Standard Chartered PLC
Interim Management Statement

13 October 2010

Standard Chartered today releases its Interim Management Statement (IMS) for the third quarter of 2010.

Following on from the very strong first half performance, which included record profits, Standard Chartered has continued to make very good progress in the third quarter of 2010.

Business performance in the third quarter has been very strong, characterised by trends similar to those seen in the first half, including strong levels of client and customer activity. Income in the third quarter of the year was above the first half run rate and the Group continues to show good momentum despite competition remaining strong. Costs are well controlled and loan impairment continues to improve.

Commenting on third quarter trading, Peter Sands, Group Chief Executive of Standard Chartered said;

“Standard Chartered has delivered another strong performance, with record levels of income and of profits to the end of September. Business activity levels across our markets are continuing to increase, with trade volumes almost back to pre-crisis levels. Standard Chartered is benefiting from these trends and continues to be well placed to service the needs of its clients and customers. ”

Wholesale Banking

The Wholesale Banking business has continued to deliver a strong and broad-based income performance. Client income remains the key driver of growth and accounts for around 80 per cent of total Wholesale Banking income, with high teens growth for the first 9 months of 2010 on the comparable period last year.

Transaction Banking remains strong with income ahead of the run rate in the first half and with continuing growth in average volumes in both Trade and cash. Trade and cash margins have remained stable during the third quarter.

Financial Markets volumes have shown strong year on year growth albeit against the backdrop of tighter spreads; Financial Markets client income has shown double digit income growth year to date compared to the same period last year. Corporate Finance also continues to perform well and maintains a strong deal pipeline.

Own account income is higher than the first half run rate. Principal Finance has made a number of good realisations and Financial Markets had a good quarter despite a subdued trading environment. This was partially offset by slightly lower ALM accruals in the third quarter.

Expenses in the Wholesale Banking business remain well controlled, allowing for a continued investment programme, with third quarter run rates ahead of the first half.

Credit quality in the Wholesale Banking portfolio remains good. ‘Early alert’ indicators have continued to improve throughout 2010 and are not showing any particular concentration by geography or industry. The loan impairment charge in the third quarter was, as expected, low.

Overall growth in Risk Weighted Assets in the third quarter has been in line with expectations.

Consumer Banking

Income momentum in Consumer Banking continues to progress with third quarter income ahead of the run rate for the first half of the year. Year to date income has grown at broadly the same rate as in the first half of the year.

Mortgage income has fallen slightly in the third quarter over the first half run rate, with good volume growth more than offset by continued margin pressure. Liability margins have broadly stabilised and are at similar levels to those seen at the half year.

Wealth Management fees, SME, and Credit Cards and Personal Loans are all showing an improving trend with income in the third quarter ahead of the first half run rates.

We continue to be disciplined in managing the cost base and have selectively invested to underpin income momentum, particularly in marketing and in hiring Relationship Managers.

Portfolio credit quality in Consumer Banking is good. The third quarter loan impairment charge has continued to fall and was below the run rate seen in the second quarter of the year.

Group

Standard Chartered continues to focus on maintaining balance sheet strength. It remains liquid and well capitalised with a conservative, diverse balance sheet, well spread by geography, asset type and industry.

The Group’s liquidity position remains strong. We saw a continuing inflow of customer deposits during the third quarter, in particular current and savings accounts, and we are continuing to win cash mandates in Wholesale Banking.

We are well capitalised and capital ratios, at Core Tier 1, Tier 1 and Total level are, as in prior periods, strong under the current Basel II regime.

We have very limited levels of refinancing maturing in the next few years.

We look forward to providing a further update in early December in the preclose trading statement.

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