

# press release

## **Standard Chartered delivers record first half profit up 10% to US\$3.12bn**

*Strong business momentum and consistent  
record of performance*

### **Highlights:**

- **Group profit up 10% year on year and up 35% vs. second half of 2009**
- **Consumer Banking profit up 85%, Wholesale Banking profit up 10% year on year**
- **Good income momentum: Consumer Banking income up 8%, Wholesale Banking client income up 18% year on year**
- **Group income flat vs. an exceptional first half in 2009; climbs 10% vs. second half**
- **10% dividend growth; 10% EPS growth**
- **Delivering strong and diversified income growth across businesses and markets**
- **Continued to strengthen capital and liquidity position**
- **Investing strongly for long-term growth across our markets**
- **Loan impairments fall significantly in both Consumer and Wholesale Banking**

**London, 4th August 2010** – Standard Chartered PLC today announced a record first half operating profit before tax of US\$3.12 billion, demonstrating the ability of the business to deliver consistent and sustained performance. The Bank has continued to improve its capital and liquidity ratios, and delivered ten per cent growth in both earnings per share and dividend per share.

The Bank maintained strong income momentum, with eight per cent growth in Consumer Banking and 18 per cent in Wholesale Banking client income. Group income was broadly flat overall against the first half of 2009, which benefited from exceptional Wholesale Banking own account income and a one-off gain of US\$248 million related to the buy-back of debt. Group income climbed ten per cent against the second half of 2009.

**Peter Sands, Group Chief Executive, Standard Chartered said:**

“These results demonstrate once again our commitment to delivering consistent and sustained performance. This is not a bounce back, a sharp recovery in profits; it is simply another set of record results, continuing a trajectory that now extends over more than seven years.

Both our businesses enter the second half with good momentum, but we remain extremely watchful about the global outlook and are managing the business very dynamically. We are investing now in order to grasp the huge long term opportunities across our markets. The Bank is in great shape, has good momentum, and is superbly positioned for the future.”

Momentum remains strong in both businesses. As the East rebounds from the crisis, with very strong growth in many of our markets, we saw this reflected in our business and transaction volumes. We continue to take market share from competitors in a number of key products, including mortgages, deposits, corporate finance, trade finance and cash management.

As the economic environment has improved, the Bank has taken a deliberate step to increase investment to take advantage of the prospects for long-term growth in our markets. Expenses rose eight per cent on the first half of last year as we hired staff and invested in branches, infrastructure projects and in building product capability.

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. The Group is strongly capitalised and generated organic equity of more than US\$2 billion in the first half of 2010, with our core tier 1 capital ratio rising to 9.0 per cent, while total capital remains strong at 15.5 per cent. The advances to deposits ratio improved further to 76.2 per cent and the Group continues to attract deposits.

The Bank continues to maintain a conservative funding structure, with all debt maturity requirements for 2010 pre-funded, alongside the majority of those for 2011. In line with the geographic footprint of the Bank across Asia, Africa and the Middle East, we have no direct exposure to Southern European sovereign debt. Income by markets remained well spread, with no individual market contributing more than 15 per cent of income.

Asset book quality remains very strong. An easing in the credit environment, together with a disciplined approach, saw loan impairments fall significantly by 60 per cent to US\$437 million. Consumer Banking loan impairments fell 47 per cent year on year, whilst Wholesale Banking loan impairments declined 74 per cent in the same period.

The Wholesale Bank continues to deliver on its strategy of deepening client relationships. Client income climbed 18 per cent to record levels on this time last year and now accounts for 81 per cent of total income. Wholesale Banking total income remained flat versus the first half of 2009 and profit rose ten per cent. Own account income declined 40 per cent from the strong levels in the first half of 2009, as market volatility declined and margin spreads tightened, but climbed 14 per cent versus the second half. The business continued to build on a number of capability-led acquisitions over the last three years. Corporate finance saw income increase 52 per cent on the first half of 2009, while income from lending rose 13 per cent and trade finance rose 11 per cent as we continued to support clients.

Consumer Banking delivered an increase in year on year profit of 85 per cent and income of eight per cent as the transformation of the business begins to deliver results in the face of continued margin headwinds arising from a low interest rate environment. Income from mortgages and auto finance grew 36 per cent on the first half of last year, while cards and personal loans income climbed four per cent. Wealth Management and deposits remained broadly flat, given the rate environment, but Consumer Banking continues to attract strong customer deposit inflows, up 11 per cent.

Standard Chartered acknowledges the critical role small and medium enterprises play in our economies and has continued to grow SME lending. This rose 14 per cent during 2009 and climbed a further seven per cent in the first six months of 2010. As interest rate headwinds begin to ease, the Consumer Banking business is very well positioned for growth.

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**Note to Editors:****First Half Financial Performance Highlights**

<b>GROUP</b> <i>(in USUS\$ m)</i>	<b>1H 2010</b>	<b>1H 2009</b>	<b>% CHANGE</b>
Income	7,924	7,960	(0)
Expenses	4,344	4,027	8
Loan Impairment	437	1,088	(60)
Profit Before Tax	3,116	2,838	10
<b>WHOLESALE BANKING</b>			
Income	5,012	5,027	(0)
Profit Before Tax	2,471	2,249	10
<b>CONSUMER BANKING</b>			
Income	2,912	2,685	8
Profit Before Tax	643	348	85

**Operating Profit Before Tax by Regions**

<b>REGION</b>	<b>1H 2010</b> <i>(in USUS\$ m)</i>	<b>1H 2009</b> <i>(in USUS\$ m)</i>	<b>% CHANGE</b>
Hong Kong	511	576	(11)
Singapore	419	430	(3)
Korea	149	81	84
Other APR	579	416	39
India	624	526	19
MESA	400	220	82
Africa	311	265	17
Americas, UK & Europe	123	324	(62)

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

Standard Chartered PLC is a leading international bank, listed on the London, Hong Kong and Mumbai stock exchanges. 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.

With 1,700 offices in 70 markets, Standard Chartered offers exciting and challenging international career opportunities for more than 80,000 staff. It 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. The Bank's heritage and values are expressed in its brand promise, 'Here for good'.

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