

press release

Standard Chartered 2010 operating profit climbs 19% to US\$6.12bn

Strong, broad based momentum delivers eighth successive year of record income and profit

Highlights:

- Income rises 6% to record US\$16.06 billion as Asian growth continues
- Highly liquid balance sheet, strong capital position with Core Tier 1 ratio of 11.8%
- Delivering for shareholders - DPS and EPS increased, RoE 14.1%
- 15 markets delivered over \$100m of profit
- Consumer Banking and Wholesale Banking deliver double-digit profit growth
- Strong increase in product volumes as we take market share
- Ongoing lending support for our customers, SME lending up 32%, total lending up 22%
- Record start in 2011

London, 2nd March. Standard Chartered PLC today announced an eighth successive year of record income and operating profit, demonstrating the consistent and sustainable growth strategy of the Group. We continue to invest selectively in the business, positioning us well to take advantage of the long-term growth opportunities across our markets, whilst maintaining a strong focus on the fundamentals of the bank. Normalised earnings per share increased 14 per cent and dividend per share was up 9 per cent, with RoE at 14.1 per cent, as the Group continues to deliver long-term value for shareholders.

2010 delivered strong and diversified profit and income growth across our markets in Asia, Africa and the Middle East. 23 markets delivered over US\$100m of income, with 11 contributing over US\$500m. 15 markets delivered over US\$100m of profit, with India and Hong Kong both delivering over US\$1bn. We continue to be in the right parts of the world, with strong long-term growth opportunities.

Wholesale Banking and Consumer Banking saw business activity in a number of products grow strongly over the year, as we took market share from our competitors across our markets.

Wholesale Banking saw income climb by seven per cent to just under US\$10bn, with profit up 17 per cent at US\$4,770m. Wholesale Banking has now achieved double-digit profit growth every year since 2002. Client income grew 17 per cent on the back of growing trade and investment flows to and from our markets, with trade finance assets and contingents growing 28 per cent, commodities by 66 per cent, and FX by 14 per cent. Wholesale Banking continues to see strong growth momentum as it deepens client relationships and invests in product and service sets to meet client demand, with corporate finance and financial markets growing income by 32 per cent and 18 per cent respectively. Income growth was underpinned by a strong increase in cash management volumes, up 21 per cent.

Consumer Banking continues to make strong progress in its transformation, with income up eight per cent to just over US\$6 billion, whilst profit climbed 51 per cent to US\$1.31bn, despite ongoing margin compression. Income growth was driven by good volume growth in mortgages, credit cards and personal loans, alongside a recovery in wealth management revenues. The focus on the strong fundamentals of the consumer business continues, with a low average loan-to-value of around 51 per cent on the mortgage book, and a well-diversified and strongly secured loan book. We continue to attract strong deposit growth, up 15 per cent on 2009, with 59 per cent of deposits now in current and savings accounts (CASA). The investment in the business continues as we position for long-term growth, with 113 new and refurbished branches in 2010, alongside 2,000 new frontline staff and an increase in technological innovations with an expansion of our mobile and online banking offering, including the launch of 'Breeze', one of the first iPhone banking applications.

The Group continued to maintain a strong focus on the fundamentals of the balance sheet, with the recent rights issue protecting our ability to meet Basel III capital requirements whilst simultaneously taking advantage of the growth opportunities in our markets. The balance sheet remains conservative, highly liquid, with minimal refinancing requirements. Strong organic equity growth of over US\$4.2 billion, supplemented by a successful capital raising, saw Core Tier 1 capital rise to 11.8 per cent, up from 8.9 per cent in 2009, with total capital up 1.9 per cent to 18.4 per cent. The normalised cost/income ratio rose slightly to 55.9 per cent, reflecting the deliberate and strong investment across the Group.

The advances to deposits ratio remains strong at 77.9 per cent as the Group continues to grow both sides of the balance sheet. Customer deposits grew by 23 per cent (US\$60bn) to US\$317 billion, whilst customer assets were up 22% (US\$45bn). Continued action to de-risk the asset book positions us well to deal with any future economic uncertainty. Loan impairments fell significantly by 56 per cent to US\$883 million. Consumer Banking loan impairments fell 45 per cent year on year, whilst Wholesale Banking loan impairments declined 68 per cent in the same period.

Standard Chartered has continued to provide support for its customers and corporate clients, both during and after the financial crisis, with total lending up over US\$90bn, up 60%, billion from the start of the crisis in mid-2007. SME lending climbed by 32 per cent, or just under US\$4.3 billion during 2010, on top of a 14 per cent increase in 2009. We continued to support potential homeowners in our markets, with mortgage lending up by 23 per cent.

Peter Sands, Group Chief Executive, Standard Chartered said:

"This has been a strong year for the Group, with good growth in volumes as we take market share from our competitors. We have continued our planned investment in the businesses to position us well for the long-term opportunities across our markets, whilst delivering our eighth year of record profit and income. We continue to see strong momentum in both businesses, and the Group has a seen a record start to 2011."

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Financial Performance Highlights

GROUP <i>(in US\$ m)</i>	2010	2009	% CHANGE
Income	16,062	15,184	6
Expenses	9,023	7,952	13
Loan Impairments	883	2,000	[56]
Profit Before Tax	6,122	5,151	19
WHOLESALE BANKING			
Income	9,979	9,291	7
Profit Before Tax	4,770	4,076	17
CONSUMER BANKING			
Operating Income	6,079	5,629	8
Profit Before Tax	1,313	867	51

Operating Profit Before Tax by Regions

REGION <i>(in US\$ m)</i>	2010	2009	% CHANGE
Hong Kong	1,103	1,062	4
Singapore	718	714	1
Korea	388	322	20
Other APR	1,083	770	41
India	1,197	1,060	13
MESA	841	366	130
Africa	559	482	16
Americas, UK & Europe	233	375	[38]

Note to Editors:

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 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.