

# press release

FOR IMMEDIATE RELEASE

**Standard Chartered operating profit rises 10% to \$2.84bn,  
income 14% to \$7.96bn in the first half of 2009**

***Wholesale Banking delivers another outstanding performance;  
Announces placing of new shares to raise £1bn;  
Interim dividend up 10%***

**August 4, United Arab Emirates** - Standard Chartered PLC today announced another record performance for the first half of 2009 with income rising 14 per cent to US\$7.96 billion and operating profit before tax of 10 per cent to \$2.84 billion. The Group has seen substantial income momentum across markets with four key geographies reporting over \$500 million of income each in the first half.

The performance was driven by strong momentum in Wholesale Banking with income rising 37 per cent, benefitting from market dislocation and volatility leading to market share gains. Restructuring initiatives in Consumer Banking began to show early positive results with income falling only three per cent over the second half of 2008 while operating profit increased 11 per cent over the same period.

The Board of Directors have also announced an interim dividend of 21.23 cents per share, up 10 per cent.

**Peter Sands, Group Chief Executive, Standard Chartered**, said: "These results show record income and profit performance, characterised by significant momentum over both the first and second halves of last year. Our balance sheet strength is now a source of competitive differentiation helping us win more businesses. We are in the right markets at the right time."

The foundations of the Group remain in good shape with capital ratios running higher than target ranges with tier 1 ratio at 10.5 per cent and total capital at 15.8 per cent. The Group showed demonstrable cost control in the face of continued economic uncertainty with costs up only three per cent and cost income ratio down to 49.6 per cent compared to 56.4 per cent in the first half of 2008.

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**Shayne Nelson, Regional Chief Executive, Standard Chartered MENA**, said: “Our continued disciplined approach to our strategy and our focus on Asia, Africa and the Middle East, has enabled us to remain liquid and well capitalised. Standard Chartered's performance in the region has been good and has contributed to our strong Group interim results.

In the Middle East and North Africa, we have seen a number of record months in the first half of the year and we are well positioned to continue our good momentum in the second half as economies in the region stabilise. Our focus is to considerably deepen our existing client relationships and our role in the recent Ras Al Khaimah Government Sukuk issuance is testament to this. We will actively monitor the economy, manage risks and stand by our customers in times of uncertainty to continue to lay strong foundations for all our stakeholders.”

Group Wholesale Banking income increased to \$5.03 billion for the first half while operating profit increased 36 per cent to \$2.25 billion, benefiting from the strategy of deepening client relationships which saw revenue from the top 50 clients rising 40 per cent. Within the business, Financial Markets increased income by 68 per cent, Corporate Finance by 68 per cent and Lending & Portfolio Management by 67 per cent. Three of the four client segments each generated income of over \$1 billion in the first half.

Compared to the first half of 2008, Group Consumer Banking income declined 15 per cent to \$2.69 billion while operating profit fell 57 per cent to \$348 million. The performance was a reflection of the combined effect of lower interest rates, pressure on the Wealth Management business and a shift towards a more secured asset portfolio. However Consumer Banking was more profitable compared to the second half of last year as it benefitted from a series of cost saving and efficiency initiatives.

With the Group firmly focused on balance sheet strength, Consumer Banking has successfully attracted deposits with total deposit balances growing 12 per cent creating some \$40 billion of surplus liquidity for the Group. In three of the core markets of Hong Kong, Singapore and Korea, deposits grew by 31 per cent, 34 per cent and 33 per cent respectively.

Faced with a slowdown and deteriorating credit environment, Consumer Banking is re-shaping the business and de-risking the lending book. “Central to this transformation is the shift away from product sales towards much greater focus on deep, multi-product customer relationships. When investor confidence returns, and interest rates begin to rise, income will surge. This will have a powerful effect on the bottom line of Consumer Banking,” **Sands** added.

The Group's portfolio continued to perform well given the underlying economic conditions, though both in Wholesale and in Consumer Banking customers are experiencing increased financial pressure. The Group remains vigilant and continues to take a proactive approach to managing risk by tightening underwriting standards, increasing collateral requirement, reshaping the unsecured business away from high risk segments and significantly increasing collection resources.

**Richard Meddings, Group Finance Director, Standard Chartered**, said: “The second half of 2009 has started well with Wholesale Banking in July running ahead of the first half average monthly profit with robust transaction pipelines.”

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Standard Chartered also announced a placing of new shares to raise approximately \$1.6 billion or around 4 per cent of issued share capital through an accelerated book build. "The additional capital will enable us to take full advantage of the opportunities emerging from the crisis. We are winning market share in both the wholesale and consumer banking businesses, in most products and in most of our markets. We want to be there to support our customers as they turn the crisis to their advantage," **Sands** said.

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## **Financial Performance Highlights**

<b>GROUP</b> <i>(in US\$ million)</i>	<b>H1 2009</b>	<b>H1 2008</b>	<b>% CHANGE</b>
Income	7960	6987	14
Expenses	(4027)	(3900)	3
Loan Impairments	1088	465	134
Operating Profit Before Tax	2838	2586	10
<b>WHOLESALE BANKING</b>			
Income	5027	3664	37
Operating Profit Before Tax	2249	1648	36
<b>CONSUMER BANKING</b>			
Operating Income	2685	3177	(15)
Operating Profit Before Tax	348	802	(57)

## SUMMARY PRESS RELEASE

### **Standard Chartered – leading the way in Asia, Africa and the Middle East**

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.

Standard Chartered aspires to be the best international bank for its customers across its markets. The Group earns around 90 per cent of its income and profits in Asia, Africa and the Middle East, 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 around 70,000 people, nearly half of whom are women. The Group's employees are of 125 nationalities, of which about 70 are represented in the senior management.

For more information on Standard Chartered, please visit [www.standardchartered.com](http://www.standardchartered.com)