


# Balanced growth driving performance

Our performance is well balanced between the twin engines of Consumer and Wholesale Banking. Both businesses are innovating and diversifying to meet the changing needs of customers and clients in some of the world's most exciting and dynamic markets

	Description	Priorities
Consumer Banking	 <p><b>“Our focus on diversification and innovation drove income growth across our markets.”</b></p> <p><b>Mike DeNoma</b> Group Executive Director responsible for Consumer Banking</p> <p>Consumer Banking serves over 14 million customers across Asia, Africa and the Middle East where we have the competitive advantage to build significant market positions over time while delivering strong financial performance. We provide a wide range of innovative products and services such as credit cards, personal loans, mortgages, deposit taking and wealth management services to individuals and small and medium enterprises (SMEs). Innovative products and channels set us apart from the competition in many of our markets.</p>	<ul style="list-style-type: none"> <li>▶▶ Innovation in products and services, drawing on our international network</li> <li>▶▶ Diversifying product range to gain new customers and meet the changing needs of existing customers</li> <li>▶▶ Investing in new businesses to accelerate momentum</li> <li>▶▶ Strengthening distribution infrastructure</li> <li>▶▶ Simplifying processes for employees so they can spend more time serving customers</li> </ul>

	Description	Priorities
Wholesale Banking	 <p><b>“We delivered a strong performance, driven by client income and leading positions in key products through innovative and groundbreaking deals.”</b></p> <p><b>Mike Rees</b> Chief Executive, Wholesale Banking</p> <p>Wholesale Banking provides corporate and institutional clients with services in trade finance, cash management, lending, securities services, foreign exchange, debt capital markets and corporate finance. Our focus is on a client-driven business and being the leading international bank of choice in Asia, Africa and the Middle East, providing responsive, innovative and creative solutions to all our clients.</p>	<ul style="list-style-type: none"> <li>▶▶ Client-led strategy based on deepening client relationships to become their core bank</li> <li>▶▶ Enhancing product range to add strategic and higher-value products</li> <li>▶▶ Diversifying services to secure greater share of clients' business</li> <li>▶▶ Innovative structures and groundbreaking transactions to gain share of mind</li> <li>▶▶ Distribution of assets to enhance capital efficiency</li> </ul>



### The Banker Awards 2006

- ▶ Global Bank of the Year
- ▶ Bank of the Year for Asia Pacific
- ▶ Bank of the Year for Africa
- ▶ Bank of the Year for Global CSR (Corporate Social Responsibility)
- ▶ Bank of the Year for six countries



### Retail Banker International Awards 2006

- ▶ Best Retail Bank in Asia Pacific



### The Asset Triple Asia Awards 2006

- ▶ Best Loan House
- ▶ Best Asian Currency Bond House
- ▶ Best Securitisation House



### Euromoney Awards for Excellence 2006

- ▶ Best at Project Finance in Asia
- ▶ Best at Project Finance in Africa
- ▶ Best Bank in Africa

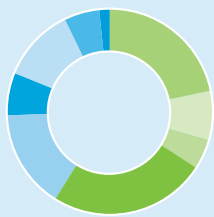


### Hong Kong Council of Social Service

- ▶ Total Caring Company Award

## Contribution

Operating income by region  
\$ million



- Hong Kong
- Singapore
- Malaysia
- Korea
- Other Asia Pacific
- India
- Middle East and Other South Asia
- Africa
- Americas and the United Kingdom

Profit before taxation  
**\$1,322m\***  
2005: \$1,273m\*

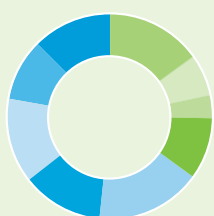
Operating income  
**\$4,684m\***  
2005: \$3,802m

## Highlights and achievements

- ▶ Over 230 new wealth management product launches across the network (120 in 2005)
- ▶ 24-hour Service Assurance launched in India and Malaysia
- ▶ Private Bank launched in Korea and performing well
- ▶ Launched Express Trade to target SME customers in Asia, Africa and the Middle East
- ▶ Innovative card products launched: American Express card in Hong Kong, CashOne, Business Platinum Card and Platinum Access Instalment Card in Singapore, Titanium Super Value Card in India
- ▶ Launched consumer finance in Thailand, Korea and India
- ▶ Approximately 14% increase in branch network and 13% increase in sales force

## Contribution

Operating income by region  
\$ million



- Hong Kong
- Singapore
- Malaysia
- Korea
- Other Asia Pacific
- India
- Middle East and Other South Asia
- Africa
- Americas and the United Kingdom

Profit before taxation  
**\$1,849m\***  
2005: \$1,444m\*

Operating income  
**\$3,923m\***  
2005: \$3,059m

## Highlights and achievements

- ▶ Continuing strong client income growth concentrated in strategic markets combined with shift towards strategic value-added products
- ▶ Moved global corporate relationships to new level by increasing advisory role
- ▶ Launched next-generation foreign exchange products and full commodity derivatives capabilities
- ▶ Involved in market firsts and benchmark-setting deals globally
- ▶ Distribution of assets accelerated – a key enabler of client income growth
- ▶ Enhanced Web Bank internet service for transaction banking and added integrated service platform and standardised account opening process across global network

\* Amounts exclude corporate items which are not allocated to Consumer Banking or Wholesale Banking.