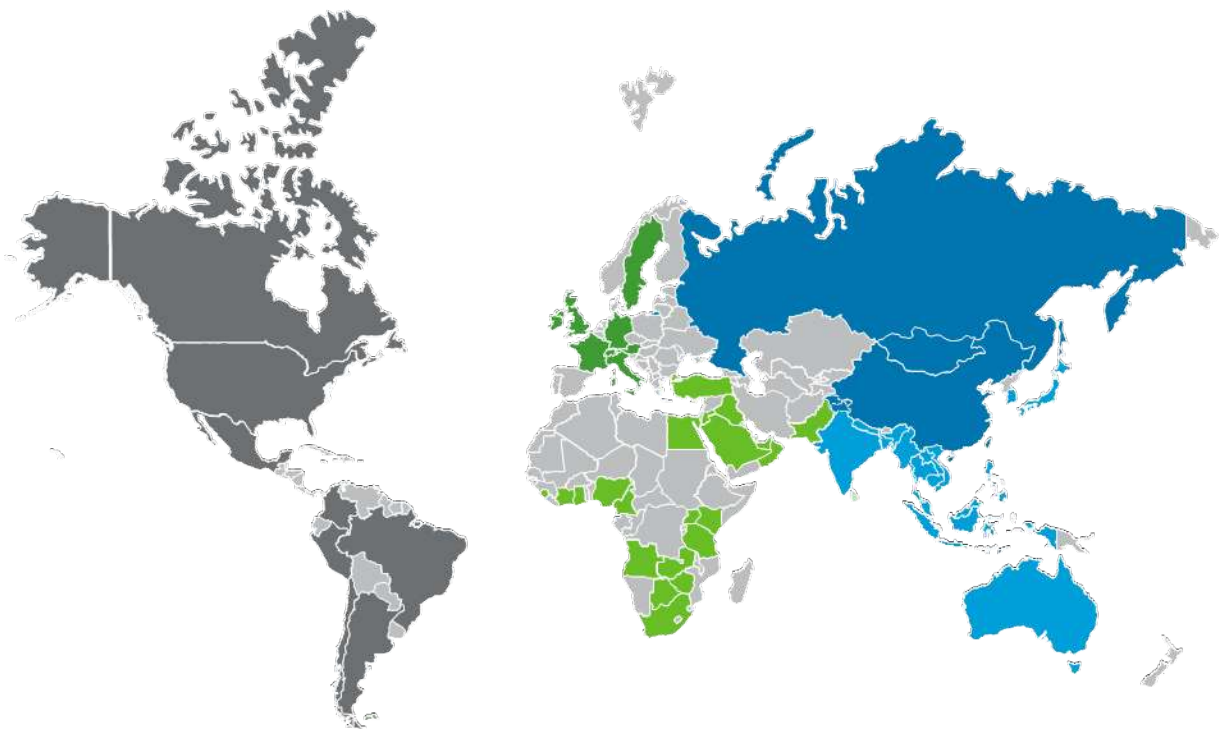
EUROPE & AMERICAS

Argentina¹
Bahamas
Brazil
Colombia¹
Falkland Islands
France
Germany
Guernsey
Ireland
Jersey
Sweden
Turkey
United Kingdom
United States of America



Financial institutions

Our risk coverage and capacity



Extensive appetite and coverage across difficult markets



~USD100bn

Active limit amount









~1,900

Financial institution entities

Active limits	Entities
Greater China & North East Asia	
USD35bn	580+
ASEAN & South Asia	
USD14bn	350+
Africa & the Middle East	
USD16bn	300+
Europe	
USD17bn	420+
Americas	
USD10bn	190+



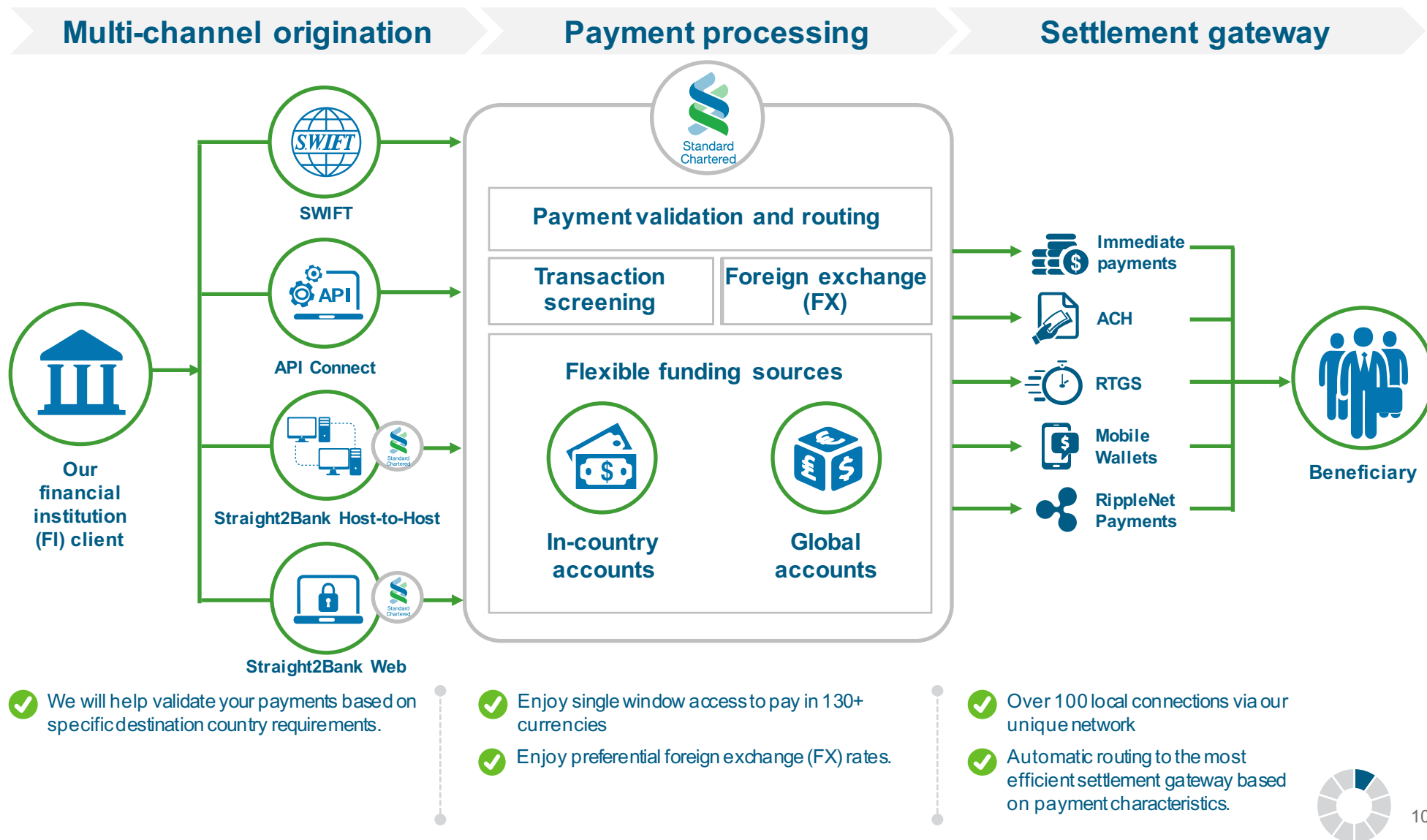
Value-added clearing solutions

Your needs	Our solutions	Value to you
Pricing flexibility – payables	 Benededuct Benetrade	<ul style="list-style-type: none"> Multiple rebate schemes available for customisation based on thresholds, reference and payment volumes, amongst others Applicable for outgoing MT103 and MT202 payments.
Pricing flexibility – receivables	 Creditdeduct Rectrade	<ul style="list-style-type: none"> Enable you to pass on the costs associated with processing of fund transfers to the beneficiaries Applicable for incoming MT103 and MT202 received.
Tracking and transparency of cross-border payments	 SWIFT gpi	<ul style="list-style-type: none"> Enjoy full transparency on fees and payment status Enhance operational and client service efficiency Drive payment volumes with gpi-enablement.
China as a key payment destination	 China-bound payments	<ul style="list-style-type: none"> Approximately 85 percent of China-bound US dollar payments are paid on our books, driving settlement finality Overcome local language barriers via our service model.
Full-value payments	 Guaranteed OUR	<ul style="list-style-type: none"> Deliver full principle amount to beneficiaries Protection from unpredictable come-back claims.
Sending payments on priority	 Payment prioritisation	<ul style="list-style-type: none"> Time-sensitive, high-value payments are settled first before the release of all other payments.



Our vision for flexible, multi-geography settlements

Automatically route your payments through the fastest settlement mode available



Cross-border Mobile Wallet payments

Transforming the way you disburse low value, high volume payments



2 Live markets
In Kenya and Philippines

Helping you to improve your **reach, security and efficiency**, via mobile innovation



Your needs	Our solutions	Value to you
Meeting your clients' requirement to pay into mobile wallets instead of via nostro accounts	Deliver payments into mobile wallets via mobile wallet providers in Kenya and Philippines	One-stop integrator who can handle payments to all channels
Disbursing cross-currency wallet payments	A single nostro to deliver payment to mobile wallets in different currencies ²	Preferential and transparent FX rates

¹ MWP= Mobile Wallet Provider

² Under development






Our core trade solutions

Your needs	Our solutions	Value to you
Short-term liquidity	 FI (financial institution) trade loans	<ul style="list-style-type: none"> Flexible structures: Multi-currency, replenishable Different submission modes supported Standardised operations across our footprint.
Support for letter of credit (L/C) issuance in Asia's export markets	 L/C Relay and Reissuance	<ul style="list-style-type: none"> Advise, relay or re-issue your L/Cs in Asia by leveraging on our footprint Document checking services in Standard Chartered Hong Kong.
Make timely reimbursements on L/Cs issued	 Reimbursement products: RA & IRU, RRMB*	<ul style="list-style-type: none"> Provide additional comfort to suppliers' banks Automated reminders to monitor L/C due dates Additional liquidity with RRMB*.
Free-up limits to facilitate more trade transactions for your corporate clients	 Receivables finance for financial institutions	<ul style="list-style-type: none"> Assign your cross-border transaction risks to us Improve your working capital.
A single provider to deliver guarantees in multiple countries	 One-stop Guarantees Programme	<ul style="list-style-type: none"> Enjoy convenience by using a one-stop provider Consistent pricing offered across markets Drive efficiencies in issuances and service.

* RA = Reimbursement Authorisation
 RU = Irrevocable Reimbursement Undertaking
 RRMB = Reimbursement Refinancing

Financial Institution Trade Loans (FITL)

Addressing typical needs

Your needs		Our capabilities	Value to you
 Gain access to working capital	<ul style="list-style-type: none"> To provide your clients with additional liquidity to facilitate trade transactions 	<ul style="list-style-type: none"> Short-term financing solutions to support your client's business requirements 	<ul style="list-style-type: none"> Quick access to funds Improve cash flows
 Choice of multiple currency options	<ul style="list-style-type: none"> Financing in major currencies such as USD, EUR, CAD, JPY, GBP, SGD, RMB, AED or other local currencies* 	<ul style="list-style-type: none"> Financing available in multiple currencies, including those other than the currency of the underlying transactions 	<ul style="list-style-type: none"> Flexibility Convenience
 Consistent service standards across the globe	<ul style="list-style-type: none"> Transaction support within your time zone 	<ul style="list-style-type: none"> Book loans across our footprint in Asia, Africa and the Middle East 	<ul style="list-style-type: none"> Consistency Fast transaction processing
 Customised structure for varying demands	<ul style="list-style-type: none"> Multiple underlying transactions in a single term loan 	<ul style="list-style-type: none"> Different modes of submission available for a large number of underlying transactions 	<ul style="list-style-type: none"> Flexibility Convenience Quick processing

* Other currencies available on a case-by-case basis

Letter of Credit (L/C) Relay and Reissuance

Addressing typical needs

Your needs

Our capabilities

Value to you



Leverage on our operational resources

- Document checking process involves operational risk, time and cost

- Established processes which you can leverage for your L/C issuance business

- Reduce processing costs
- Enhance operational efficiency



Access to Asia's major exporting hubs

- Lack of a reliable banking partner to support trade transactions in Asian economies

- Providing access to our broad footprint across Asia
- Consistent service standards across this footprint

- Enhance L/C issuance services with end-to-end approach in Asia



Streamline correspondent relationships

- Managing multiple banking relationships for multiple markets
- Maintaining support for time-sensitive transactions

- Local staff expertise in your markets
- Experienced staff at destination location to support your transactions

- Compliance assurance; strong Chinese wall maintained at Standard Chartered



Reimbursement Authorisation and Irrevocable Reimbursement Undertaking: Addressing typical needs

Your needs

Our capabilities

Value to you



Co-ordinated processing

- Ensuring that reimbursements are credited on time to the nominated bank

- Quick processing of single or blanket reimbursement authorisations to the nominated bank

- **Automated reminders post-receipt of claim(s)**
- **Additional comfort to suppliers and their banks**



Strong network in emerging markets

- A lack of reliable providers that can support you in emerging economies
- Suppliers and their banks may require additional comfort dealing with unfamiliar banks

- Providing access to our broad footprint and risk appetite across Asia, Africa and the Middle East
- Additional comfort to nominated bank by relying on our payment undertaking

- **Risk mitigation for suppliers and their banks**



Transactional support and turnaround

- Dealing with banks in multiple markets
- Maintaining support for time-sensitive transactions

- Consistent service and operational standards for all transactional enquiries across our footprint

- **Fast processing to support your business needs**
- **Consistent service standards across markets**



Receivables Finance for Financial Institutions

Addressing typical needs

Your needs

Our capabilities

Value to you



Improve working capital position

- To provide your clients (exporters) with liquidity to facilitate their working capital requirements

- Short-term financing solutions to support your clients' business requirements

- Your clients receive quick access to funds
- Strong cashflows



Expand risk appetite

- Expand your risk taking ability on issuing countries and banks, in order to book more primary trade transactions

- Large appetite for issuing banks across Asia, Africa and the Middle East

- Overcome risk-appetite constraints
- Facilitate more primary trade transactions for your clients



Increase balance sheet capacity

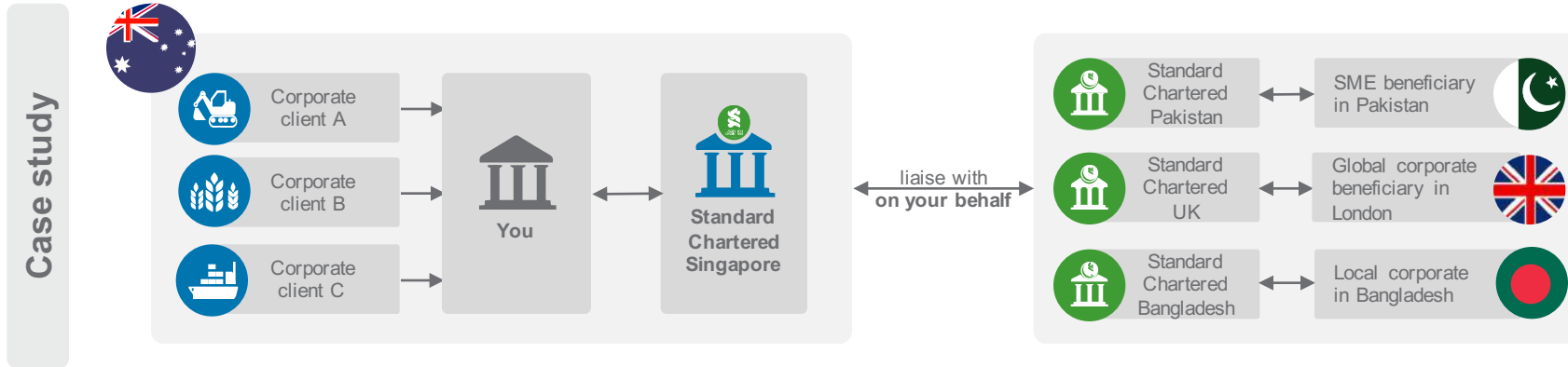
- To expand your balance sheet capacity

- Manage your balance sheet through assignment of assets

- Improve balance sheet position and meet capital regulatory requirements

One-stop Guarantees Programme (OSGP)

Addressing typical needs







* RMA: Bilateral exchange keys



Our foreign exchange (FX) solutions

Automated FX conversion, transparent and preferential rates across 130+ payment currencies

Your needs	Our solutions	Value to you
Monetising eligible payments to specific destination countries	 FX conversion	<ul style="list-style-type: none"> • Stipulate your conversion criteria for USD, EUR or GBP payments • Incremental FX revenues
Capturing preferential rates for a wide range of currencies	 Deal@Best rates	<ul style="list-style-type: none"> • Use of pre-agreed FX spreads at currency pair level • Debit from a single nostro account to fund payments to 130+ currencies.
Upfront FX rate transparency	 Held rates	<ul style="list-style-type: none"> • Improve transparency - You will be provided a rate sheet daily that is valid for 24 hours • Advise rates to your clients upfront • Incremental FX revenues
Streaming of live FX rates	 Request for quote	<ul style="list-style-type: none"> • Available electronically; live-streamed FX rates will be valid for 20 seconds • Payments can be made from a single USD or EUR nostro account

Liabilities: Enhance yield on your surplus cash

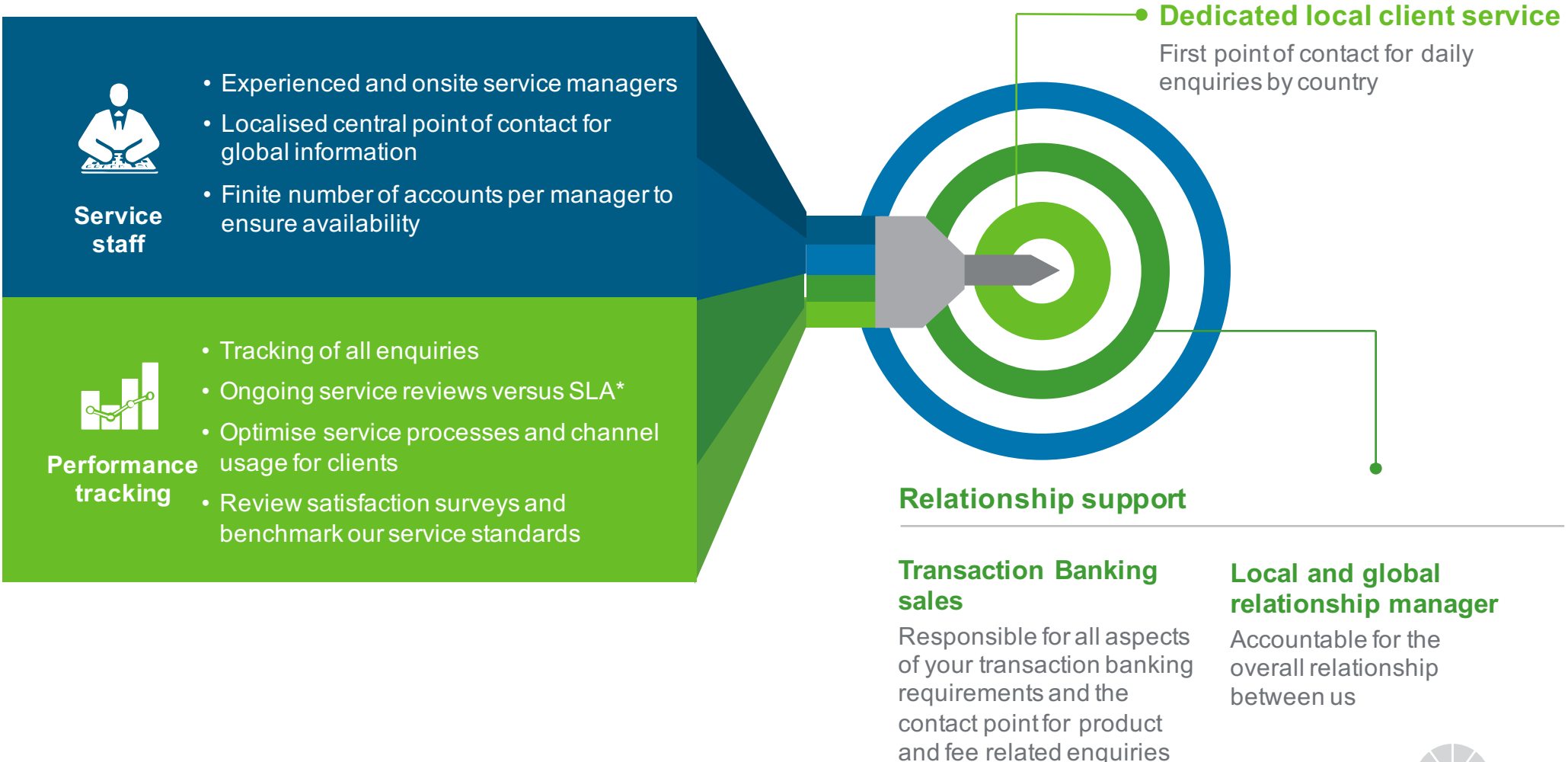
Your goals	Our solutions	Value to you
 Achieve yield targets	<ul style="list-style-type: none"> Sweep excess cash balances into an overnight investment account with our Automatic Investment Programme (AIP) 	<ul style="list-style-type: none"> Yield maximisation at no additional cost
 Effective management of your short-term cash	<ul style="list-style-type: none"> Enhanced CASA rewards you with additional bonus interest for keeping average DDA* balances above target 	<ul style="list-style-type: none"> Unlock interest benefits
 Retain full access to funds	<ul style="list-style-type: none"> Full access to funds for intraday clearing activities 	<ul style="list-style-type: none"> No impact to your clearing activities
 Improve visibility and forecasting	<ul style="list-style-type: none"> Enhance visibility with detailed account statements e.g. MT940 reporting 	<ul style="list-style-type: none"> Unlock the benefits of a single banking relationship to optimise liquidity

* DDA = Demand Deposit Account



Dedicated client service model

Ensuring service excellence and consistency across all regional service hubs



*SLA = service level agreement

Our Correspondent Banking Academy

Helping to de-risk through education

As your trusted advisor, we are committed to partnering with you on 'de-risking', by sharing best practices and thought leadership around financial crime compliance (FCC) standards.

Country academies

Full-day workshops designed to engage on FCC standards and market insights. This is suitable for a diverse group of participants, including front office, operations and compliance.

Regional workshops

A one-and-a-half day workshop designed for your senior compliance officers to learn about practical tools to develop a robust FCC control framework for your bank.



E-learning portal

Industry's first FCC e-Learning and assessment portal, comprising of five modules developed to help your colleagues review and reinforce the takeaways.

FCC on-site visits

A dedicated team established to provide you with on-site due diligence recommendations across various FCC risk areas.

Fraud management: How we can help

Your needs	Our proposition	Our solution
Authenticate via SWIFT channels for high-risk payments	<ul style="list-style-type: none"> • All high-value payments held in a queue • You send us MT199 report detailing all payment references, and amount to be released • Upon receipt, our operations releases the payments. 	Hold/wait/ release upon MT199 
Two-factor authentication for an extra level of security	<ul style="list-style-type: none"> • High-value payments will be auto-routed to Straight2Bank, our online banking portal • Two-factor authentication via fully secure platform provides additional protection • Straight2Bank provides you with a near real-time balance. 	Real-time re-authorisation via Straight2Bank 
Protect funds during off-market hours	<ul style="list-style-type: none"> • Open a second demand draft account with debit hold • Auto-sweep money between your main nostro and second account as per your requirements • Combined balance earns interest. No separate debit interest is applied as long as the combined balance is positive. 	Segregate accounts to protect liquidity 
Quickly detect fraudulent transactions	<ul style="list-style-type: none"> • We can configure to send an email to your designated email address for all payments as and when processed as an additional safeguard • Different email addresses based on different patterns, such as reference number for branch identification can be used. 	Email advices sent real-time after payment processing 



Correspondent Banking Story

Appendices

Why Standard Chartered?

Footprint



Strong footprint in **Asia, Africa
and the Middle East**

Expertise and knowledge



**International expertise and
knowledge** of local customs and
practices to help you mitigate risks

Credit relationships



Established credit **relationship**
with over 1,000 banks
in 60 countries

Service support



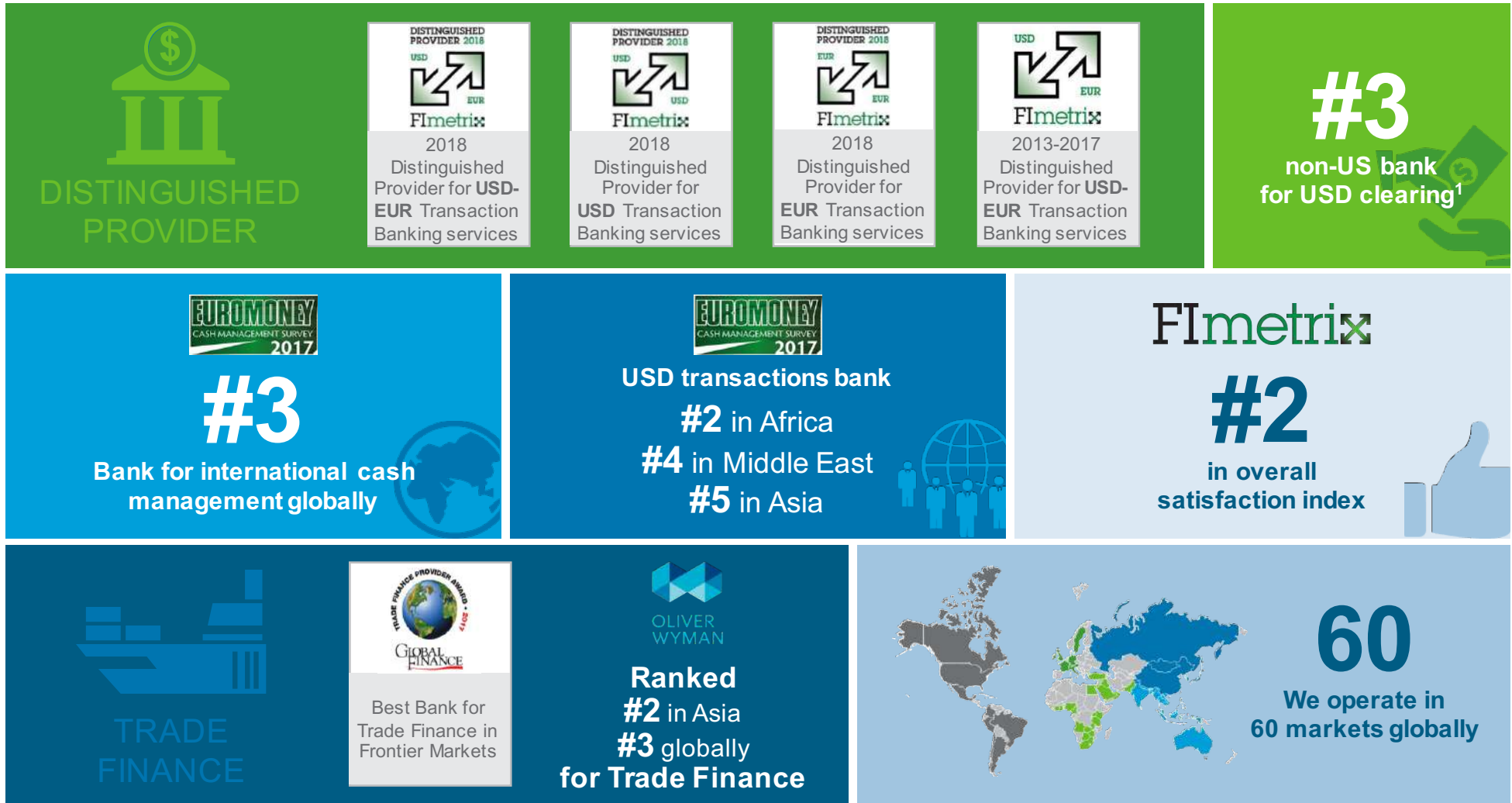
**Single point of contact in
your country**

Efficiency



End-to-end transaction coverage
**improves your business
efficiency**

Awards and Accolades



¹ Clearing House Interbank Payment System Information

Settle your cross-border payments via ACH networks

Transforming the way you disburse low-value payments

Your challenges

Cost:

You want the most cost-efficient solution, whether it be foreign exchange margins or fees



Principal-protection:

You want to avoid deductions on your payments – especially for salaries, pensions or remittances



Flexibility:

You want the choice of a number of channels/ methods of settling low-value payments over automated clearing house (ACH)



How we can help

ACH Flex

Secure, cost-efficient and transparent cross-border payments



Use of cost-efficient ACH networks to settle payments



Principal protection is inherent in many ACH networks



Up to two days for delivery – suitable for non-time sensitive payments



Variety of channels can be used including SWIFT MT103, Straight2Bank Web and Host-to-Host



Possible to fund from a local currency account, or from a single offshore account (with foreign exchange).

Benefits to you

Reduce costs:

Low net fees made possible by delivery over ACH clearing networks

Increase customer satisfaction:

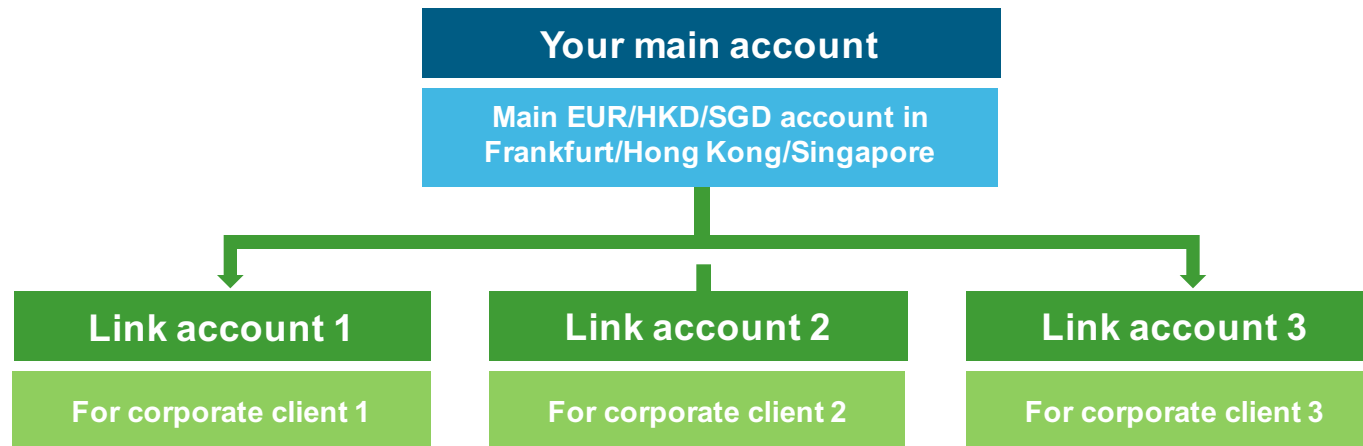
Pass on lower costs to your customers while ensuring full principal-protection (crucial for low-value payments)

Grow business:

Retain and attract new customers and compete effectively with alternative payment providers

Link accounts

Our multi-currency solution, supporting your clients' international cash management needs



Process

- You maintain one main demand deposit account (DDA) with us in Hong Kong, Singapore or Germany
- Your clients can maintain multiple link accounts for their transactions
- Manage large corporate payments via these link accounts
- You maintain ownership and operational control over all the accounts. Operating instructions will be received through SWIFT MT 103.

Benefits to your corporate clients

- Ability to transact in Asian currencies and receive collections in multiple currencies
- Avoidance of foreign exchange (FX) charges by retention and payment use of collections in currency of remittance
- Access to competitive FX rates via consolidated collections
- Fast and reliable execution of cross-border payments
- Time-zone advantages – payments in Asia processed within Asian cut-off times
- Maintenance of valuable relationship with existing bank.

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Payment and Digital Technology SWIFTgpi

Laetitia Moncarz, Director of Payments Markets , ASEAN Region

SWIFT

May, 2018

SWIFTgpi

150+ GPI banks signed, 51 Live, billions securely transferred in minutes cross-border



Live gpi banks
as of Feb 2018

Strong adoption by ASEAN banks



SWIFTgpi by the numbers

160+

Institutions signed up to
SWIFT gpi

51

Live banks

220

corridors

< 30

50% credited in < 30 minutes

100bn+

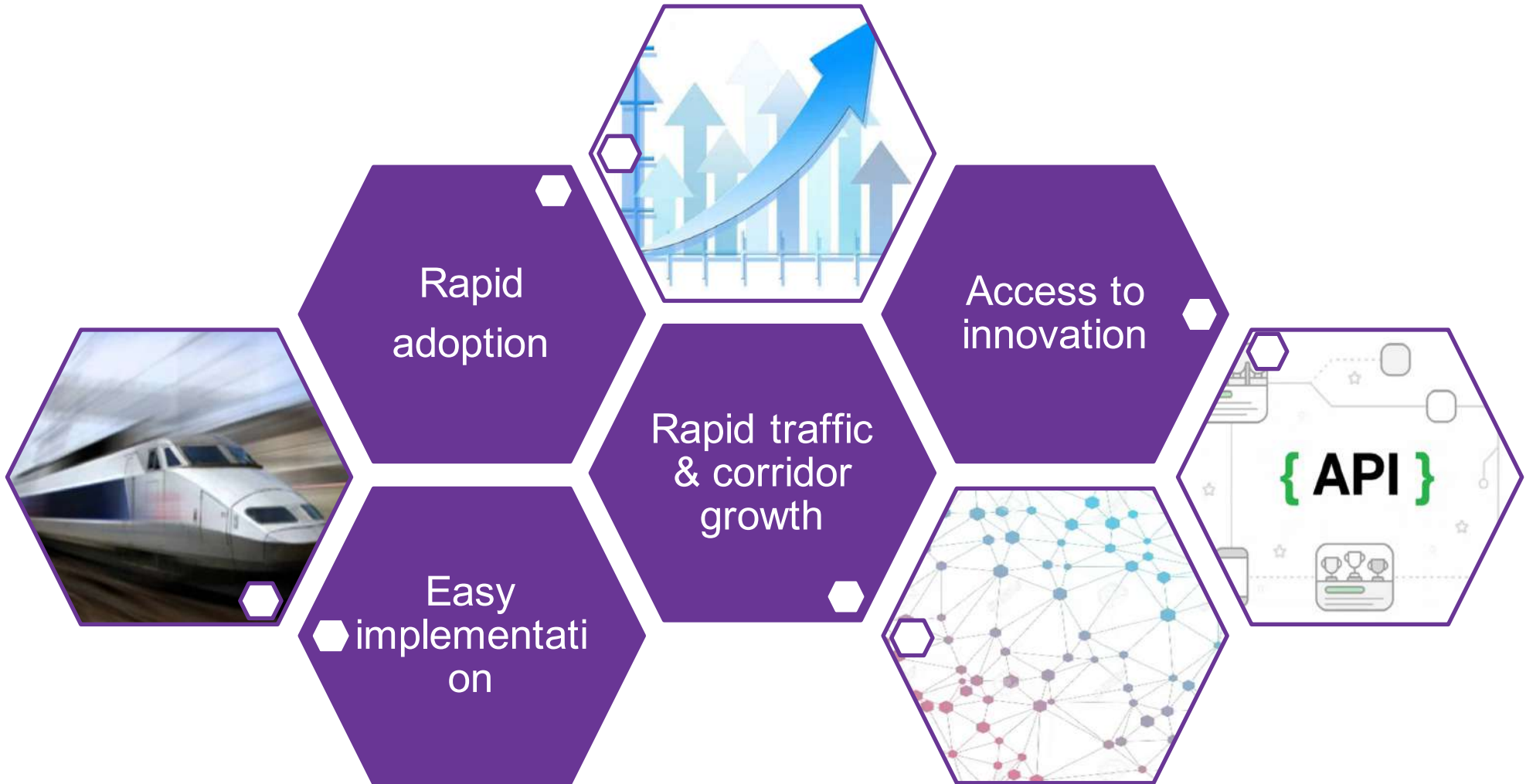
USD 100 bio sent every day

78+%

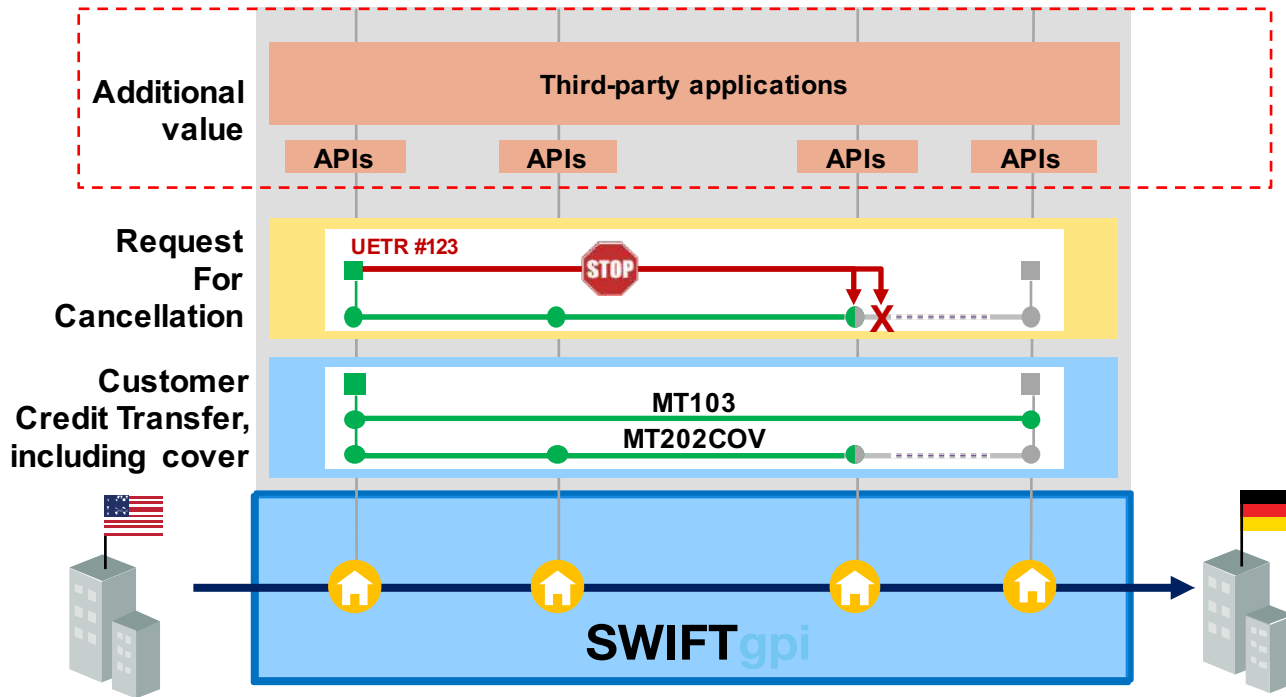
SWIFT cross-border payments
represented



SWIFTgpi is also:



Coming next: More services via APIs



Collaborative innovation, by enabling third-party application development on top of v2 via open APIs





www.swift.com



Shirish WADIVKAR
Managing Director, Global Head –
Correspondent Banking Products
Transaction Banking
Standard Chartered Bank

SWIFT gpi

Driving innovation in cross-border payments

May 2018

SWIFT gpi



What is SWIFT gpi?



Our value proposition



SWIFT's gpi plans:
2018 and beyond

Solving cross-border payment challenges with SWIFT gpi

SWIFT's global payments innovation (gpi) initiative seeks to dramatically improve customer experience in cross-border payments by **increasing**:

Your challenges

Full transparency on fees and foreign exchange rates applied throughout the payment chain

Benefits to you

No real-time tracking:

You are unable to tell when funds are credited into a beneficiary's account



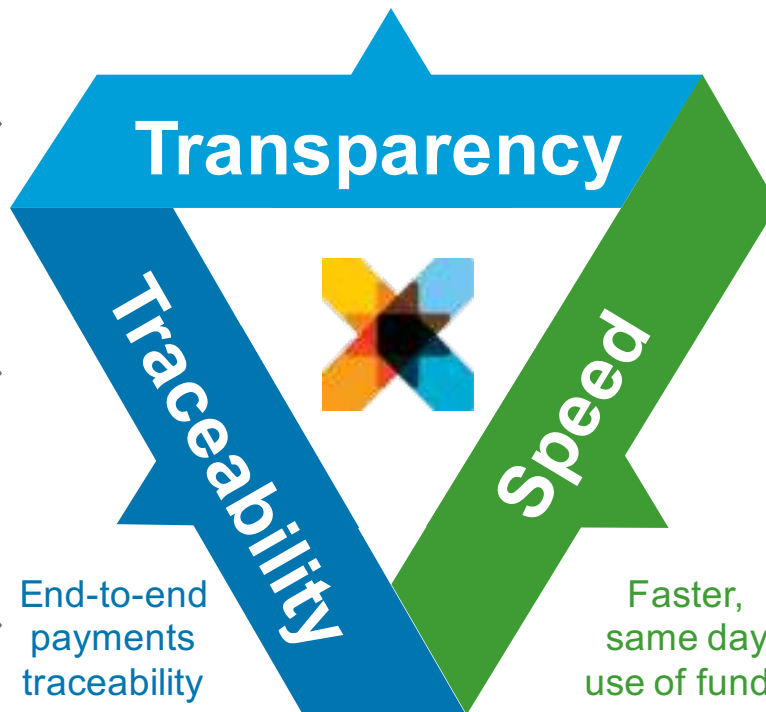
Lack of transparency:

You face a lack of visibility on fees charged



Slow payments:

You want faster execution for critical business payments



Enhance efficiency and manage your liquidity effectively

Increase customer satisfaction

Grow your business

SWIFT's global payments innovation (gpi) initiative

Current industry landscape



>155 transaction banks have committed to SWIFT gpi



>45 banks are live*



Key industry players live on SWIFT gpi:

AMERICAS

- **Standard Chartered (New York)**
- Bank of America Merrill Lynch
- Bank of New York Mellon
- Citibank
- JPMorgan Chase Bank
- Royal Bank of Canada

EUROPE, MIDDLE EAST & AFRICA

- ABN AMRO Bank
- BBVA
- Danske Bank
- Deutsche Bank (United States)
- ING Bank
- Intesa Sanpaolo
- KBC Bank
- Nordea Bank (Denmark)
- Rabobank (Belgium)
- UniCredit
- Mashreq Bank

ASIA PACIFIC

- **Standard Chartered (Singapore)**
- ANZ
- Bank of China
- Commonwealth Bank of Australia
- DBS Bank
- ICBC
- National Australia Bank
- Sumitomo Mitsui Banking Corporation



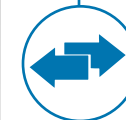
USD100bn+

worth of payments are being sent daily using SWIFT gpi, across...



220+

payment corridors, with...



50%

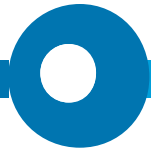
of gpi payments credited to end beneficiaries in under 30 minutes



10m+

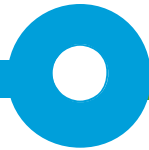
gpi payments has been processed since go-live.

Our involvement in SWIFT gpi



Nov 2015

One of the 15 global banks SWIFT **held initial consultation** with on gpi



Throughout 2016

Participated in pilot group meetings in London and Brussels, as well as in the 'Vision Group', which underpins our **leadership** in this initiative



Q4 2016

Successfully completed a pilot in Q4 2016 to become a **fully SWIFT gpi-compliant bank**



Q4 2017

We are live with SWIFT gpi in Standard Chartered Singapore (from February 2017), and in Standard Chartered New York (from December 2017). We will continue **expanding gpi coverage in 2018**

SWIFT gpi will be delivered in three phases



Phase 1: Delivering new standards

Starts by addressing core problems with customer credit transfers, including cover payments



Live in select corridors

Phase 2: Designing digital transformation

Introduces transformative services such as rich information, instant-stop transfers and more



Planned go-live by end of 2018

Phase 3: Fostering collaborative innovation

Delivering additional value through DLT¹, open access via API² and industry engagements with fintechs



Results of proof of concept (PoC) due to be published in February 2018

How your payments experience is enhanced:

- 1 Enjoy payment traceability and **confirmation of credit** to end-beneficiaries with the use of unique tracking numbers
- 2 Visibility of **charges** and foreign exchange applied throughout the chain
- 3 **Same day use of funds** with nearly 50 percent of gpi payments credited to end-beneficiary in under 30 minutes
- 4 Transfer of unaltered, **rich** payment information

SWIFT gpi



What is SWIFT gpi?



Our value proposition



SWIFT's gpi plans:
2018 and beyond

The investment required for us to go live on SWIFT gpi¹



Cost of going live on SWIFT gpi, per corridor:

~USD500,000²

Costs involved:

- Technical integration costs
- Costs of linking platforms and corridors
- Annual fees to SWIFT (license, gpi services, maintenance etc.)
- Project manpower costs.

To save on such investment, you may wish to consider:



Using our gateway services

And enjoying SWIFT gpi's benefits with minimal investment

while



Evaluating your investment in SWIFT gpi corridors

Partner with us (as a gpi agent) to preserve payment transparency

¹ Not including costs related to phases 2 and 3 of SWIFT gpi (global payments innovation)

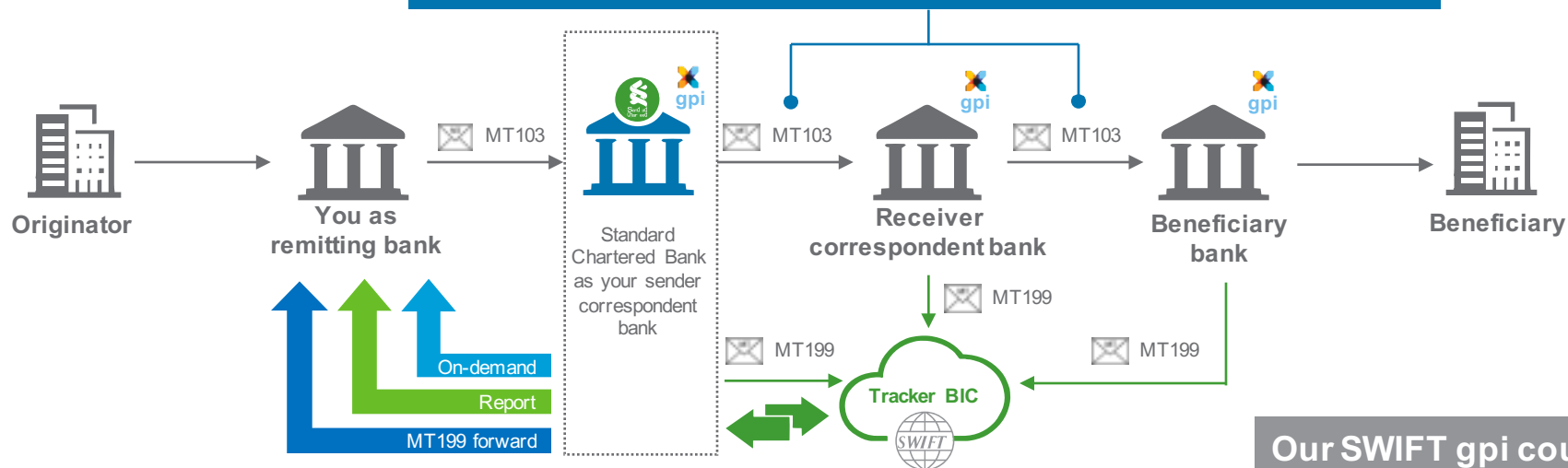
² Estimation for our specific costs. Amount will likely vary for other financial institutions based on scale of market, infrastructure changes and current capabilities

Our gpi gateway services

Offer enhanced payment services to your clients

SWIFT's gpi Customer Credit Transfer (gCCT)

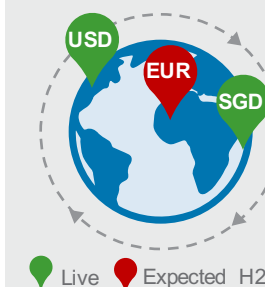
Provide SWIFT gpi standards on your corporate client payments.
Enjoy traceability and transparency on your clearing flows sent through us.



Benefits to you as a remitting bank

- ✓ Payment confirmation reports
- ✓ Option to 'piggyback' on our SWIFT gpi investment – save on upfront costs
- ✓ Real-time end-to-end payments tracking
- ✓ Increase your client satisfaction with faster turnaround times on payment investigation and enquiries

Our SWIFT gpi countries



We are one of the first movers in adopting SWIFT gpi

Our gpi gateway services

How we offer you access to gpi statuses with minimal investment from you

We will enrich gpi transaction statuses and confirmations received on your payments with your original payment references, easing payment reconciliation on your end.

This information can be provided via the following:

Reports



- We will send you reports on your transactions routed to us, with detailed status information for payments processed as 'gpi'
- Various files formats that will be supported: Excel, CSV etc.



Expected delivery: May 2018

On-demand statuses



Via Straight2Bank:

- Get updates via our 'Enquiry & Investigation' module in Straight2Bank.

Via API:

- Connect to our platforms seamlessly via API¹ and view payment statuses and confirmations in real time.



Expected delivery: H2 2018



Help your corporate clients enjoy transparent and traceable payments with SWIFT gpi

Information you will find in your gpi report

Sample gpi MT199

```
{1:F01SCBLUS33AXXX6044067063}{2:
O1991638180119TRCKCHZZDXXX007
73951561801191038N}
{3:{111:001}{121:2e6745d1-h1b0-4163-
c546-27ikf4c8b904}}

:20:180102124936/008
:21:AB180102123456789
:79://1801031537+0000
//ACSP/003
//SCBLUS33XXX/CITIUS33XXX
//ZAR5558,24
//EXCH//USD/ZAR/11,652500
//:71F:USD20,
```

Our report fields



UETR Ref: gpi's unique end-to-end transaction reference number to track payment status

Standard Chartered TRN Ref: Our New York payment reference number
We enrich this with the following information:

- + **Original F20 reference:** Your own payment reference number
- + **Value date:** As per originating bank
- + **Original amount:** Instructed amount as per originating bank
- + **Originating bank BIC:** To identify which branch originated this payment.

GPI time stamp: Date (YYMMDD) and Time (HHMM, UTC)

GPI status code: ACSC for 'settlement completed', ACSP for 'settlement in progress' with reason codes, RJCT for 'rejects'

GPI status originator: Contains the BIC code of the gpi agent that provided the status in the gpi confirmation, optionally followed by the BIC of the financial institution to which the MT103 was transferred

Currency and settled amount:

Exchange rate: Shows exchange rate used during foreign exchange conversation, if disclosed by the gpi bank

Charges: Deducts taken by preceding gpi banks in the payment chain

SWIFT gpi



What is SWIFT gpi?



Our value proposition



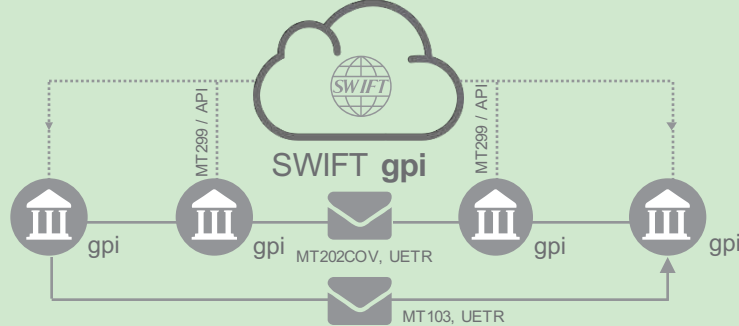
**SWIFT's gpi plans:
2018 and beyond**

SWIFT gpi phase 2: Digital transformation

We will continue to subscribe to SWIFT's future plans under gpi

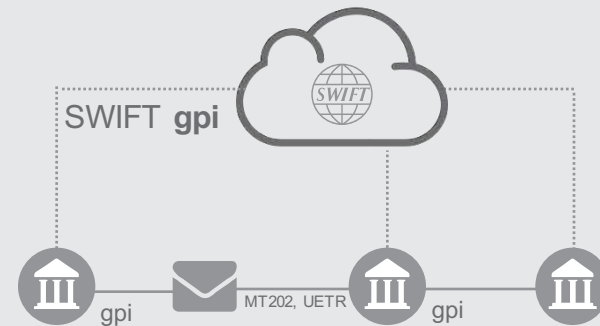
Value adds for banks

Cover payments



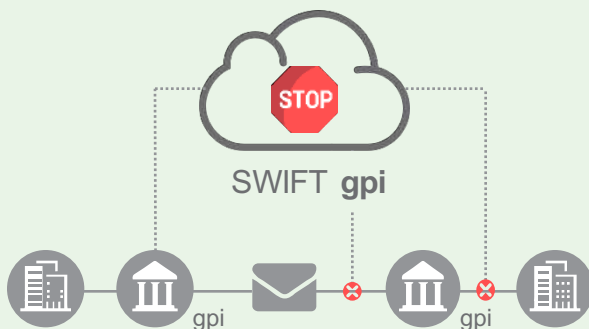
Enables same-day credit of cover payments to your nostro account and full transparency on location and status

Financial institution transfers



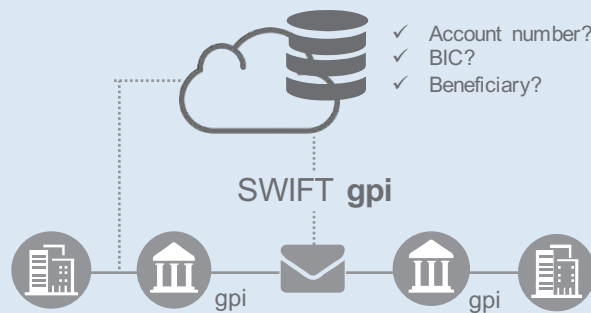
Bringing the gpi experience of speed and traceability to institutional payments

Stop and recall



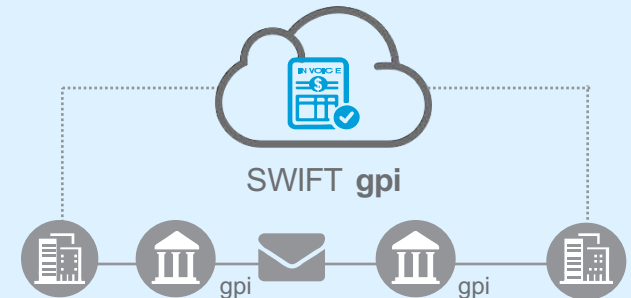
Stopping unsolicited payments (double payment, manual errors, fraud)

International Payment Assistant



Validates payments before execution to increase straight-through processing rates

Transfer rich payment data



Remittance information, invoices, compliance documents etc. made available to facilitate value added services

Questions?



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RippleNet Payments Client Value Proposition

May 2018

Standard Chartered and RippleNet collaboration

Now live for Singapore-India cross-border RippleNet payments



Value proposition

- Standard Chartered, Ripple and RNAB[#] banks, are currently overseeing the creation and maintenance of transaction rules, efficient liquidity structures and common standards for Ripple payments
- These will support our financial institution and corporate clients as they begin adopting RippleNet technology
- The RNAB comprises of a group of seven banks.



Ripple investment

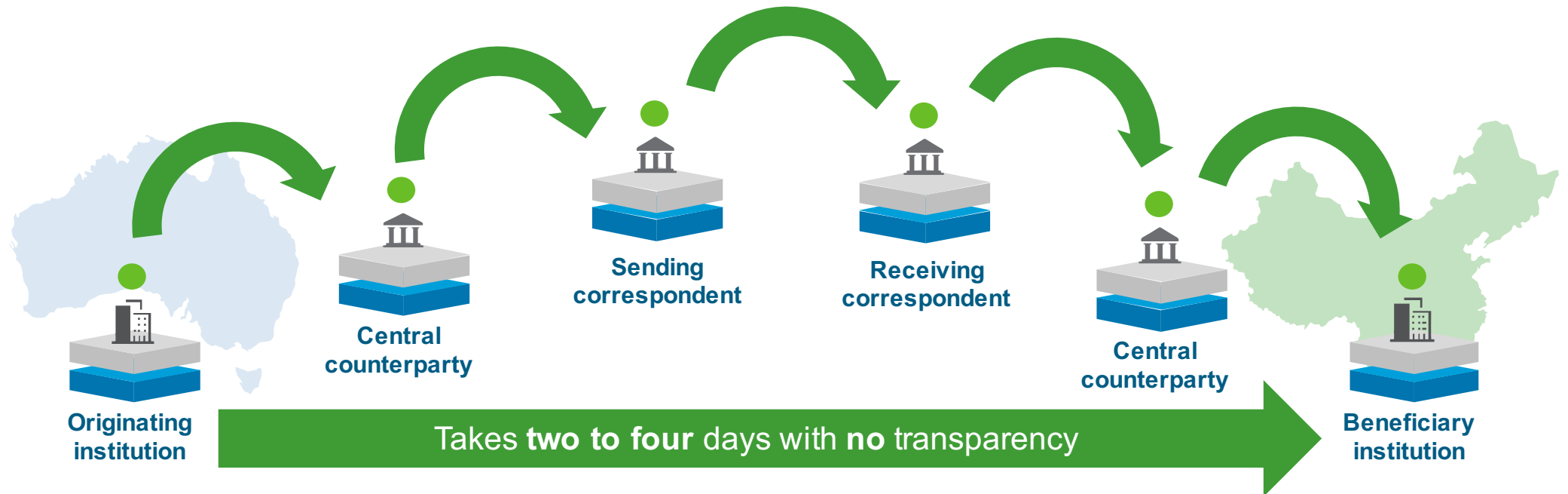
- We have made a strategic investment in Ripple to explore new ways of adding value to our clients and the industry
- We also have an observer board seat at Ripple, allowing us to drive future collaboration and developments in the industry – and to produce innovative client solutions across our businesses.



Live markets

- Standard Chartered Singapore and Axis Bank (India) announced the launch of the first real-time cross-border payment service for corporates in 2017
- Connectivity to other markets will be determined in line with ongoing discussions with other Ripple-enabled banks and corporates.

Issues with traditional cross-border payments

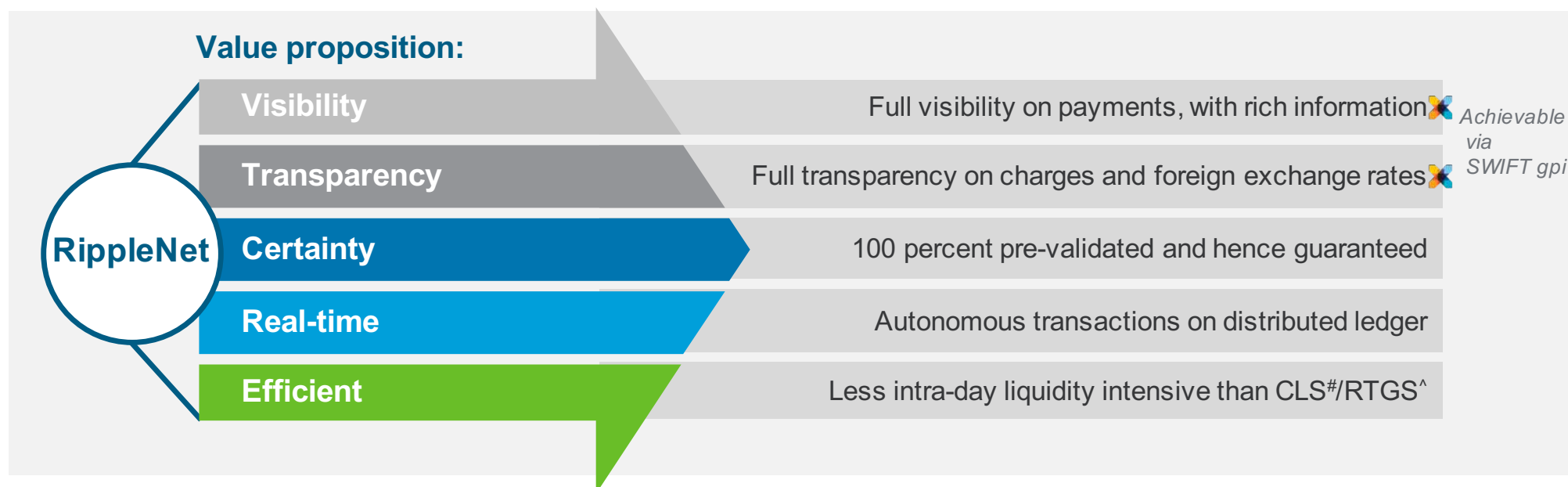


Cross-border payments may need to cross multiple intermediaries prior to reaching their destination

Issues faced:

- ❌ Payment settlement is slow and may take days
- ❌ Payment may be delayed or dropped for various reasons, including sanctions checks
- ❌ No visibility of payment statuses, especially when beneficiary is credited
- ❌ Fees are usually high and at times only known post-facto
- ❌ Interest accrued and execution is dependent on currency cut-off times
- ❌ Rich information not being able to be captured end-to-end, due to truncation or field character restrictions

RippleNet payments: Client value proposition



#CLS: Continuous Linked Settlement
[^]RTGS = Real-time gross settlement

SWIFT gpi and RippleNet: A comparison

Global payments innovation initiative

SWIFTgpi



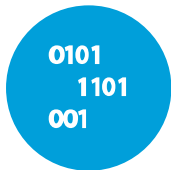
Delivering
the future of
cross-border
payments

- Collaboration between SWIFT and the industry (120+ initiative banks) to drive innovation in cross-border payments
- Consists of three phases:



1. Credit transfer service level agreement (SLA):

Making payments traceable, fee-transparent and faster (targeting same-day fund use).



2. Digital transformation:

Rich information, instant-stop transfer and more.

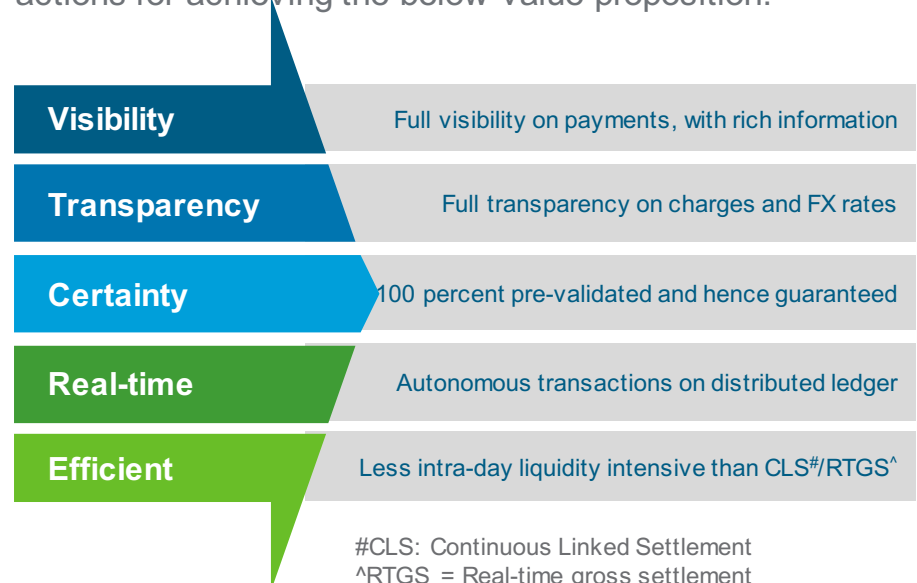


3. Distributed Ledger Technology (DLT):

Proof of concept: Real-time liquidity monitoring and nostro reconciliation via DLT.

ripple RippleNet

- Consortium of seven founding banks*, along with Ripple
- RippleNet Advisory Board's mandate is to oversee the creation and maintenance of payment transaction rules, efficient liquidity structures, common standards and other actions for achieving the below value proposition.



RippleNet seeks to achieve greater benefits for cross-border payments, while SWIFT gpi has wider industry participation. We are a key bank in both initiatives, to drive greater value for our clients

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