

4 May 2011

Standard Chartered today releases its Interim Management Statement (IMS) for the first quarter of 2011.

Peter Sands, Group Chief Executive, commented, "Standard Chartered has enjoyed an excellent start to 2011 with good momentum in both businesses. We continue to benefit from the disciplined execution of our strategy and we remain very well positioned in dynamic markets with strong fundamentals."

The Group has had a strong start to the year, with double digit income growth compared to the first quarter of 2010 and good momentum in both Consumer Banking and Wholesale Banking. Building on the performance of last year, Consumer Banking is making a larger relative contribution to Group profit than in the comparable period of 2010, as it continues to make progress in its strategic repositioning.

We are maintaining a firm grip on expenses, with headcount levels at the end of the first quarter slightly below the level seen at the end of 2010. Expenses are broadly in line with the run rate seen in the second half of 2010. Whilst cost income jaws are negative when compared to the first quarter of 2010, they are significantly narrower than seen for the full year 2010.

The Group is in excellent shape, highly liquid and very well capitalised. We are continuing to see good asset and liability growth, albeit at a slower pace than seen for the full year 2010. Risk Weighted Asset growth remains controlled in the first quarter of 2011.

Consumer Banking

Consumer Banking has built on the income momentum seen throughout the prior year and has delivered low double digit growth on the first quarter of 2010.

There has been steady growth on both sides of the balance sheet since the year end. Liability margins in the first quarter have shown resilience, whilst asset margins have continued to see very slight further pressure when compared to the second half of 2010.

Income was broadly spread, with Wealth Management performing particularly well, especially in Hong Kong and Singapore. Deposit income grew very strongly reflecting good volume growth. Retail mortgage income was down slightly on the first quarter of 2010 with good volume growth more than offset by margin pressure. SME income also performed well and income in Credit Cards and

Personal Loans has shown good growth as we selectively grow our unsecured business.

Expenses have been well controlled with the run rate of Consumer Banking expenses for the first quarter of 2011 below the run rate for the second half of 2010.

Asset quality in the Consumer Banking business has continued to improve since the year end reflecting our disciplined approach to risk management and an improving macroeconomic backdrop. Loan impairment is lower than the run rate in the second half of 2010.

Wholesale Banking

The Wholesale Banking business has had a strong start to 2011 with client income above the run rate for the first half of 2010. Own account income for the first quarter was very strong, with double digit growth over the first quarter of 2010. Client income continues to contribute over 80 per cent of total Wholesale Banking income.

The commercial banking businesses of Cash, Trade and associated FX hedging remain both core to, and a significant part of, the Wholesale Banking business. Margins in Cash have improved slightly since the year end, while in Trade have seen some further pressure as competition increases. Cash and Trade have seen good volume growth since the year end resulting in strong double digit growth in Transaction Banking income over the first quarter of 2010.

In Corporate Finance, performance in the first quarter of 2011 has been strong, albeit market conditions have resulted in a lower number of deals being closed than in the comparative period. The deal pipeline remains robust.

Financial Markets client income has shown double digit income growth over the first quarter of 2010, with particularly strong growth in Commodities, Capital Markets and FX.

Wholesale Banking expenses are slightly ahead of the run rate seen in the second half of 2010 due to increased levels of headcount and the flow through impact of investments.

Asset quality in the corporate loan book continues to be good, and whilst the world remains uncertain, we have seen no material new impairments charged in the period.

Group

The Group remains very well capitalised, is highly liquid and the A/D ratio is strong. We are continuing to see inflows of deposits and remain a significant net lender to the interbank money market.

Overall, the Group has had a strong start to the year, with good footings growth on both sides of the balance sheet and good levels of income. The Group's capital and liquidity position remains excellent. We look forward to providing a further performance update in our pre-close trading statement in June.

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