

press release

Standard Chartered 2009 operating profit climbs 13% to US\$5.15bn

Strong business momentum delivers seventh successive year of record income and profit

Highlights:

- **Income rises 9% to record US\$15.18 billion, despite global economic conditions**
- **Continued to strengthen capital and liquidity position; increased dividend and EPS**
- **Strong and diversified income growth across businesses and markets**
- **2H09 loan impairments fall significantly in Consumer and Wholesale Banking**
- **Increasing support for our customers – mortgage lending rises 21%**
- **Strong start for both Wholesale and Consumer Banking in 2010**

London 3rd March. Standard Chartered PLC today announced a seventh successive year of record income (\$15.18 billion) and operating profit before tax (\$5.15 billion) during 2009, demonstrating the underlying strength and momentum across our markets and businesses, despite the ongoing adverse global economic conditions. Our strong liquidity and capital position enabled us to continue building our market share across our footprint, generating positive business momentum as we enter 2010.

2009 delivered strong and diversified profit and income growth across our markets in Asia, Africa and the Middle East. Five markets delivered income of over \$1 billion, with India and Hong Kong also delivering over \$1 billion in operating profit before tax (OPBT). Wholesale Banking continued to demonstrate strong business momentum with significant increases in both client and own account income growth, while Consumer Banking saw a strong upturn in performance during the second half of the year.

Throughout the tough environment, Standard Chartered has continued to provide support for its customers and corporate clients, significantly increasing lending and other forms of support across our markets. 2009 total lending climbed 13% per cent (\$28 billion) to \$250 billion. We helped many more of our customers buy their own homes, increasing our mortgage lending by nearly 21 per cent to US\$58 billion. We helped small and medium enterprises start up and grow with an extra 14 per cent increase in lending to more than \$13 billion.

The Group continued to focus on the basics of good banking, keeping a tight grip on costs and risk control and maintaining a liquid and conservative balance sheet. Normalised cost/income ratio fell to 51.3 per cent from 56.1 per cent in 2008, although expenses rose slightly by 4 per cent vs 2008. Strong organic equity growth of over US\$3 billion supplemented by a successful capital raising saw core tier 1 capital rise to 8.9 per cent, with total capital at 16.5 per cent. The advances to deposits ratio remains strong at 78.6 per cent, while continued action to de-risk the asset book positions us well to deal with any future economic uncertainty.

A clear strategic focus saw Wholesale Banking deliver another year of strong performance, with income up 24 per cent to US\$9.29 billion and OBPT rising 36 per cent to US\$4.08 billion. An 'open for business' approach to our client base throughout the financial crisis resulted in client income growing 22 per cent to US\$6.88 billion, accounting for 74 per cent of all Wholesale Banking revenue. Client income growth was driven by the lending, corporate finance and financial markets businesses, coupled with an expansion in product capability and increased cross-selling opportunities. Own account income climbed 30 per cent, on the back of ALM and leveraging client flows, particularly on the back of intra-day credit and commodity trading.

Consumer Banking continued its repositioning strategy to build longstanding and multi-product relationships with customers. Further investment in the branch network, marketing and relationship management capability helped build a strong foundation for growth. While full year income and OPBT fell due to margin compression, business performance showed positive momentum through the year, delivering progressively stronger performance with income climbing every quarter. Deposits grew 11 per cent, while customer lending climbed 17 per cent as we took market share from competitors. Mortgage lending also rose by 21 per cent, whilst retaining a low average loan-to-value of around 50 per cent. Income and profit climbed strongly during the second half – income rose 10 per cent H209 vs H109, whilst OPBT climbed 49 per cent in the same period. Wealth Management products also delivered strong fee income, climbing 35 per cent from the first quarter of 2009 to the last.

Loan impairments for both Consumer and Wholesale banking showed a significant reduction during second half of the year. Consumer Banking loan impairments fell 13 per cent H2 vs H109, whilst Wholesale Banking loan impairments declined 19 per cent in the same period.

Markets showed strong performance in 2009, reinforcing the underlying strength of our business footprint. Hong Kong, Singapore, Korea, India and the UAE individually delivered income of over US\$1 billion. India produced profits in excess of US\$1 billion for the first time, supporting our intention to list IDRs during 2010 in this critical market. On the back of increasing Asian inward investment the Africa region produced very strong growth, with income climbing 20 per cent to over \$1 billion, and profits climbing 54 per cent.

Peter Sands, Group Chief Executive, Standard Chartered said:

"2009 was the seventh consecutive year when we produced record income and profits. The bank has used its strong capital and liquidity position and its increasingly powerful brand to capture market share from competitors and to deepen relationships with customers and clients. We enter 2010 with real resilience and momentum."

Shayne Nelson, Regional Chief Executive, Standard Chartered MENA, said:

"Standard Chartered has seen strong revenue growth across the Middle East. Despite the global economic slowdown, we have remained open for business for our customers and continued to support them. We are seeing signs of improving macroeconomic data across our markets."

With over 90 years of deep rooted knowledge across the Middle East, the Bank has a proven and long-standing commitment to the markets in which we operate. We 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 clients.”

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Financial Performance Highlights

GROUP <i>(in US\$)</i>	2009	2008	% CHANGE
Income	15,184	13,968	9
Expenses	7,952	7,611	4
Loan Impairments	2,000	1,321	51
Profit Before Tax	5,151	4,568	13
WHOLESALE BANKING			
Income	9,291	7,489	24
Profit Before Tax	4,076	3,001	36
CONSUMER BANKING			
Operating Income	5,629	5,952	(5)
Profit Before Tax	867	1,116	(19)

Operating Profit Before Tax by Regions

REGION	2009 <i>(in US\$)</i>	2008 <i>(in US\$)</i>	% CHANGE
Hong Kong	1,062	989	7
Singapore	714	608	17
Korea	322	329	(2)
Other APR	770	705	9
India	1,060	891	19
MESA	366	652	(44)
Africa	482	313	54
Americas, UK & Europe	375	81	363

Note to Editors:

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 20 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. We have produced seven years of record income and profit, 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 1700 branches and outlets located in 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 75,000 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