

press release

For Immediate Release

Standard Chartered announces operating profit before tax rises 27% to US\$ 4.04 billion and income by 28% in 2007

*Record levels of performance with income exceeding \$11 billion and profits in excess of \$4 billion, both for the first time;
Raises dividend payout by 12% to 79.35 cents a share*

LONDON, February 26 - Standard Chartered PLC today delivered another strong performance for the year ended 31 December 2007 with operating profit before tax (OPBT) rising 27 per cent to a record \$4.04 billion and operating income increasing 28 per cent to \$11.07 billion. Normalised earnings per share increased 16 per cent to 197.6 cents. The board today announced a dividend of 79.35 cents per share, up from 71.04 cents for 2006.

Growth in underlying income was at 23 per cent against 18 per cent, with 80 per cent of the operating income growth coming from organic businesses. Both Wholesale and Consumer Banking showed strong income momentum across all client segments and product categories, with both businesses contributing well over \$1 billion of incremental income for the year. Both the businesses increased OPBT by 27 per cent.

Mr Peter Sands, Group Chief Executive, said:

“Despite the turbulence, shocks and uncertainties in financial markets, we have once again delivered record profits. We haven’t done this by slowing down or squeezing the businesses - we invested behind both our wholesale and consumer banking businesses at record levels last year. There is more breadth and scale in the Group and our strong performance in 2007 is spread across multiple products and multiple geographies.”

Key markets show strong growth

Many of the key markets in the Standard Chartered network delivered performance at record levels. Hong Kong, the Group’s largest market, increased PBT by 34 per cent, India by 71 per cent, Singapore 54 per cent, China 72 per cent, Other Asia Pacific Region by 175 per cent, while Africa posted a 55 per cent increase in pre-tax profits. Korea showed strong underlying income momentum which rose in double digits on an adjusted basis, but due to an accounting treatment of foreign exchange hedges posted 29 per cent lower PBT.

Other highlights from key markets include:

- Over \$2 billion income and \$1 billion PBT in Hong Kong for the first time, with income growing at a 7-year high
- India making more profits in 2007 than in 2006 and 2005 put together, with Wholesale Banking India emerging as the largest business in the franchise
- Among the first foreign banks to locally incorporate in China, and nearly doubling staff strength

Balanced growth

Wholesale Banking had a yet another strong year with significantly higher business volumes and income momentum, and across all client segments and key markets, with operating income rising 34 per cent. From a product perspective, Global Markets achieved 41 per cent growth, Cash Management and Custody 31 per cent and Trade and Lending income grew by 23 per cent.

During the year, Wholesale Banking became a core bank to more of our clients - we increased by 93 per cent the number of clients which generate over \$5 million of income per year and by 59 per cent those that generate over \$1 million.

Consumer Banking recorded an operating income growth of 24 per cent, with 1200 new product initiatives last year against 840 in 2006. Income growth is now increasingly well diversified with nine markets contributing \$200 million or more in income. Wealth Management was the largest contributor with over 45 per cent of the total Consumer Banking income, and rose 35 per cent last year. Private Banking was launched in 10 locations across seven markets.

Significant investments were made last year to expand distribution reach in core markets – over 70 new branches, 30 SME centres, 20 Consumer Finance outlets and more than 400 ATMs were launched in 2007.

One-off items

There were two one-off items that in aggregate added over \$215 million to income, comprising a foreign exchange gain on the repatriation of capital from the Singapore branch following regulation change, and a valuation gain on shares the Group received in the restructuring of Visa Inc. But offsetting these gains were charges totalling \$300 million as a result of the current financial market dislocation, and more due to the accounting treatment of foreign exchange hedges in Korea.

Mr Richard Meddings, Group Finance Director, said:

“The strength of the Group’s performance has been such that even having taken the net negative impact of these items, operating profit before tax has risen 27 per cent surpassing \$4 billion for the first time. We are extraordinarily well placed to capture the huge opportunities in our markets.”

Standard Chartered has no direct exposure to US sub-prime assets, and very limited indirect exposure.

The Group’s liquidity and capital position are strong. At the height of the market dislocation in September 2007, the Group raised \$2 billion of Tier II capital which was over-subscribed more than five times. The Group is running above target ranges for both Tier 1 capital and total capital. Under Basel II, Tier 1 capital is within the stated target range of 7-9 per cent and total capital above the range of 12-14 per cent.

Capability Acquisitions

In the second half of 2007, the Group announced the acquisition of five companies – UTI Securities, a broking and advisory firm in India; Pembroke, a specialist in aviation finance; Harrison Lovegrove, an oil and gas advisory boutique; A Brain, a fund administration company in Korea; and American Express Bank, which will fast-track two core businesses – Private Banking

and Financial Institutions – and add 19 new markets to the footprint. Standard Chartered started 2008 with another small acquisition – that of Yeahreum, a mutual savings bank in Korea.

Mr Sands added:

“We ended 2007 with strong momentum in both businesses and the Group has had an excellent start to 2008, particularly in Wholesale Banking which had a record January. The Bank is in great shape, the foundations are firm. We will keep investing to sustain our organic growth momentum. 2008 will undoubtedly be testing, but it will also be exciting with new opportunities emerging alongside new risks.”

Financial Performance Highlights

GROUP	2007	2006	Increase/Decrease (%)
Operating Income	11,067	8,620	28
Expenses	(6,215)	(4,796)	30
Loan Impairment	(761)	(629)	21
Profit Before Tax	4,035	3,178	27
WHOLESALE BANKING			
Operating Income	5,243	3,923	34
Profit Before Tax	2,347	1,849	27
CONSUMER BANKING			
Operating Income	5,806	4,684	24
Profit Before Tax	1,677	1,322	27

in US\$ millions

Performance By Regions

Region	2007	2006	% Change
Hong Kong	1193	888	34
Singapore	446	289	54
Malaysia	236	178	33
Korea	324	454	(29)
Other APR	572	208	175
• China	184	107	72
India	690	403	71
MESA	591	503	17
Africa	298	192	55
Americas, UK & Group	(315)	63	-

• China is classified as part of “Other APR” # in US\$ millions

For more information, contact:

Sam Gad

Media Relations and Communications
Standard Chartered MENA
T: +971 4 508 5916
M: +971 50 900 7141
Sam.Gad@standardchartered.com

Lilian Yong-Babani

Regional Head Corporate Affairs Middle East and North Africa
Tel : +971502401273
Email : Lilian.Yong-Babani@standardchartered.com

About Standard Chartered

Standard Chartered PLC, listed on both London and Hong Kong stock exchanges, ranks among the top 25 companies in the FTSE-100 by market capitalisation. The London-headquartered Group has operated for over 150 years in some of the world's most dynamic markets, leading the way in Asia, Africa and the Middle East. Its income and profits have more than doubled over the last five years primarily as a result of organic growth and supplemented by acquisitions.

Standard Chartered aspires to be the best international bank for its customers across its markets. The Bank derives more than 90 per cent of its operating income and profits from Asia, Africa and the Middle East, generated from its Wholesale and Consumer Banking businesses. The Group has over 1600 branches and outlets located in over 70 countries. The extraordinary growth of its markets and businesses creates exciting and challenging international career opportunities.

Leading by example to be the right partner for its stakeholders, the Group 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. It employs more than 70,000 people, nearly half of whom are women. The Group's employees are of 125 nationalities, of which 68 are represented among senior management.

For more information, please visit: www.standardchartered.com