

press release

FOR IMMEDIATE RELEASE

Standard Chartered Singapore reports a 14 per cent operating profit increase in 2016

Singapore, 24 February 2017 – Standard Chartered Bank in Singapore (the Bank) reported underlying operating profit before tax of US\$416 million for the financial year ended 31 December 2016, an increase of 14 per cent compared to 2015, reflecting early progress against the Bank's priority to build stronger foundations for long-term sustainable growth and improve financial returns.

Challenging income environment

Income in Singapore in 2016 declined 6 per cent year-on-year to US\$1,489 million, reflecting challenging market conditions that led to margin compression and lower Financial Markets activity in Corporate & Institutional Banking; and weaker demand for Wealth Management products. This was partly offset by higher Deposit Income in Retail Banking and credit and funding adjustment gains in Financial Markets.

Strengthening risk profile

The Bank took decisive actions to improve its risk profile in 2016, resulting in lower loan impairment in Retail Banking and fewer provisions in Corporate & Institutional Banking and Commercial Banking. Total loan impairment fell 60 per cent or by US\$158 million year-on-year.

Investing in technology and people

The Bank delivered cost efficiencies in the year, creating capacity to invest in technology and people. The Bank continued to embed digital and innovation into its business operations with an increase in investments in technology by 33 per cent compared to 2015. The Bank also invested in frontline sales in Retail Banking as Singapore remains one of the core markets in the region. As a result of these actions, operating expenses increased by 2 per cent year-on-year.

People development continues to be the lynchpin for growth

In line with the SkillsFuture programme launched last year, the Bank set aside US\$1.4 million to launch an initiative for employees who are keen to pursue interdisciplinary capabilities for the workplace. Employees are given three paid days of leave to upgrade themselves and have 50 courses to pick from. The number of courses provided by the Bank is expected to double in 2017.

Segment highlights

Corporate & Institutional Banking – Progress was made in reshaping the business with a focus on returns and efficiencies, while strengthening the client franchise. The business grew its trade and client cash balances in 2016 with trade assets and contingent balances up 18 per cent year-on-year. The Bank was also involved in landmark capital market and corporate finance transactions for clients including the Housing Development Board, Universal Terminal, SembCorp and Singapore Technologies Telemedia. Standard Chartered was also the top international bank for Singapore dollar bond issuances last year.

Retail Banking – The business attracted US\$1.4 billion net additional Current Account Savings Account deposits in the year, supported by enhanced client propositions. Deposit income achieved double-digit growth, benefitting from new product offerings such as the re-launch of Bonus\$aver account and improved margins. Enhanced end-to-end digital sales processes also resulted in a significant increase in online card acquisition.

Commercial Banking – The business leveraged flow and opportunities across the Bank's network to grow network income by 12 per cent year-on-year. The Bank also successfully led Singapore dollar bond issuances for clients including Chip Eng Seng and National University of Singapore.

Private Banking – The business invested significantly to enhance its control environment and to improve its technology infrastructure. The quality of the franchise and the differentiated potential for growth has attracted several senior private bankers to join during the year. There was a major focus on acquiring new clients in the year, resulting in a 9 per cent increase.

Judy Hsu, Chief Executive Officer, Standard Chartered Bank, Singapore, said:

“Despite the challenging external environment, we are seeing good early progress against our strategic priority to build stronger foundations for long-term sustainable growth and improve financial returns. In addition, we continue to take actions to improve the risk profile of our business and apply rigorous risk standards. Our continuous effort to strengthen client propositions and service delivery also helped to contribute to our business momentum.

To support our staff's career growth, we also focus on helping them adapt to the ever-changing needs of the business environment and reach their full potential through skills upgrading and leadership development.”

With a deep-rooted presence here for 158 years, Singapore is one of the largest markets for the Standard Chartered group globally and plays a significant role as a hub for its global business and as a gateway for clients in and out of the ASEAN region.

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Note to Editors:

Standard Chartered

Standard Chartered Bank in Singapore is part of an international banking group with more than 86,600 employees and a 150-year history in some of the world's most dynamic markets.

We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered Bank has a history of 158 years in Singapore, with its first branch here opened in 1859. In October 1999, it was among the first international banks to receive a Qualifying Full Bank (QFB) license, an endorsement of the Group's long-standing commitment to its business in the country.

The Bank transferred its Singapore Retail and SME business to a locally-incorporated subsidiary, Standard Chartered Bank (Singapore) Limited ("SCBSL") on 7 October 2013. After the transfer, all banking services offered to retail and SME clients, particularly deposit taking, wealth management services, overdrafts, personal loans, credit cards, auto financing, and mortgages, have been offered by SCBSL. SCBSL is rated one of the highest banks globally: Aa3 by Moody's and A by Fitch Ratings.

Standard Chartered offers corporate and institutional clients services in trade finance, cash management, lending, securities services, foreign exchange, debt capital markets and corporate finance. The Bank also provides private banking services through its private banking division. The Bank employs more than 8,000 people in Singapore and has a network of 17 branches, 5 Priority Banking centres and 31 ATMs.

The Bank's global business is managed out of Singapore, as is its global Technology & Operations function.

In 2015, the Monetary Authority of Singapore named Standard Chartered one of the Domestic Systemically Important Banks in the country along with six other local and international banks.