

press release

FOR IMMEDIATE RELEASE

Standard Chartered operating profit rises 13% to \$4.57 bn, income 26% to \$13.97 bn in 2008

***Wholesale Banking delivers another outstanding performance;
Group customer deposits jump 31%***

March 3, Middle East: Standard Chartered PLC today announced another exceptional performance for 2008 with income rising 26 per cent to US\$13.97 billion and operating profit before tax (OPBT) 13 per cent to \$4.57 billion, in what was a difficult operating environment particularly in the second half. Almost 80 per cent of the income growth came from organic businesses.

The first half of 2008 saw strong economic growth across key markets driven by strong regional trade flows but performance in the second half was dampened as the financial crisis began to have an impact on the real economy across the world.

The Group managed to significantly build on its reputation as a flight to quality institution with customer deposits rising 31 per cent during 2008, most of it coming in the last quarter as confidence in financial institutions declined. Enhanced liquidity and an even stronger balance sheet, following Standard Chartered's successful rights issue in December, places the Group in a strong position to support clients and capture market share.

Peter Sands, Group Chief Executive, Standard Chartered, said: "We remain open for business and are supporting our clients as they navigate this turmoil. We want to seize the opportunities arising from this turbulence. We have a clear and consistent strategy, and continue to invest for growth."

Most of Standard Chartered's key geographies delivered strong performance with seven of the nine geographic regions recording income of over \$1 billion in 2008. Singapore saw OPBT rise 67 per cent, India by 37 per cent, Middle East and Other South Asia (MESA) by 25 per cent, Korea by 10 per cent and Africa by five per cent. Despite an excellent first half, Hong Kong reported an OPBT decline of 15 per cent as the macroeconomic environment worsened in the latter half.

Group performance was driven by Wholesale Banking which had an outstanding year with income growing 43 per cent to \$7.49 billion and OPBT by 28 per cent to \$3 billion.

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Growth was broad-based across all product categories and geographies, with Global Markets reporting a 60 per cent jump in income and Transaction Banking 31 per cent. The strategy of deepening client relationships paid off with revenues from the top 50 clients rising 45 per cent, while the number of clients with revenues of over \$10 million rose 88 per cent.

Consumer Banking delivered a three per cent growth in income but OPBT declined 33 per cent as the Wealth Management business slowed sharply in the second half following the slump in Asian equity markets. Overall, Wealth Management reported a six per cent income growth in 2008, while SME, another key focus for the business, saw income rising eight per cent. Consumer Banking is repositioning its Wealth Management offerings and, across the business, improving productivity and customer service through a series of reengineering projects, including call centre consolidation, and by standardising system platforms, processes and products.

In the second half, the credit environment became increasingly challenging for both corporate and retail customers leading to an increase in delinquencies. As a result, from a very low base, loan impairment rose 74 per cent to \$1.3 billion. The Group has been taking proactive risk management initiatives which include tightening underwriting criteria, seeking more collateral on loans and improving collections activity.

Focus on balance sheet management has been a key priority for the year. Following the \$2.7 billion rights issue in December 2008, tier I capital ratio improved to 10.1 per cent while total capital stood at 15.6 per cent, both above the Group's target ranges. Improved deposit gathering led to the Asset-Deposit ratio improving to 75 per cent from 84 per cent at half year.

Mr Sands said: "Standard Chartered has made a good start to 2009. Wholesale Banking has had a very strong January, above levels seen in the same period last year, and continued to increase market share. Consumer Banking will continue to play an important role in gathering deposits and maintaining the Group's liquidity."

Shayne Nelson, Regional Chief Executive, Standard Chartered MENA, said: Standard Chartered has seen strong financial performance not only at a Group level, but also across the Middle East. Fundamentally we are a different bank with a focus on the emerging markets in Asia, Africa and the Middle East. It is this strategy, combined with our disciplined and conservative approach to managing risk that has ensured continued revenue and profit growth, while maintaining good levels of liquidity."

"With a history going back more than 88 years across the Middle East, the Bank has a proven and long-standing commitment to the markets in which we operate. Standard Chartered will continue to perform a critical role supporting investment and trade growth within its emerging markets footprint, providing specialist financial tools and strategic advice to its customers."

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Financial Performance Highlights

GROUP <i>(in US\$)</i>	2008	2007	% CHANGE
Income	13,968	11,067	26
Expenses	7,611	6,215	22
Loan Impairments	1,321	761	74
Profit Before Tax	4,568	4,035	13
WHOLESALE BANKING			
Income	7,489	5,243	43
Profit Before Tax	3,001	2,347	28
CONSUMER BANKING			
Operating Income	5,952	5,806	3
Profit Before Tax	1,116	1,677	(33)

Operating Profit Before Tax by Regions

REGION	2008 <i>(in US\$)</i>	2007 <i>(in US\$)</i>	% CHANGE
Hong Kong	1,014	1,193	(15)
Singapore	744	446	67
Malaysia	235	236	(0)
Korea	358	324	10
Other APR	463	572	(19)
India	943	690	37
MESA	736	591	25
Africa	312	298	5
Americas, UK & Europe	(237)	(315)	25

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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

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