

Digital Drivers in Southeast Asia & Standard Chartered Bank's approach to Digital Banking Transformation



Standard Chartered Bank

We are a leading international bank, with a history of more than 150 years in some of the world's most dynamic markets

OUR PURPOSE: DRIVING COMMERCE AND PROSPERITY THROUGH OUR UNIQUE DIVERSITY



FINANCIAL STRENGTH

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

A/A1/A+
S&P/Moody's/Fitch Credit Ratings
(By end-2020)



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



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.

Broad network across 59 of the world's most dynamic markets and serving clients in a further 85



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.



Standard Chartered Bank in Vietnam

We are one of the oldest international banks in Vietnam, which gives us an unrivalled knowledge about the market

- We were active in financing the flourishing rice trade out of Vietnam since the **mid 19th century**
- We opened our first Rep Office in Saigon, now Ho Chi Minh City, **in 1904**
- **One of the first foreign banks** to reopen a rep office in Ho Chi Minh City in 1990 and a full branch in Hanoi in 1994
- **Among the first 5 foreign banks** to commence locally incorporated subsidiary in Vietnam in 2009
- **First foreign bank** allowed to invest in a domestic bank in Vietnam
- **Sole Sovereign Credit Ratings Advisor** to the Government of Vietnam since 2012

117



years

in Vietnam



Quantum Leap in Digital Adoption

Covid-19 driving acceleration across the globe

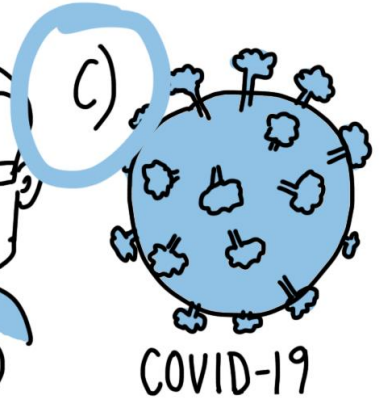
**3-4
years**

Companies have accelerated the digitization of their customer and supply-chain interactions and internal operations by 3 to 4 years (McKinsey Global Survey, Oct 2020)

**7
years**

The share of digital or digitally enabled products in their portfolios has accelerated by seven years.

WHO LED THE DIGITAL TRANSFORMATION OF YOUR COMPANY ?



BUSINESSILLUSTRATOR.COM



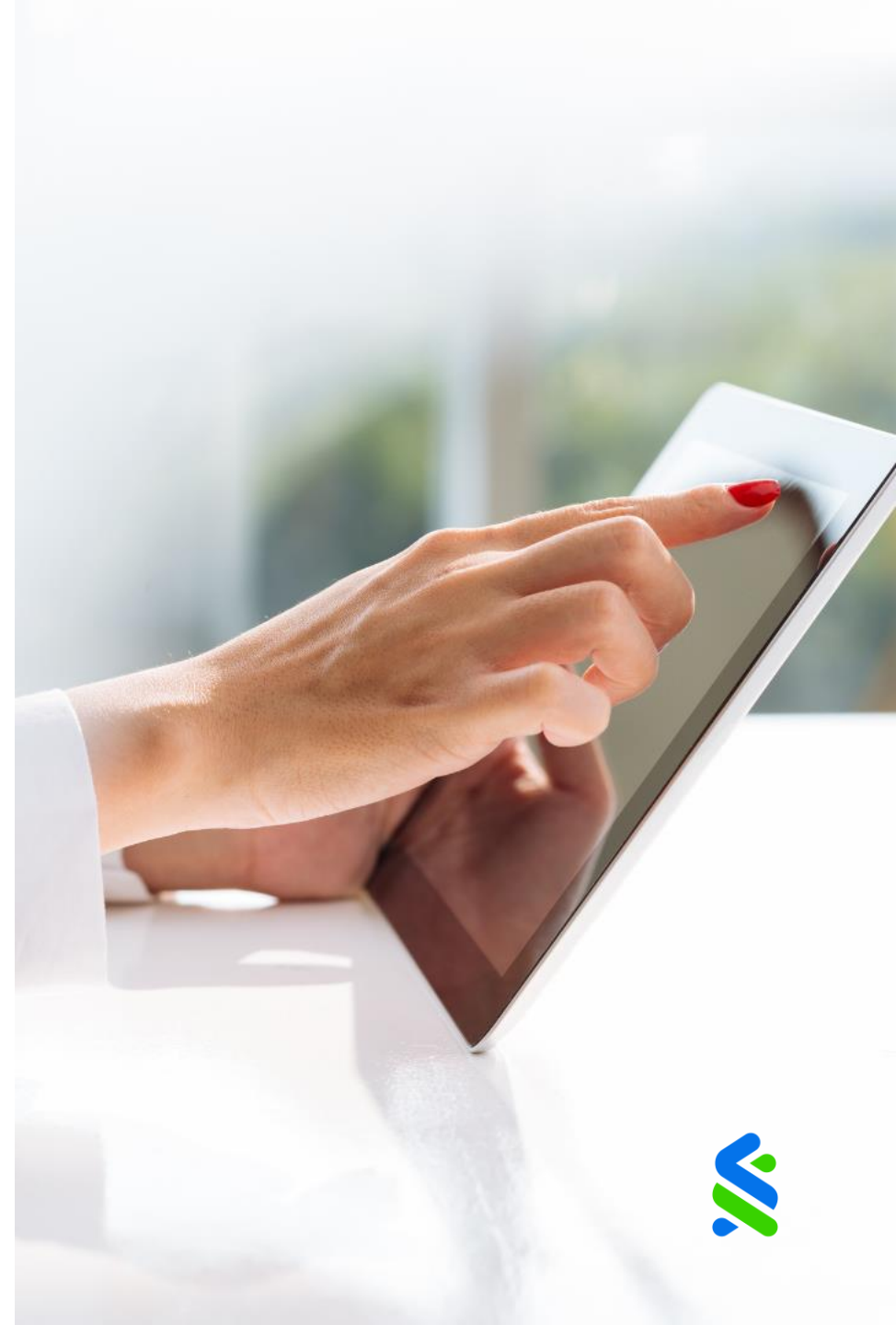
Quantum Leap in Digital Adoption

Covid-19 driving acceleration across the globe

This acceleration is even more pronounced in Asia Pacific where average share of products and services that have been digitized has **accelerated by 10+ years** because of covid-19







Along with acceleration, the pandemic caused a **shift in mindsets** on the role of technology in business. In 2019, the most important driver of digital strategies is cost savings.

In 2020 **key drivers shifted** to investing for competitive advantage or refocusing business around digital technologies



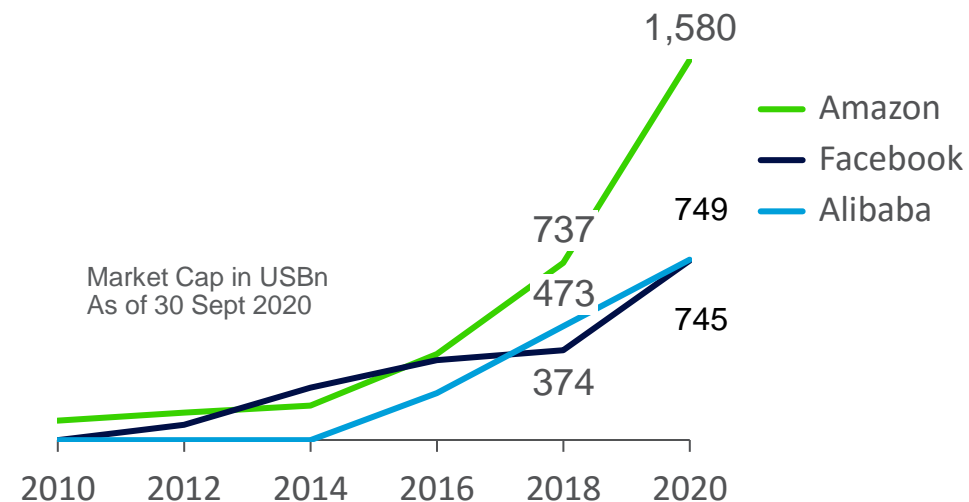
Platform Companies are dominating markets

7 of the 10 most valuable companies globally in 2020 are based on a **platform business model**.

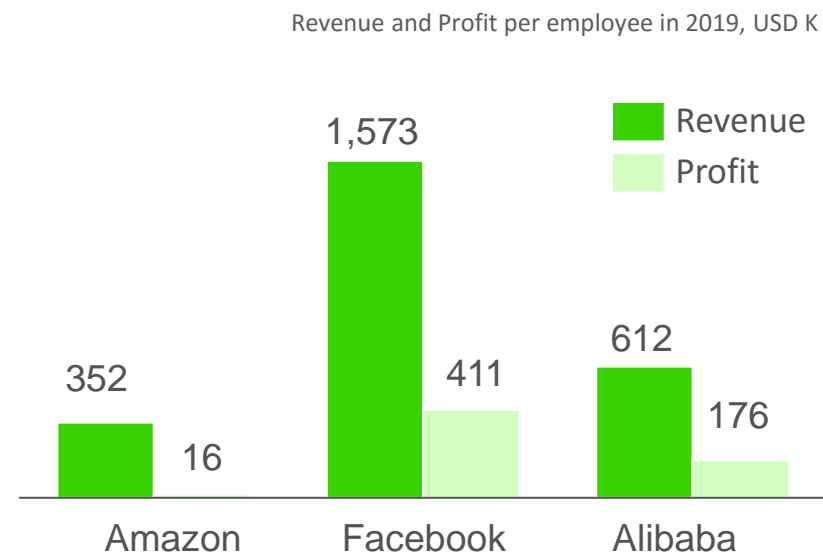
Company	Market Cap USBn
1. Apple* 	1,950
2. Saudi Arabian Oil 	1,930
3. Amazon* 	1,580
4. Microsoft* 	1,570
5. Alphabet* 	998
6. Alibaba* 	749
7. Facebook* 	745
8. Tencent* 	625
9. Berkshire Hathaway 	502
10. Visa 	439

6 * Companies that are based on platform model

Platform companies experience **tremendous growth** over the years and are set to **continue this trend** into the near future



Platform companies generate **higher revenue and profitability** per employee

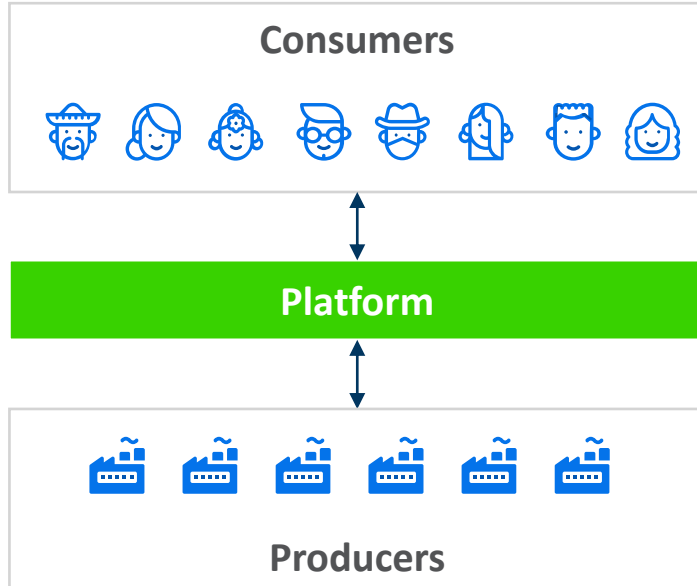


Platforms are managed content & connection destinations

Platforms deliver integrated user experience, establish and manage content, set the rules and control governance with the use of data and analytics.

Platform companies adopt platform business strategy facilitating value exchanges between multiple interdependent groups, usually **consumers and providers.**

Asia's "Super Apps" are looking to capture the online activities of consumers across several industry verticals.



Key success factors

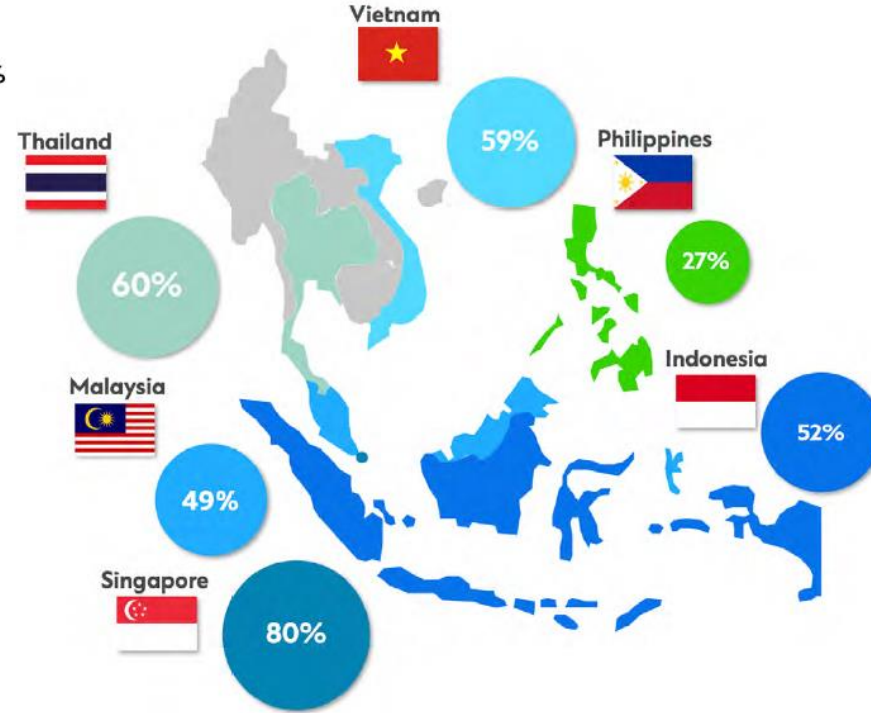
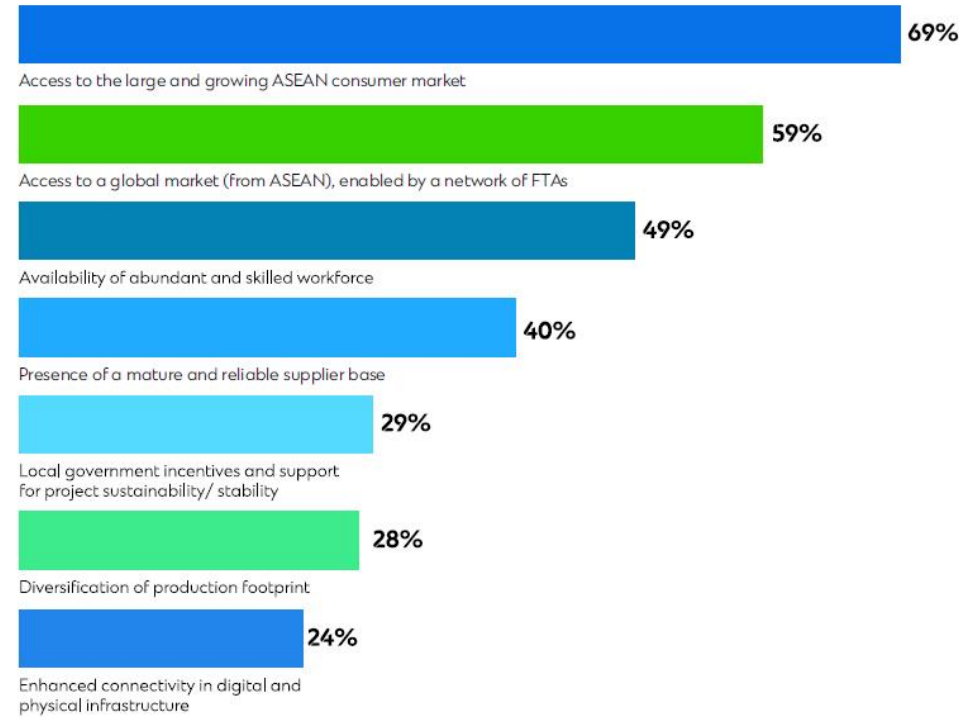
- Connecting consumers and producers
- Business model that incentivize partners
- Designing excellent user experience
- Advanced data analytics, AI and behavioral science
- Drive exponential scalable global network
- Capital and human resource efficient business model



Looking Beyond to Borderless Business

ASEAN co-operation and connectivity driving growth & expansion

Key drivers for focus on ASEAN and major economies offering expansion opportunities



Note: Survey questions asked: 'What are the key drivers for your focus on ASEAN?' and 'Which of these major economies within ASEAN do you think offers the best expansion (sales / production) opportunities for your company?'

For Key Drivers - values indicated refer to the % of survey respondents who included the driver as one of the top 3 ranked choices

Source: Standard Chartered Survey, 2021



Evolving trends in ASEAN



Evolving trends in ASEAN



Straight2Bank Client Onboarding Portal

Digital onboarding, CDD/KYC, account opening and maintenance

- 1) 'Digital By Default' design
- 2) Digitises Client interactions for account opening procedures
- 3) **System connectivity: external data sources & internal operation workflows**
- 4) Simplified online forms, doc exchange, request submission, document OCR, electronic signatures



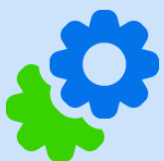
Digitisation

Reduce paper-based processes, minimise manual effort through digital workflow and e-signing



Simplification

Reduce amount of information required with simplified online forms, and data pre-population by system



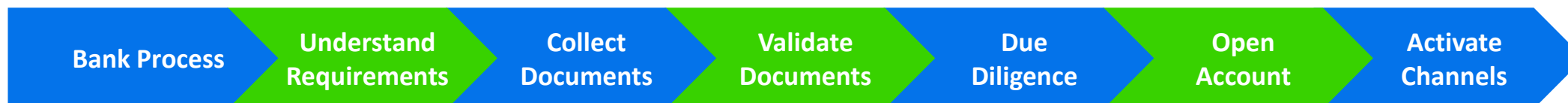
Efficiency

Reduce the need to submit the same information repeatedly and be able to reuse existing information for future request

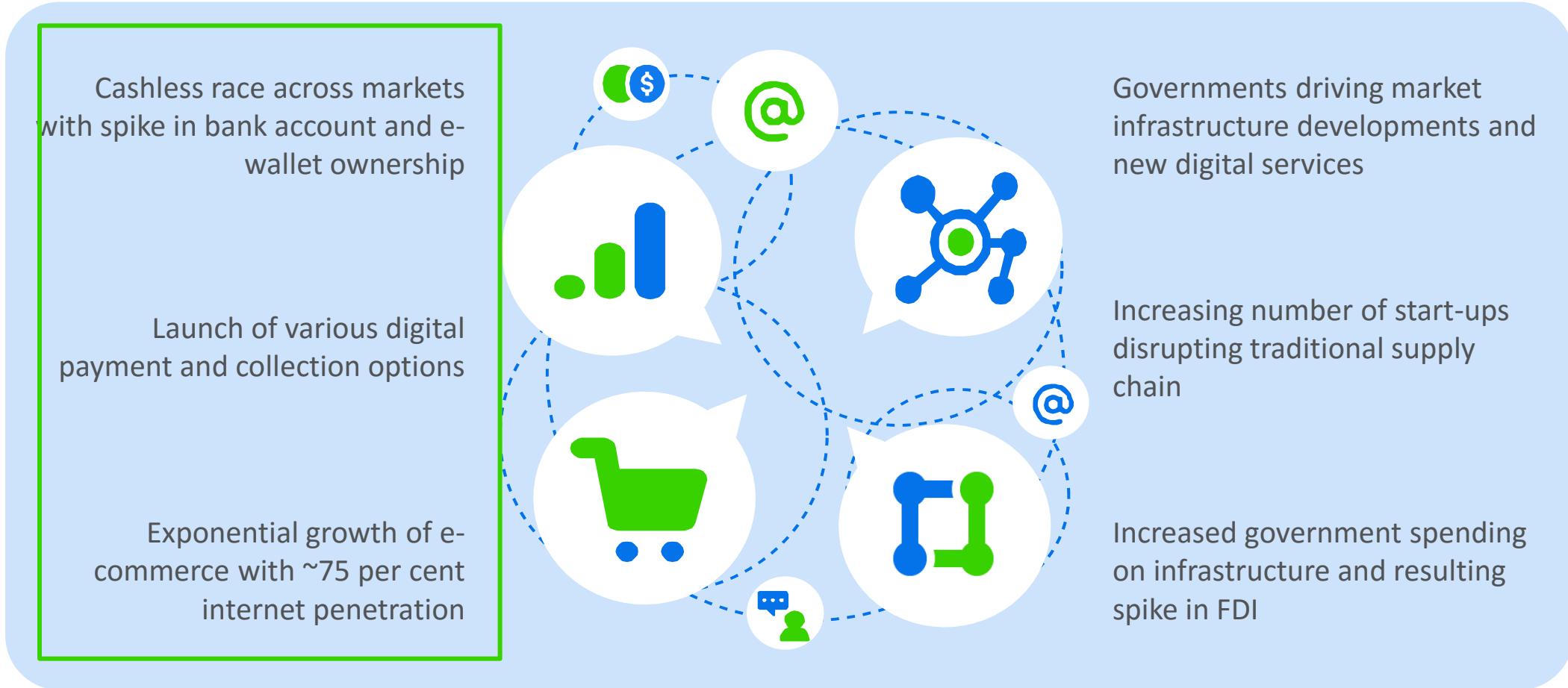


Visibility

Gain transparency in the fulfilment process by viewing updates and tracking the status of all requests in one place and in real time



Evolving trends in ASEAN



Cashless race across markets with spike in bank account and e-wallet ownership

Launch of various digital payment and collection options

Exponential growth of e-commerce with ~75 per cent internet penetration

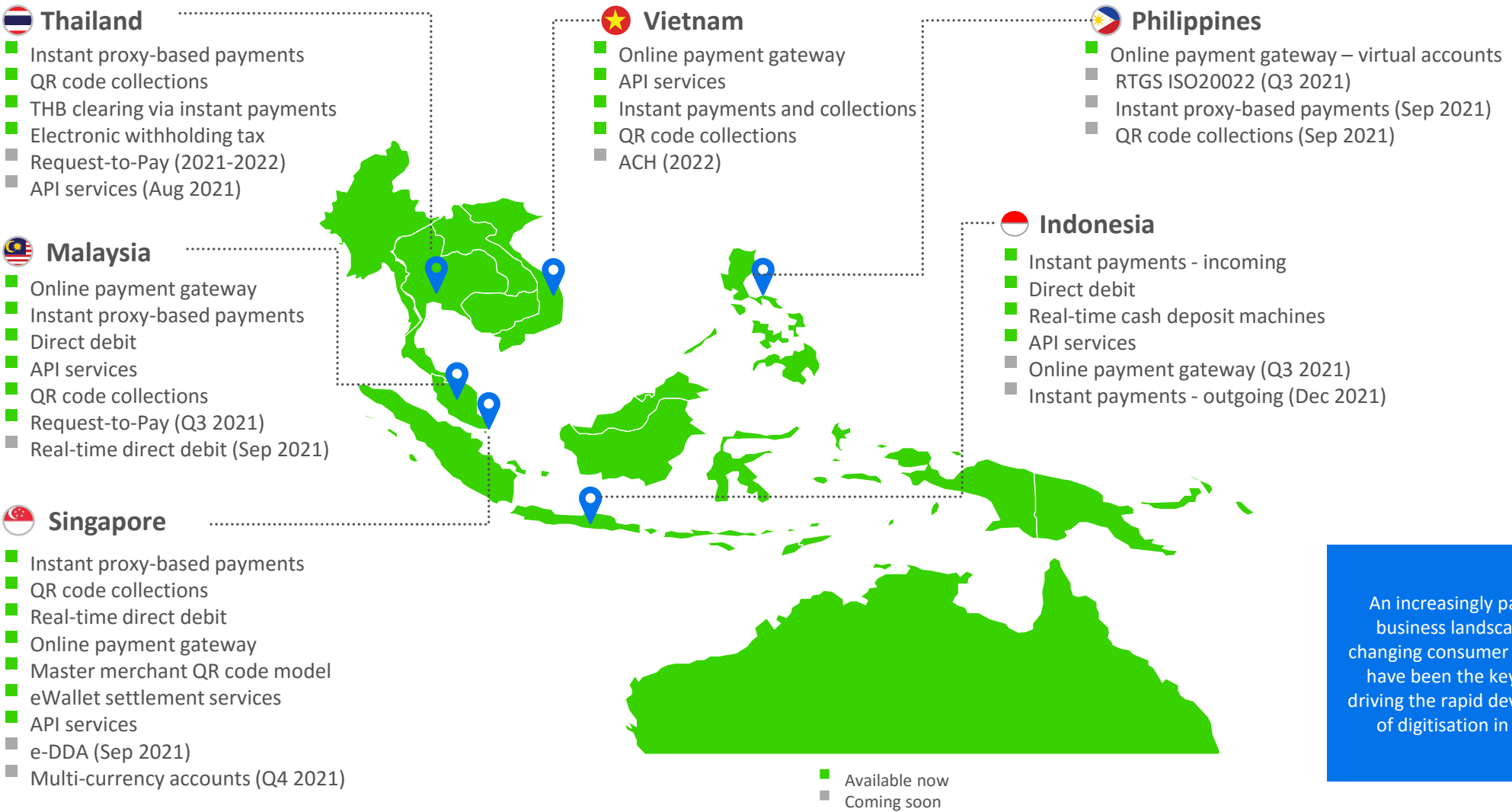
Governments driving market infrastructure developments and new digital services

Increasing number of start-ups disrupting traditional supply chain

Increased government spending on infrastructure and resulting spike in FDI



Our suite of digital payment and collection offerings

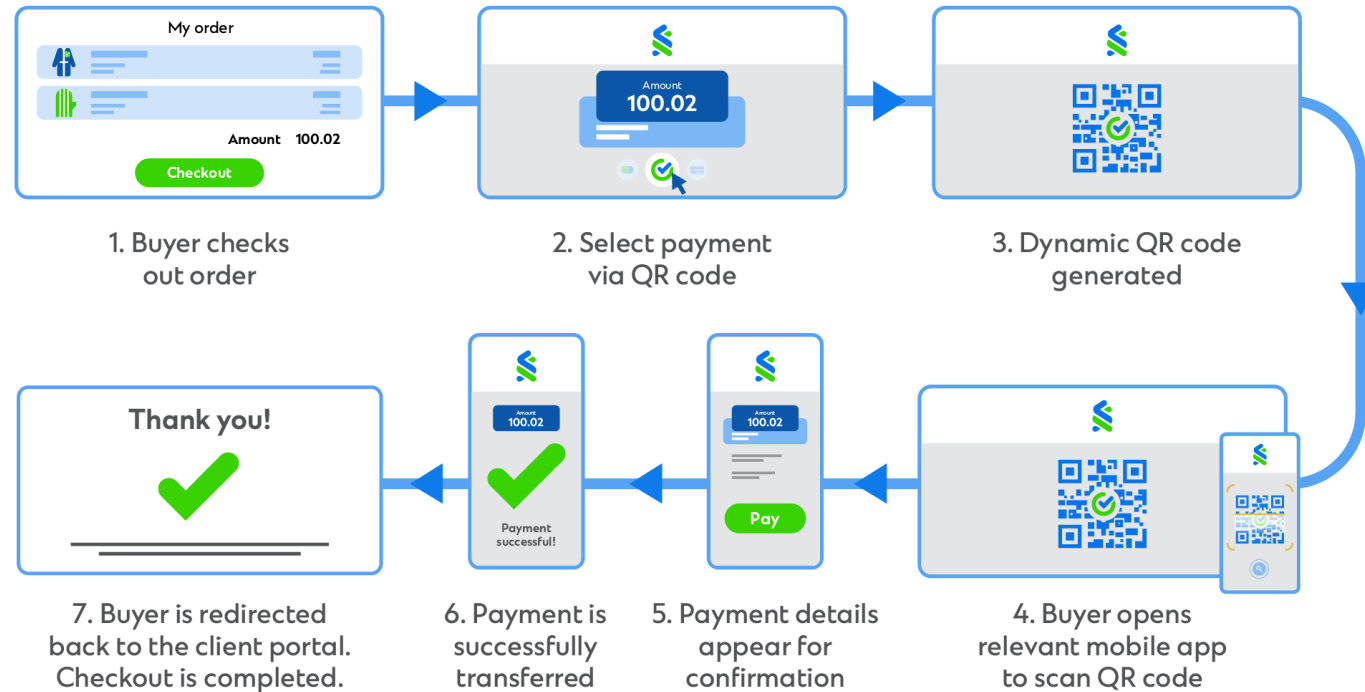


An increasingly paperless business landscape and changing consumer behaviour have been the key factors driving the rapid development of digitisation in ASEAN



Online collections

Supporting e-commerce with dynamic QR codes



Points to note

- Web check-outs for your e-commerce website or mobile app.
- Provide an alternative payment method for your consumers.
- User journeys depending on payment methods offered in your market – net banking, cards, proxy payments scan-and-pay dynamic QR codes.



Standard Chartered Digital Co-creation and innovation commitment

We have a proven methodology for innovation via co-creation. We have successfully applied it, repeatedly, at scale, with our key clients across our footprint.

Deployment at Scale

Rapidly scale up and deploy made possible by our **unique geographic access** to Asia, Middle East, and Africa

Go to Market

Pilot the Minimum Viable Product solution in a market on target or joint-customers



Co-create Value

Rapid **prototyping**, create proof of concept/value with integration to gather customer experience feedback to arrive at a **'Minimum Viable Product'**

Joint Ideation

Work together to define **the problem statements** and opportunities using Human centric design principles with our in-house HCD practitioners

Client Journey

Map the **customer journey**, validate solutions through mockups and high-fidelity designs, iteratively.

Global Center of Excellence in Partnership, Digital Solutions and Client Co-Creation



Digital payments and collections



Quantum Computing



API



Blockchain cross-border remittance service



API



API

Our Innovation Commitment Client Partners

We want to deepen our innovation partnership to build, learn and scale together.

- Global expertise in multi-discipline digital and data solutions
- Regionally dedicated innovation resources to ideate and prototype
- Virtual Innovation workshops to bridge geographies and Swiss Re functions to deliver breakthrough value and explore emerging ideas.



API Banking: Digitize, Curate, Disrupt

Digitize processes

Insurtech

Zero-touch insurance policy issuance post premium payment on client's app

- **Solution:** Real-time notification APIs to feed credit information directly into Insurer's ERP for reconciliation and policy issuance
- **Value:** Fully digital and automated policy issuance service during the lockdown

Curate experience

Retail Client

Customers can top-up and withdraw funds through app without visiting retail touchpoints

- **Solution:** Real-time APIs to process payments and collections 24x7
- **Value:** Client's business remained unscathed during pandemic lockdown when retail touchpoints were closed

Disrupt the norm

Fast Growing Fintech Start-up

Users are able pay their credit card bills and view their transaction status online on client's app

- **Solution:** API-based solution directly integrated with client's ERP for settling credit card dues with real-time progress indicator
- **Value:** 24x7 instant settlement of credit cards dues with real-time progress tracker



Digitizing our Retail Banking

Expedited efforts from banks to drive customers towards digital channels for on-boarding, servicing & transactional needs.



95% Mobile Banking Penetration

Mobile2.0: Upgrades to Mobile Banking platform with Soft Token digital authentication



99% Digital Penetration of Financial Transactions with 69% YOY growth of Digital Transactions

Instant Transfers
STP self-servicing
Easy pay & card rewards options
E-statements



98% New-to Bank Digital Registrations

Profile updates & data lockers
Card services (activation, PIN, replacement)
Personalized Marketing Alerts



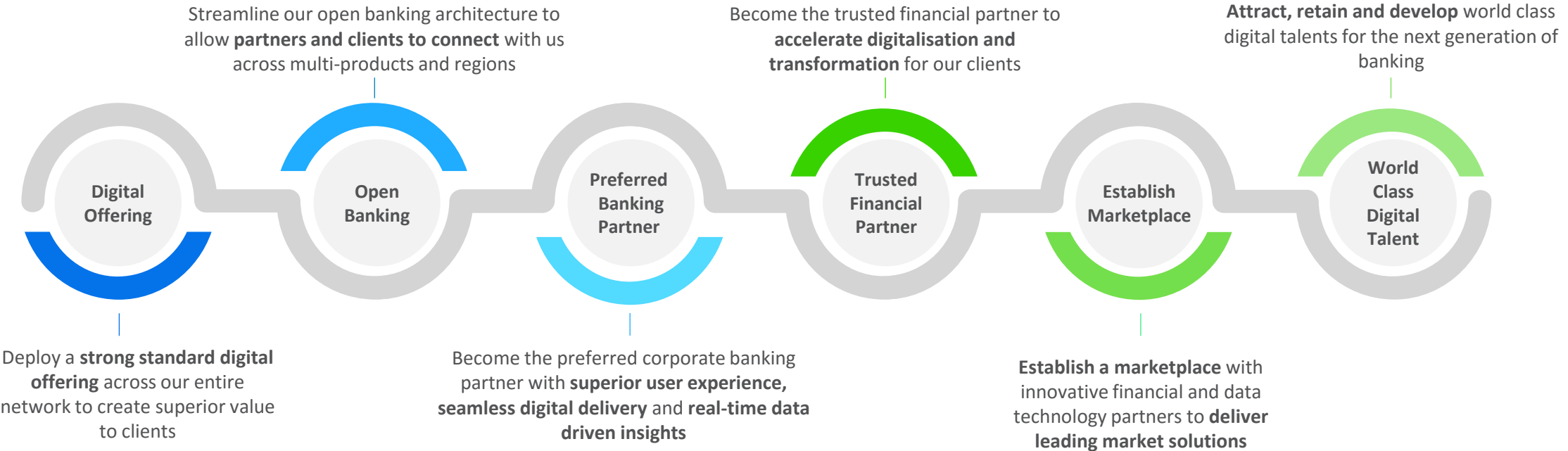
Digital product and services innovation

Digital North Star – will ensure we have the leading digital banking platform across our network



We will move to a platform model to deliver our services and products across our network. Standard Chartered aims to be the leading **digital banking platform** powering global trade, commerce and financial services to clients across our network.

Launched 1st July 2020 – our digital transformation is underway



Digital Capabilities are driving new Banking Services



Banks can partner with businesses across B2C and B2B organisations in their transformation journey, simplifying processes and enabling companies to provide differentiated services and experiences to their customers



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