

26 June 2008

Standard Chartered PLC will be holding discussions with analysts and investors ahead of its close period for the half year ending 30 June 2008. This statement details the information that will be covered in those discussions.

Peter Sands, Group Chief Executive, commented, "Standard Chartered has continued to deliver very strong performance, primarily driven by excellent results from Wholesale Banking. We have yet to see a material slowdown in our markets. However, given the extraordinary turbulence in financial markets, and increasing inflationary pressures now arising in our geographies, we remain disciplined in our management of risks and costs. We have completed the acquisition of American Express Bank as well as the disposal of our asset management company in India."

Unless otherwise stated, references to 2007 are made in relation to the first half of the year.

Overall

Standard Chartered has had a very strong performance, building on the very good start to the year.

Trading in the main operating markets has benefited from robust economic growth, good local currency liquidity, sound credit environments and disciplined execution of the Group's strategy.

The Group has had excellent income momentum, driven by Wholesale Banking, and across almost all geographies.

The Group has delivered a strong performance across a wide range of products and customer segments.

For the Group overall, net interest margins have remained broadly stable.

We continue to take a dynamic approach to managing expense growth. Expense growth reflects our continuing commitment to investing in our business as well as the impact of increasing inflationary pressures. For the half year we anticipate that expense growth will be broadly in line with income growth.

The Group remains highly liquid, and has a loan to deposit ratio of around 90 per cent.

We have taken a proactive approach to raising capital to support our strong organic growth. Having both completed the acquisition of American Express Bank and supported strong Risk Weighted Asset growth in Wholesale Banking,

the bank is well capitalised; we anticipate being in the middle of our target range for Tier 1 and at the top end of our target range for Total capital at the half year.

Asset quality in both businesses has remained good and impairments are at low levels.

In our Asset Backed Securitisation (ABS) portfolio, a combination of impairment and widening credit spreads has resulted in a charge to profits of USD108 million and an additional charge to the available-for-sale reserve of USD184 million for year to date at the end of May. These amounts are detailed in the Appendix to this document.

The sale of our asset management business in India has now completed with profit before tax of approximately USD146 million.

Business Performance

Consumer Banking

On both a headline and underlying (excluding the impact of American Express Bank) basis, Consumer Banking has delivered double digit income growth, although has been impacted by the interest rate environment which has compressed liability spreads.

Wealth Management income has exhibited good growth, especially in fee-based products, and SME continues to perform well across multiple geographies, with particularly strong performances in Singapore, Hong Kong and Africa.

Mortgage income has faced challenges as a result of the interest rate environment, competition and continued regulatory measures in some of our key markets.

Markets such as Singapore, India and Africa have performed particularly well.

Hong Kong has generated double digit income growth, albeit at marginally lower levels than last year.

Income performance in MESA has been affected by a weak operating environment in Pakistan where we have reduced our risk appetite. In Other APR income growth has been muted due to the performance in Thailand and also some reclassification of income between Consumer Banking and Wholesale Banking as the business model is developed within Permata Bank in Indonesia.

Following incorporation in April 2007, China has seen very strong income growth. The expansion of Consumer Banking in China remains an investment priority and we therefore expect the franchise will again be loss making.

More generally, we have chosen to continue to invest across the Consumer Banking franchise, focusing on distribution (where we have added over 60

branches and 100 ATMs), product capability in SME and Wealth Management, and in the Private Bank.

Reflecting continued incremental investment and the flow-through of prior year investments, growth in expenses is expected to significantly exceed the growth in income for the first half of the year.

Overall, Consumer Banking asset quality has remained good. Loan impairment has increased in line with the change in volume, mix and seasoning of the book.

The Consumer Banking balance sheet has seen some growth in liabilities but with limited growth in assets.

Wholesale Banking

Wholesale Banking has continued to accelerate income momentum on both a headline and underlying (excluding the impact of American Express Bank) basis. This excellent performance has been characterised by diverse, broad-based growth in all key client segments and across multiple products.

Trading has been buoyant, underpinned by strong liquidity and a good appetite for financial services in our markets. Current deal pipelines are strong.

Client-driven income has performed very strongly and continues to account for in excess of 75% of total Wholesale Banking income. Growth in own account income has been underpinned by strong Asset and Liability Management revenues.

The investments made in enhancing Global Markets capabilities have contributed to particularly strong growth in the Rates and FX, and Corporate Finance businesses.

We have proactively deployed our liquidity and capital to take advantage of the opportunities we are seeing in the current market. As a result, Risk Weighted Asset growth has been strong.

The business remains vigilant on credit quality and sensitive to levels of appetite for primary and secondary distribution of assets. Our distribution activities have remained resilient with asset distribution running at about 75% of the levels seen in the first half of 2007.

Wholesale Banking has continued to benefit from the benign credit environment in our markets. The quality of the Wholesale Banking loan book has remained good. New impairments, while increasing, remain at low levels, and recoveries and releases continue to be achieved, albeit at lower levels than in 2007.

Korea

In Korea we have made good progress in reshaping both businesses and have achieved double digit income growth. There continues to be volatility to income arising from the impact of accounting asymmetry on economically effective hedges with a credit to income of USD33 million as at the end of May.

Operating profit is expected to show double digit growth on the first half of 2007.

American Express Bank

Following the completion of the acquisition of American Express Bank on 29 February, integration is proceeding well. We are confident of exceeding the cost and income synergies outlined in our original acquisition case. We continue to expect that American Express Bank will be earnings per share accretive in 2009.

Conclusion

In summary, the trading performance of the overall Group to date has been very strong. Consumer Banking has produced steady income growth and we continue to invest across the franchise. Wholesale Banking has had an excellent performance. Income momentum has been very strong and well spread by geography and we continue to invest. We are highly liquid and well capitalised. Asset quality is good. Whilst we have seen good operating conditions in our markets, the economic horizon is increasingly uncertain and our approach to risk management remains highly disciplined.

Appendix: Asset Backed Securities

Total exposures to Asset Backed Securities*	Portfolio at 31 December 2007 USD million	Portfolio at 31 May 2008 USD million	Percentage of portfolio %
Residential Mortgage Backed Securities "RMBS"	1,923	1,724	30
Collateralised Debt Obligations "CDOs"	710	673	12
Commercial Mortgage Backed Securities "CMBS"	1,138	1,079	19
Other Asset Backed Securities "Other ABS"	2,085	2,221	39
Total	5,856	5,679	100

Writedowns of Asset Backed Securities

Total
USD million

2007

Charge to available-for-sale reserves	(83)
Charge to profit and loss account	(282)

2008*

Charge to available-for-sale reserves	(184)
Charge to profit and loss account	(108)

* As at 31 May 2008

All exposure data is gross of writedowns

The pre-close conference call, hosted by Richard Meddings, Group Finance Director, will be webcast live on Standard Chartered's website. To access the webcast follow this link <http://investors.standardchartered.com> from 10:30 BST onwards. A recording of the webcast and a podcast will also be available shortly after the event.

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