

5 December 2007

Standard Chartered PLC will be holding discussions with analysts and investors ahead of its close period for the full year ending 31 December 2007. This statement details the information that will be covered in those discussions.

Peter Sands, Group Chief Executive, commented, "It's been another year of delivery. Our operating performance is strong and our markets remain full of opportunity. We continue to accelerate investment to take advantage of the multitude of growth opportunities in our markets and continue to build a platform for sustainable future income growth, whilst remaining acutely vigilant for any signs of slowdown or deterioration impacting our markets."

All comparisons will be made on a full year basis unless otherwise stated.

Overall

Standard Chartered has continued to perform very strongly, building on an excellent set of results in the first half.

Trading conditions in the Group's main operating markets continue to benefit from strong economic conditions, good local currency liquidity and benign credit environments.

During the second half of the year there have been three specific items that impact upon the Group's results. In summary these relate to; taking a representative proportion of Whistlejacket assets onto the balance sheet; the impact of accounting asymmetry on economically effective hedges in Korea and; a delay in the sale of the Indian fund business which had been anticipated to close this year. The impact of these items has been balanced by the strength of the Group's trading performance.

Apart from the sections describing these specific items in more detail, all comments in this document exclude the impact of these items.

The Group has very strong income momentum, especially in Wholesale Banking, and across almost all geographies.

The Group continues to deliver a strong performance across a wide range of products and customer segments.

Net interest margins have remained broadly stable.

The Group continues to take a dynamic approach to managing expense growth. For the full year we anticipate that expense growth will be broadly in line with income growth.

We have accelerated investment in the second half of the year, whilst still producing very good double-digit profit growth.

The Group's liquidity position remains healthy with 24 per cent of the balance sheet in cash, net interbank placements, and marketable assets.

The deposit base across Wholesale and Consumer Banking customers remains stable and the Group has a loan to deposit ratio of just over 90 per cent.

The Group continues to be a provider of liquidity to the interbank money market.

Asset quality in both businesses remains good and impairments remain at low levels.

For the full year, we anticipate being above our target ranges for both Tier 1 and Total capital.

The integration of Hsinchu in Taiwan continues to make good progress and the integration of Union Bank in Pakistan has now been successfully completed.

Business Performance

Consumer Banking

Consumer Banking has delivered strong income growth and is exiting the year with strong momentum. On an underlying basis (excluding the impact of Pakistan, Hsinchu and the increased stake in Permata), Consumer Banking has maintained the momentum seen in the first six months.

Markets such as Middle East and South Asia, Other Asia Pacific Region (specifically China), India, Singapore and Malaysia have performed particularly well.

In Hong Kong, the rate of income growth has accelerated from that seen in the first six months of 2007 and is anticipated to be double digit for the full year.

Wealth Management and SME continue to drive income growth and both are achieving excellent performance across many geographies, with particularly strong performances in MESA, India, Hong Kong, Malaysia, Africa and Singapore.

Mortgage income has continued to be affected by rising interest rates, regulatory constraints and strong competition in a number of key markets.

We have accelerated investment across the franchise, especially in; distribution (where we have upgraded and added outlets and ATMs); product capability in SME and Wealth Management; the Private Bank (which has now been launched in seven countries); China; Pakistan; and India.

Reflecting continued investment, growth in expenses will exceed the growth in income for the full year.

Overall Consumer Banking asset quality remains strong and consequent loan impairment is in line with previous guidance given, moving in line with the change in volume, mix and maturity of the book. In Pakistan the level of impairment continues to be a challenge but is not material in the Group context.

The shape of the Consumer Banking asset portfolio, which overall is exhibiting growth higher than seen in the first half of the year, reflects the changing mix of the book and the shift towards SME and Wealth Management products.

The business continues to enjoy liability growth across the franchise, especially in higher margin current and savings accounts.

Wholesale Banking

Wholesale Banking continues to demonstrate very strong income momentum, both overall and on an underlying basis (excluding the impact of Pakistan, Hsinchu and the increased stake in Permata), delivering broad-based growth in all key client segments and across multiple products.

Current trading remains buoyant, underpinned by strong liquidity and an ongoing appetite for assets in our markets. The deal pipeline remains strong.

As a result of our success in deepening our client relationships, client-driven income has performed very strongly, showing higher double digit growth than in prior periods. In line with our strategy of broadening our product offering, lending as a proportion of income continued to fall in 2007.

The business remains vigilant on credit quality and sensitive to levels of appetite for primary and secondary distribution of assets. Our syndication activities continue to perform strongly with limited impact from the turbulence seen in Europe and the US.

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

Investment has been increased as Wholesale Banking has further expanded product reach and capabilities in areas such as convertible bonds and in commodity and equity derivatives; strengthened regulatory, control and compliance infrastructure by enhancing customer documentation; and built out our trade and e-commerce platforms. Despite this, jaws are anticipated to be positive for the full year.

Wholesale Banking continues to benefit from the benign credit environment in our markets. The quality of the Wholesale Banking loan book remains excellent. New impairments remain low, and recoveries and releases continue to be achieved, albeit at lower levels than in 2006.

Growth in Risk Weighted Assets has strong momentum but is growing more slowly than client income.

Specific items

Whistlejacket

Standard Chartered Bank is an investor in the capital notes of Whistlejacket, a Structured Investment Vehicle ("SIV"), and is also the appointed investment manager.

With the current dislocation in the credit markets and the ensuing reduction in liquidity, Whistlejacket, like other SIVs, has had limited access to the short term commercial paper markets. Whistlejacket's Board has been actively pursuing a series of actions, including the use of repos, deleveraging of the portfolio through the sale of assets, and offering capital note holders the opportunity to take 'vertical' slices of the portfolio. As a result assets have fallen from USD18.2 billion at the end of August to USD10.8 billion as at 30 November 2007.

Alongside another capital note holder for its investment, during the course of November, the Group exchanged USD140 million of the Group's capital notes for a pro rata 'vertical' slice of Whistlejacket's assets. The representative portfolio of Whistlejacket assets acquired, amounting to approximately USD1.68 billion, is reflected in the Group's balance sheet. This has an impact on the Tier 1 capital ratio of less than 0.1 per cent.

These assets were acquired by the Group at market value and their acquisition has resulted in a negative fair value adjustment, taken against income, of approximately USD46 million. The Group remains confident in the underlying quality of the assets acquired and it is expected that the temporary write down in value will flow back through income over the next three and a half years, which is the average life of the assets.

It is highly likely that the Group will undertake a further 'vertical' slice which will be effected before the end of the year, alongside similar transactions by a number of other capital note holders.

The assets of Whistlejacket remain of a very high quality, with a conservative eligibility criteria and diversity in asset type and 95 per cent rated Aa or higher by Moody's.

As at 30 November, Whistlejacket's asset composition was approximately: 40% in financial institutions, mainly large banks and non-monoline insurers; 7% in Aaa/AAA-rated monolines; 48% in asset-backed securities (excluding ABS collateralised debt obligations); and 5% in CDOs of ABS.

Whistlejacket is supported by USD1.5 billion in third party liquidity facilities, including bank liquidity lines and breakable deposits and is funded into 2008.

Korea

In Korea we have continued to make progress in reshaping the business in the second half of 2007. There are several items that will impact the financial performance in Korea including the ongoing but reducing impact of fair value adjustments ('FVAs') in relation to the original acquisition of Standard Chartered First Bank ('SCFB'), and a reduction to income arising as a consequence of new legislation relating to the treatment of dormant accounts. There is also an adverse impact to income that arises from the market movements on certain securitised assets entered into by SCFB.

SCFB has a long, successful track record of mortgage securitisations and there are currently seven such transactions in the market comprising around USD4.5 billion of assets.

Despite these securitisation structures being economically hedged, under IFRS there is an accounting mismatch which leads to a charge to the income statement which was approximately USD23 million as at 30 June 2007. In recent weeks, however, there have been significant price movements in the relevant cross currency swap/interest rate swap-spread for three years which has widened from 32 basis points at 30 June to 176 basis points at 30 November, after rising as high as 232 basis points during November. The negative impact on year to date income had risen from USD23 million as at 30 June to USD133 million as at 30 November.

This income impact arises due to an asymmetry in accounting treatment. The structures in place are economically hedged and the negative income witnessed this year should flow back to income over the remaining lives of the transactions, which is approximately three years.

Excluding these items we have seen a solid income performance in the second half.

The performance in Consumer Banking income reflects strength in SME and Wealth Management but also continuing pressure on mortgage assets and margins. The performance in Wholesale Banking reflects the investments made in both people and products, but also Private Equity realisations in the second half.

Growth in expenses has exceeded income growth, in part reflecting a full allocation of Group expenses as well as continued investment in new products and infrastructure.

Adjusting for the consequence of the accounting asymmetry, Korean operating profit before tax, given the current trading, will show a moderate reduction over the comparable figure in 2006.

Indian fund business

We announced on 26 January 2007 that we had agreed, subject to regulatory approvals, the sale of our Indian asset management company to UBS for around

USD120 million. It now seems unlikely that UBS will receive the requisite approvals in 2007. The sales proceeds will not therefore be included in headline income or profit for the year. There will however be no impact on normalised EPS as the sale proceeds would have been treated as a normalisation adjustment.

Conclusion

In summary, the trading performance of our businesses remains very strong and we continue to see good operating conditions in our markets despite the turbulence in credit markets in Europe and the US. Income momentum is very strong and the strong performance in the second half of the year has balanced the impact of the specific items mentioned above. Expense growth remains at planned high levels as we continue to make further investment in the franchise. The approach to risk management remains highly disciplined. Whilst markets remain volatile, we are broadly comfortable with the operating profit before tax consensus for the full year.

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 09:30 GMT onwards. A recording of the webcast and a podcast will also be available shortly after the event.

For further information, please contact:

Stephen Atkinson, Head of Investor Relations	+44 (0)20 7280 7245
Fiona Chan, Acting Head of Media Relations	+44 (0)20 7280 7163

This document contains "forward-looking statements" that are based on current expectations or beliefs, as well as assumptions about future events, and include matters which are not facts. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any forward-looking statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, plans and objectives of Standard Chartered, to differ materially from those expressed or implied in the forward-looking statements. Any forward-looking statements contained in this document based on past or current trends and activities of Standard Chartered should not be taken as a representation that such trends or activities will continue in the future. Any forward-looking statements speak only as of the date of this document. Standard Chartered undertakes no obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.