

press release

STANDARD CHARTERED PLC AGM

5 May 2005

The Meeting will deal with the proposed Resolutions as outlined in the Notice of Annual General Meeting issued to shareholders dated 14 March 2005 and will provide a summary of the business and final performance of the Group in 2004.

Excerpts from the speeches to be made to shareholders by Bryan Sanderson, Chairman, and Mervyn Davies, Group Chief Executive at the Annual General Meeting, being held today at 12.00 noon in London.

Bryan Sanderson

'I am proud to report on another strong performance by the Group.

As a result, the Board is recommending a full-year dividend of 57.5 cents; marking a decade of dividend increases of 10 per cent or more.

We had a good year in 2004, with improvement in every one of our key financial metrics: revenues grew 13 per cent; earnings per share were up 40 per cent; and importantly, we have achieved our goal of increasing Return on Equity from 12 per cent in 2001 to 20 per cent last year.

For the first time, the Group's pre tax profits exceeded US\$2 billion. We have nearly doubled our profits in three years. Each of the consumer and wholesale businesses achieved operating profit in excess of US\$1 billion, and almost every geography and product category contributed to this growth.

This means we are providing strong, broadly based returns today, and building a sustainable business for the future, and that future looks very strong indeed.

The economies in our markets are continuing to grow. China and India are increasing in global prominence and their impact now reaches across Asia, Africa and the Middle East, where trade is forecast to increase 12 per cent this year.

We are well-positioned to benefit from the development of all these countries.

Our primary focus is on organic growth, and will remain so, and we have made a number of focused acquisitions to build a bigger presence and to complement our organic expansion.

The criteria for acquisitions are:

- They must deliver shareholder value;
- They must offer an optimal trade off between resources and organic opportunities;
- They must allow us to do something we could not do otherwise.

Our recent acquisitions fall broadly into two categories:

- Relatively smaller, 'additive' transactions, such as last year's:
 - PrimeCredit in Hong Kong;
 - the ANZ project finance portfolio; and
 - the clientele and branch network of Sumitomo Mitsui Banking Corporation in India.
- And, this year:
 - the purchase of the remaining 25 per cent shareholding in Standard Chartered Nakornthon Bank in Thailand, bringing our stake to almost 100 per cent;
 - and most recently, the acquisition of a six per cent stake in Travelex, the world's largest non-bank foreign exchange specialist;
- And those more substantial transactions, such as:
 - PT Bank Permata in Indonesia
 - Bohai Bank in China
 - And, of course, Korea First Bank, or KFB

These are already starting to prove the value of their contribution to our network and business. The potential they add to the continuing growth of our franchise is immense, and none more so than KFB.

We are very pleased to report that we completed the acquisition of KFB on 15 April. It is an enormous tribute to our staff that all the formalities were completed in only 3 months.

Korea is the world's tenth largest economy, the third largest in Asia. It's a market with an increasing appetite for consumer and wholesale banking products. Our existing business in Korea is growing, but to really take advantage of the opportunities in this important market, we need a solid platform to build real scale and market share.

KFB gives us this platform. It has over 400 branches, and more than three million customers. Put in context, that's about the same number as the adult population of Singapore.

The successful integration of KFB will help us achieve our goal even greater returns for our shareholders. Looking closely at the business, we are confident our acquisition will be earnings per share accretive as early as 2006. We are also confident it will prove a boost to our business performance, and that the team will execute as well on this integration as they did on the acquisition process.

We have shown in the past year that we can deliver performance and outmanoeuvre the competition. Delivery and performance are the keys, and you can be assured your Board will be monitoring both these factors carefully. In that context, we continue to improve and strengthen corporate governance.

Under the leadership of Mervyn Davies, our Group Chief Executive, and the management team, the Group has pursued – and achieved – ambitious goals. The performance of the Group also reflects the compliance culture and robust risk management they have embedded.

As I have said before, it is my strongly held view that good performance and good governance reinforce each other. In my role as Chairman I will continue to make sure we get our corporate governance right.

A key part is building a strong Board that successfully combines relevant but varied experience and skills.

During 2004, I announced the appointments of three new high-calibre Non-Executive Directors: Jamie Dundas, Oliver Stocken and Val Gooding. Their appointments extend the skills base of the Board in finance and retail, and add further to its diversity.

Jamie Dundas is a member of the Audit and Risk Committee. His career includes high level experience in Hong Kong, our largest market, and a strong background in banking.

Oliver Stocken sits on the Board Remuneration Committee. He has a strong banking and finance background. His Deputy Chairmanship of 3i plc adds to the wide range of experience he brings to the Board.

Val Gooding is Chief Executive of BUPA. She was previously the Marketing Director for British Airways and has a deep understanding of consumer markets and brand management. Her skills add strength to the knowledge base of the Board.

As Standard Chartered increases in scale and complexity, the Board has a vital role to play in the progressive updating of the governance and structure of the Group – especially with the escalating regulatory requirements. I believe we now have a Board that provides the right balance of support and challenge to the bank's senior management.

Closely allied to corporate governance is the concept of good corporate citizenship. We have a responsibility for the type of business we do, and to the communities we serve.

Our two global projects are Seeing is Believing and Living with HIV. These were chosen because our involvement really does make a difference – to lives and to livelihoods.

On World Sight Day in 2004, we set ourselves a new target for Seeing is Believing, to raise enough funds in three years for 1 million sight restorations. We have since raised 20 per cent of our target and there is great enthusiasm in our markets.

Our Living with HIV campaign is not only the right thing to do, it is also of real commercial significance helping us to maintain a healthy, stable workforce. Regrettably, HIV/AIDS is an important issue in many countries where we operate. Living with HIV is predominantly an educational project, and its aims are to spread understanding of this terrible disease. We want to ensure our people have access to the knowledge they need to protect themselves, their families, and the communities where they live.

We are proud of our contribution. We believe it is integral to our success in our markets.

So, we had a good year in 2004 and we have good revenue momentum. We're in the right markets, where we've grown our businesses and increased our geographic reach. We have built a stronger and better run bank.

As the Board looks at the Group, we see a vibrant performance culture, with the right strategies and the right people to sustain our continuing drive to increase shareholder value.

We're in great shape, and looking forward to a good year ahead.

Thank you, ladies and gentlemen, for your support.'

Mervyn Davies

'I am proud of our achievements in 2004. As Bryan outlined, we had a very good year. We were also delighted with shareholder support for our acquisition of KFB. We look forward to making this important acquisition an integral and successful part of the bank.

Over the past 3 years, we've had a focused agenda, which we've executed well.

- Setting ambitious goals and delivering against them year on year;
- Fixing and strengthening the infrastructure of the Group;
- Building a leading risk management capability;
- And we've also re-invigorated our brand and drawn tremendous engagement from staff;
- And finally, we've developed and deepened the talent in our company to drive performance forward.

In summary, we are a Group that has delivered on its promises. We have had the strongest performance in the bank's history. There is even more to go for.

We have two robust businesses delivering excellent results, and they are expanding in our geographies – like Korea and China; and in our global products and services –

capturing even more from the trade corridors across our network. Everywhere we look in our markets, we see great opportunities – great energy.

Looking forward there is no doubt that China, India and Korea will play a key role in our future. Growth opportunities abound, but we do face a challenging industry environment.

We see five global themes for our industry:

1. Liquidity is high, resulting in high prices and lower margins. Everything from emerging market bonds to housing prices is reflecting this;
2. The credit environment is currently benign, reflecting the booming world economy, but deceleration is possible in the second half of this year;
3. The US Dollar is weak, and there is continuing pressure for further falls;
4. Some of our markets, like Singapore and India, are experiencing margin compression;
5. And, as the tsunami showed us, we cannot ignore the possibility of a major disruption from an unexpected event.

But the Group is well-positioned in our markets. Both our Consumer and Wholesale banking businesses have good revenue momentum, which is continuing this year. We have robust controls, and are in the right markets – growing markets.

Standard Chartered is in good health. We are optimistic about the future and confident that we can continue building our track record for good performance.

Thank you for your support as shareholders.'

For further information, please visit www.standardchartered.com, or contact:

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Note to Editors:

Standard Chartered – leading the way in Asia, Africa and the Middle East

Following the acquisition of Korea First Bank, Standard Chartered now employs 38,000 people in 950 locations in more than 50 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas. Standard Chartered is one of the world's most international banks, with employees representing 80 nationalities.

Standard Chartered PLC is listed on both the London Stock Exchange and the Stock Exchange of Hong Kong and is in the top 25 FTSE-100 companies, by market capitalisation.

It serves both Consumer and Wholesale Banking customers. Consumer Banking provides credit cards, personal loans, mortgages, deposit taking and wealth management services to individuals and small to medium sized enterprises. Wholesale Banking provides corporate and institutional clients with services in trade finance, cash management, lending, securities services, foreign exchange, debt capital markets and corporate finance.

Standard Chartered is well-established in growth markets and aims to be the right partner for its customers. The Bank combines deep local knowledge with global capability.

The Bank is trusted across its network for its standard of governance and its commitment to making a difference in the communities in which it operates.

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