

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
- Strong start for both Wholesale and Consumer Banking in 2010

London 3rd March, 2010 --- Standard Chartered PLC today announced a seventh successive year of record income (US\$15.18 billion) and operating profit before tax (US\$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 out 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 US\$1 billion, with India and Hong Kong also delivering over US\$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 (US\$28 billion) to US\$250 billion. We helped small and medium enterprises start up and grow with an extra 14 per cent increase in lending to more than US\$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. 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 US\$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.”

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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

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Notes to Editor:

About 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 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 around 1,750 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 75,000 people, nearly half of who are women. The Group's employees are of 115 nationalities, of which 60 are represented among senior management.

As one of the oldest banks in the country, Standard Chartered Bank has 148 years of operations dating back to 1863. With 13 branch offices in six major cities in Indonesia including Jakarta, Bandung, Semarang, Surabaya, Denpasar and Medan and a network of over 17,000 shared ATMs, making the Bank as one of the international bank with widest geographical footprints in Indonesia. Standard Chartered also invested majority shares in Permata Bank and has acquired American Express Bank.

For further information, please visit: www.standardchartered.com.