

# press release

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## **Standard Chartered Singapore posts record income and profit for 2010**

### ***Strong double digit income growth for Consumer and Wholesale banking businesses***

**3 March 2011, Singapore** – Standard Chartered Bank in Singapore delivered a record operating profit of US\$718 million (S\$978 million) and a record income of US\$1,738 million (S\$2,369 million) for the financial year ended 31 December 2010 due to strong income growth for both businesses. The Bank continued to invest in Singapore, a core market for its businesses, to sustain business momentum and strengthen its market position.

FY2010 Key Financial Highlights:

- A **record income** of US\$1,738 million (S\$2,369 million), up 9 per cent from FY2009 due to strong underlying business momentum.
  - Solid income growth for both businesses – 17 per cent for Wholesale Banking (client income) and 15 per cent growth for Consumer Banking.
  - Record income for Consumer Banking at US\$728 million (S\$992 million) for 2010 – more than doubled from US\$324 million (S\$442 million) since 2005.
  - Record income for Wholesale Banking – crossed US\$1 billion mark for the first time, growing more than five times from US\$190 million (S\$259 million) in 2005.
- A **rise in cost** by 23 per cent to US\$986 million (S\$1,344 million) on continued investment in additional headcount, new premises, enhanced capabilities, and new products and services, in line with growth of the business.
- **Impairments** decreased by 56 per cent in 2010 due to strong risk management processes.
- A **record operating profit** before tax of US\$718 million (S\$978 million), flattish year-on-year as the Bank took on a deliberate strategy to make significant and continued investment in Singapore.

- Strong and well-managed **Balance Sheet** with assets growth of 25 per cent, liabilities growing by 26 per cent, strong CASA growth of 24 per cent, and a stable A-D ratio at 77 per cent.

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

“Singapore is a strategic and core market for the Bank. It continues to be the third largest contributor to Group income and profit and is the operational hub for our global Consumer Banking and Wholesale Banking businesses.

Over the years, we have demonstrated that we are *Here for good* and our focus has always been the long term and sustainable growth of our business franchise in Singapore.

Hence, post the global financial crisis, while some companies may be more cautious in the way they invest, Standard Chartered saw it as an opportune time to strengthen our position in the market. We took a deliberate approach to invest significantly in the business in Singapore and maintain the business momentum, at the same time, grow our capabilities to capture growth opportunities.”

Demonstrating the Bank’s commitment to Singapore, Standard Chartered has made the following investment in the last twelve months:

**People**

- In terms of headcount, Standard Chartered increased its staff strength by 20 per cent from 5,938 in 2009 to the current 7,110 in Singapore including frontline sales and service staff, and also senior hires in middle and back office.

**Products/Services**

- Consumer Banking launched Pay-Any-Card, new generation branches, Breeze, enhanced Online Banking, the 8-minute service pledge, Mortgage Service Guarantee, Straight Through Processing for credit card application, increased branding and marketing efforts and acquired GE Commercial Financing (Singapore) Ltd and GE Money Pte Ltd.
- Wholesale Banking continued to invest significantly for long term sustainable growth. The business enhanced and added new capabilities – it is now a trading and clearing member of SGX, offers new operating leasing platform for shipping clients, and new RMB products and

offerings. In terms of infrastructure, the business also enhanced its risk management platform and opened the largest trading floor in Asia at the Marina Bay Financial Centre. Finally, to better serve its clients, the Bank also added more bankers with specialised expertise and partnered with government and business organisations such as the Singapore Business Federation and IE Singapore to facilitate trade and business activities between Singapore companies and the region.

### **Premises**

- The Bank purchased the 225,000 square feet campus styled building at Changi Business Park which houses non frontline employees in human resources, technology and trade operations.
- The Bank is leasing 513,000 square feet of space over 24 floors at the Marina Bay Financial Centre Tower One for 60 per cent of its employees in Singapore.
- New branches at Nex Serangoon, Marina Bay and Sixth Avenue were set up.

Ray Ferguson added:

“At the start of 2011, we see good momentum and a strong pipeline. In fact, we’ve already seen both Consumer Banking and Wholesale Banking registering double-digit growth in January. With confidence in our strong fundamentals and ability to position ourselves effectively, we are positive about the growth prospects and are on track for good performance in 2011.”

**Consumer Banking** reported a record income of US\$728 million (S\$992 million) for 2010, which is an increase of 15 per cent from 2009 and is more than double the income level (at US\$324 million or S\$442 million) in 2005. The main drivers of income growth are:

- a 45 per cent year-on-year increase in wealth management income due to improved customer risk appetite;
- a 20 per cent growth in Assets Under Management for Private Banking; and
- a 20 per cent growth in income from credit cards and personal loans due to improved consumer confidence.

The ability of the business to capture growth opportunities and demonstrate strong underlying momentum despite margin compression and competition was a result of its break-through

innovation and a deliberate approach to invest significantly in Singapore to enhance its capabilities, grow market share and tap on segments of growth.

**Wholesale Banking** also reported record income which crossed the US\$1 billion mark for the first time for Singapore. This is a 6 per cent increase year-on-year and has grown more than five times from US\$190 million (S\$259 million) in 2005. Client income grew strongly by 17 per cent year-on-year driven by:

- Trade which went up by 24 per cent due to the business' ability to leverage the Bank's strong cross border network and Singapore's strategic position along the trade corridors to facilitate clients' growing trade flows between Singapore, China, India, Southeast Asia and the rest of the world.
- Financial Market sales which went up by 24 per cent due to buoyant syndications and property markets, improved volumes and customer flows, as well as a strong uplift in cash equities arising from the build-out of the business' equities capabilities.
- Strong growth of 62 per cent of the Local Corporates segment as the Bank partners local companies in their growth in Singapore and beyond.
- Commodity Trader and Agriculture revenue up 19 per cent due to the increase of commodity financing.

Own account income returned to normalised level due to decreased volatility and tighter margins.

In 2010, Wholesale Banking also garnered key industry awards and accolades which highlighted the strength of its core business strategy, which in many ways is a mirror of Singapore's success. These achievements include:

- Ranked #2 in SGD Bonds in the League Table in 2010
- Best Debt House Singapore for four consecutive years (The Asset Triple A Asian Awards from 2007 to 2010)
- Best Transaction Bank in Asia (The Asset Triple A Awards 2010)
- Best Supply Chain Finance Provider in Asia (Global Finance Awards 2010)
- Best Trade Bank in Singapore (Global Finance Awards 2010)

- Best Integrated Corporate Bank Site in Asia (Global Finance World's Best Internet Bank Awards 2010)
- Best Singapore Deal: Temasek Holdings S\$1 billion 40-year bond (Finance Asia Awards 2010)
- Best Project Financing: Sportshub S\$1.76 billion four tranche project financing (Asia Money Regional Deals Awards 2010)
- Asia Pacific Public-Private-Partnership Deal of the Year: Sportshub S\$1.5 billion project financing (PFI Awards 2010)
- Capital Markets Deal Award in Singapore: Temasek Holdings S\$1 billion 40-year bond (IFR Asia Awards)
- Best Deal in Singapore: Islamic Development Bank S\$200 million Sukuk (The Asset Triple A Islamic Finance Awards 2010)

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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 7,000 people in Singapore and has a network of 19 branches, 32 ATMs and 7 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**

### **Business**

- 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)
- Structured Products Asia Awards 2008 – Best in Singapore (Structured Products – 2008)
- Deal of the Year in Singapore (The Banker, 2008)
- Best Bank in Singapore (The Asset Triple A Country Awards – 2009)
- Best Debt House in Singapore (The Asset Triple A Awards - 2007, 2008, 2009, 2010)
- Best Trade Finance Bank in Singapore (Global Finance – 2007, 2008, 2009)
- Country Deal of the Year, Singapore (Islamic Finance News Awards 2009, 2010)
- 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 Consumer Internet Bank, Singapore (Global Finance 2010)
- Best Corporate/Institutional Internet Bank in Singapore (Global Finance 2010)
- Best Project Financing, Singapore (Asiamoney 2010)
- Best Singapore Deal (FinanceAsia 2010)
- Best Singapore Deal at the Islamic Finance Awards 2010 (The Asset, 2010)
- Country Deal of the Year, Singapore (Asiamoney 2011)

### **Corporate / Sustainability**

- Best Corporate and Employee Citizenship Award (HRM 2008, 2009)
- Leader in HR practices (Singapore HR Awards 2009, 2010)
  - *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
- Silver Award for Best Community Programme (Global CSR Award 2010)
- Special Commendation Prize for Learning and Talent Development (Asian Human Capital Award 2010)

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