Standard Chartered PLC – Highlights

For the year ended 31 December 2010

Reported results

- Profit before taxation of $6,122 million, up 19 per cent (2009: $5,151 million)
- Profit attributable to ordinary shareholders[1] up 29 per cent to $4,231 million (2009: $3,279 million)
- Operating income of $16,062 million, up 6 per cent (2009: $15,184 million)
- Total assets up 18 per cent to $517 billion (2009: $437 billion)
- Loans and advances to customers increased by 22 per cent to $246 billion (2009: $202 billion)

Performance metrics[2]

- Normalised income up 7 per cent at $16,013 million (2009: $14,914 million)
- Normalised earnings per share up 14 per cent at 197.0 cents (2009: 173.2 [3] cents)
- Normalised return on ordinary shareholders' equity of 14.1 per cent (2009: 14.3 per cent)
- Recommended final dividend per share of 46.65 cents per share making the total dividend for the year 69.15 cents per share, post rights

Capital and liquidity metrics

- Tangible net asset value per share increased 34 per cent to 1,274.1 cents (2009: 953.4 cents)
- Core Tier 1 capital ratio at 11.8 per cent (2009: 8.9 per cent)
- Total capital ratio at 18.4 per cent (2009: 16.5 per cent)
- Advances to deposits ratio of 77.9 per cent (2009: 78.6 per cent)
- Liquid asset ratio of 26.6 per cent (2009: 26.2 percent)

Significant highlights

- Delivered strong broad-based performance, with profit before taxation of $6,122 million, up strongly by 19 per cent on 2009
- Eight successive years of record income and profit
- Significantly reduced impairment provisions, driven by a disciplined and proactive approach to risk and helped by an improved credit environment
- Continued balance sheet momentum ensures a highly liquid and a well diversified balance sheet with limited exposure to problem asset classes
- Group's strong capital position further strengthened through strong organic equity generation and a successful rights issue
- Listing of Indian Depository Receipts on the Bombay and National stock exchanges in India
- Capital ratios well placed to accommodate further regulatory requirements and simultaneously take advantage of the growth opportunities in our markets

Commenting on these results, the Chairman of Standard Chartered PLC, John Peace, said:

"2010 was another year of great performance. We have demonstrated we have the right strategy, the right culture and the right geographical footprint to deliver consistent and sustained value for our shareholders."

STANDARD CHARTERED PLC
1 ALDERMANBURY SQUARE
LONDON EC2V 7SB

Standard Chartered PLC
1 Aldermanbury Square
London EC2V 7SB

www.standardchartered.com Tel +44 (0)20 7885 8888

[1] Profit attributable to ordinary shareholders is after the deduction of dividends payable to the holders of those non-cumulative redeemable preference shares classified as equity (see note 9 on page 66).

[2] Results on a normalised basis reflect the results of Standard Chartered PLC and its subsidiaries (the 'Group') excluding items presented in note 10 on page 67.

[3] Restated as explained in note 33 on page 87.

Standard Chartered PLC – Table of contents

Unless another currency is specified, the word 'dollar' or symbol '$' in this document means United States dollar and the word 'cent' or symbol 'c' means one-hundredth of one United States dollar.

Within this document, the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'; The Republic of Korea is referred to as Korea or South Korea; Middle East and Other South Asia (MESA) includes: Pakistan, United Arab Emirates (UAE), Bahrain, Qatar, Jordan, Sri Lanka and Bangladesh; and 'Other Asia Pacific' includes: China, Malaysia, Indonesia, Brunei, Thailand, Taiwan, Mauritius, Vietnam and the Philippines.

Standard Chartered PLC – Summary of results

	2010 $million	2009 $million
Results		
Operating income	16,062	15,184
Impairment losses on loans and advances and other credit risk provisions	(883)	(2,000)
Other impairment	(76)	(102)
Profit before taxation	6,122	5,151
Profit attributable to parent company shareholders	4,332	3,380
Profit attributable to ordinary shareholders[1]	4,231	3,279
Balance sheet		
Total assets	516,542	436,653
Total equity	38,865	27,920
Total capital base	45,080	35,265
Information per ordinary share	Cents	Cents
Earnings per share – normalised[2] (post-rights)	197.0	173.2 [4]
– basic (post-rights)	196.3	161.8 [4]
Dividend per share[3] – pre-rights	70.00	66.03
– post-rights	69.15[4]	63.61 [4]
Net asset value per share	1,573.2	1,281.6
Tangible net asset value per share	1,274.1	953.4
Ratios		
Return on ordinary shareholders' equity – normalised basis[2]	14.1%	14.3%
Cost income ratio – normalised basis[2]	55.9%	51.3%
Capital ratios		
Core Tier 1 capital	11.8%	8.9%
Tier 1 capital	14.0%	11.5%
Total capital	18.4%	16.5%

[1] Profit attributable to ordinary shareholders is after the deduction of dividends payable to the holders of those non-cumulative redeemable preference shares classified as equity (see note 9 on page 66).

[2] Results on a normalised basis reflect the results of Standard Chartered PLC and its subsidiaries (the 'Group') excluding items presented in note 10 on page 67.

[3] Represents the recommended final dividend per share for the respective years together with the interim dividend declared and paid in those years. Further details are set out in note 9 on page 66.

[4] Prior period earnings per share amounts and the interim and final dividend per share amounts declared and paid prior to the rights issue in October 2010 (including the 2010 Interim dividend per share) have been restated as explained in note 33 on page 87. Further details of the impact of the rights issue on the prior period dividend per share amounts are set out in note 9 on page 66.

Standard Chartered PLC – Chairman's statement

I am delighted to report that 2010 was the eighth consecutive year of record income and profits. Against an uncertain global recovery and despite the return of competition in many markets, Standard Chartered continued to perform strongly. Our performance in 2010 once again demonstrates our ability to deliver substantial, sustained value for our shareholders.

- Income increased 6 per cent to $16.1 billion
- Profit before taxation rose 19 per cent to $6.12 billion
- Normalised earnings per share were up 14 per cent to 197.0 cents

The Board is recommending a final dividend of 46.65 cents per share, making a total annual dividend on a post-rights basis of 69.15 cents per share, up 9 per cent. For the many shareholders who participated in last October's rights issue, the total dividend received is up 15 per cent on the 2009 dividend payment.

We are proud of our long track record in creating shareholder value. Over recent years, we have simultaneously increased our income, earnings per share, capital ratio and total dividends paid out.

In October, our investors helped us raise over $5 billion in our rights issue. Earlier in 2010 we successfully listed our Indian Depository Receipts on the Bombay and National stock exchanges in India. I would like to thank our investors for their continued support throughout the year, and for the confidence they have shown in our future. This has given us excellent balance sheet strength as a foundation for further growth.

Standard Chartered is positioned in some of the fastest growing markets of the world, and has the strong capital base, liquidity and customer relationships required to make the most of this opportunity.

We have broad based, diversified sources of income growth in both Consumer and Wholesale Banking, and are committed to investing for long term growth in both businesses. Most importantly, we have a cohesive, global culture with a consistent strategy focused on the basics of banking.

During recent times, this distinctive culture has emerged as a key differentiator between us and other banks. Here for good, our brand promise, powerfully captures who we are and what makes us different.

Our performance in 2010 reflects the continued success of our business model. Once again, we have demonstrated our determination to stand by our customers and clients, using our capital and liquidity strength to support them in good times and bad. Our total lending to customers and clients increased by nearly $45 billion, over 22 per cent. We continued to lend more to key sectors of the economy across Asia, Africa and the Middle East, including home owners and small and medium-sized enterprises (SMEs). Our mortgage lending increased by 23 per cent to $71 billion, with SME lending at nearly $18 billion up 32 per cent on 2009.

While we continue to see a wealth of growth opportunities for Standard Chartered, we also see challenges, chief among them regulatory risk. Inconsistent global regulatory reform remains a concern. We continue to seek more global co-ordination on regulatory changes.

At Standard Chartered we reward our staff for performance, not failure. Given our strong performance in 2010, the Board believes that annual performance awards to those employees who have performed well is appropriate. Against a profit increase of 19 per cent and a 9 per cent rise in headcount, our bonus pool costs have increased modestly on 2009 levels.

We remain satisfied that our remuneration policies encourage long term performance, rather than short term risk taking. We will continue to meet the significantly enhanced remuneration codes of the Financial Services Authority and the Financial Stability Board, while ensuring that our rewards remain competitive.

Strong management and governance are key components of our business model. This year, we strengthened our board by appointing three non-executive directors: Dr Han Seung-Soo, former Prime Minister of the Republic of Korea; Richard Delbridge, who draws on extensive financial experience from a broad banking career;

and Simon Lowth, currently Executive Director and Chief Financial Officer of AstraZeneca PLC. Our Asia CEO, Jaspal Bindra, who has wide-ranging international experience, was appointed to the Board as Group Executive Director.

In the last two years, following an extensive review, we have changed our board committee structure to reinforce the highest standards of governance. These changes take into account the governance trends arising from the Walker and the UK Financial Reporting Council reviews. In 2010, we created separate Audit and Risk Committees to emphasise our focus on risk management. We also established a Governance Committee and enhanced the remit of the Brand and Values Committee.

In summary, 2010 was another year of great performance. We have demonstrated we have the right strategy, the right culture and the right geographical footprint to deliver consistent and sustained value for our shareholders. We enter 2011 in excellent shape and with strong growth momentum.

John Peace
Chairman
2 March 2011

Standard Chartered PLC – Group Chief Executive's review

Consistent and long-term growth

These results represent our eighth consecutive year of record income and profits. This is not a bounce-back, or recovery story, but one of consistent delivery and of diverse and sustained growth. Twenty three of our markets now deliver over $100 million of income, fifteen over $100 million in profit. We are well placed in the world's most attractive markets, winning market share, growing income and profits, and creating value for our shareholders.

A consistent strategy

Much of what drives the Standard Chartered story remains constant. Our strategy remains unchanged, and our aspiration remains the same – we want to be the world's best international bank, leading the way in Asia, Africa and the Middle East. We are putting even greater focus on our clients and customers, on building deep and long-standing relationships, on improving the quality of our service and solutions. We continue to be obsessed with the basics of banking – balancing the pursuit of growth with disciplined management of costs and risks, keeping a firm grip on liquidity and capital. We're continuing to focus on culture and values, on the way we work together across multiple geographies, products and segments, combining deep local knowledge with global capability. These fundamentals underscore everything the Bank does, and everything we as a bank stand for.

I have no doubt that the clarity and consistency of our strategy, our discipline in sticking to it, and unwavering commitment to our distinctive culture and values have been crucial to our continued success. But it would be a mistake to think this means we haven't changed. Standard Chartered today is very different from the organisation I joined in early 2002. We entered that year having made a little over $1 billion in pre-tax profits the year before, with a share-price of £6.92, and some 28,000 staff. We were constantly under threat of takeover. Fast-forward to 2010, and we have two individual markets, India and Hong Kong, delivering a similar amount of profit to the entire Group in 2001. We have over 85,000 staff, and our shareholders have seen a Total Shareholder Return of over 230 per cent from the end of 2001, until the end of last year.

Here for good

While our story remains consistent, the Group continued to evolve rapidly during 2010. One of the most visible changes in 2010 was the launch of Here for good, our brand promise, which captures the essence of who we are. We are a bank that sticks by its clients and customers, through good times and bad; a bank that always tries to do the right thing. We are committed to having a positive impact on the broader economy and on the communities in which we live and work. Here for good resonates with staff, clients and customers and other stakeholders because it's true, because it's simple and because it's powerful. It's a benchmark that people will hold us to, but that is the point.

One example of meeting our aim of delivering for our shareholders, while making a positive impact on the broader economy and society, is in how the Bank has supported our customers in times of stress. We continued to increase our lending to SMEs throughout the crisis: by 14 per cent in 2009, and by 32 per cent, or just over $4 billion in 2010. Mortgage lending also rose by 23 per cent last year. In fact, the Group has increased total lending to clients and customers by over $90 billion since the start of the crisis in mid 2007, an increase of 60 per cent.

To give you a sense of how we're changing the Bank, without altering the fundamentals, I want to talk a bit about what we've been doing in some of our key markets, and what we see ahead.

The outlook for our markets

Most of our markets across Asia, Africa and the Middle East have quickly returned to a trajectory of strong economic growth. The rebalancing of the global economy towards Asia continues apace. Last year, emerging markets accounted for one third of global GDP, but two-thirds of the world's growth. Indeed, we see a fundamentally different

* http://www.standardchartered.com/media-centre/press-releases/2010/documents/20101115/The_Super-cycle_Report.pdf

world emerging by 2030, as we discussed in our research piece "*The Super-Cycle Report**" published at the end of last year. By 2030, we envisage that the world's five largest economies will be those of China, the US, India, Brazil and Indonesia. While the US and the West will see improved GDP growth, it will hover around 2.5 per cent over the longer term.

Contrast this with India, at almost 10 per cent and China at 7 per cent. We anticipate the majority of our markets growing at between 5-8 per cent over this period. But it is also the nature of the growth across Asia that is changing. Asian countries' economic growth is increasingly being driven by domestic demand, as well as trading with each other, rather than the traditional reliance on exporting to meet the demands of consumers in the West. Intra-Asia trade and investment flows are growing quickly – from just over 10 per cent of world trade in 2000, to just under 20 per cent last year – and with a projected share of over a third of all global trade by 2030. This growth is underpinned by Asian policymakers' determined approach towards implementing free trade agreements, reducing tariffs and dismantling other regulatory barriers.

This is not to say that there are no challenges facing our markets. There are clearly some difficult issues facing policymakers, particularly as surplus liquidity floods into the region, driving asset price inflation. But while there may be bumps along the way, these will not derail the long-term growth picture.

India

India became our largest market by profits last year for the first time, a great achievement. Before we acquired the Grindlays business in 2000, our profits in India were $45 million. With Grindlays, the total was $110 million. By investing to drive organic growth we have increased profits to $1.2 billion in 2010, a compounded annual growth rate of 27 per cent. Last year income in India was over $2 billion for the first time, up 12 per cent on 2009.

We can't expect India to continue to grow at quite the pace it has in recent years, given the sheer scale of the business, but it will still be one of the Group's big growth engines. We are continuing to invest in new product capabilities, such as equities, new segments, such as private banking and expanded infrastructure, such as our express banking centres.

The launch of our Indian depository receipt, or IDR, in Mumbai was the first listing by an international company in India and a powerful statement of our commitment to India. It also proved a very effective way to build the brand; brand awareness among our target segments sharply increased during 2010.

Looking forward, the Indian economy continues to grow at pace, and we continue to see huge opportunities. Extending our distribution reach beyond our current total of 94 branches is a key priority, particularly for Consumer Banking.

Greater China

Whilst mainland China, Hong Kong and Taiwan are very different as markets, given distinct regulatory systems and very different competitive dynamics, the links between these economies are developing extraordinarily rapidly and this is having a profound impact on trade and capital flows. In response we are positioning to ensure we don't just seize the opportunities the individual markets present, but grasp the Greater China opportunity, helping companies and individuals across the region to trade and invest, to find partners and do deals.

One fact illustrates the pace of these developments. Direct flights between the mainland and Taiwan commenced in July 2008 and today there are nearly 400 direct flights per week, and over a million Taiwanese are estimated to now live in China. In 2010, cross-Straits trade increased nearly 40 per cent to more than $140 billion.

The Greater China dynamic is also having a powerful impact on Hong Kong. Far from being a mature slow growth economy, Hong Kong continues to offer significant growth opportunities as it develops its role as China's international financial centre. Take for example what's happening with the internationalisation of the renmimbi (RMB). In 2009, some $530 million of China's trade was settled in RMB; in 2010, this was over $75 billion. Much of this activity is centered in Hong Kong.

Settling trade transactions in RMB is generating offshore RMB deposits, which grew five times in Hong Kong during 2010, to around CNY315 billion, or $48 billion, and this in turn is enabling the creation of an offshore RMB bond market – the so-called 'dim sum' market, which in turn is fuelling RMB FX trading volumes.

We anticipated these developments, and have been investing in the infrastructure and capabilities to support them. We were the first bank to facilitate a domestic RMB trade settlement, the first to launch a RMB denominated bond for a foreign corporate and the first to offer retail RMB structured products. Our RMB deposits in Hong Kong grew ten-fold in 2010.

RMB internationalisation is just one example of how China is impacting Hong Kong. Every aspect of the business, including Consumer Banking, is feeling the effects of China's transformation. The performance of the Hong Kong business accelerated in the second half of 2010, with income up 13 per cent on the first half and a record fourth quarter.

Singapore

Singapore is another market that is sometimes seen as mature, but where we see significant growth opportunities, as it successfully builds its role as an international financial centre. With a business friendly environment, great infrastructure, a strong regulatory framework and an efficient tax regime, Singapore is an attractive place to do business. We run our Consumer and Wholesale Banking businesses from Singapore, and many of our key functions, such as technology and operations are centered there. This January we opened our new office in the Marina Bay Financial Centre development, and were the first company to move in. The building accommodates around 4,500 people and houses a trading floor with 790 positions across 65,000 square feet - which we believe is the largest trading floor in Asia.

Singapore is also the main hub of our Private Banking business. From its inception in 2006, and with the benefit of the American Express Bank acquisition in 2007, Private Banking now has $46 billion of assets under management, up 31 per cent on 2009. From a standing start less than 5 years ago, we're already the sixth largest private bank in Asia.

Singapore is also good example of a market where the Group has engaged in select capability acquisitions to boost product capability. Last year we acquired a small factoring business to support our SME clients, and earlier this year we acquired an auto-financing portfolio to enhance our product offering for customers.

Just next door to Singapore is a market whose potential is often underestimated – Indonesia.

Indonesia

Indonesia is the largest economy in South East Asia, the fourth largest population in the world, a country rich in resources, underpinned by a stable political environment, good fiscal policy and a strong currency. We regard Indonesia as one of the fast-growth '7 per cent club' countries over the next 20 years and likely to become the fifth largest global economy by 2030. It is a country undergoing profound change, with political reform opening the country up to investment.

We are in a strong position to take advantage of Indonesia's potential, both through our own business, and via our 45 per cent stake in Permata Bank. Standard Chartered in Indonesia has 26 branches; Permata has 280. With different strengths, and distinct target segments, these complementary franchises enable us to seize the multiple growth opportunities. Indonesia contributed just under $200 million to Group pre-tax profits in 2010 and we believe our Indonesian business has significant potential for further growth over the medium term

Africa

We have a strong franchise in sub-Saharan Africa, across 14 countries. While it's always difficult to talk about these diverse cultures and countries in one breath, it's clear that Africa is playing a stronger role in the global economy, driven in part by increasing global demand for commodities. This will benefit many parts of Africa, and underpins the explosive growth in Africa-Asia trade and investment.

We added to our franchise last year, by opening in Angola, now Africa's third-largest economy, based on its oil exports. We have achieved strong double-digit income growth across most of our African markets. In Nigeria, our largest business in Africa, where we have 26 branches, we achieved over $200 million of income for the first time.

It is regions like Africa that demonstrate the ability of universal banks such as Standard Chartered to be socially useful – not as a one off or charitable activity, but on an ongoing commercial basis, doing what we do best: driving trade and investment, creating jobs and financing infrastructure. For us, it is all about finding where we can contribute to the wider economy, whilst also making money for our shareholders. Ghana offers a good example. We play a key role in financing exports and supporting large scale infrastructure projects, such as the development of the Jubilee oilfields. We support SMEs and local corporates as they grow and trade. We were the first bank in the country to offer clients commodity, interest rate and currency hedging. In helping our clients manage the risks of investment and trade in an increasingly volatile global economy, these derivative products have real economic and social value.

Africa is a region with many challenges, as the current difficulties in Côte d'Ivoire illustrate, but it is also a region full of promise and positive change.

Middle East and South Asia

Our business in the Middle East more than doubled profits in 2010, largely due to the sharp improvement in loan impairment. In the UAE, our biggest business in the Middle East, we are seeing the benefits of a gradually improving economy and some good progress in tackling over-leverage in the property market.

Whilst some parts of the region are facing significant political and economic challenges, we remain convinced that these markets offer significant opportunities for growth and are investing in both businesses to realize this potential.

Technology and Innovation

Banking technology is also evolving rapidly, and we are making full use of new innovations to change the way we run the business, drive cost efficiencies and improve our service. We have fundamentally transformed the infrastructure of the Bank over the last few years, giving us far greater scalability and resilience and providing a much stronger platform for innovation.

By standardising platforms, re-engineering processes and hubbing activity into our principal shared service centres in Chennai, Kuala Lumpur, and Tianjin, we have been able to drive down technology and operating running costs as a percentage of income from just over 12 per cent six years ago, to less than 8 per cent today, even during a period of substantial volume growth. We are continuously reducing unit transaction costs and have markedly reduced service failures, down by 70 per cent in three years. Our objective here is to relentlessly improve efficiency, so that we have more headroom for investment, while simultaneously enhancing control and resilience.

Technology also creates opportunities for us to be much more innovative in how we interact with our customers and clients. In Singapore and Malaysia, we launched 'Breeze', an innovative iPhone banking app that enables customers to pay bills, transfer money, and find ATMs in an intuitive and easy way. We're also very much at the forefront of developing mobile banking services, particularly in Africa, where mobiles are used to transfer cash, purchase goods, and pay utility bills.

Banking is intrinsically digital and, like other digital industries, can be transformed through technological innovation. We can empower our clients and customers by putting tools and information into their hands. We can achieve radical improvements in processing times and costs. This is an increasingly important part of