

press release

Standard Chartered pre-tax profits rise 31% to \$2.59 Bn and income 33% to \$6.99 Bn in first half

5 August 2008 , Dubai, United Arab Emirates – Standard Chartered PLC today delivered another record performance for the first half year ended 30 June 2008 with operating profit before tax (OPBT) rising 31 per cent to US\$2.59 billion and operating income increasing 33 per cent to US\$6.99 billion. Normalised earnings per share increased 19.6 per cent to 120.4 cents. The Board today declared an interim dividend of 25.67 cents per share, up 11 per cent.

Growth in underlying income accelerated to 28 per cent, up from 23 per cent in 2007. The performance was a result of the disciplined investments made in its core markets over the last few years with 85 per cent of the operating income growth now coming from organic businesses. Both Wholesale and Consumer Banking businesses showed strong income momentum delivering over \$3 billion of revenue each.

Mr Peter Sands, Group Chief Executive, said:

“I am very proud of what we have achieved in terms of both financial performance and strategic progress, despite the turmoil in financial markets. The Bank is in great shape - we are strongly positioned to weather the economic uncertainties and superbly placed to capture opportunities.”

Most of the key markets in the Standard Chartered network delivered strong performance. Hong Kong, the Group's largest market, increased pre-tax profits by 28 per cent; India, now the second largest market, by 89 per cent; Singapore by 55 per cent; Africa by 41 per cent; and UAE 65 per cent. Seven of the nine markets delivered pre-tax profit growth in excess of 25 per cent, and four at over 40 per cent.

The Group's key markets in Asia continued to enjoy robust economic growth underpinned by resilient domestic demand and increased intra-regional trade flows. The African economies continued to leverage off Asian economic growth and commodity demand, while the Middle East region continued to benefit from the high oil price and ample liquidity.

Wholesale Banking delivered an outstanding performance with pre-tax profit jumping 38 per cent. A feature of these results is the breadth and diversity of the Wholesale Banking business, which whether viewed by product, by customer segment or by geography, is firing on all cylinders. The deal pipeline was strong as the Bank entered the second half. The number of clients generating over \$5 million income increased by 60 per cent in the first half.

Consumer Banking delivered good income growth of 15 per cent while expenses grew 22 per cent, reflecting the Bank's strong investment programme in the franchise, resulting in pre-tax profit rising two per cent. Underlying double digit income growth of 10 per cent was underpinned by continued strong growth in SME and Wealth Management.

Mr Richard Meddings, Group Director Finance, said:

“These results reflect the benefits of the significant investments we have made in our key markets and businesses in recent years, together with the value of a clear and consistent strategy. Our growth is broad-based, not

concentrated on one region or business, and we have shown great resilience in uncertain times.”

The Bank’s capital and liquidity position remained strong with Tier I capital at the top end of the target range at 8.5 per cent and total capital at 14.9 per cent. Almost 23 per cent of the balance sheet was held in liquid assets, and the Bank was a net lender in the interbank market as at June 30.

The acquisition of American Express Bank was completed earlier in February and 24 of the 48 markets were legally amalgamated in the first half. The Bank is on course to deliver in excess of the \$100 million a year of cost savings we had initially expected, and double digit return on investment by 2009.

Mr Shayne Nelson, Regional CEO Middle East and North Africa, said:

“This is an exciting time for Standard Chartered in MESA (Middle East and Other South Asia). We have achieved strong trading profit growth of 34 per cent to US\$ 386 million for the MESA region. In MENA specifically, we have seen very strong performance with the UAE pre tax profit growth of 65 per cent. These are strong economies that have demonstrated very strong performance in the first half.”

Financial Performance Highlights

GROUP <i>(in US\$)</i>	H1 2008	H1 2007	Increase/Decrease (%)
Operating Income	6,987	5,263	33
Expenses	(3,900)	(3,297)	34
Profit Before Tax	2,586	1,980	31
WHOLESALE BANKING			
Operating Income	3,664	2,487	47

Profit Before Tax	1,648	1,197	38
CONSUMER BANKING			
Operating Income	3,177	2,772	15
Profit Before Tax	802	788	7

Operating Profit Before Tax by Regions

Region	H1 2008 (in US\$)	H1 2007 (in US\$)	% Change
Hong Kong	656	514	28
Singapore	317	205	55
Malaysia	152	97	57
Korea	209	195	7
Other APR	353	281	26
India	606	320	89
MESA	386	289	34
Africa	157	111	41
Americas, UK & Group	(250)	(32)	-

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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