

press release

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Standard Chartered Singapore posts 17% rise in operating profit *Strong fundamentals and resilient platform continue to drive growth*

2 August 2012, Singapore – Standard Chartered Bank in Singapore (“the Bank”) delivered a record operating profit of US\$546 million for H1 2012, a strong 17% growth from H1 2011; and an income of US\$1.162 billion, representing a year-on-year (YOY) growth of 6% from the same period last year. Despite Singapore’s open economy being impacted by challenges in the West, a slowing down in the East and weak investor appetite, the Bank continued to grow its business in Singapore. This is the result of having built a resilient platform, capitalising on the Bank’s strengths, and significant and continued investments in the business showing good returns.

Standard Chartered Singapore H1 2012 Key Financial Highlights:

- **Record income** of US\$1.162 billion, a growth of 6% YOY
 - Consumer Banking delivered a record income of US\$479 million, representing a 8% YOY income growth
 - Wholesale Banking delivered a record income of US\$683 million, up 5% YOY
- **Record operating profit** of US\$546 million, a 17% YOY growth
 - Wholesale Banking recorded a 30% YOY growth in operating profit
 - Consumer Banking operating profit was flattish YOY
- **Expenses** were flat at US\$588 million due to excellent cost control
- **Strong and well-managed Balance Sheet** with a stable A-D ratio of 83%, and no direct sovereign exposure to Eurozone countries perceived as being troubled

Ray Ferguson, Chief Executive Officer, Singapore, Standard Chartered Bank, said:

“Singapore, being one of the most open economies, has been impacted by strong headwinds and the weak external environment. However, Standard Chartered stayed on course and continues to grow, delivering record income and profit for the first half of 2012 for the Singapore franchise, which remains the second largest contributor to Group income and profits.

The strength of our Balance Sheet has given us the fire power to support our clients’ growth. This is especially important for them in times such as this. Our relationships with our clients are strong. We believe that our clients stay with us, because over the years we have continued to support them with a dependable team whom they can trust. We are the only major international bank that has been upgraded by all three credit ratings agencies since the financial crisis.

As a deeply rooted bank in Singapore, we continue to invest heavily in our business and people, innovation, new capabilities and infrastructure. We have built a resilient platform and our investments are delivering results. Earlier this year, we announced our plans to locally incorporate our Consumer Banking and SME business and are working towards the completion of transfer of our business to the new local subsidiary next year.”

Commenting on the outlook of the business, Ray added:

“Our business has good underlying momentum and while we are benefitting from the investments that we have made in the past, we are not complacent and remain cautiously optimistic for mid- to long-term growth.

Despite the weak external environment, with our strong fundamentals, a good pipeline and a resilient business, we will be able to continue to deliver good long term performance in Singapore.”

Consumer Banking:

The Consumer Banking business continues to grow and gain share, with a continued strategy focused on innovation and service, delivering an income of US\$479 million, an 8% growth from the same period last year. Significant growth was achieved in the following areas:

- 19% YOY growth in Credit Cards and Personal Loans driven by growing spends and new loan growth
- 11% YOY growth in the Private Bank primarily led by a productivity uplift with prior year investments in frontline yielding results
- 8% YOY growth in Consumer Transaction Banking due to the launch of Bonus\$aver and an increased focus on foreign currency deposits

During the first half of this year, the business launched innovative products and services including the following:

- **Bonus\$aver:** an innovative industry first that offers consumers unparalleled interest rates on their savings account. Customer adoption has been strong and to-date the Bank has over 26,000 new accounts
- **Enhanced position snapshots:** provides a consolidated view of a client's total assets and liabilities within and outside the Bank. These reports provide greater detail and transparency for customers to make informed decisions
- **Auto loan service guarantee:** guarantees same-day disbursement of auto loans or the Bank pays S\$50 in cashback. This is the first service guarantee in the auto loan industry
- **Weekend auto loan processing:** first to process auto loans during the weekends where most cars are purchased, giving customers better service and faster turnaround

Some of Consumer Banking's key achievements include:

- Growing its customer base by 19% YOY, largely due to the addition of active customers through the acquisition of GE Money, strong activation in credit cards and the launch of Bonus\$aver which drove CASA (current account/savings account) growth
- Increasing its Credit Card spend by three times YOY, which is contributed by both an increase in the number of customers and spend per customer. This growth is driven by the business' continued focus on its innovative and differentiated propositions
- Adding active online banking customers by 29% YOY which is a testament to our strong online platform. Standard Chartered was the first bank in Singapore to offer the ability to pay any bank's credit card bill through online banking; has the largest number of bill

payment organisations available online, and offers the largest range of products online. The Bank's sustained innovations on Online Banking won the Global Finance award for Best Consumer Internet Bank in Singapore for 2010 – 2012

As Standard Chartered's Consumer Banking business continues to expand, the Bank has announced in February this year its intent to incorporate a 100% owned local subsidiary for its Consumer Banking and SME Banking business. The Bank is making a strong commitment to Singapore, looks forward to being regarded more as a local bank and believes that local incorporation will help to achieve its aspirations in Singapore.

Wholesale Banking:

The Wholesale Banking business also continues to perform well: income grew by 5% YOY to US\$683 million and operating profit grew 30% YOY to US\$358 million despite uncertainty in the global economy. Its strong results are due to its continued focus on:

- A client-led 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 strong performance in its core Commercial Banking business:

- Transaction Banking achieved strong YOY income growth of 32%. This is a testament to the strength of the Bank's capabilities, strategic position and international network which has enabled clients to leverage growth opportunities across trade corridors. This continues to be a strength which cannot be replicated easily and drives Wholesale Bank's consistent growth
- Financial Markets client income is up 10% YOY due to continued growth in our flow business arising from a well entrenched client franchise and client hedging activity across asset classes on the back of volatility in markets

The Wholesale Banking business costs were very well managed and expenses were lowered by 6% compared to the same period last year. The business continued to invest in initiatives to improve service and productivity. These investments were targeted towards enhancing core banking and credit risk monitoring systems and up-tiering Transaction Banking platforms.

- 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 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, auto 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 20 branches, 6 Priority Banking centres and 30 ATMs. 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, 2011)
- 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, 2011)
- Leader in HR practices (Singapore HR Awards)
 - *Learning and Human Capital Development (2009, 2010)*
 - *Talent Management, Retention and Succession Planning(2009, 2010)*
 - *Performance Management (Special Mention) (2009, 2010)*
 - *Regional/International/Global HR practices (Special Mention) (2009, 2010)*
 - *Corporate Social Responsibility (2009, 2010, 2011)*
- 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)