

# press release

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## **Standard Chartered Singapore posts record income and profit for H1 2011**

*Half year income crosses US\$1 billion mark for the first time;*

*Record operating profit a solid 11% growth YOY*

**4 August 2011, Singapore** – Standard Chartered Bank in Singapore (“the Bank”) delivered a record income of US\$1.094 billion for H1 2011, representing a strong growth of 20% year-on-year. The Bank’s half year income, which crossed the US\$1 billion mark for the first time, was driven by outstanding double-digit customer income growth. It reported a record operating profit of US\$465 million for the same period, a solid 11% growth year-on-year despite intense competition. This exceptional performance is the result of a consistent strategy, where significant investments in the business are showing good returns.

Standard Chartered Singapore H1 2011 Key Financial Highlights:

- **Record income** of US\$1.094 billion, a strong growth of 20% year-on-year
  - Consumer Banking delivered a record income of US\$445 million, representing a strong 34% year-on-year income growth
  - Wholesale Banking delivered a record income of US\$649 million, up 12% year-on-year
- **Outstanding double-digit customer income growth** year-on-year for both businesses: 34% growth for Consumer Banking; 38% growth for Wholesale Banking.
- **Record operating profit** of US\$465 million, a 11% year-on-year growth
  - Consumer Banking recorded a strong 30% year-on-year growth in operating profit
  - Wholesale Banking operating profit was flattish year-on-year
- **Expenses** grew by 22% year-on-year as a result of flow-through expenses from past investments made to upscale talent and capabilities; enhance marketing and sales to capture market share; and build processes and infrastructure.

- **Strong and well-managed Balance Sheet** with year-on-year assets growth of 24%, liabilities growth by 24%, strong CASA growth of 21% and a stable A-D ratio of 79%.

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

“Against the backdrop of a tight labour market, low interest rates and intense competition, our Singapore business has done exceptionally well for the first half of 2011. We managed to sustain business momentum and continue to grow our business due to strong fundamentals built over the years, focusing on investments in our business to upscale talent and capabilities. As witnessed by our record income and profit, driven by growth engines across both our Consumer Banking and Wholesale Banking businesses, I would say that our past investments in the Singapore franchise are paying off – income from our Consumer Banking business has more than doubled, and our Wholesale Banking business also grew five times since 2005.

While we are happy that the first half of 2011 has produced very good results, we continue to emphasise the importance of building a long term sustainable business. Singapore’s role as an international financial hub has been growing rapidly in recent years. Our strategy for the Singapore franchise is to leverage on its growing importance and its policies and we have been successful. As the global hub for our businesses and support functions, Singapore is a core market for the Bank and it is now the second largest contributor to Group income and profit.”

### **Consumer Banking:**

The Consumer Banking business reported outstanding results for H1 2011 as a result of the business’ deliberate strategy to invest significantly in these areas to maintain its competitive edge:

- Upscaling talent and capabilities to drive customer-focused service culture
- Leading in product and service innovations
- More aggressive marketing and increase in sales staff to capture market share

Year-on-year, the business delivered a record income of US\$445 million which grew 34% year-on-year and an operating profit of US\$190 million, which grew 30% year-on-year. Significant growth was achieved in the following areas:

- 43% year-on-year growth in Wealth Management due to buoyant market and improved risk appetites
- 32% year-on-year growth in Consumer Transaction Banking due to superior online capabilities
- 30% year-on-year growth in Credit Cards and Personal Loans due to innovative marketing campaigns

- 26% year-on-year growth in SME due to boost in unsecured lending and enhanced capabilities
- 31% year-on-year growth in Private Banking with 28% year-on-year growth in total AUM

The business also grew its market share across multiple segments:

- Overall customer base grew 10% year-on-year
- Our credit card growth increased 1.6 times as much as industry growth (based on outstanding balances)
- Our personal loan market share more than doubled with the acquisition of GE Money
- Customer deposits grew 23% year-on-year
- Active Online Banking customers increased by 26% and Standard Chartered Online Banking won Global Finance's "Best Consumer Internet Bank" award in 2010 and 2011. In addition, the Bank also won regional awards in categories of "Best Bill Payment and Presentation" and "Best Web Site Design".

### **Wholesale Banking:**

The Wholesale Banking business delivered a record income of US\$649 million for the first six months of 2011, up 12% year-on-year. Its strong performance is due to:

- A focused strategy of deepening "core-bank" client relationships
- Leveraging Singapore's position as a hub in Asia for trade and investment flows and for key industries like commercial real estate, offshore marine, natural resources and consumer goods
- Supporting clients using Singapore as a platform for development or growth in footprint markets

The business reported exceptional client income growth of 38% year-on-year and an income growth of more than 20% across all client segments driven by higher underlying balances, an increase in client flows and transactions.

Strong client income growth was driven by:

- 33% growth in Transaction Banking revenue, which is supported by the growth of Singapore trade with footprint markets
- 34% growth in Financial Markets revenue on the back of strong growth in commodities and deals in Capital Markets as Singapore retains its position as the biggest physical commodities trading hub in Asia, the third largest oil trading centre, the fifth largest foreign exchange trading centre and transits from a regional to global commodities trading hub
- 64% growth in Corporate Finance revenue driven by the low cost of debt and equity, as M&A activities continue

The Wholesale Banking business registered a 12% year-on-year increase in expenses, after taking into consideration flow-through costs as a result of investments in commodities, derivatives, risk management, equities, research and distribution channel platforms.

The business has been recognised through numerous industry accolades this year:

- Best Investment Bank in Singapore: Global Finance Investment Bank Awards 2011
- Best Trade Finance Bank in Singapore: GTR Asia Leaders in Trade Awards 2011
- Deal of the Year in Singapore (Temasek Financial S\$1 billion Bond): Asiamoney Awards 2011
- Best Quasi-Sovereign Bond (Temasek Holdings S\$1 billion 40-Year SGD Notes): The Asset Triple Awards 2011
- Best Project Finance (Singapore SportsHub S\$1.78 billion senior debt facilities): The Asset Triple Awards 2011
- Global Deal of the Year (Singapore SportsHub S\$1.5 billion non-recourse financing): Euromoney Project Finance Awards for 2010
- APAC PPP/ Leisure Deal of the Year (Singapore SportsHub S\$1.5 billion non-recourse financing): Euromoney Project Finance Awards for 2010

Ray Ferguson said:

“Barring any major developments in the rest of the world, we maintain a positive outlook of our performance for the rest of 2011. We see increased market share, good momentum and a strong pipeline – positive outcomes of the investment we have been making in the franchise. Committed to Singapore, we will continue to strengthen and build on our capabilities, and we are on track to tap further growth opportunities.”

- Ends -

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## Note to Editor:

**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 more than 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 18 branches, 30 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
- Best Deposit Product in Asia Pacific and Gulf States - Xtra\$aver (Asian Banker Journal - 2007)
- Best in Singapore (Structured Products Asia – 2008)
- Deal of the Year in Singapore (The Banker – 2008)
- Best Bank in Singapore (The Asset – 2009)
- Best Debt House in Singapore (The Asset - 2007, 2008, 2009, 2010)
- Best Trade Finance Bank in Singapore (Global Finance – 2007, 2008, 2009)
- Country Deal of the Year, Singapore (Islamic Finance News – 2009, 2010)
- Singapore Capital Markets Deal of the Year (IFR Asia – 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)

- Best Payments Product – Pay Any Card (The Asian Banker – 2011)
- Service Excellence Award, Best in Category – Breeze (Banking and Payments Asia – 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)