

# press release

## Standard Chartered first half profit up 17% to US\$ 3.64bn

### Diverse income and product streams drive double-digit income growth

#### Highlights:

- **Group income climbs 11%, with strong momentum across products and markets.**
- **Expenses tightly managed; with income growing faster than costs.**
- **Capital position strengthened further with Core Tier 1 ratio of 11.9%.**
- **Highly liquid balance sheet; deposits grow 19% to US\$343bn; strong A/D ratio of 78.1%.**
- **Consumer Banking delivers 58% profit growth, as repositioning progresses.**
- **Wholesale Banking profit up 5% to record \$2.59bn.**
- **Continued performance for shareholders, with RoE of 13%, dividend up 10%**

**India, 3rd August 2011.** Standard Chartered PLC today announced a ninth successive record first half of profit with income growing by 11 per cent\* to US\$8.76 billion as profit climbed 17 per cent to US\$3.64 billion. The Group produced diverse and resilient income growth across a number of products and geographies, driven by recent investment in new product capabilities and income streams. Income growth is underpinned by a highly liquid, well funded and growing balance sheet, while we maintain strong cost control. With rapidly developing trade and investment flows across our footprint, allied to a fast-growing middle class, Standard Chartered sees strong opportunities for further organic growth across Asia, Africa and the Middle East.

The Group continues to focus on the strength of the balance sheet in order to support organic growth and support our customers, whilst ensuring we are well insulated from macro-economic and regulatory uncertainty. We have grown customer deposits and lending, as we take market share across as wide range of products despite increasing competition in a number of our markets. Customer deposits grew by 19 per cent or US\$55 billion to US\$343 billion, with the advances to deposits ratio remaining strong at 78.1 per cent. The Group continues to be highly liquid, with US\$150 billion of cash or near cash assets, while we have no sovereign debt exposure to Portugal, Ireland, Italy, Greece or Spain.

Standard Chartered continues to support economic growth and development across our markets, with total lending climbing by 22 per cent and lending to SMEs up 38 per cent. We are supporting homeowners, with mortgage lending up by 19 per cent. The quality of the bank's customer lending continues to improve, with 67 per cent of the Wholesale lending book having a maturity of under 12 months while the average loan-to-value on the mortgage book remains low at 49 per cent. At a Group level, loan impairments fell by six per cent to US\$412 million, driven by further significant falls in Consumer Banking loan impairments of 29 per cent year on year. Wholesale Banking loan impairments rose 46 per cent to \$201 million in the same period. We remain disciplined and proactive in our approach to risk management.

Geographic performance has been broad and well spread. With the exception of India, all regions have shown good increases in income, with Hong Kong up 29 per cent, and Singapore 20 per cent higher. Operating profit and income in India fell by 39 per cent and 12 per cent respectively, driven by rising interest rates and increasing competition resulting in falling net interest margins. Project and deal flow has slowed as business sentiment is impacted on the back of governance concerns in the market. We reiterate our view that India will be the third largest economy in the world by 2030, and given our strength and competitive position, we are well-positioned for the upturn.

Wholesale Banking and Consumer Banking saw increased business activity across a number of products and services, as the Group captured market share from our competitors.

Consumer Banking performed strongly in the first half with income and profit growing 15 per cent and 58 per cent respectively, as the transformation programme progresses well. Income growth was broad-based, with strong volume increases in mortgages, credit cards and personal loans, as the business also continued to attract strong deposit growth. With a strong bias towards deposits, the bank is also well placed to benefit from an uptick in liability margins across several of our core markets. As Asia's emerging middle class continues to expand, the high value segments of private banking, priority banking and SME banking all grew at more than 10 per cent.

Wholesale Banking saw client income grow by nine per cent to a record level of US\$4.44 billion, while overall first half income and profit levels grew by eight per cent and five per cent respectively, also to record levels. Client income now accounts for 82 per cent of Wholesale income. We continue to support trade and investment flows to and from our markets, investing in new product and service sets to meet client demand, whilst further broadening the income base. Trade finance income grew 11 per cent, foreign exchange by 19 per cent, with commodities and equities growing by 93 per cent, while the capital markets business grew income by 16 per cent. Cash management volumes continued to build, up 26 per cent, with income up 33 per cent. Wholesale Banking continues to grow income and profit, whilst maintaining strong cost and risk controls, and with robust transaction pipelines for the second half of 2011.

Peter Sands, Group Chief Executive, Standard Chartered said:

"This is a very strong set of results - we have delivered record income and profit, grown our balance sheet, and raised our capital levels and dividend. Our growth is resilient and diverse. With a unique position at the heart of growing trade and investment flows between Asia, Africa and the Middle East, with their fast-expanding middle classes, we continue to see significant opportunities for profitable growth across our network."

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## Financial Performance Highlights

<b>GROUP</b> <i>(in US\$ m)</i>	<b>1H 2011</b>	<b>1H 2010</b>	<b>% CHANGE</b>
Income	8,764	7,924	11
Expenses	4,677	4,344	(8)
Loan Impairment	412	437	6
Profit Before Tax	3,636	3,116	17
<b>WHOLESALE BANKING</b>			
Income	5,427	5,012	8
Profit Before Tax	2,590	2,471	5
<b>CONSUMER BANKING</b>			
Income	3,337	2,912	15
Profit Before Tax	1,013	643	58

## Operating Profit Before Tax by Regions

<b>REGION</b> <i>(in US\$ m)</i>	<b>1H 2011</b>	<b>1H 2010</b>	<b>% CHANGE</b>
Hong Kong	790	511	55
Singapore	465	419	11
Korea	193	149	30
Other APR	846	579	46
India	378	624	(39)
MESA	429	400	7
Africa	291	311	(6)
Americas, UK & Europe	244	123	98
Total	3,636	3,116	17

### Note to Editors:

**\*All figures in the release are comparisons between 30/6/2011 and 30/6/2010, unless otherwise stated.**

### 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 more than 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 around 85,000 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).

**Standard Chartered Bank in India**

Standard Chartered Bank is India's largest international bank with 94 branches in 37 cities, a combined customer base of around 2 million retail customers and more than 2,000 corporate and institutional relationships. Key businesses comprise Consumer Banking, including deposits, loans, wealth management, private banking and SME banking; and Wholesale Banking, which includes cash transaction banking, treasury, corporate finance and custody services. For more information, visit [www.standardchartered.co.in](http://www.standardchartered.co.in)

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