

# press release

FOR IMMEDIATE RELEASE

## **Standard Chartered Singapore delivers record income of US\$913 million**

***The Bank tapped growth opportunities and continued to invest in Singapore***

**5 August 2010, Singapore** – Standard Chartered Bank in Singapore delivered record income and continued growth for the first half of 2010 due to its strong fundamentals and ability to tap growth opportunities as business momentum picked up and market sentiments improved. The Bank continued to invest in its business and franchise in Singapore with additional headcount, new premises, enhanced capabilities, and new products and services, in line with growth of the business.

As compared with the second half of 2009, H1 2010 delivered:

- A **record income** of US\$913 million (S\$1.28 billion), an increase of 29 per cent
- An **increase in operating profit** before tax by 48 per cent to US\$419 million (S\$585 million)
- A **rise in cost** by 29 per cent to US\$477 million (S\$667 million) on continued investments in additional headcount, new premises, enhanced capabilities, and new products and services, in line with growth of the business.

Ray Ferguson, Regional Chief Executive, Singapore and Southeast Asia, Standard Chartered Bank, said:

“Singapore, which is a core market for us, continues to perform well for the first half of 2010. Besides the Bank’s strong foundation, the results show our readiness and ability to tap opportunities and grow together with Singapore as the economy picked up and market sentiments improved. Despite increased competition, low interest rates and compressed margins, we have delivered record income and double-digit growth for the first half of the year.

During this period, we invested heavily in the business and franchise. We hired more than 1,000 staff in Singapore during these six months, including frontline sales and service staff, and also senior hires in middle and back office. We have recently relocated over 2,000 staff to Standard Chartered @ Changi and have completed the purchase of this state-of-the-art building, in addition to leasing up to 500,000 square feet of space at the Marina Bay Financial Centre. We have also enhanced our processes and infrastructure such as more efficient analytics to improve risk management and product development processes and launched new products and services such as Pay-Any-Card and the 8-minute service pledge as we commit to deliver superior service to our customers. All of the above demonstrates our commitment and strong focus on Singapore.”

### ***Ability to tap growth opportunities***

Despite increasing competition, Standard Chartered Singapore continued to increase its market share with the addition of new clients and customers; deepening of existing relationships; and enhanced products and services.

**Consumer Banking** reported a slight drop in profit over H2 2009 due to a rise in expenses as a result of continued investment in branches, frontline sales and product/marketing staff and in the enhancement of products and services.

Year-on-year, however, there was a 10 per cent income growth and an expansion of the business' market share across customer segments and products. Credit Card receivables grew by over 40 per cent and Mortgage receivables grew by more than 30 per cent. The business' fundamentals remain strong – its balance sheet grew by 23 per cent and loan impairment charge improved by over 20 per cent year-on-year. In addition, Consumer Banking continued to enhance its distribution capabilities with the addition of a new branch in Sixth Avenue, new high-end ATM machines and online banking capabilities. It also led in product innovation in the market with the introduction of Breeze, Pay-Any-Card, Mortgage Service Guarantee and the 8-Minute Service Pledge.

Income from **Wholesale Banking** grew by 54 per cent and profit grew by 122 per cent over H2 2009. Year-on-year there was strong client income growth of 16 per cent, off-set by weaker own account income growth. 65 per cent of client income growth was from Local Corporates, driven by the business momentum in Singapore and new borrowing clients.

Trade went up strongly by 34 per cent due to enhanced trade flows with India and China and an increase in trade lines to anchor new clients. Using Singapore as a hub, Standard Chartered is well-positioned along the trade corridors to leverage growth in trade flows between Singapore, India and China and the rest of the world. Despite increased competition and margin compression, Financial Markets sales also increased by 11 per cent due to an increase in volume and customer flow in commodities, equities and fixed income. Volumes are up significantly on FX and Rates business by more than 30 per cent. Corporate Finance grew by 19 per cent driven by strong momentum of transactions as a result of more positive market sentiments.

### ***Strong Fundamentals***

The Bank was able to tap on the growth opportunities as a result of its consistent strategy to focus on Singapore as one of its core markets. Looking at the basic fundamentals, Standard Chartered Singapore has a solid balance sheet and is highly liquid. A-D ratio is at 76 per cent; CASA grew at 53 per cent and overall customer deposits grew by 32 per cent. Total assets grew to US\$65 billion (S\$91 billion). Credit quality across both Wholesale Banking and Consumer Banking portfolios remains good.

Ray Ferguson said:

“We are aware of the potential challenges in the second half of this year – continued margin compression, softening trade and tapering external demand – and we maintain a positive outlook. We will continue to focus on our fundamentals and enhance our existing capabilities, and are confident that we are well-positioned for further growth in Singapore. “

- Ends -

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### **Note to Editors:**

**Standard Chartered in Singapore** is part of an international banking group with an extensive network of over 1,700 branches and outlets in more than 70 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas.

It is committed to building a sustainable business over the long term and is trusted worldwide for upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity. The Bank's heritage and values are expressed in its brand promise, 'Here for good'.

Standard Chartered has a history of 150 years in Singapore, opening its first branch here in 1859 and in October 1999 was among the first international banks to receive a Qualifying Full Bank (QFB) licence, an endorsement of the Group's long-standing commitment to its businesses in the country.

It serves both Consumer and Wholesale Banking customers. Consumer Banking provides credit cards, personal loans, mortgages, deposit taking and wealth management services to individuals and small to medium sized enterprises. 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.

The Bank employs over 6,000 people in Singapore and has a network of 18 branches, 29 ATMs, and 6 Priority Banking centres. Standard Chartered is the only international bank to offer NETS service, giving its customers access to EFTPOS at over 17,000 outlets islandwide. The Bank's global businesses - Consumer and Wholesale Banking - are managed out of Singapore, as is its global Technology & Operations function.

### **Key awards/achievements**

- Leading the way through product innovation, for example, MortgageOne, e\$aver, CashOne, Business Instalment Loan, Business\$aver, FamilyLink, LinkOne & Visa Infinite
- First Singapore \$100 million Fixed Rate Note bond offering by The Central American Bank for Economic Integration, a Latin American issuer
- Xtra\$aver named "Best Deposit Product in Asia Pacific and Gulf States" (Asian Banker Journal - 2007)
- Best Bank in Singapore (The Asset Triple A Country Awards – 2009)
- Best Debt House in Singapore (The Asset Triple A Awards - 2003, 2005, 2007, 2008, 2009)
- Best Trade Finance Bank in Singapore (Global Finance – 2006, 2007, 2008, 2009)
- Country Deal of the Year, Singapore (Islamic Finance News Awards 2009)
- Singapore Capital Markets Deal of the Year (IFR Asia Review of the Year 2009)
- Retail Bank of the Year (Asian Banking and Finance – 2007, 2008)
- Best branch initiative - Vivo City branch (Asian Banking and Finance – 2007, 2008)
- Best self-service Initiative - Online banking (Asian Banking and Finance – 2008)
- Best core banking system initiative - Virtual banking relationship centre (Asian Banking and Finance – 2008)
- Best Corporate and Employee Citizenship Award (HRM 2008, 2009)
- Leader in HR practices (Singapore HR Awards 2009)
  - *Learning and Human Capital Development*
  - *Talent Management, Retention and Succession Planning*
  - *Corporate Social Responsibility*
  - *Performance Management (Special Mention)*
  - *Regional/International/Global HR practices (Special Mention)*
- Best Graduate Development Practices and Fair Employment Practices (HRM 2010)
- President's Social Service Award 2008
- National Volunteerism and Philanthropy Centre Corporate Citizen Award for Volunteerism 2009