TO CITY EDITORS **4 August 2004**
FOR IMMEDIATE RELEASE

STANDARD CHARTERED PLC RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2004

HIGHLIGHTS

STANDARD CHARTERED PLC RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2004

Results

- Profit before tax up 52 per cent to $1,106 million, compared with $730 million* in H1 2003 (H2 2003: $829 million*).
- Net revenue up 16 per cent to $2,722 million from $2,340 million* (H2 2003: $2,400 million*).
- Costs (including goodwill) up 14 per cent to $1,475 million (H1 2003: $1,296 million*; H2 2003: $1,338 million*).
- Debt charge down 55 per cent to $139 million (H1 2003: $308 million; H2 2003: $228 million).
- Normalised earnings per share up 41 per cent at 57.9 cents (H1 2003: 41.0 cents; H2 2003: 49.6 cents).
- Normalised return on equity reaches 19.0 per cent (H1 2003: 14.3 per cent; H2 2003: 16.7 per cent).
- Interim dividend per share increased by 10 per cent to 17.06 cents.

Significant achievements

- Record first half profits
- Consumer Banking operating profit up 47 per cent
- Wholesale Banking operating profit up 31 per cent
- Incorporated local business in Hong Kong, ahead of schedule
- Acquisition of PrimeCredit

Commenting on these results, the Chairman of Standard Chartered PLC, Bryan Sanderson, said:

"The Group has achieved another strong half-year performance and we see good growth across most of our markets. We are an increasingly confident bank with a growing track record for performance, strongly positioned in a number of vibrant and growing economies. We intend to take full advantage of these positive conditions."

*Comparative restated (see note 6 on page 41).

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Unless another currency is specified, the word "dollar" or symbol "$" in this document means United States dollar.

STANDARD CHARTERED PLC - SUMMARY OF RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2004

	6 months ended 30.06.04 $m	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
RESULTS			
Net revenue	**2,722**	2,340	2,400
Provisions for bad and doubtful debts and contingent liabilities	**(139)**	(308)	(228)
Profit before taxation	**1,106**	730	829
Profit attributable to shareholders	**746**	481	549
BALANCE SHEET			
Total assets	**129,135**	119,846	120,224
Shareholders' funds:			
Equity	**7,367**	6,829	6,897
Non-equity	**655**	625	649
Capital resources	**14,571**	13,343	14,127
INFORMATION PER ORDINARY SHARE	**Cents**	Cents	Cents
Earnings per share – normalised basis	**57.9**	41.0	49.6
basic	**61.2**	38.7	43.8
Dividend per share	**17.06**	15.51	36.49
Net asset value per share	**628.4**	585.0	588.9
RATIOS	**%**	%	%
Post-tax return on equity – normalised basis	**19.0**	14.3	16.7
Cost income ratio – normalised basis	**53.2**	53.6	53.2
Capital ratios:			
Tier 1 capital	**9.2**	8.5	8.7
Total capital	**15.6**	14.3	14.6

* Comparative restated (see note 6 on page 41).

Results on a normalised basis reflect the Group's results excluding amortisation of goodwill, profits/losses of a capital nature, profits/losses on repurchase of share capital and subordinated debt.

I am pleased to report that the Group has achieved another strong half-year performance.

While we have certainly had the advantage of a 'fair wind' in some of our markets, we have delivered real growth and productivity improvement, extending our track record of consistent performance.

First Half Results

Revenue is up 16 per cent on the first half of 2003, pre-tax profit is up 52 per cent. The Board has approved an interim dividend of 17.06 cents. In addition we have achieved strong earnings per share growth with EPS up 41 per cent.

Creating the Right Governance Structure

It is important that we have the right governance platform to ensure we sustain our strong performance. Good governance not only underpins shareholder confidence that we are a well-run institution, but it also adds value to our business.

We have made a number of changes to the Board structure to bring us in line with the new Combined Code. These include: the creation of a new Nomination Committee, the establishment of a separate Remuneration Committee and the appointment of a Senior Independent Director, Hugh Norton.

In addition we have appointed four new high-calibre Non-Executive Directors; Paul Skinner, Ruth Markland, Jamie Dundas and Oliver Stocken. Each brings a wealth of experience in our key markets.

These changes have strengthened the Board and increased its diversity and breadth of international and financial experience.

It is essential that the Board is there to question and challenge the management of the Company. The Non-Executive Directors are there to provide support and encouragement but not comfort.

I am confident that we have the right Board with the right expertise to take our Company forward.

Community

Many things help define the culture of a company, and our work in the area of Corporate Social Responsibility sets us apart.

Nothing has quite gripped the imagination and hearts and minds of our staff like "Seeing is Believing", which has already restored sight to 68,000 people. That's why we are expanding our "Seeing is Believing" programme with the target of restoring sight to one million people over the next three years.

We will continue with our AIDS programme, "Living with HIV", and extend this to include the provision of anti-retroviral drugs for employees and their immediate dependents. We aim to break down the myths surrounding HIV, a pandemic that is not only present in our markets but across the globe.

We are also launching a new initiative around our marathon sponsorships in Hong Kong, Singapore, Mumbai and Nairobi. This is another demonstration of the strength of our brand.

Positioning for Growth

Our strategy is threefold:

We will pursue organic growth across our markets with small add-ons to fill gaps in our coverage and extend our product range. Second, we will build on our long history in China: in the Pearl River Delta by using and enhancing our Hong Kong base; and by seeking alliances with one or more local banks to cover the key economic areas. The incorporation last month of our local business in Hong Kong will help us take advantage of closer economic integration with mainland China.

Third, we will examine acquisitions in a few selected markets where we would like to be much bigger, faster. However, financial discipline will be at the top of our agenda, as demonstrated earlier this year in South Korea. We reached a point where we were unwilling to proceed with discussions on KorAm and opted to take a profit of $95 million on our stake.

We are successfully building a broader base with a growing proportion of our revenue coming from India, Africa and the Middle East. This diversity of earnings opens up opportunities which we are well positioned to capitalise on.

Growth in Our Markets

As one of the world's most international banks we are operating under economic conditions that are considerably different from our OECD counterparts. Right now, we see good growth across most of our markets. Despite uncertainties, such as rising interest rates, the upward trend in oil prices and the threat of terrorist shocks, we expect this growth to continue.

What distinguishes us is that we are an increasingly confident bank with a growing track record for performance, strongly positioned in a number of vibrant and growing economies. We intend to take full advantage of these positive conditions. However, we will be disciplined and consistent performance remains our top priority.

Bryan Sanderson CBE
Chairman
4 August 2004

STANDARD CHARTERED PLC – GROUP CHIEF EXECUTIVE'S REVIEW

In the first half of 2004 we have continued to deliver strong financial performance, achieving a record profit of $1,106 million, an increase of 52 per cent half year on half year. Revenue has increased 16 per cent and the momentum in our businesses is strong.

Our aspiration is to become the world's best international bank, leading the way in Asia, Africa and the Middle East.

Over the last two years our management team has been committed to improving performance and taking returns to a higher level. We have achieved this and will continue to deliver for our shareholders, while sustaining the growth and investment in our businesses.

We have made a number of one-off gains in the first half, which have contributed to our strong results, including the disposal of our stake in Bank of China (BOC Hong Kong (Holdings) Limited) for a profit of $36 million, and our holding in KorAm for a profit of $95 million.

Offsetting these gains we took the opportunity to repurchase some surplus subordinated debt in India, where we paid a premium of $21 million. We also incurred one-off costs of $18 million for incorporating our business in Hong Kong.

Progress on our Management Agenda

At our annual results in February 2004 we outlined six key priorities for 2004:

- Accelerate Consumer Banking revenue and growth
- Drive returns in Wholesale Banking
- Step up growth in India
- Build China options
- Deliver technology benefits
- Begin out-serve journey

We continue to make excellent progress on our near term management agenda. We have a very clear and ambitious strategy and we are making the right strategic moves to deliver against it.

Consumer Banking

Consumer Banking is a high growth, high return on equity business. In the first half of 2004 revenues increased by ten per cent.

Our good performance last year allowed us to accelerate the pace of investment to capture growth opportunities. Costs therefore increased by 13 per cent. This investment is already paying off and we have seen strong double-digit revenue growth in countries like Thailand, UAE, Bangladesh and Malaysia.

Costs remain in line with the second half of 2003, up two per cent, as investment in distribution and product capabilities is maintained to capitalise on the opportunities in our markets.

Overall, bad debts have fallen by 47 per cent. Bad debts in Hong Kong have fallen more quickly than expected and outside Hong Kong, bad debt levels have improved as a result of the investments in our risk discipline and a benign credit environment.

We have seen excellent customer acquisition in wealth management through innovative products such as retail bonds and investment products, the beginnings of what is a strong international banking proposition, solid progress in cards and we are continuing to gain market share in mortgages.

Consumer Banking is now becoming a broader, more customer-centric business with a growing product set. However, the market is changing and there are a number of businesses where we are currently a small player - for example, we have a small market share in the SME (Small and Medium sized Enterprises) business. This is a very profitable segment and we have now developed new SME product propositions that we are rolling out, initially in Hong Kong, Singapore and Thailand.

We have not been present in the consumer finance business in Asia. Consequently, we acquired PrimeCredit in Hong Kong - this acquisition is small but is important for our entry.

to the consumer finance market. We will learn from this acquisition as we look to expand this business in the region.

Demographic changes in our markets and increasing demand for banking products gives us many growth opportunities in Consumer Banking. We intend to seize these opportunities.

Wholesale Banking

The transformation of our Wholesale Banking business continues apace and it is now beginning to deliver on its potential - with positive jaws (the gap between revenue and cost increases), a broader product capability with a significant expansion of the global markets business, a good trade-off of revenue and risk and, as a result of all these, improved returns on tightly controlled economic capital.

Revenues have increased by 13 per cent with particularly good growth in global markets and commercial banking products.

Costs have increased in the first half due to the increased investment in product capabilities, including debt capital markets, derivatives, investment in infrastructure and also an increase in performance-driven variable compensation. We believe all of these measures will prove to be good investments and will deliver strong returns.

Bad debts remained at a very low level in the first half, due to good risk management and a benign credit environment.

We believe that we have much more potential as we widen our product array. Our constant focus is on balancing risk with reward and delivering good returns.

Hong Kong and Greater China

Hong Kong is our largest market and China is at the heart of our growth strategy. On 1 July 2004, we incorporated our Hong Kong business, which will provide the Group with an opportunity to further capitalise on the business advantages created as a result of the closer economic integration between Hong Kong and China.

We have seen a significant improvement in economic conditions in Hong Kong from last year and the bankruptcy problem has improved considerably on the back of reduced unemployment levels. However consumer spending remains sluggish. We are changing our business model, expanding our branch footprint, refurbishing branches and launching a marketing campaign to win market share.

China remains a key priority for us. We are applying for new licences, driving forward our branch expansion plans and extending our Hong Kong business into the Pearl River Delta. We are developing the right growth options and have the scale to be a big player.

India

India is a country where we have huge ambitions. It is also a market in which we have seen strong growth in favourable economic conditions.

We have grown our sales force dramatically over the last 12 months. We have already added 2,200 new sales agents, expanded our ATM network and we will open 11 new branches in the second half, extending our coverage to 40 cities next year.

Technology and Operations

In Technology and Operations we are now a leader in our industry in hubbing of operational and analytical roles. Our Shared Service Centres in Chennai and Kuala Lumpur give us operating scale, allowing us to control our costs.

We are also at the forefront in terms of developing systems and software offshore. This has allowed us to build innovative systems to support our customers, particularly in Consumer Banking.

Focus on Service

Although we are one of the leading banks in service in the markets we operate in, our goal is to provide excellent service. In some areas, for example, Priority Banking globally and 20twenty in South Africa we already do this. We want to make every customer experience as good as the best ones that we offer today. We are absolutely committed to making this happen because we believe stronger customer satisfaction and loyalty will ultimately lead to improved returns.

Growth in Other Markets

Middle East South Asia

We are growing rapidly in the Middle East South Asia region, taking advantage not only of the size and sophistication of the banking population in this region - approximately 470 million people - but also the fragmented competition.

Our growth is broad-based across a number of countries - UAE, Qatar, Pakistan, Bangladesh and Bahrain are performing well.

Africa

Africa has had a good first half - particularly in Wholesale Banking. Strong commodity prices and US investment in the oil and infrastructure sectors have accelerated growth across the region.

Our growth strategy is focused on Nigeria and South Africa, but we are also doing well in markets like Tanzania, Uganda and Botswana.

Disciplined Growth

As we position the Company for accelerated growth, we will ensure that the engine of the Bank is fuelled with effective processes and controls, good risk discipline and the right systems and infrastructure.

Strong processes and controls will make us more nimble and forward-looking in a changing world. And it makes us more confident as we step up the pace of growth.

The Outlook - Delivering Today, Investing for Tomorrow

Our performance in the first half has been strong. However, there is no room for complacency. The external environment is still prone to shocks and there are a number of uncertainties. We have to stay focused and keep on delivering, just as we have done in the last few years.

We have a clear and ambitious strategy, a confident management team and there are plenty of opportunities in our markets.

We are confident we will continue to deliver improved performance.

Mervyn Davies CBE
Group Chief Executive
4 August 2004

STANDARD CHARTERED PLC – FINANCIAL REVIEW

GROUP SUMMARY

The Group delivered another strong performance in the six months ended 30 June 2004 with a record profit before tax of $1,106 million, up 52 per cent on the equivalent period last year. Normalised earnings per share has grown by 41 per cent to 57.9 cents. (Refer to note 4 on page 39 for the details of basic and diluted earnings per share).

The first half performance was driven by broad-based growth across geographies and products and an excellent debt performance. The results have also benefited from two one-off gains reported within other operating income. In January 2004 the Group sold its investment in BOC Hong Kong (Holdings) Limited realising a net profit of $36 million and in May 2004, it disposed of its investment in KorAm realising a net profit of $95 million. These gains were partially offset by a $21 million premium paid on the repurchase of surplus subordinated debt in India. One-off costs of $18 million were incurred on incorporating the Group's business in Hong Kong. The effect of these gains and charges, all of which arose from corporate decisions taken at the centre and are non-recurring in nature, have not been attributed to the Consumer Banking and Wholesale Banking businesses in the business segmental results. Profit before tax adjusted for these one-off gains and charges increased by 39 per cent compared to the first half of 2003.

The Group has adopted fully the provisions of FRS 17 "Retirement Benefits" for the first time and prior period figures have been restated. See note 6 on page 41.

Net revenue has grown by 16 per cent in total to $2,722 million compared to the first half of last year. The increase is 12 per cent when adjusted for the one-off items above. Both Consumer Banking and Wholesale Banking achieved double digit revenue growth. Business momentum is strong.

Net interest income grew by six per cent to $1,546 million. A fall in interest margins from 2.8 per cent to 2.7 per cent has been offset by 11 per cent growth in average earning assets. Interest spread fell from 2.6 per cent to 2.4 per cent.

Net fees and commissions increased by 24 per cent from $536 million to $665 million. Growth was seen in every region, driven by wealth management, mortgages and corporate advisory services.

Revenue from dealing profits grew by 21 per cent from $274 million to $332 million, largely driven by customer led foreign exchange dealing. In particular, retail foreign exchange performed well.

Other operating income at $176 million compares to $79 million for the same period last year. The increase reflects the profit on disposal of investments in KorAm and BOC Hong Kong (Holdings) Limited. This was partly offset by a fall in profits on investment securities as a result of a programme to reduce the risk in the book in 2003 and the premium on the repurchase of subordinated debt in India.

Total operating expenses increased from $1,296 million to $1,475 million. Of this increase $18 million resulted from incorporating the business in Hong Kong and $21 million from accelerated goodwill amortisation. The adjusted cost increase, excluding goodwill, was 11 per cent, broadly in line with adjusted revenue growth. The normalised cost income ratio has fallen from 53.6 per cent in the first half of 2003 to 53.2 per cent in the current period. With strong revenue growth, the Group continued to invest for growth and increased spend on its regulatory and control infrastructure.

Provisions for bad and doubtful debts fell by 55 per cent to $139 million. This excellent performance is a direct result of significantly strengthened risk management discipline, as well as a favourable credit environment.

CONSUMER BANKING

Consumer Banking showed strong momentum with operating profit up 47 per cent over the first half of 2003 to $524 million. The accelerated investment in growth opportunities in the second half of 2003 is delivering results. Revenue increased by ten per cent to $1,335 million, driven by strong asset growth of 15 per cent outside Hong Kong and an increased contribution across all product segments. Investing for growth has led to a 13 per cent increase in costs when compared to the first half of 2003, but only two per cent when compared to the second half of 2003. The bad debt charge fell by 47 per cent. The debt charge in Hong Kong fell significantly and charges elsewhere also improved.

Hong Kong delivered an excellent increase in operating profit of 117 per cent to $234 million. This was largely driven by a lower debt charge and tight cost control. Revenue grew by five per cent to $489 million. Strong margin growth in mortgages and a good performance in wealth management was offset by subdued asset levels across the market.

In Singapore, operating profit was broadly flat at $90 million in an intensely competitive environment. Despite contracting margins, revenue growth was four per cent, fuelled by wealth management and asset growth in Business Financial Services.

Operating profit in Malaysia was up 21 per cent to $35 million with strong performance across all products. Revenue grew by 13 per cent. Continued margin pressure in the mortgage portfolio was offset by higher volume. Wealth management revenue increased significantly, driven by unit trust sales.

In Other Asia Pacific, operating profit at $37 million was constrained by growth in costs which increased by 29 per cent to $112 million as the Group took advantage of growth opportunities, particularly in South Korea and China. There was good profit growth in Taiwan fuelled by investment services sales and retail deposits. Revenue in Thailand grew by 35 per cent driven by credit cards and personal loans. Wealth management and personal loans contributed to revenue growth of 21 per cent in Indonesia.

In India, strong asset growth and a lower debt charge drove operating profit up by 72 per cent to $43 million, despite contracting margins. Costs increased by $11 million to $70 million as a result of continued investment to support the rapid business growth and enhanced risk management.

Operating profit in the UAE increased by $6 million to $30 million with revenue up by 18 per cent, driven by credit cards and personal loans. Costs were higher than the equivalent period in 2003, reflecting the continued investment from the second half of 2003. Elsewhere in MESA operating profit grew by 14 per cent to $32 million with strong performances in Bangladesh, and Bahrain.

In Africa, operating profit has increased by ten per cent, with revenue up by 24 per cent to $107 million. This was largely driven by asset growth in Botswana, Nigeria and Uganda and improved margins in Zimbabwe. Costs have grown by 26 per cent. This was driven by continued investment in Nigeria and South Africa and inflationary pressures.

The Americas, UK and Group Head Office has seen an increase in operating profit from $5 million to $12 million, largely driven by tight cost control. The business has been refocused on a new international banking offering which has delivered promising growth in the first half of 2004 through five international booking centres.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

The following tables provide an analysis of operating profit by geographic segment for Consumer Banking:

6 months ended 30.06.04

	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Consumer Banking Total $m
Net revenue	**489**	**168**	**88**	**180**	**124**	**59**	**81**	**107**	**39**	**1,335**
Costs	**(200)**	**(58)**	**(45)**	**(112)**	**(70)**	**(25)**	**(44)**	**(93)**	**(27)**	**(674)**
Charge for debts	**(55)**	**(20)**	**(8)**	**(31)**	**(11)**	**(4)**	**(5)**	**(3)**	**-**	**(137)**
Operating profit	**234**	**90**	**35**	**37**	**43**	**30**	**32**	**11**	**12**	**524**

6 months ended 30.06.03*

	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Consumer Banking Total $m
Net revenue	464	161	78	157	107	50	66	86	40	1,209
Costs	(192)	(53)	(40)	(87)	(59)	(20)	(36)	(74)	(34)	(595)
Charge for debts	(164)	(19)	(9)	(32)	(23)	(6)	(2)	(2)	(1)	(258)
Operating profit	108	89	29	38	25	24	28	10	5	356

6 months ended 31.12.03*

	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Consumer Banking Total $m
Net revenue	490	167	84	176	116	52	72	84	38	1,279
Costs	(218)	(57)	(38)	(100)	(67)	(26)	(46)	(84)	(24)	(660)
Charge for debts	(118)	(21)	(10)	(26)	(36)	(5)	(3)	(2)	1	(220)
Operating profit	154	89	36	50	13	21	23	(2)	15	399

*Comparative restated (see note 6 on page 41).

An analysis of Consumer Banking revenue by product is set out below:

Revenue by product	**6 months ended 30.06.04 $m**	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
Cards and Personal Loans	**538**	506	537
Wealth Management / Deposits	**425**	403	402
Mortgages and Auto Finance	**351**	283	320
Other	**21**	17	20
	1,335	1,209	1,279

*Comparative restated (see note 6 on page 41).

Cards and personal loans have delivered a stable performance with six per cent growth in a very competitive price environment. Hong Kong has returned to profitability despite eight per cent decline in cards outstandings, as bankruptcy losses continued to fall sharply. Outside of Hong Kong, the portfolio grew by over ten per cent.

Wealth management revenue has increased by five per cent to $425 million with strong demand for investment products, partially offset by compression in deposit margins.

Mortgages and Auto Finance revenue has grown by 24 per cent to $351 million driven by new product successes, increased fee income and, in Hong Kong, improved margins.

Costs in Consumer Banking have increased by $79 million to $674 million, 13 per cent. This was a direct result of the continued pace of investment in distribution and products which began in the second half of 2003. Cost growth over the second half of 2003 was two per cent.

The net charge for debts in Consumer Banking has fallen by 47 per cent to $137 million. Bankruptcy charges in Hong Kong have fallen significantly from $104 million in first half of 2003 to $40 million in the current period. This reduction was better than the industry average over the period. Outside of Hong Kong, the debt charge also improved despite 15 per cent asset growth, testimony to the success in reinforcing risk management across all geographies.

WHOLESALE BANKING

Wholesale Banking had a very successful first half of 2004 with operating profit up 31 per cent at $578 million. This has been achieved on tightly controlled economic capital. Revenue has increased by 13 per cent to $1,277 million, with good growth across all product segments in global markets and commercial banking. Customer revenues were up by more than 20 per cent. Costs have increased by ten per cent due to increased investment in product capabilities such as debt capital markets and derivatives, increased spend on infrastructure and controls, and an increase in performance driven compensation. The net debt charge remained at a very low level. This reflected success in changing the risk profile of the business and also a benign credit environment.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

The following tables provide an analysis of operating profit by geographic segment for Wholesale Banking:

6 months ended 30.06.04

	Asia Pacific Hong Kong $m	Asia Pacific Singapore $m	Asia Pacific Malaysia $m	Asia Pacific Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Wholesale Banking Total $m
Net revenue	**201**	**97**	**51**	**222**	**136**	**75**	**95**	**163**	**237**	**1,277**
Costs	**(112)**	**(58)**	**(29)**	**(133)**	**(46)**	**(25)**	**(36)**	**(73)**	**(183)**	**(695)**
Charge for debts	**(37)**	**3**	**7**	**17**	**-**	**4**	**7**	**4**	**(7)**	**(2)**
Amounts written off fixed asset investments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2)**	**(2)**
Operating profit	**52**	**42**	**29**	**106**	**90**	**54**	**66**	**94**	**45**	**578**

6 months ended 30.06.03 *

	Asia Pacific Hong Kong $m	Asia Pacific Singapore $m	Asia Pacific Malaysia $m	Asia Pacific Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Wholesale Banking Total $m
Net revenue	185	89	42	162	142	67	88	125	231	1,131
Costs	(107)	(52)	(31)	(129)	(40)	(22)	(28)	(60)	(165)	(634)
Charge for debts	(17)	-	5	(31)	1	8	10	(8)	(18)	(50)
Amounts written off fixed asset investments	-	-	-	-	(1)	-	-	-	(5)	(6)
Operating profit	61	37	16	2	102	53	70	57	43	441

6 months ended 31.12.03 *

	Asia Pacific Hong Kong $m	Asia Pacific Singapore $m	Asia Pacific Malaysia $m	Asia Pacific Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Wholesale Banking Total $m
Net revenue	216	69	31	186	101	65	89	148	216	1,121
Costs	(99)	(48)	(26)	(111)	(46)	(23)	(33)	(63)	(162)	(611)
Charge for debts	(6)	7	16	(10)	(2)	1	(1)	3	(16)	(8)
Amounts written off fixed asset investments	-	-	-	-	(3)	-	-	-	(2)	(5)
Operating profit	111	28	21	65	50	43	55	88	36	497

*Comparative restated (see note 6 on page 41).

In Hong Kong, net revenue grew by nine per cent from $185 million to $201 million. The growth was driven by foreign exchange and derivatives on the back of strong trade flows. Costs were $5 million higher at $112 million with continued investment in the front office partially offset by reduction in technology costs.

Revenue in Singapore grew by nine per cent. Strong customer revenue more than offset a decline in revenue from asset and liability management. The increase in costs from $52 million to $58 million was mainly due to investment in risk and governance infrastructure.

In Malaysia, revenue increased from $42 million to $51 million with good growth in global markets products facilitated by a wider product mix and advisory services. Costs have been tightly controlled.

The Other Asia Pacific region had an exceptional performance with strong growth in the Philippines, Taiwan, Thailand and Indonesia. Revenue grew by 37 per cent to $222 million. This increase was broadly spread across the commercial banking and global markets product range. Costs were well managed.

In India, profit on the sale of investment securities arising as a result of a programme, to reduce the risk in the book, was significantly lower. Excluding the effect of this, revenue grew by around 30 per cent to $136 million. This reflected broad based product growth with positive contribution from all customer segments. The increase in costs of 15 per cent to $46 million has been driven by investment in new businesses, people and infrastructure to capture further growth opportunities.

In the UAE revenue increased by 12 per cent to $75 million, driven largely by foreign exchange, cash management and structured global markets products. Elsewhere in the region revenue grew from $88 million to $95 million, led by strong cross-sell opportunities for global markets products. The increase in costs in the region was due to expansion into Iraq and Afghanistan, investment in infrastructure and continued strengthening of risk and governance functions.

In Africa, revenue at $163 million was 30 per cent higher than the first half of 2003. Strong commodity prices and relative economic stability in a number of key markets have contributed to this result. Costs grew by 22 per cent, mainly due to inflationary pressure and expansion in Nigeria and South Africa.

The Americas, UK and Group Head Office has seen revenue increase of three per cent to $237 million. Strong fees and commissions were partially offset by reduced yield on asset and liability management.

An analysis of Wholesale Banking revenue by product is set out below:

Revenue by product	**6 months ended 30.06.04 $m**	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
Trade and Lending	**433**	393	422
Global Markets	**615**	553	501
Cash Management and Custody	**229**	185	198
	1,277	1,131	1,121

*Comparative restated (see note 6 on page 41).

Trade and lending revenue has increased by ten per cent to $433 million. Strong growth was seen in Hong Kong and Singapore underpinned by strong intra-Asian trade flows, and in Africa.

Global markets revenue has grown strongly at 11 per cent. Investment in new product capability in debt capital markets, structured trade and derivatives has started to deliver good returns. The decline in revenue from asset and liability management in 2003 has stabilised with changes in interest rate direction and the shape of the yield curve.

Cash management and custody was up by 24 per cent reflecting both strong volume growth, particularly in India and Africa, and stabilising margins.

Costs in Wholesale Banking have increased by ten per cent. This was due to further investment for growth, increased spending on infrastructure and controls, and higher performance driven costs, largely due to variable compensation.

The Wholesale Banking debt charge was $2 million compared to $50 million in the previous period. Gross provisions were down by over 40 per cent with recoveries lower by 15 per cent. This has been achieved through continued enhancement of risk management processes and improvement in the risk profile, together with a favourable credit environment.

RISK

Risk is inherent in the Group's business and the effective management of that risk is seen as a core competency within Standard Chartered. Through its risk management structure the Group seeks to manage efficiently the eight core risks: credit, market, country and liquidity risk arise directly through the Group's commercial activities whilst business, regulatory, operational and reputational risk are a normal consequence of any business undertaking. The key element of our risk management philosophy is for the risk functions to operate as an independent control working in partnership with the business units to provide a competitive advantage to the Group.

Ultimate responsibility for the effective management of risk rests with the Company's Board of Directors who control and manage risk through the Audit and Risk Committee. The Audit and Risk Committee reviews specific areas of risk, and guides and monitors the activities of the Group Asset and Liability Committee and the Group Risk Committee.

All the Executive Directors of Standard Chartered PLC are members of the Group Risk Committee which is chaired by the Group Executive Director, Risk (GED Risk). This Committee has responsibility for determining the Group standards and policies for risk measurement and management, and also delegating authorities and responsibilities to various sub committees.

The GED Risk, together with Group Internal Audit, provides independent assurance that risk is being measured and managed in accordance with the Group's standards and policies.

Credit Risk

Credit risk is the risk that a counterparty will not settle its obligations in accordance with agreed terms.

Credit exposures include individual borrowers, connected groups of counterparties and portfolios, on the banking and trading books.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

Loan Portfolio

The following tables set out by maturity the amount of customer loans net of provisions:

	30.06.04				30.06.03			
	One year or less $m	**One to five years $m**	**Over five years $m**	**Total $m**	One year or less $m	One to five years $m	Over five years $m	Total $m
Consumer Banking								
Mortgages	**1,998**	**4,289**	**14,927**	**21,214**	2,144	4,372	14,055	20,571
Other	**5,107**	**3,431**	**1,757**	**10,295**	4,832	3,175	1,512	9,519
Total	**7,105**	**7,720**	**16,684**	**31,509**	6,976	7,547	15,567	30,090
Wholesale Banking	**26,161**	**4,355**	**2,032**	**32,548**	21,565	4,234	2,582	28,381
General provisions				**(386)**				(458)
Net loans and advances to customers	**33,266**	**12,075**	**18,716**	**63,671**	28,541	11,781	18,149	58,013

	31.12.03			
	One year or less $m	One to five years $m	Over five years $m	Total $m
Consumer Banking				
Mortgages	2,072	4,333	14,320	20,725
Other	4,963	3,551	1,903	10,417
Total	7,035	7,884	16,223	31,142
Wholesale Banking	22,561	4,545	1,921	29,027
General provisions				(425)
Net loans and advances to customers	29,596	12,429	18,144	59,744

The Group's loans and advances to customers are predominantly short term with over half the portfolio having a maturity of one year or less.

The longer term portfolio, with a maturity of over five years, mainly relates to Consumer Banking personal residential mortgages and term lending products.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

The following tables set out an analysis of the Group's net loans and advances as at 30 June 2004, 30 June 2003 and 31 December 2003 by the principal category of borrowers, business or industry and/or geographical distribution:

30.06.04

	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Loans to individuals										
Mortgages	**12,342**	**4,233**	**2,563**	**773**	**903**	**-**	**78**	**40**	**282**	**21,214**
Other	**1,995**	**2,016**	**418**	**2,306**	**1,166**	**718**	**1,193**	**375**	**108**	**10,295**
Consumer Banking	**14,337**	**6,249**	**2,981**	**3,079**	**2,069**	**718**	**1,271**	**415**	**390**	**31,509**
Agriculture, forestry and fishing	**-**	**40**	**54**	**62**	**22**	**-**	**40**	**143**	**325**	**686**
Construction	**56**	**39**	**19**	**63**	**63**	**91**	**100**	**21**	**5**	**457**
Commerce	**1,460**	**970**	**154**	**791**	**160**	**712**	**384**	**343**	**737**	**5,711**
Electricity, gas and water	**421**	**53**	**23**	**227**	**111**	**1**	**117**	**166**	**98**	**1,217**
Financing, insurance and business services	**1,714**	**947**	**375**	**718**	**335**	**720**	**292**	**41**	**1,032**	**6,174**
Loans to governments	**-**	**1,045**	**1,155**	**53**	**-**	**-**	**13**	**11**	**232**	**2,509**
Mining and quarrying	**-**	**1**	**66**	**40**	**-**	**98**	**79**	**40**	**345**	**669**
Manufacturing	**1,514**	**640**	**258**	**2,537**	**902**	**204**	**1,119**	**391**	**1,646**	**9,211**
Commercial real estate	**906**	**689**	**176**	**344**	**-**	**-**	**1**	**11**	**18**	**2,145**
Transport, storage and communication	**385**	**231**	**230**	**126**	**99**	**33**	**248**	**139**	**1,539**	**3,030**
Other	**49**	**96**	**137**	**124**	**30**	**36**	**184**	**19**	**64**	**739**
Wholesale Banking	**6,505**	**4,751**	**2,647**	**5,085**	**1,722**	**1,895**	**2,577**	**1,325**	**6,041**	**32,548**
General provision									**(386)**	**(386)**
Total loans and advances to customers	**20,842**	**11,000**	**5,628**	**8,164**	**3,791**	**2,613**	**3,848**	**1,740**	**6,045**	**63,671**
Total loans and advances to banks	**4,608**	**945**	**160**	**4,357**	**249**	**687**	**899**	**341**	**6,341**	**18,587**

Under "Loans to individuals - Other", $1,250 million (30 June 2003: $1,360 million; 31 December 2003: $1,371 million) relates to the cards portfolio in Hong Kong. The total cards portfolio is $3,289 million (30 June 2003: $3,249 million; 31 December 2003: $3,329 million).

Approximately 49 per cent (30 June 2003: 52 per cent; 31 December 2003: 52 per cent) of total Loans and Advances to Customers relates to the Consumer Banking portfolio, predominantly personal residential mortgages.

The Wholesale Banking portfolio is well diversified across both geography and industry. The Group does not have any significant concentrations in special interest industries such as Aviation, Telecoms and Tourism. Exposure to each of these industries is less than five per cent of Wholesale Banking Loans and Advances to Customers.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

	30.06.03									
	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Loans to individuals										
Mortgages	12,833	3,925	2,153	818	418	-	62	24	338	20,571
Other	2,285	1,726	598	1,781	980	631	1,076	282	160	9,519
Consumer Banking	15,118	5,651	2,751	2,599	1,398	631	1,138	306	498	30,090
Agriculture, forestry and fishing	4	6	74	36	20	-	25	81	267	513
Construction	60	33	28	32	6	86	17	30	4	296
Commerce	1,513	879	167	599	58	601	359	312	949	5,437
Electricity, gas and water	118	66	10	157	102	4	122	29	114	722
Financing, insurance and business services	1,578	773	365	643	112	383	262	167	1,268	5,551
Loans to governments	-	162	414	8	-	-	13	-	352	949
Mining and quarrying	-	8	37	26	5	34	57	43	569	779
Manufacturing	1,231	595	251	2,111	1,102	205	893	227	1,731	8,346
Commercial real estate	896	712	15	151	-	-	-	3	5	1,782
Transport, storage and communication	406	149	146	159	188	25	220	115	1,647	3,055
Other	17	35	59	181	-	25	179	37	418	951
Wholesale Banking	5,823	3,418	1,566	4,103	1,593	1,363	2,147	1,044	7,324	28,381
General provision									(458)	(458)
Total loans and advances to customers	20,941	9,069	4,317	6,702	2,991	1,994	3,285	1,350	7,364	58,013
Total loans and advances to banks	4,145	2,015	414	2,796	224	903	789	228	6,452	17,966

	31.12.03									
	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Loans to individuals										
Mortgages	12,536	4,029	2,246	831	640	-	67	30	346	20,725
Other	2,234	2,018	660	1,990	1,125	677	1,127	430	156	10,417
Consumer Banking	14,770	6,047	2,906	2,821	1,765	677	1,194	460	502	31,142
Agriculture, forestry and fishing	6	3	77	49	12	-	24	144	387	702
Construction	104	15	38	43	34	83	91	19	13	440
Commerce	1,350	1,001	190	717	30	619	394	398	725	5,424
Electricity, gas and water	327	36	32	240	56	3	69	127	84	974
Financing, insurance and business services	1,575	887	432	657	194	434	320	116	1,184	5,799
Loans to governments	-	61	748	8	-	-	13	-	281	1,111
Mining and quarrying	-	15	86	35	-	59	59	16	470	740
Manufacturing	1,326	780	214	2,016	943	179	916	283	1,738	8,395
Commercial real estate	873	716	7	250	-	-	1	18	3	1,868
Transport, storage and communication	491	150	222	118	71	30	237	114	1,513	2,946
Other	23	70	57	170	1	26	166	44	71	628
Wholesale Banking	6,075	3,734	2,103	4,303	1,341	1,433	2,290	1,279	6,469	29,027
General provision									(425)	(425)
Total loans and advances to customers	20,845	9,781	5,009	7,124	3,106	2,110	3,484	1,739	6,546	59,744
Total loans and advances to banks	2,113	1,045	204	2,784	239	605	889	308	5,167	13,354

Problem Credits

The Group employs a variety of tools to monitor the portfolio and to ensure the timely recognition of problem credits.

In Wholesale Banking, accounts are placed on Early Alert when they display signs of weakness. Such accounts are subject to a dedicated process involving senior risk officers and representatives from a specialist recovery unit, which is independent of the business units. Account plans are re-evaluated and remedial actions are agreed and monitored until complete. Remedial actions include, but are not limited to, exposure reduction, security enhancement, exit of the account or immediate movement of the account into the control of the specialist recovery unit.

In Consumer Banking, an account is considered to be in default when payment is not received on the due date. Accounts that are overdue by more than 30 days (60 days for mortgages) are considered delinquent. These are closely monitored and subject to a special collections process.

In general, loans are treated as non-performing when interest or principal is 90 days or more past due.

Consumer Banking

Provisions are derived on a formulaic basis depending on the product:

Mortgages: a provision is raised where accounts are 150 days past due based on the difference between the outstanding value of the loan and the forced sale value of the underlying asset.

Credit cards: a charge-off is made for all balances which are 150 days past due or earlier as circumstances dictate. In Hong Kong charge-off is currently at 120 days.

Other unsecured Consumer Banking products are charged off at 150 days past due.

For other secured Consumer Banking products a provision is raised at 90 days past due for the difference between the outstanding value and the forced sale value of the underlying asset. The underlying asset is then re-valued periodically until disposal.

It is current practice to provision and write-off exposure in respect of Hong Kong bankruptcies at the time the customer petitions for bankruptcy.

The Small and Medium Enterprises (SME) portfolio is provisioned on a case by case basis.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

The following tables set out the non-performing portfolio in Consumer Banking:

30.06.04

	Asia Pacific Hong Kong $m	Asia Pacific Singapore $m	Asia Pacific Malaysia $m	Asia Pacific Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Loans and advances Gross non-performing	**101**	**125**	**170**	**61**	**42**	**13**	**24**	**20**	**27**	**583**
Specific provisions for bad and doubtful debts	**(38)**	**(19)**	**(26)**	**(15)**	**(10)**	**(11)**	**(8)**	**(6)**	**(5)**	**(138)**
Interest in suspense	**(1)**	**(3)**	**(22)**	**(8)**	**(9)**	**(2)**	**(8)**	**(8)**	**(2)**	**(63)**
Net non-performing loans and advances	**62**	**103**	**122**	**38**	**23**	**-**	**8**	**6**	**20**	**382**
Cover ratio										**34%**

30.06.03

	Asia Pacific Hong Kong $m	Asia Pacific Singapore $m	Asia Pacific Malaysia $m	Asia Pacific Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Loans and advances Gross non-performing	144	109	192	72	46	14	26	15	26	644
Specific provisions for bad and doubtful debts	(55)	(16)	(25)	(17)	(6)	(11)	(7)	(5)	(5)	(147)
Interest in suspense	(1)	(3)	(23)	(10)	(8)	(3)	(7)	(7)	(2)	(64)
Net non-performing loans and advances	88	90	144	45	32	-	12	3	19	433
Cover ratio										33%

31.12.03

	Asia Pacific Hong Kong $m	Asia Pacific Singapore $m	Asia Pacific Malaysia $m	Asia Pacific Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Loans and advances Gross non-performing	138	115	192	63	43	16	23	18	10	618
Specific provisions for bad and doubtful debts	(48)	(17)	(26)	(15)	(11)	(11)	(8)	(7)	(5)	(148)
Interest in suspense	(1)	(3)	(23)	(9)	(9)	(5)	(8)	(7)	(2)	(67)
Net non-performing loans and advances	89	95	143	39	23	-	7	4	3	403
Cover ratio										35%

The relatively low Consumer Banking cover ratio reflects the fact that Standard Chartered classifies all exposure which is more than 90 days past due as non-performing, whilst provisions on unsecured lending are only raised at the time of charge-off. For secured products, provisions reflect the difference between the underlying assets and the outstanding loan (see details relating to the raising of provisions above).

Wholesale Banking

Loans are designated as non-performing as soon as payment of interest or principal is 90 days or more overdue or where sufficient weakness is recognised that full payment of either interest or principal becomes questionable. Where customer accounts are recognised as non-performing or display weakness that may result in non-performing status being assigned, they are passed to the management of a specialist unit which is independent of the main businesses of the Group.

For loans and advances designated non-performing, interest continues to accrue on the customer's account but is not included in income.

Where the principal, or a portion thereof, is considered uncollectable and of such little realisable value that it can no longer be included at its full nominal amount on the balance sheet, a specific provision is raised. In any decision relating to the raising of provisions, the Group attempts to balance economic conditions, local knowledge and experience and the results of independent asset reviews.

Where it is considered that there is no realistic prospect of recovering the principal of an account against which a specific provision has been raised, then that amount will be written off.

The following tables set out the total non-performing portfolio in Wholesale Banking including the portfolio covered by the Loan Management Agreement with a Thai Government Agency:

30.06.04

	Asia Pacific									
	Hong Kong $m	**Singapore $m**	**Malaysia $m**	**Other Asia Pacific $m**	**India $m**	**UAE $m**	**Other Middle East & Other S Asia $m**	**Africa $m**	**Americas UK & Group Head Office $m**	**Total $m**
Loans and advances Gross non-performing	**404**	**183**	**170**	**957**	**69**	**52**	**166**	**90**	**826**	**2,917**
Specific provisions for bad and doubtful debts	**(247)**	**(86)**	**(98)**	**(333)**	**(24)**	**(35)**	**(83)**	**(40)**	**(449)**	**(1,395)**
Interest in suspense	**(92)**	**(53)**	**(46)**	**(55)**	**(28)**	**(13)**	**(62)**	**(40)**	**(132)**	**(521)**
Net non-performing loans and advances	**65**	**44**	**26**	**569**	**17**	**4**	**21**	**10**	**245**	**1,001**

30.06.03

	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Loans and advances Gross non-performing	379	274	261	1,195	79	58	193	125	818	3,382
Specific provisions for bad and doubtful debts	(202)	(127)	(152)	(426)	(50)	(39)	(106)	(55)	(420)	(1,577)
Interest in suspense	(95)	(69)	(73)	(89)	(29)	(12)	(66)	(43)	(105)	(581)
Net non-performing loans and advances	82	78	36	680	-	7	21	27	293	1,224

31.12.03

	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Loans and advances Gross non-performing	357	236	194	1,077	86	52	180	116	887	3,185
Specific provisions for bad and doubtful debts	(220)	(106)	(118)	(375)	(44)	(40)	(99)	(51)	(460)	(1,513)
Interest in suspense	(91)	(64)	(55)	(68)	(30)	(12)	(66)	(43)	(126)	(555)
Net non-performing loans and advances	46	66	21	634	12	-	15	22	301	1,117

Wholesale Banking Cover Ratio

The following tables show the Wholesale Banking cover ratio. The non-performing loans recorded below under Standard Chartered Nakornthon Bank (SCNB) are excluded from the cover ratio calculation as they are the subject of a Loan Management Agreement (LMA) with a Thai Government Agency.

	30.06.04		
	Total $m	**SCNB (LMA) $m**	**Total excl LMA $m**
Loans and advances – Gross non-performing	**2,917**	**711**	**2,206**
Specific provisions for bad and doubtful debts	**(1,395)**	**(108)**	**(1,287)**
Interest in suspense	**(521)**	**-**	**(521)**
Net non-performing loans and advances	**1,001**	**603**	**398**
Cover ratio			**82%**

	30.06.03		
	Total $m	SCNB (LMA) $m	Total excl LMA $m
Loans and advances – Gross non-performing	3,382	757	2,625
Specific provisions for bad and doubtful debts	(1,577)	(94)	(1,483)
Interest in suspense	(581)	-	(581)
Net non-performing loans and advances	1,224	663	561
Cover ratio			79%

	31.12.03		
	Total $m	SCNB (LMA) $m	Total excl LMA $m
Loans and advances – Gross non-performing	3,185	772	2,413
Specific provisions for bad and doubtful debts	(1,513)	(112)	(1,401)
Interest in suspense	(555)	-	(555)
Net non-performing loans and advances	1,117	660	457
Cover ratio			81%

The Wholesale Banking non-performing portfolio is well covered. The balance uncovered by specific provision represents the value of collateral held and/or the Group's estimate of the net value of any work-out strategy.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

Group

The following tables set out the movements in the Group's total specific provisions against loans and advances.

6 months ended 30.06.04

	Asia Pacific									
	Hong Kong $m	**Singapore $m**	**Malaysia $m**	**Other Asia Pacific $m**	**India $m**	**UAE $m**	**Other Middle East & Other S Asia $m**	**Africa $m**	**Americas UK & Group Head Office $m**	**Total $m**
Provisions held at 1 January 2004	**268**	**123**	**144**	**390**	**55**	**51**	**107**	**58**	**465**	**1,661**
Exchange translation differences	**(1)**	**(1)**	**-**	**(4)**	**-**	**-**	**(1)**	**-**	**2**	**(5)**
Amounts written off	**(87)**	**(37)**	**(25)**	**(58)**	**(39)**	**(5)**	**(12)**	**(12)**	**(13)**	**(288)**
Recoveries of amounts previously written off	**13**	**3**	**4**	**6**	**12**	**3**	**2**	**1**	**-**	**44**
Other	**-**	**-**	**-**	**-**	**(5)**	**(3)**	**(3)**	**-**	**(7)**	**(18)**
New provisions	**128**	**26**	**14**	**46**	**54**	**6**	**10**	**9**	**11**	**304**
Recoveries/provisions no longer required	**(36)**	**(9)**	**(13)**	**(32)**	**(43)**	**(6)**	**(12)**	**(10)**	**(4)**	**(165)**
Net charge against/(credit to) profit	**92**	**17**	**1**	**14**	**11**	**-**	**(2)**	**(1)**	**7**	**139**
Provisions held at 30 June 2004	**285**	**105**	**124**	**348**	**34**	**46**	**91**	**46**	**454**	**1,533**

6 months ended 30.06.03

	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Provisions held at 1 January 2003	255	159	235	358	60	108	144	53	452	1,824
Exchange translation differences	-	(1)	-	2	2	-	2	(1)	1	5
Amounts written off	(188)	(37)	(66)	(47)	(37)	(57)	(27)	(3)	(69)	(531)
Recoveries of amounts previously written off	9	3	5	8	8	-	1	1	2	37
Other	-	-	(1)	59	1	1	1	-	10	71
New provisions	207	30	17	85	62	8	10	17	38	474
Recoveries/provisions no longer required	(26)	(11)	(13)	(22)	(40)	(10)	(18)	(7)	(9)	(156)
Net charge against/(credit to) profit	181	19	4	63	22	(2)	(8)	10	29	318
Provisions held at 30 June 2003	257	143	177	443	56	50	113	60	425	1,724

Group (continued)

	6 months ended 31.12.03									
	Asia Pacific									
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	Other Middle East & Other S Asia $m	Africa $m	Americas UK & Group Head Office $m	Total $m
Provisions held at 1 July 2003	257	143	177	443	56	50	113	60	425	1,724
Exchange translation differences	2	3	-	11	1	-	-	2	9	28
Amounts written off	(165)	(48)	(33)	(73)	(50)	(7)	(5)	(3)	5	(379)
Recoveries of amounts previously written off	14	11	5	5	10	1	-	-	1	47
Other	36	-	1	(32)	-	3	(5)	-	10	13
New provisions	157	42	17	57	80	6	12	7	52	430
Recoveries/provisions no longer required	(33)	(28)	(23)	(21)	(42)	(2)	(8)	(8)	(37)	(202)
Net charge against/(credit to) profit	124	14	(6)	36	38	4	4	(1)	15	228
Provisions held at 31 December 2003	268	123	144	390	55	51	107	58	465	1,661

General Provision

The general provision is held to cover the inherent risk of losses, which, although not identified, are known by experience to be present in a loan portfolio and to other material uncertainties where specific provisioning is not appropriate. It is not held to cover losses arising from future events.

The Group sets the general provision with reference to past experience by using both Flow Rate and Expected Loss methodology, as well as taking judgemental factors into account. These factors include, but are not confined to, the economic environment in our core markets, the shape of the portfolio with reference to a range of indicators, and management actions taken to pro-actively manage the portfolio.

During the first half of 2004, $39 million of the general provision was applied to cover litigation in India dating back to 1992. At 30 June 2004, the balance of general provision stood at $386 million, 0.6 per cent of Loans and Advances to Customers (30 June 2003: $458 million, 0.8 per cent; 31 December 2003: $425 million, 0.7 per cent).

Country Risk

Country Risk is the risk that a counterparty is unable to meet its contractual obligations as a result of adverse economic conditions or actions taken by governments in the relevant country.

The following table based on the Bank of England Cross Border Reporting (C1) guidelines, shows the Group's cross border assets including acceptances, where they exceed one per cent of the Group's total assets.

Cross border assets exclude facilities provided within the Group. They comprise loans and advances, interest bearing deposits with other banks, trade and other bills, acceptances, amounts receivable under finance leases, certificates of deposit and other negotiable paper and investment securities where the counterparty is resident in a country other than that where the cross border asset is recorded. Cross border assets also include exposures to local residents denominated in currencies other than the local currency.

	30.06.04				30.06.03			
	Public sector $m	**Banks $m**	**Other $m**	**Total $m**	Public sector $m	Banks $m	Other $m	Total $m
USA	**1,558**	**891**	**2,170**	**4,619**	1,071	1,503	2,680	5,254
Hong Kong	**38**	**150**	**2,537**	**2,725**	22	111	2,146	2,279
Netherlands**	**-**	**2,091**	**308**	**2,399**	-	-	-	-
Korea	**19**	**1,534**	**632**	**2,185**	20	1,596	606	2,222
India	**37**	**1,146**	**917**	**2,100**	103	869	592	1,564
Singapore	**1**	**853**	**937**	**1,791**	-	169	1,334	1,503
Germany	**-**	**1,372**	**300**	**1,672**	-	2,965	295	3,260
France	**4**	**1,331**	**182**	**1,517**	4	1,537	313	1,854
China***	**62**	**652**	**692**	**1,406**	-	-	-	-
Italy*	**-**	**-**	**-**	**-**	502	788	386	1,676

	31.12.03			
	Public sector $m	Banks $m	Other $m	Total $m
USA	1,436	902	2,149	4,487
Hong Kong	14	112	2,301	2,427
Netherlands	-	1,729	275	2,004
Korea	3	1,393	475	1,871
India	60	641	1,052	1,753
Singapore	-	160	1,509	1,669
Germany	-	1,292	315	1,607
France	4	1,529	253	1,786
China***	-	-	-	-
Italy*	-	-	-	-

* Less than one per cent of total assets at 30 June 2004 and 31 December 2003
** Less than one per cent of total assets at 30 June 2003
*** Less than one per cent of total assets at 30 June 2003 and 31 December 2003

Market Risk

The Group recognises market risk as the exposure created by potential changes in market prices and rates. Market risk arises on financial instruments, which are either valued at current market prices (mark-to-market) or at cost plus any accrued interest (non-trading basis). The Group is exposed to market risk arising principally from customer driven transactions.

Market Risk is supervised by the Group Risk Committee, which agrees policies and levels of risk appetite in terms of Value at Risk (VaR). The Group uses historic simulation to measure VaR on all market risk related activities. A Group Market Risk Committee sits as a specialist body to provide business level management, guidance and policy setting. Policies cover the trading book of the Group and also market risks within the non-trading books. Limits by location and portfolio are proposed by the business within the terms of agreed policy. Group Market Risk agrees the limits and monitors exposures against these limits.

Group Market Risk augments the VaR measurement by regularly stress testing aggregate market risk exposures to highlight potential risk that may arise from extreme market events that are rare but plausible. In addition, VaR models are back tested against actual results to ensure pre-determined levels of accuracy are maintained.

Additional limits are placed on specific instrument and currency concentrations where appropriate. Factor sensitivity measures are used in addition to VaR as additional risk management tools. Option risks are controlled through revaluation limits on currency and volatility shifts, limits on volatility risk by currency pair and other underlying variables that determine the options' value.

Value at Risk

The Group measures the potential impact of changes in market prices and rates using Value at Risk (VaR) models.

The total VaR for trading and non-trading books combined at 30 June 2004 was $13.6 million (30 June 2003: $14.9 million; 31 December 2003: $12.2 million). Interest rate related VaR was $13.5 million (30 June 2003: $14.6 million; 31 December 2003: $12.2 million) and foreign exchange related VaR was $2.5 million (30 June 2003: $1.3 million; 31 December 2003: $1.3 million). The total VaR of $13.6 million recognises offsets between interest rate and foreign exchange risks.

The average total VaR for trading and non-trading books during the six months to 30 June 2004 was $15.1 million (30 June 2003: $14.0 million; 31 December 2003: $13.3 million) with a maximum exposure of $18.7 million.

The total VaR for market risks in the Group's trading book was $4.5 million at 30 June 2004 (30 June 2003: $4.6 million; 31 December 2003: $3.2 million). Interest rate related VaR was $3.1 million (30 June 2003: $4.0 million; 31 December 2003: $2.9 million) and foreign exchange-related VaR was $2.5 million (30 June 2003: $1.3 million; 31 December 2003: $1.3 million). The total VaR of $4.5 million recognises offsets between interest rate and foreign exchange risks.

VaR for interest rate risk in the non-trading books of the Group totalled $13.2 million at 30 June 2004 (30 June 2003: $11.5 million; 31 December 2003: $9.5 million).

The Group has no significant trading exposure to equity or commodity price risk.

The average daily revenue earned from market risk related activities was $4.3 million, compared with $3.5 million during 2003.

Foreign Exchange Exposure

The Group's foreign exchange exposures comprise trading, non-trading and structural foreign currency translation exposures.

Foreign exchange trading exposures are principally derived from customer driven transactions. The average daily revenue from foreign exchange trading businesses during the six months ended 30 June 2004 was $1.9 million.

Interest Rate Exposure

The Group's interest rate exposures comprise trading exposures and structural interest rate exposures. Interest rate risk arises on both trading positions and non-trading books.

Structural interest rate risk arises from the differing re-pricing characteristics of commercial banking assets and liabilities, including non-interest bearing liabilities such as shareholders' funds and some current accounts.

The average daily revenue from interest rate trading businesses during the six months ended 30 June 2004 was $2.4 million.

Derivatives

Derivatives are contracts whose characteristics and value derive from underlying financial instruments, interest and exchange rates or indices. They include futures, forwards, swaps and options transactions in the foreign exchange and interest rate markets. Derivatives are an important risk management tool for banks and their customers because they can be used to manage the risk of price, interest rate and exchange rate movements.

The Group's derivative transactions are principally in plain vanilla instruments, where the mark-to-market values are readily determinable by reference to independent prices and valuation quotes or by using standard industry pricing models.

The Group enters into derivative contracts in the normal course of business to meet customer requirements and to manage its own exposure to fluctuations in interest and exchange rates. Only offices with sufficient product expertise and appropriate control systems are authorised to undertake transactions in derivative products.

The credit risk arising from a derivative contract is calculated by taking the cost of replacing the contract, where its mark-to-market value is positive together with an estimate for the potential change in the future value of the contract, reflecting the volatilities that affect it. The credit risk on contracts with a negative mark-to-market value is restricted to the potential future change in their market value. The credit risk on derivatives is therefore usually small relative to their notional principal values.

The Group applies a potential future exposure methodology to manage counterparty credit exposure associated with derivative transactions.

Liquidity Risk

The Group defines liquidity risk as the risk that funds will not be available to meet liabilities as they fall due. At the local level, in line with policy, the day to day monitoring of future cash flows takes place and suitable levels of easily marketable assets are maintained by the businesses.

A substantial portion of the Group's assets are funded by customer deposits made up of current and savings accounts and other short-term deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. Lending is normally funded by liabilities in the same currency and if other currencies are used the foreign exchange risk is usually hedged.

Operational and Other Risks

Operational Risk is the risk of direct or indirect loss due to an event or action causing failure of technology, processes, infrastructure, personnel, and other risks having an operational impact. Standard Chartered seeks to minimise actual or potential losses from Operational Risk failures through a framework of policies and procedures to identify, assess, control, manage and report risks.

An independent Group Operational Risk function is responsible for establishing and maintaining the overall Operational Risk framework. They are supported by Wholesale Banking and Consumer Banking Operational Risk units. The Group Operational Risk function reports to the Group Head of Compliance and Regulatory Risk and provides reports to the Group Risk Committee.

Compliance with Operational Risk policy is the responsibility of all managers. Every country operates a Country Operational Risk Group (CORG). The CORG has in-country governance responsibility for ensuring that an appropriate and robust risk management framework is in place to monitor and manage operational risk, including social, ethical and environmental risk. Significant issues and exceptions must be reported to the CORG. Where appropriate, issues must also be reported to Business Risk Committees. Other risks recognised by the Group include Compliance, Business, Regulatory and Reputational risks.

Hedging Policies

Standard Chartered does not generally hedge the value of its foreign currency denominated investments in subsidiaries and branches. Hedges may be taken where there is a risk of a significant exchange rate movement but, in general, the management believes that the Group's reserves are sufficient to absorb any foreseeable adverse currency depreciation.

Standard Chartered also seeks to match closely its foreign currency-denominated assets with corresponding liabilities in the same currencies. The effect of exchange rate movements on the capital risk asset ratio is mitigated by the fact that both the value of these investments and the risk weighted value of assets and contingent liabilities follow substantially the same exchange rate movements.

CAPITAL

The Group Asset and Liability Committee targets Tier 1 and Total capital ratios of 7 - 9 per cent and 12 - 14 per cent respectively. The Group believes that being well capitalised is important.

The Group identified improving the efficiency of capital management as a strategic priority in 2002. A capital plan to achieve this has been developed. This includes several key elements; in particular, to reduce the amount of Tier 2 capital and to improve the overall capital mix within the broad target ratios.

CAPITAL (continued)

	30.06.04 $m	30.06.03* $m	31.12.03* $m
Tier 1 capital:			
Shareholders' funds	**8,022**	7,454	7,546
Minority interests - equity	**93**	83	83
Innovative Tier 1 securities	**1,142**	1,058	1,155
Less: restriction on innovative Tier 1 securities	**(42)**	(88)	(157)
Unconsolidated associated companies	**9**	12	13
Less: premises revaluation reserves	**-**	(1)	-
goodwill capitalised	**(1,895)**	(2,049)	(1,986)
Add: provision for retirement benefits after tax	**81**	146	111
Total Tier 1 capital	**7,410**	6,615	6,765
Tier 2 capital:			
Premises revaluation reserves	**-**	1	-
Qualifying general provision	**386**	458	387
Undated subordinated loan capital	**1,572**	1,547	1,568
Dated subordinated loan capital	**3,209**	3,049	3,244
Restricted innovative Tier 1 securities	**42**	88	157
Total Tier 2 capital	**5,209**	5,143	5,356
Investments in other banks	**(20)**	(635)	(742)
Other deductions	**(4)**	(4)	(4)
Total capital	**12,595**	11,119	11,375
Risk weighted assets	**61,978**	57,682	58,371
Risk weighted contingents	**18,999**	20,160	19,791
Total risk weighted assets and contingents	**80,977**	77,842	78,162
Capital ratios:			
Tier 1 capital	**9.2%**	8.5%	8.7%
Total capital	**15.6%**	14.3%	14.6%

	30.06.04 $m	30.06.03 $m	31.12.03 $m
Shareholders' funds:			
Equity	**7,367**	6,829	6,897
Non-equity	**655**	625	649
	8,022	7,454	7,546
Post-tax return on equity (normalised)	**19.0%**	14.3%	16.7%

*Comparative restated (see note 6 on page 41).

International Financial Reporting Standards

All companies listed in the European Union will be required to report their consolidated financial statements under International Financial Reporting Standards (IFRS) from 1 January 2005. The first public reporting date will be as at the end of the six months ended 30 June 2005, with 2004 comparatives.

An IFRS Transition Programme involving all businesses and locations Group-wide has been underway since 2002, and is supervised by a Project Steering Committee chaired by a Group Executive Director.

The transition to IFRS represents a significant change in the accounting framework underlying the Group's financial reporting, particularly in respect of IAS 39 'Financial Instruments: recognition and measurement'. In March 2004, the International Accounting Standards Board (IASB) completed its review of International Accounting Standards that will be effective for 2005 reporting. However, IAS 39 has not as yet been adopted by the European Commission.

The Group continues to prepare for the implementation of IFRS.

STANDARD CHARTERED PLC – FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the six months ended 30 June 2004

	Notes	**6 months ended 30.06.04 $m**	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
Interest receivable		**2,543**	2,330	2,460
Interest payable		**(997)**	(872)	(950)
Net interest income		**1,546**	1,458	1,510
Other finance income		**3**	(7)	(6)
Fees and commissions receivable, net		**665**	536	620
Dealing profits and exchange		**332**	274	251
Other operating income		**176**	79	25
		1,173	889	896
Net revenue		**2,722**	2,340	2,400
Administrative expenses:				
Staff		**(774)**	(668)	(655)
Premises		**(158)**	(145)	(145)
Other		**(332)**	(308)	(332)
Depreciation and amortisation, of which:		**(211)**	(175)	(206)
Amortisation of goodwill		**(88)**	(67)	(67)
Other		**(123)**	(108)	(139)
Total operating expenses		**(1,475)**	(1,296)	(1,338)
Operating profit before provisions		**1,247**	1,044	1,062
Provisions for bad and doubtful debts		**(139)**	(308)	(228)
Amounts written off fixed asset investments		**(2)**	(6)	(5)
Operating profit before taxation		**1,106**	730	829
Taxation	**1**	**(340)**	(235)	(265)
Operating profit after taxation		**766**	495	564
Minority interests		**(20)**	(14)	(15)
Profit for the period attributable to shareholders		**746**	481	549
Dividends on non-equity preference shares	**2**	**(29)**	(28)	(27)
Dividends on ordinary equity shares	**3**	**(201)**	(182)	(429)
Retained profit		**516**	271	93
Normalised earnings per ordinary share	**4**	**57.9c**	41.0c	49.6c
Basic earnings per ordinary share	**4**	**61.2c**	38.7c	43.8c
Diluted earnings per ordinary share	**4**	**60.3c**	38.4c	43.0c
Dividend per ordinary share	**3**	**17.06c**	15.51c	36.49c

*Comparative restated (see note 6 on page 41).

STANDARD CHARTERED PLC – FINANCIAL STATEMENTS

SUMMARISED CONSOLIDATED BALANCE SHEET
As at 30 June 2004

	30.06.04 $m	30.06.03* $m	31.12.03* $m
Assets			
Cash, balances at central banks and cheques in course of collection	**2,243**	1,736	1,982
Treasury bills and other eligible bills	**5,978**	4,873	5,689
Loans and advances to banks	**18,587**	17,966	13,354
Loans and advances to customers	**63,671**	58,013	59,744
Debt securities and other fixed income securities	**25,515**	22,620	23,141
Equity shares and other variable yield securities	**179**	192	359
Intangible fixed assets	**1,895**	2,049	1,986
Tangible fixed assets	**794**	888	884
Prepayments, accrued income and other assets	**10,273**	11,509	13,085
Total assets	**129,135**	119,846	120,224
Liabilities			
Deposits by banks	**16,999**	14,785	10,924
Customer accounts	**78,219**	71,782	73,767
Debt securities in issue	**6,579**	6,433	6,062
Accruals, deferred income and other liabilities	**12,767**	13,503	15,344
Subordinated liabilities:			
Undated loan capital	**1,572**	1,547	1,568
Dated loan capital	**4,351**	4,107	4,399
Minority interests:			
Equity	**93**	83	83
Non-equity	**533**	152	531
Shareholders' funds	**8,022**	7,454	7,546
Total liabilities and shareholders' funds	**129,135**	119,846	120,224

*Comparative restated (see note 6 on page 41).

STANDARD CHARTERED PLC – FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the six months ended 30 June 2004

	6 months ended 30.06.04 $m	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
Profit attributable to shareholders	**746**	481	549
Exchange translation differences	**(72)**	36	31
Actuarial gain/(loss) on retirement benefits	**15**		
Deferred tax on actuarial gain/(loss) on retirement benefits	**(5)**		
Total recognised gains and losses for the period	**684**	517	580
Prior year adjustment**	**(169)**		
Total recognised gains and losses since the last annual report	**515**	517	580

*Comparative restated (see note 6 on page 41).
**Including cumulative actuarial gains/losses arising in prior periods.

NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
For the six months ended 30 June 2004

There is no material difference between the results as reported and the results that would have been reported on a historical cost basis. Accordingly, no note of the historical cost profits and losses has been included.

ACCOUNTING CONVENTION

The accounts of the Group have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets and dealing positions. The accounting policies, as listed in the Annual Report 2003, continue to be consistently applied, apart from the adoption of FRS17 for Retirement Benefits which has resulted in a restatement of comparative figures.

STANDARD CHARTERED PLC – FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2004

	6 months ended 30.06.04 $m	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
Net cash inflow from operating activities (see note 5)	**2,769**	1,672	2,076
Returns on investment and servicing of finance			
Interest paid on subordinated loan capital	**(253)**	(239)	(59)
Premium and costs on repayment of subordinated loan capital	**(21)**	-	-
Dividends paid to minority shareholders of subsidiary undertakings	**(3)**	(6)	(16)
Dividends paid on preference shares	**(29)**	(27)	(28)
Net cash outflow from returns on investment and servicing of finance	**(306)**	(272)	(103)
Taxation			
UK taxes paid	**(26)**	(52)	(109)
Overseas taxes paid	**(245)**	(225)	(128)
Total taxes paid	**(271)**	(277)	(237)
Capital expenditure and financial investment			
Purchases of tangible fixed assets	**(95)**	(68)	(88)
Acquisitions of treasury bills held for investment purposes	**(5,813)**	(6,073)	(6,531)
Acquisitions of debt securities held for investment purposes	**(33,931)**	(22,232)	(27,015)
Acquisitions of equity shares held for investment purposes	**(42)**	(63)	(131)
Disposals of tangible fixed assets	**53**	7	7
Disposals and maturities of treasury bills held for investment purposes	**5,363**	6,398	6,234
Disposals and maturities of debt securities held for investment purposes	**31,788**	21,394	28,104
Disposals of equity shares held for investment purposes	**352**	53	(40)
Net cash (outflow)/inflow from capital expenditure and financial investment	**(2,325)**	(584)	540
Net cash (outflow)/inflow before equity dividends paid and financing	**(133)**	539	2,276
Net cash outflow from disposal of interests in subsidiary and associated undertakings and the business of a branch**	**6**	-	(95)
Equity dividends paid to members of the Company	**(396)**	(364)	(167)
Financing			
Gross proceeds from issue of ordinary share capital	**4**	2	1
Repurchase of preference share capital	**-**	(17)	(3)
Net cash inflow/(outflow) from financing	**4**	(15)	(2)
(Decrease)/increase in cash in the period	**(519)**	160	2,012

*Comparative restated (see note 6 on page 41).

** In 2003 a net figure of $17 million was paid to counterparties for the net sale/purchase of the business of a branch. $112 million worth of cash and cash equivalents were included in balances transferred on sale of the business of a branch, which was included in the $95 million net outflow.

STANDARD CHARTERED PLC – NOTES (continued)

1. Taxation

	6 months ended 30.06.04 $m	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
Analysis of taxation charge in the period			
The charge for taxation based upon the profits for the period comprises:			
United Kingdom corporation tax at 30% (30 June 2003: 30%; 31 December 2003: 30%):			
Current tax on income for the period	**190**	158	193
Adjustments in respect of prior periods	**-**	2	(36)
Double taxation relief	**(182)**	(139)	(147)
Foreign tax:			
Current tax on income for the period	**288**	223	268
Adjustments in respect of prior periods	**8**	(1)	(25)
Total current tax	**304**	243	253
Deferred tax:			
Origination/reversal of timing differences	**36**	(8)	12
Tax on profits on ordinary activities	**340**	235	265
Effective tax rate	**30.7%**	32.2%	32.0%

*Comparative restated (see note 6 on page 41).

Overseas taxation includes taxation on Hong Kong profits of $45 million (30 June 2003: $25 million; 31 December 2003: $109 million) provided at a rate of 17.5 per cent (30 June 2003: 17.5 per cent; 31 December 2003: 17.5 per cent) on the profits assessable in Hong Kong. The Group's net deferred tax asset is $295 million at 30 June 2004, (30 June 2003: $258 million; 31 December 2003: $271 million). $256 million (30 June 2003: $195 million; 31 December 2003: 222 million) is included in other assets. The balance of $39 million in June 2004 (30 June 2003: $63 million; 31 December 2003: $49 million) represents the deferred tax on the pension liabilities, so offsets this amount in other liabilities.

STANDARD CHARTERED PLC – NOTES (continued)

2. Dividends on Preference Shares

	6 months ended 30.06.04 $m	6 months ended 30.06.03 $m	6 months ended 31.12.03 $m
Non-cumulative irredeemable preference shares:			
7? % preference shares of £1 each	**7**	6	6
8¼% preference shares of £1 each	**7**	7	6
Non-cumulative redeemable preference shares:			
8.9% preference shares of $5 each	**15**	15	15
	29	28	27

3. Dividends on Ordinary Equity Shares

	6 months ended 30.06.04		6 months ended 30.06.03		6 months ended 31.12.03	
	Cents per share	**$m**	Cents per share	$m	Cents per share	$m
Interim	**17.06**	**201**	15.51	182	-	-
Final	**-**	**-**	-	-	36.49	429
	17.06	**201**	15.51	182	36.49	429

The 2004 interim dividend of 17.06 cents per share will be paid in either sterling, Hong Kong dollars or US dollars on 8 October 2004, to shareholders on the UK register of members at the close of business on 13 August 2004 and to shareholders on the Hong Kong branch register of members at the opening of business in Hong Kong (9:00am Hong Kong time) on 13 August 2004. It is intended that shareholders will be able to elect to receive shares credited as fully paid instead of all or part of the interim cash dividend. Details of the dividend will be sent to shareholders on or around 20 August 2004.

4. Earnings per Ordinary Share

	6 months ended 30.06.04			6 months ended 30.06.03*			6 months ended 31.12.03*		
	Profit $m	**Average number of shares ('000)**	**Per share amount cents**	Profit $m	Average number of shares ('000)	Per share amount cents	Profit $m	Average number of shares ('000)	Per share amount cents
Basic EPS									
Profit attributable to ordinary shareholders	**717**	**1,170,699**		453	1,165,676		522	1,168,990	
Premium and costs paid on repurchase of preference shares	**-**			(2)			(10)		
Basic earnings per ordinary share	**717**	**1,170,699**	**61.2c**	451	1,165,676	38.7c	512	1,168,990	43.8c
Effect of dilutive potential ordinary shares:									
Convertible bonds	**11**	**34,488**		10	34,488		11	34,488	
Options	**-**	**2,252**		-	231		-	12,091	
Diluted EPS	**728**	**1,207,439**	**60.3c**	461	1,200,395	38.4c	523	1,215,569	43.0c

The Group measures earnings per share on a normalised basis. This differs from earnings defined in Financial Reporting Standard 14. The table below provides a reconciliation.

	6 months ended 30.06.04 $m	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
Basic earnings per ordinary share, as above	**717**	451	512
Premium and costs paid on repurchase of preference shares	**-**	2	10
Premium and costs paid on repurchase of subordinated debt	**21**	-	-
Amortisation of goodwill	**88**	67	67
Profits less losses on disposal of investment securities	**(159)**	(48)	(14)
Costs re Hong Kong incorporation	**18**	-	-
Amounts written off fixed asset investments	**2**	6	5
Profit on sale of tangible fixed assets	**(4)**	-	-
Profit on disposal of subsidiary undertakings	**(4)**	-	-
Normalised earnings	**679**	478	580
Normalised earnings per ordinary share	**57.9c**	41.0c	49

*Comparative restated (see note 6 on page 41).

STANDARD CHARTERED PLC – NOTES (continued)

5. Consolidated Cash Flow Statement

Reconciliation between operating profit before taxation and net cash inflow from operating activities:

	6 months ended 30.06.04 $m	6 months ended 30.06.03* $m	6 months ended 31.12.03* $m
Operating profit	**1,106**	730	829
Adjustments for items not involving cash flow or shown separately:			
Amortisation of goodwill	**88**	67	67
Depreciation and amortisation of premises and equipment	**123**	108	139
Gain on disposal of tangible fixed assets	**(4)**	-	(14)
Gain on disposal of investment securities	**(159)**	(48)	(14)
Amortisation of investments	**18**	12	(119)
Gain on disposal of subsidiary undertakings	**(4)**	-	-
Charge for bad and doubtful debts and contingent liabilities	**139**	308	228
Amounts written off fixed asset investments	**2**	6	5
Debts written off, net of recoveries	**(74)**	(494)	(313)
(Decrease)/increase in accruals and deferred income	**(199)**	49	167
(Increase)/decrease in prepayments and accrued income	**(197)**	(452)	540
Net decrease/(increase) in mark-to-market adjustment***	**473**	(104)	(299)
Interest paid on subordinated loan capital	**253**	239	59
Net cash inflow from trading activities	**1,565**	421	1,275
Net (increase)/decrease in cheques in the course of collection	**(83)**	(73)	46
Net decrease/(increase) in treasury bills and other eligible bills	**52**	(14)	(62)
Net (increase)/decrease in loans and advances to banks and customers	**(10,357)**	(2,856)	5,254
Net increase/(decrease) in deposits from banks, customer accounts and debt securities in issue	**12,098**	5,320	(3,192)
Net increase in dealing securities	**(488)**	(972)	(578)
Net increase/(decrease) in other accounts**	**(18)**	(154)	(667)
Net cash inflow from operating activities	**2,769**	1,672	2,076
Analysis of changes in cash			
Balance at beginning of period	**5,661**	3,496	3,663
Exchange translation differences	**(40)**	7	(14)
Net cash (outflow)/inflow	**(519)**	160	2,012
Balance at end of period	**5,102**	3,663	5,661

* Comparative restated (see note 6 on page 41).

** This includes the effect of foreign exchange translation in the local books of subsidiaries and branches.

*** Mark to market adjustments are being reclassified from the reconciliation to 'Net cash inflow from operating activities', to the reconciliation to 'Net cash inflow from trading activities', as this better reflects their impact on cash flows.

6. Restatement of Comparative Figures

a) The Urgent Issues Task Forces issued abstract 38 (UITF 38) - Accounting for ESOP Trusts in December 2003. This abstract required that when a company reacquires its own equity instruments it should present this as a deduction in arriving at shareholders' funds rather than as assets. For the Group's consolidated accounts the amount reported in Equity shares and other variable yield securities at June 2003 has been reduced by $58 million and shareholders' funds has been reduced by $58 million to reflect this change in disclosure.

b) Minority Interests at 30 June 2003 have been restated to reflect non-equity minority interests. These include third party investments in the Group's Global Liquidity fund.

c) The Group has fully adopted the accounting requirements of FRS17 - Retirement Benefits. FRS17 replaces Statement of Standard Accounting Practice (SSAP) 24 and Urgent Issue Task Force (UITF) Abstract 6 as the accounting standard dealing with post-retirement benefits. The standard is being introduced in the UK in stages, starting with disclosures in the notes to the accounts. The full requirements of the standard are not mandatory until reporting periods starting on or after 1 January 2005, however early adoption is encouraged. The Group has adopted the standard one year early as there is now more certainty that similar requirements will be incorporated within IFRS, under which the Group will report from 2005.

The new standard requires the Group to include the assets of its defined benefit schemes on its balance sheet together with the related liability to make benefit payments net of deferred tax. The profit and loss account includes a charge in respect of the cost of accruing benefits for current employees and any benefit improvements. The expected return of the schemes' assets is included within other income less a charge in respect of unwinding of the discount applied to the scheme's liabilities.

Under SSAP24 the profit and loss account included a charge in respect of the cost of accruing surplus benefits for the current employees offset by a credit respecting the amortisation of the surplus in the Group's defined benefit schemes. A net pension prepayment was included in the Group's balance sheet.

A prior year adjustment has been made reducing shareholders' funds at 30 June 2003 by $136 million and at 31 December 2003 by $169 million to reflect the revised policy.

The effect of this change on the profit and loss account for the six months ended 30 June 2004has been to introduce other finance income of $3 million (30 June 2003: $7 million charge; 31 December 2003: $6 million charge), and to decrease administrative expenses by $5 million (30 June 2003: $4 million increase; 31 December 2003: $34 million decrease). Profit before tax has been increased by $8 million (30 June 2003: $11 million decrease; 31 December 2003: $28 million increase).

The effect on the Group's balance sheet at 30 June 2004 has been to reflect a net post retirement benefit liability of $81 million (30 June 2003: $146 million; 31 December 2003: $111 million), to reduce prepayments and accrued income by $78 million (30 June 2003: $7 million; 31 December 2003: $81 million), and reduce shareholders' funds by $154 million (30 June 2003: $136 million; 31 December 2003: $169 million).

d) The Group's £200 million Step-Up Notes 2022 (30 June 2003: $320million) have been reclassified from undated to dated subordinated loan capital to incorporate callable options in place.

7. Corporate Governance

The directors confirm that, throughout the period, the Company has complied with the provisions of Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange.

The 2004 Interim Results have been reviewed by the Company's Audit and Risk Committee.

8. Interim Report and Statutory Accounts

The information in this news release is unaudited and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 (the Act). The 2004 interim report was approved by the Board of Directors on 4 August 2004. The statutory accounts for the year ended 31 December 2003 have been delivered to the Registrar of Companies in England and Wales in accordance with Section 242 of the Act. The auditor has reported on those accounts; the report was unqualified and did not contain a statement under Section 237 (2) or (3) of the Act.

This news release does not constitute the unaudited interim financial information which is contained in the interim report. The unaudited interim financial information has been reviewed by the Company's auditor, KPMG Audit Plc, in accordance with the guidance contained in Bulletin 1999-4: *Review of interim financial information* issued by the Auditing Practices Board. On the basis of its review, KPMG Audit Plc was not aware of any material modifications that should be made to the unaudited interim financial information as presented for the six months ended 30 June 2004 in the interim report. The full report of its review is included in the interim report.

Financial Calendar

Ex-dividend date	11 August 2004
Record date	13 August 2004
Posting to shareholders of 2004 Interim Report	20 August 2004
Payment date – interim dividend on ordinary shares	8 October 2004

Copies of this statement are available from:

Investor Relations, Standard Chartered PLC, 1 Aldermanbury Square, London, EC2V 7SB or from our website on http://investors.standardchartered.com

For further information please contact:

Tracy Clarke, Group Head of Corporate Affairs
(020) 7280 7708

Paul Marriage, Head of Corporate Communications
(020) 7280 7163

Benjamin Hung, Head of Investor Relations
(020) 7280 7245

The following information is available on our website

- *A live webcast of the final results analyst presentation (available from 9:45am GMT)*
- *A pre-recorded webcast and Q/A session of analyst presentation in London (available 1:00pm GMT)*
- *Interviews with Mervyn Davies, Group Chief Executive and Peter Sands, Group Finance Director (available from 9:00am GMT).*
- *Slides for the Group's presentations (available after 11:00am GMT)*

Images of Standard Chartered are available for the media at www.newscast.co.uk

Information regarding the Group's commitment to corporate social responsibility is available at www.standardchartered.com/ourbeliefs

The 2004 Interim Report will be made available on the website of the Stock Exchange of Hong Kong and on our website www.standardchartered.com as soon as is practicable.