

press release

Standard Chartered reports 2012 income, profit and dividend growth

Strong momentum driven by client-focused strategy and business diversity

2012 Highlights:

- Income grows 8% to US\$19.07 billion
- Wholesale Banking income up 9% to US\$11.78bn
- Consumer Banking income up 6% to US\$7.20bn
- 26 markets delivered over \$100m of income; 25 markets with income growth of at least 10 per cent
- Highly liquid balance sheet, excellent capital strength with Core Tier 1 ratio of 11.7%
- Continued delivery for shareholders – return on equity up to 12.8%, annual dividend up 10.5%
- Strong business momentum has continued into 2013

London, 5 March 2013 - Standard Chartered PLC today announced a tenth consecutive year of income, profit and dividend growth. With operations in many of the world's most dynamic economies, the company now has 26 markets delivering over US\$100 million of income. Total group income was up 8 per cent to US\$19.07 billion.

The Group is increasingly generating income through more effective use of our network as trade grows strongly across our markets: in 2012 over 50 per cent of client income in wholesale banking was generated outside of the home market country of our clients. At the same time, consumer banking is benefiting from a fast-growing middle class as these economies expand.

Commenting on these results, Chairman of Standard Chartered Sir John Peace, said:

"I am pleased to report that 2012 was our tenth consecutive year of income and profit growth. Standard Chartered remains a growth story and we are sticking to our strategy, focusing on the basics of good banking, in markets we know well, with clients and customers with whom we have deep relationships. We are entering the new year with strong momentum in both of our businesses and the Board remains confident for the year ahead."

Our strong momentum comes from a range of markets, across both Wholesale and Consumer Banking. Africa and China performed particularly strongly. Our China business and Wholesale Banking in Africa have both reached US\$1 billion of income for the first time. Income growth rates were also at least ten per cent in Hong Kong, Indonesia, Malaysia, and the 'Americas, UK and Europe' region.

Our costs grew by 10 per cent, with normalised costs up 2 per cent. The number of employees has increased by around 2,200 over the course of the year and now have over 89,000 people worldwide. While maintaining a tight grip on costs, we continue to invest, increasing investment in infrastructure, in new branches and in technology to underpin our future growth.

Normalised earnings per share increased 14 per cent and dividend per share was up 10.5 per cent, with return on equity at 12.8 per cent, as the Group continues to deliver long-term value for shareholders.

We continue to focus on the basics of banking, growing clients' businesses while maintaining our balance sheet strength. Customer deposits were up 10 per cent while customer assets grew by 6 per cent. The Group's balance sheet is in excellent shape and we continue to be highly liquid, well capitalised and remain deposit funded. We continue to meet Basel III requirements with a Core Tier 1 capital ratio of 11.7 per cent.

We remain disciplined and proactive in our approach to risk management. At a Group level, loan impairment was up by 34 per cent, in line with expectations. We remain disciplined and proactive in our approach to risk management, with a loan book that remains conservative and well diversified. In Consumer Banking, over 80 per cent of our portfolio is secured or partially secured, and the Wholesale Banking book continues to be well diversified by geography and by sector.

We have seen strong growth in intra-regional trade and investment across our network

We are taking advantage of our leading position in trade finance; Standard Chartered is one of the top trade banks globally, with a 5 per cent share of global volumes. Trade income saw excellent growth of 22 per cent year on year to almost US\$2 billion driven by 10 per cent growth in average assets and contingents and a margin increase of 12 basis points.

Our international network and the diversity of our franchise are sources of competitive differentiation, and we continue to expand our network in serving our clients' cross-border needs. For example, we recently opened rep offices in Mongolia and Myanmar, and completed the acquisition of a Wholesale Banking licence in Turkey.

We are well placed in the world's fastest growing markets. We have multiple growth engines, 26 markets have delivered over US\$100 million of income and 25 markets have delivered income growth of at least 10 per cent.

Our business across the ASEAN countries of South East Asia is becoming increasingly diversified. We are enjoying the domestic growth of individual markets as well as the intra-regional trade and investment opportunities as it becomes an increasingly integrated region, taking advantage of its growing business links with the rest of the world.

Our greater China region is growing strongly. Together Hong Kong, Taiwan and mainland China delivered US\$4.9 billion of income, up 11 per cent which was just under a quarter of the Group's 2012 total income. Hong Kong continued to perform well, with income up 10 per cent to US\$3.35 billion. It is benefiting from the Renminbi liberalisation, and plays a unique role as a hub for trade and investment flows into and out of the region. Mainland China is now our largest generator of network income, and we are benefiting from the trade and investment links across Greater China as the region continues to grow and converge. We currently have 100 branches and sub-branches across 25 cities and we will continue to invest in our network.

Africa's income grew by 15 per cent to US\$1.59 billion. Ten markets delivered double digit income growth, including Kenya up 34 per cent, South Africa up 28 per cent, Ghana up 20 per cent, Zambia up 19 per cent and Nigeria up 13 per cent.

The Americas, UK and Europe region delivered an excellent performance with income up 30 per cent to US\$2.3 billion. Our strength as a trade and commercial bank has allowed us to assist clients to do business in our markets, as we act as a bridge for our clients to and from Asia, Africa and the Middle East.

Wholesale Banking performed strongly

Our client focused strategy generated 8 per cent income growth in Wholesale Banking. This year is the tenth consecutive year of income growth.

Commercial Banking, which accounts for 54 per cent of client income, was up strongly on the back of growing trade and investment flows to and from our markets.

Global Markets income was up 7 per cent, with strong performance in both Principal Finance and Corporate Finance, delivering income growth of 75 per cent and 19 per cent respectively.

Consumer Banking has delivered a resilient performance

Our Consumer Banking transformation programme continues to make good progress, with income up 6 per cent to US\$7.20 billion, whilst profit climbed 8 per cent to US\$1.78 billion.

Deposit income grew by 11 per cent. Income from Credit Cards and Personal Loans grew by 12 per cent with a strong growth in balances, up 17 per cent. Growth was broad based across all key markets and we have enjoyed steady market share gains, especially in Hong Kong and Singapore.

High Value Segments grew 8 per cent and accounted for 46 per cent of Group Consumer Banking income and 57 per cent of Consumer Banking income growth in 2012. SME income grew 5 per cent. Private Banking income grew 12 per cent with approximately 4,000 new client accounts. We now have US\$54 billion of assets under management, an increase of US\$6 billion in 2012.

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Financial Performance Highlights

GROUP <i>(in US\$ m)</i>	2012	2011	% CHANGE
Income	19,071	17,637	8
Expenses	10,896	9,917	10
Loan Impairments	1,221	908	34
Profit Before Tax	6,876	6,775	1
WHOLESALE BANKING			
Income	11,779	10,846	9
Profit Before Tax	5,136	5,216	(2)
CONSUMER BANKING			
Income	7,202	6,791	6
Profit Before Tax	1,778	1,650	8

Operating Profit Before Tax by Regions

REGION <i>(in US\$ m)</i>	2012	2011	% CHANGE
Hong Kong	1,660	1,551	7
Singapore	966	1,002	(4)
Korea	514	172	199
Other APR	1,242	1,415	(12)
India	676	804	(16)
MESA	786	834	(6)
Africa	771	628	23
Americas, UK & Europe	261	369	(29)
Total	6,876	6,775	1

Note to Editors

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

Standard Chartered is a leading international banking group. It has operated for over 150 years in some of the world's most dynamic markets and earns around 90 per cent of its income and profits in Asia, Africa and the Middle East. This geographic focus and commitment to developing deep relationships with clients and customers has driven the Bank's growth in recent years. Standard Chartered PLC is listed on the London and Hong Kong stock exchanges as well as the Bombay and National Stock Exchanges in India.

With 1,700 offices in 68 markets, the Group offers exciting and challenging international career opportunities to over 89,000 staff. It is committed to building a sustainable business over the long term and upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity. Standard Chartered's heritage and values are expressed in its brand promise, 'Here for good'.

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