

press release

STANDARD CHARTERED PLC

ANNUAL GENERAL MEETING

4 MAY 2006

The meeting will deal with the proposed Resolutions as outlined in the Notice of Annual General Meeting issued to Shareholders dated 27 March 2006 and will provide a summary of the business and final performance of the Group in 2005 and of current progress.

The following statements are 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, Chairman

Before starting the meeting I would like to pay tribute to Lord Barber, who died recently. He chaired the Bank from 1974 to 1987 and his wisdom and approachable style were valued and respected by all of those who knew him.

Performance and dividend

I am very pleased to report another strong performance by the Group in 2005.

- Profit before taxation, including the post-acquisition results for SC First Bank, which is the new name for Korea First Bank, is up 19 per cent.
- Income is up 27 per cent including SC First Bank and 14 per cent on an underlying like-for-like basis.
- The Group has delivered strong earnings per share, up 23 per cent.
- As a result, the Board is recommending a full-year dividend to shareholders of 64.0 cents, continuing our 11-year record of dividend increases of 10 per cent or more.

Our unique proposition – an Asian-led bank, denominated in dollars, with London governance – continues to be popular with investors, reinforced as it now is by the performance delivery of Mervyn and his executive team.

Economic outlook for our regions

The performance reflects the fact that the underlying business is doing well, and our geographic diversity is helping us to deliver good results. So let me spend a few minutes on the economic outlook across these geographies.

Recent years have seen a buoyant world economy and our regions have benefited from this, enjoying strong growth. Many countries across Asia, Africa and the Middle East are taking advantage of the favourable environment to push through structural reform – this will support their longer-term sustainable growth and economic resilience.

In the Middle East, more investment is being aimed at economic diversification into areas such as retail and tourism whilst, in Asia, markets are shifting from a reliance on exports to stronger domestic demand. For example, while exports are certainly strong in Hong Kong and South Korea, consumer spending is the key to their current growth. As a result, Asian growth rates are expected to remain well above those of OECD countries.

As a business operating in these markets, we are witnessing, at first hand, both cyclical strength and structural change.

Recent strategic investments delivering results

We are also seeing the strategic investments we have made in recent years deliver increasingly strong results.

In Thailand in 1999 we invested in 75 per cent of Nakornthon Bank, and, in 2005, we bought virtually all the remaining stake. Standard Chartered Bank (Thai), as it is now, has 41 branches and is well positioned as a local bank with international strengths.

In 2000, in India, we bought Grindlays, changing the nature of our presence in that growing market and others such as Bahrain, Bangladesh and Jordan. We are now the largest international bank in India with over two million consumer customers and 800 top corporate relationships.

In Indonesia in 2004, together with our consortium partner PT Astra, we took a controlling stake in Bank Permata – a consumer bank with more than 300 branches. This gives us a strong position in this growing market.

In China, we established our presence almost 150 years ago and we are well placed to take a leadership position in this emerging economic giant. Through increasingly rapid organic growth we now have a total of 18 branches, sub-branches and representative offices in 14 Chinese cities, making us one of the best-placed foreign banks. In addition, in 2005 we took a strategic stake in China Bohai Bank – the first joint-stock commercial bank to be granted a national

licence in China since 1996. We are also focused on the opportunities presented by the Pearl River Delta – one of the world's fastest-growing economic zones, which accounts for about one-third of China's exports.

In South Korea, Asia's third-largest economy with a population of 47 million, we bought Korea First Bank. There are now 407 branches re-branded as SC First Bank and we see excellent prospects in this market.

Our alliances also offer opportunities to us. Through relatively modest investments in companies such as Fleming Family & Partners and Travelex, we have created mutually attractive opportunities to access significant customer groups with new offerings and products.

Future growth

Our strategy for the future is based on building our existing businesses, and our geographic footprint presents many opportunities for continued organic growth. We will, however, consider an acquisition or alliance where it complements our existing business, either by extending our geographic or customer reach or broadening our product range.

We adopt a very disciplined approach towards acquisitions. Any acquisition has to fulfil the following criteria:

- First and foremost, it must deliver shareholder value within an acceptable timeframe.
- Secondly, it must have strategic fit and allow us to do something we could not do organically. For example, it might deliver a step change to the scale of our presence in a market. It might offer us access to an under-penetrated and rapidly developing banking sector, or to a young and growing population. It might also complement our existing geographies by giving us a presence in a particularly dynamic economy with strong growth prospects.
- Thirdly, any acquisition must offer an optimal trade-off of resource allocation against organic growth opportunities.

As you would expect, we are often presented with opportunities in our markets, or in new sectors or new geographies for us. And we have a team focused on making sure we explore all these possibilities carefully.

For all of our shareholders, we continue to ensure the Group is focused on performance and also has robust corporate governance.

Governance

It is my strongly held view that good performance and good governance reinforce each other. Under Mervyn's leadership, the management team continues to deliver strong performance.

This performance is underpinned by the Group's strong compliance culture and risk management.

As Chairman, I will continue to ensure that our overall corporate governance is robust. The scale of the business is changing and as Standard Chartered increases in scale and complexity, the Board will ensure that the governance and structure of the Group keep pace – responding to escalating regulatory requirements as well as the rapid growth of the business. A strong Board that successfully combines relevant but varied experience and skills is essential to challenge and support management, particularly through periods of rapid growth and change, such as that which the Group is now experiencing.

Closely allied to corporate governance is the concept of good corporate citizenship. Our two global projects, Seeing is Believing and Living with HIV, were chosen because our involvement continues to make a difference – to lives and to livelihoods.

You may recall that on World Sight Day in 2004, we set a Seeing is Believing target to raise funds in three years for one million sight restorations. I am delighted to tell you that we met that fundraising target early, through the efforts and generosity of many, many people, and the money is now being deployed to make those sight restorations a reality. We are considering what happens next for Seeing is Believing and there remains great enthusiasm among our customers and employees for this programme.

Our Living with HIV campaign is also progressing well. Improving education and understanding around HIV is not only a social need but it is also of real commercial significance to Standard Chartered. HIV is regrettably an overwhelming reality in many of the countries in which we operate. Improving understanding of the disease, and how it can be treated, can help us to maintain a healthy, stable workforce.

We want to ensure that our people have access to the knowledge that they need to protect themselves, their families, and the communities where they live.

We are very proud of our contributions in these two areas of need and believe that being a genuinely caring corporate citizen is integral to our success in our markets.

Non-executive Directors retiring

I wish to pay tribute to two members of the Board who are retiring. Non-executive Director Mr Ho KwonPing has played an important part in the governance of the Group and, as already announced, will retire from the Board at the conclusion of today's meeting. KwonPing has served on the Board since 1996 and I would like to thank him most warmly for the valuable contribution he has made during this important period for the Group.

The second retirement I have to announce is that of Hugh Norton. Hugh has been on the Board since 1995. He is the Senior Independent Director, he serves as the Chairman of the Board Remuneration Committee and he is a member of the Audit & Risk and the Board Nomination Committees. He has made a significant contribution to the governance, strategy and strength of the Company as it stands today and we will miss his challenge, his counsel and his insights. Hugh will retire from the Board at the end of 2006.

Looking forward, I am pleased to inform you that Ruth Markland will succeed Hugh as Chairman of the Board Remuneration Committee at the end of today's Annual General Meeting and that the new Senior Independent Director of the Standard Chartered Board when Hugh retires will be Rudy Markham.

I believe that Standard Chartered has a first-class Board, which works well as a team, with each Director bringing a unique perspective and experience to bear in support of your Company.

So, in closing, let me reaffirm to you that Standard Chartered is in good shape and making strong progress. Our markets' economic conditions play to our strengths and management is focused on realising the opportunities they present. We are executing our strategy well and making good progress.

Thank you for your support.

Mervyn Davies, Group Chief Executive

Standard Chartered has undergone significant change in the last few years. Today I would like to share four aspects with you.

The first is balance. We have worked hard to enhance the balance and diversity of the Group and its performance. The 2005 results clearly demonstrate this. For example:

- In 2005, our two businesses, Wholesale and Consumer Banking, each contributed about 50 per cent of income and profit.
- In 2005, eight of our markets each contributed profit of more than \$100 million, compared with five in 2003.

Second, the scale of the Bank is changing.

- Our customer base has grown from seven million in 2003 to 12 million customers today.
- We have expanded from 450 branches to 1,200 today.

Third, this is a Bank with a relentless focus on performance. One example of this is Korea, where we have demonstrated the capability and capacity to seize opportunities when they arise and to convert them rapidly into profit-generating Standard Chartered businesses. SC First Bank became accretive to earnings in the second half of 2005, in advance of the 2006 commitment we made at the time of the transaction.

Fourth, underlying this progress are our people: a team of diverse and talented individuals who have worked together tirelessly to transform the Bank. I want to take this opportunity to thank all of our employees for their invaluable contribution.

At this point, I do have some sad news. Christopher Castleman, who served as an executive director for 10 years from 1991, died recently. After retiring, Christopher continued to work closely with our Wholesale Banking business and as an adviser to the Board.

Christopher was passionate about everything he undertook, and his strategic thinking helped shape the Bank into the strong and focused company it is today. He will be sadly missed.

Current Progress

Turning to current progress, our performance this year to date is in line with the outlook that we gave at our 2005 Results presentation and in our 2005 Annual Report. We are seeing good income momentum in both businesses and across almost all our geographies.

We are maintaining our disciplined approach to managing expenses and, for the Group as a whole, expense growth for the full year will be broadly in line with income growth.

We continue to manage risk proactively. In Consumer Banking, we said that Taiwan's credit card market would be a challenge in 2006 and it is proving to be even more so than previously anticipated. Elsewhere, loan impairment charges in Consumer Banking are growing only in line with the size and mix of the book. In Wholesale Banking, the generally benign credit environment in many of our markets continues: new provisions remain low; though, as expected, recoveries and releases are less than 2005.

So, overall, the Group's progress in the first few months of 2006 continues to be good.

Future focus

Looking ahead, we are confident that we can continue to build on our track record for good performance, and we are optimistic about the future.

Thank you for your continued support as shareholders.

- END -

For further information, please contact:

Sean Farrell, Head of Media Relations +44 (0) 20 7280 7163
Romy Murray, Head of Investor Relations +44 (0)20 7280 7245

Note to editors:

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

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

Standard Chartered has a history of over 150 years in banking and is in many of the world's fastest growing markets. It has an extensive global network of over 1,200 branches (including subsidiaries, associates and joint ventures) in 56 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas. As one of the world's most international banks, Standard Chartered employs almost 44,000 people, representing 89 nationalities, worldwide.

Standard Chartered's strengths lie in its breadth, diversity and balance and is trusted across its network for its standard of governance and corporate responsibility. The Bank is committed to all its stakeholders by living its values in its approach to managing its people, exceeding expectations of its customers, making a difference in the communities that we operate in and working with its regulators.

Standard Chartered uniquely derives 95% of profits from Asia, Africa and the Middle East. Serving both Consumer and Wholesale Banking customers, the Bank combines deep local knowledge with global capability to offer a wide range of innovative products and services as well as award winning solutions.

Some of the major awards won in 2005 by the Bank include:

1. IFR Asia's Domestic Bond House of the Year
2. Finance Asia's Best Local Currency Bond House & Best Securitisation House
3. Asia Risk's Interest Rates Derivatives House of the Year
4. Trade Finance's Best Trade Finance Bank in Sub Saharan Africa
5. Global Custodian's Best Agent Bank in Asia
6. The Asset's Best Cash Management Bank for South Asia
7. Retail Banker International's Best Retail Bank in Asia Pacific.

For more information on Standard Chartered, please log on to www.standardchartered.com