GROUP SUMMARY

The Group has delivered another strong performance in the six months ended 30 June 2005. Operating profit before tax of $1,333 million was up 20 per cent on the equivalent period last year. Normalised earnings per share has grown by 32 per cent to 75.2 cents. (Refer to note 11 on page 55 for the details of basic and diluted earnings per share).

On 15 April 2005 the Group acquired 100 per cent of Korea First Bank (KFB).

The impact of including the post acquisition results of KFB in 2005 together with significant one-off items in the first half of 2004, make the comparability of the results for the six months to June 2005 with the equivalent period in 2004 complex. The underlying results are analysed in the table below to assist with an understanding of the underlying trends excluding these two components.

	6 months ended 30.06.05			6 months ended 30.06.04			6 months ended 31.12.04			
	KFB $m	**Under-lying $m**	**As reported $m**	*One off items $m	Under-lying $m	As reported $m	Acquisitions $m	*One off items $m	Under-lying $m	As reported $m
Net interest income	**214**	**1,758**	**1,972**	-	1,551	1,551	27	-	1,604	1,631
Fees and commissions income, net	**22**	**705**	**727**	-	663	663	1	-	668	669
Net trading income	**12**	**397**	**409**	-	333	333	2	-	316	318
Other operating income	**10**	**118**	**128**	110	68	178	1	(2)	40	39
	44	**1,220**	**1,264**	110	1,064	1,174	4	(2)	1,024	1,026
Operating income	**258**	**2,978**	**3,236**	110	2,615	2,725	31	(2)	2,628	2,657
Operating expenses	**(146)**	**(1,562)**	**(1,708)**	(18)	(1,392)	(1,410)	(19)	(5)	(1,415)	(1,439)
Operating profit before provisions	**112**	**1,416**	**1,528**	92	1,223	1,315	12	(7)	1,213	1,218
Impairment losses on loans and advances	**(28)**	**(166)**	**(194)**	-	(139)	(139)	(4)	-	(71)	(75)
Other impairment	**-**	**(1)**	**(1)**	(67)	(2)	(69)	-	-	1	1
Operating profit before taxation	**84**	**1,249**	**1,333**	25	1,082	1,107	8	(7)	1,143	1,144

* See note 11 on page 55

Operating Income and Profit

Underlying profit before tax was $1,249 million, up 15 per cent.

Operating income including the acquisition of KFB increased by 19 per cent to $3,236 million compared to the first half of last year. Of this increase, $258m arose from the inclusion of KFB. The underlying income growth, excluding KFB and 2004 one-off items was 14 per cent to $2,978 million. On an underlying basis Consumer Banking and Wholesale Banking continued to deliver double-digit income growth. Business momentum is strong.

Net interest income grew by 27 per cent to $1,972 million. Underlying growth was 13 per cent. Interest margins have remained broadly stable at 2.6 per cent with the growth driven by an increase in average earning assets.

Fees and commissions increased by 10 per cent from $663 million to $727 million. Underlying growth of six per cent was driven by wealth management, mortgages, trade and corporate advisory services.

GROUP SUMMARY (continued)

Net trading income grew by 23 per cent from $333 million to $409 million. Underlying growth was 19 per cent largely driven by customer led foreign exchange dealing.

Other operating income at $128 million compares to $178 million for the same period last year. This reduction is primarily due to inclusion of income from the sale of shares in KorAm and Bank of China (Hong Kong) in the first half of 2004. On an underlying basis there has been strong growth driven by asset and liability management.

Operating expenses increased from $1,410 million to $1,708 million. Of this increase, $146 million arose from the inclusion of KFB.

The underlying expense increase was 12 per cent, which was lower than the underlying income growth. As such the normalised cost income ratio has fallen from 54.0 per cent in the first half of 2004 to 52.6 per cent. The Group's investments in market expansion, new products, distribution outlets and sales capabilities have been paying off in good double-digit income growth. This investment continued in 2005 together with increased expenditure on the Group's technology and operations platforms and support infrastructure.

Impairment losses on loans and advances rose by 40 per cent from $139 million to $194 million an increase of $55 million, of which KFB accounted for $28 million. The underlying increase in impairment losses was 19 per cent reflecting mainly asset growth in Consumer Banking and changes in provisioning due to IAS 39. Wholesale Banking continued to benefit from a benign credit environment and strong recoveries.

The investments made in Travelex, Asia Commercial Bank Vietnam and the commercial banking business of American Express Limited in Bangladesh have had no impact on the first half results.

CONSUMER BANKING

Including the acquisition of KFB, Consumer Banking grew operating profit by 24 per cent to $642 million compared to the first half of 2004. Of the $123 million incremental profit, KFB accounted for $52 million. Underlying growth was 14 per cent.

Consumer Banking has maintained its strong revenue momentum with income up 29 per cent to $1,723 million. Underlying growth was up 14 per cent to $1,525 million. The accelerated investment in growth opportunities in the second half of 2004 is delivering sustained results. Excluding KFB, assets grew 31 per cent outside Hong Kong and Singapore. Businesses acquired in 2004, including Prime Credit and Bank Permata, contributed to income growth. Bank Permata accounted for $35 million of income and $11 million of profit before tax in the first half of 2005. Over 200 new products and variants were launched in the last six months.

Reflecting the rising interest rate environment, the revenue mix has changed with narrower margins in asset products offset by strong growth in fee and interest income in Wealth Management.

Excluding KFB, total expense growth to sustain income momentum was 14 per cent, broadly in line with income growth for the period. Efficiencies in support and operational functions have allowed Consumer Banking to invest in new businesses such as Bank Permata and Prime Credit, launch new products and extend distribution in fast growing markets like India, MESA and China. KFB accounted for $117 million, or just over half of the $209 million first half expense growth.

Overall, Consumer Banking impairment losses on loans and advances rose to $193 million from $137 million reflecting the impact of asset growth, KFB and IAS 39. On the back of this asset growth, impairment losses on loans and advances grew by 20 per cent to $164 million excluding KFB. The charge in Hong Kong fell

CONSUMER BANKING (continued)

by half due to the improving economic environment. Bankruptcy charges in Hong Kong reduced from $40 million in 2004 to $21 million in 2004.

Hong Kong delivered an increase in operating profit of nine per cent to $254 million. This was largely driven by a lower impairment charge and tight expense control. Income growth was broadly flat year on year but up four per cent on the second half of 2004 reflecting a good performance in Wealth Management and SME, offset by lower asset margins across the market. Customer assets grew by two per cent. Costs were kept flat as investment for growth was funded from the actions taken to reconfigure the cost base towards the end of 2004.

In Singapore, income was slightly down on the first half of 2004, but up on the second half. Singapore is an intensively competitive environment, primarily in Mortgage lending. Income from other products showed good growth driven by better margins and volumes in Wealth Management and SME.

Operating profit in Malaysia was up nine per cent to $38 million with strong performance across all products. Income grew by 15 per cent. Continued margin pressure in the Mortgage portfolio was offset by higher volume. Wealth Management income increased significantly, driven by investment product sales. Cards and Loans enjoyed good growth in both volume and income through the introduction of new products.

In Other Asia Pacific excluding KFB, operating profit grew 117 per cent to $78 million. Income grew at 69 per cent, expense growth was 49 per cent, underpinned by asset growth of 45 per cent.

There was good income and profit growth in Taiwan fuelled by Cards and Loans. Wealth Management, business and personal loans helped contribute to income growth of 49 per cent and 40 per cent respectively in Indonesia and Thailand. Income in China grew by 70 per cent.

The Consumer Banking division of KFB earned $52 million of operating profit on an operating income of $198 million. This is a broadly based business with income from Wealth Management showing steady growth, a high quality Mortgage portfolio growing strongly but facing margin pressure and a significant but stable Cards and Loans portfolio. The product range will be expanded by the Group in the remainder of 2005.

In India, 15 per cent income growth was achieved through excellent Wealth Management growth offset by significant compression in asset margins. Mortgage lending assets grew 54 per cent. Expenses increased by $16 million to $86 million as a result of continued investment to support rapid business growth coupled with an enhanced risk management and control infrastructure.

Operating profit in the UAE increased by $5 million to $35 million with income up by 25 per cent, driven by credit cards and personal loans, SME and Wealth Management. Expenses were higher by $6 million, reflecting continued investment in distribution and technology. Elsewhere MESA operating profit grew by 38 per cent to $44 million with strong performance in Pakistan.

In Africa, operating profit nearly doubled to $21 million with income up by 16 per cent to $124 million, largely fuelled by 42 per cent asset growth. This was particularly strong in Botswana, Kenya and Uganda in SME, credit cards and personal loans. Wealth Management revenue also grew strongly as margins improved.

The Americas, UK and Group Head Office saw a decrease in operating profit from $10 million to $6 million, largely driven by continued reconfiguration of the Jersey business.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

CONSUMER BANKING (continued)

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

6 months ended 30.06.05

	Asia Pacific						Other Middle		Americas UK &	
	Hong Kong $m	Singapore $m	Malaysia $m	*Other Asia Pacific $m	India $m	UAE $m	East & Other S Asia $m	Africa $m	Group Head Office $m	Consumer Banking Total $m
Income	**483**	**163**	**101**	**502**	**143**	**74**	**103**	**124**	**30**	**1,723**
Expenses	**(201)**	**(62)**	**(46)**	**(285)**	**(86)**	**(31)**	**(53)**	**(100)**	**(24)**	**(888)**
Loan impairment	**(28)**	**(17)**	**(17)**	**(87)**	**(27)**	**(8)**	**(6)**	**(3)**	**-**	**(193)**
Operating profit	**254**	**84**	**38**	**130**	**30**	**35**	**44**	**21**	**6**	**642**

6 months ended 30.06.04

	Asia Pacific						Other Middle		Americas UK &	
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	East & Other S Asia $m	Africa $m	Group Head Office $m	Consumer Banking Total $m
Income	489	168	88	180	124	59	81	107	39	1,335
Expenses	(201)	(59)	(45)	(113)	(70)	(25)	(44)	(93)	(29)	(679)
Specific	(55)	(20)	(8)	(31)	(11)	(4)	(5)	(3)	-	(137)
General	-	-	-	-	-	-	-	-	-	-
Loan impairment	(55)	(20)	(8)	(31)	(11)	(4)	(5)	(3)	-	(137)
Operating Profit	233	89	35	36	43	30	32	11	10	519

6 months ended 31.12.04

	Asia Pacific						Other Middle		Americas UK &	
	Hong Kong $m	Singapore $m	Malaysia $m	Other Asia Pacific $m	India $m	UAE $m	East & Other S Asia $m	Africa $m	Group Head Office $m	Consumer Banking Total $m
Income	465	162	87	220	134	65	91	111	30	1,365
Expenses	(215)	(58)	(41)	(124)	(83)	(26)	(49)	(103)	(22)	(721)
Specific	(33)	(20)	(10)	(38)	(18)	(6)	(6)	(3)	-	(134)
General	11	6	4	3	2	1	1	-	1	29
Loan impairment	(22)	(14)	(6)	(35)	(16)	(5)	(5)	(3)	1	(105)
Operating Profit	228	90	40	61	35	34	37	5	9	539

* Includes post acquisition results of KFB (income $198 million, expenses $117 million, loan impairment $29 million and operating profit of $52 million). See page 20.

CONSUMER BANKING (continued)

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

Income by product	6 months ended 30.06.05 Total $m	KFB $m	Underlying $m	6 months ended 30.06.04 $m	6 months ended 31.12.04 $m
Cards and Loans	**677**	**77**	**600**	538	579
Wealth Management / Deposits	**634**	**53**	**581**	425	466
Mortgages and Auto Finance	**350**	**66**	**284**	351	287
Other	**62**	**2**	**60**	21	33
	1,723	**198**	**1,525**	1,335	1,365

Including KFB, Cards and Loans have delivered a solid performance with 26 per cent growth in income to $677 million in an increasingly competitive environment. Underlying assets have grown by 22 per cent outside of Hong Kong. Loans now contribute nearly half of total underlying Cards and Loans outstandings with a 27 per cent growth in assets. This is a result of continued investment in products and sales channels. Despite a seven per cent decline in Card outstandings Hong Kong has had strong growth in profitability.

Overall Wealth Management income has increased by 49 per cent to $634 million driven by strong fee income growth in investment products and improved deposit margins. Innovation in core and structured products has boosted sales in Singapore, India, MESA and China. Fee income in KFB is growing.

Total Mortgages and Auto Finance income including KFB is flat at $350 million. Underlying growth was affected by significant margin compression in Hong Kong, Singapore and India, in spite of record new sales. Proactive repricing by the Group has helped to offset margin compression. However, margins are down as much as half on the same period in 2004.

WHOLESALE BANKING

Wholesale Banking's performance continued to reflect the successful execution of its strategy, delivering strong client driven growth across multiple geographies, products and customer segments.

Including KFB, operating profit was up 23 per cent to $691 million. Underlying growth was 17 per cent to $659 million. This was achieved through targeted development of new businesses such as project finance, local corporates, and by deepening core banking relationships whilst keeping a tight hold on expenses. Total income increased by 18 per cent to $1,513 million. Underlying growth was up 14 per cent to $1,453 million. Client revenues grew at 16 per cent.

The strong performance in the first half of 2005 was driven by Global Markets and Cash Management.

Expenses in Wholesale Banking increased by 15 per cent to $820 million. Underlying expense growth was 11 per cent. Expense growth was focused on increased investment in corporate finance, local corporates and geographic expansion, with increased spend on credit risk infrastructure and controls together with an increase in performance driven compensation.

The loan impairment charge in the first half of 2005 was $1 million, compared to a charge of $2 million in 2004. New provisions were up by 28 per cent and recoveries up by 36 per cent. This reflected continued enhancement of risk management processes, success in recoveries, together with a favourable credit environment. It also includes the successful resolution of the Loan Management Agreement (LMA) in Thailand.

STANDARD CHARTERED PLC – FINANCIAL REVIEW (continued)

WHOLESALE BANKING (continued)

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

6 months ended 30.06.05

	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	Wholesale Banking Total $m
Income	**264**	**98**	**56**	**330**	**159**	**87**	**124**	**131**	**264**	**1,513**
Expenses	**(116)**	**(61)**	**(27)**	**(178)**	**(57)**	**(32)**	**(42)**	**(95)**	**(212)**	**(820)**
Loan impairment	**(41)**	**(17)**	**3**	**64**	**4**	**1**	**(2)**	**(27)**	**14**	**(1)**
Other impairment	**(1)**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**(1)**	**(1)**
Operating profit	**106**	**20**	**32**	**216**	**107**	**56**	**80**	**9**	**65**	**691**

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	Wholesale Banking Total $m
Income	201	97	51	222	136	75	95	163	240	1,280
Expenses	(114)	(60)	(30)	(136)	(47)	(26)	(37)	(75)	(188)	(713)
Specific	(37)	3	7	17	-	4	7	4	(7)	(2)
General	-	-	-	-	-	-	-	-	-	-
Loan impairment	(37)	3	7	17	-	4	7	4	(7)	(2)
Other impairment	-	-	-	-	-	-	-	-	(2)	(2)
Operating profit	50	40	28	103	89	53	65	92	43	563

6 months ended 31.12.04

	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	Wholesale Banking Total $m
Income	215	86	44	203	95	72	110	203	266	1,294
Expenses	(112)	(51)	(28)	(145)	(51)	(23)	(39)	(89)	(175)	(713)
Specific	(17)	(5)	4	5	3	2	-	(10)	22	4
General	6	3	1	4	2	2	2	-	6	26
Loan impairment	(11)	(2)	5	9	5	4	2	(10)	28	30
Other impairment	-	-	-	-	2	-	-	-	(1)	1
Operating profit	92	33	21	67	51	53	73	104	118	612

* Includes post acquisition profits of KFB (income $60 million, expenses $29 million, loan impairment recovery $1million and operating profit of $32 million). See page 20

WHOLESALE BANKING (continued)

In Hong Kong, income grew by 31 per cent from $201 million to $264 million. Growth was driven by Global Markets and Cash Management on the back of strong local corporates volumes and rising interest rates. Expenses were up two per cent at $116 million with investment focused on the local corporates segment.

Income in Singapore was flat at $98 million. Strong customer income was offset by a decline in income from asset and liability management. Expenses also remained flat with productivity improvements absorbing investments.

In Malaysia, income increased 10 per cent from $51 million to $56 million with good growth in Global Markets products. Expenses were lower by 10 per cent at $27 million.

The Other Asia Pacific region delivered strong results with excellent contributions from all countries. Income grew by 49 per cent to $330 million, including $60 million income from KFB. The underlying increase of 22 per cent was broadly spread across geographies, products and segments. Expenses increased by 31 per cent to $178 million, reflecting investment in product capability in the region together with $29 million of KFB expenses. Underlying expense growth was 10 per cent.

The Wholesale Banking division of KFB earned $32 million of operating profit on an operating income of $60 million. The current business is focused on trade, clearing services and lending and a limited range of Global Markets products. Integration activities to date have contributed to income through winning an asset backed securities mandate, moving US dollar clearings to the Group, expanding the product range and sales capacity in Global Markets and reshaping of the balance sheet.

In India, income grew by 17 percent with strong client income growth partially offset by lower trading income. The increase in expenses of 21 per cent to $57 million is the result of investment in a broader product mix and increased staffing to capture further growth opportunities.

In the UAE, income increased by 16 per cent to $87 million, driven largely by corporate finance, cash management and debt capital markets. Elsewhere in the MESA region income grew 31 per cent to $124 million, led by strong growth in the large local corporates and financial institutions segments. The increase in expenses of 14 per cent in the region was due to investment in new products, infrastructure and continued strengthening of risk and governance functions.

In Africa, income at $131 million was 20 per cent lower than in 2004. Lower income in key markets together with a marked deterioration in Zimbabwe have contributed to this result. A hyper-inflationary charge of $44 million has been taken in Zimbabwe reflecting the rapid exchange devaluation. This was largely borne by Wholesale Banking. The difficult trading environment was further affected by margin compression in some product areas. Expenses grew by $20 million, mainly due to inflationary pressure and broad based expansion, including South Africa.

The Americas, UK and Group Head Office has seen income increase by 10 per cent to $264 million.

WHOLESALE BANKING (continued)

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

Income by product	6 months ended 30.06.05 Total $m	KFB $m	Underlying $m	6 months ended 30.06.04 $m	6 months ended 31.12.04 $m
Trade and Lending	**437**	**25**	**412**	433	435
Global Markets	**757**	**32**	**725**	618	599
Cash Management and Custody	**319**	**3**	**316**	229	260
	1,513	**60**	**1,453**	1,280	1,294

Trade and Lending income was broadly flat at $437 million. Trade finance grew on the back of a 21 per cent volume increase, underpinned by strong intra-Asian trade flow, but this was offset by a decline in lending.

Global Markets income has grown strongly at 22 per cent. Underlying growth was 17 per cent. Investment in new product capability and expansion in corporate finance, options and fixed income have delivered good returns. Income from asset and liability management was strong.

Cash Management and Custody revenue was up by 39 per cent to $319 million. Cash Management grew on the back of rising interest rates coupled with steady volumes and new client acquisitions.

ACQUISITION OF KOREA FIRST BANK

On 15 April 2005 the Group acquired 100 per cent of KFB. The post-acquisition profit has been included in the Group results within Other Asia Pacific geographic segment.

The following table provides an analysis of KFB's post acquisition results by business segment.

Consumer Banking	**6 months ended 30.06.05**			6 months ended 30.06.04
	Total **$m**	**KFB** **$m**	**Underlying** **$m**	$m
Income	**1,723**	**198**	**1,525**	1,335
Expenses	**(888)**	**(117)**	**(771)**	(679)
Loan impairment	**(193)**	**(29)**	**(164)**	(137)
Operating profit	**642**	**52**	**590**	519

KFB Consumer Banking income was broadly based with fee income growth in Wealth Management and Mortgage volume growth. The portfolio quality continues to improve.

Wholesale Banking	**6 months ended 30.06.05**			6 months ended 30.06.04
	Total **$m**	**KFB** **$m**	**Underlying** **$m**	$m
Income	**1,513**	**60**	**1,453**	1,280
Expenses	**(820)**	**(29)**	**(791)**	(713)
Loan impairment	**(1)**	**1**	**(2)**	(2)
Other impairment	**(1)**	**-**	**(1)**	(2)
Operating profit	**691**	**32**	**659**	563

KFB Wholesale Banking income is largely based on trade services and a quality lending portfolio, together with an increasing contribution from Global Markets products as the balance sheet is reshaped.

Other Asia Pacific – Total	**6 months ended 30.06.05**			6 months ended 30.06.04
	Total **$m**	**KFB** **$m**	**Underlying** **$m**	$m
Income	**832**	**258**	**574**	402
Expenses	**(463)**	**(146)**	**(317)**	(249)
Loan impairment	**(23)**	**(28)**	**5**	(14)
Operating profit	**346**	**84**	**262**	139

Operating profit from KFB for the two and half months since taking control on 15 April 2005 was $84 million. Operating income for the period was $258 million, expenses were $146 million and loan impairment was $28 million.

15. Debt Securities (continued)

The change in the book amount of debt securities held for investment purposes comprised:

				6 months ended 30.06.05	6 months ended 30.06.04	6 months ended 31.12.04
	Available for sale $m	**Held to Maturity $m**	**Loans and advances $m**	**Book amount $m**	Book amount $m	Book amount $m
Opening				**29,169**		
Adoption of IAS 39				**(1,571)**		
Opening	**26,272**	**983**	**343**	**27,598**	20,801	26,077
Exchange translation differences	**(779)**	**(40)**	**-**	**(819)**	(266)	250
Acquisitions	**2,382**	**-**	**-**	**2,382**	37,316	42,497
Additions	**16,402**	**-**	**171**	**16,573**	-	-
Maturities and disposals	**(19,033)**	**(316)**	**(63)**	**(19,412)**	(31,759)	(39,693)
Provisions	**-**	**-**	**1**	**1**	-	-
Changes in fair value	**19**	**-**	**-**	**19**	-	-
Amortisation of discounts and premiums	**(46)**	**(12)**	**3**	**(55)**	(15)	38
Closing	**25,217**	**615**	**455**	**26,287**	26,077	29,169

From 1 January 2005, debt securities are classified in accordance with IAS 39 (see note 12 on page 56).

At 30 June 2005, unamortised premiums on debt securities held for investment purposes amounted to $177 million (30 June 2004: $123 million; 31 December 2004: $135 million) and unamortised discounts amounted to $35 million (30 June 2004: $15 million; 31 December 2004: $356 million).

16. Equity Shares

	30.06.05			30.06.04		31.12.04	
	Trading **$m**	**Available for sale** **$m**	**Total book amount** **$m**	Book amount Investment securities $m	Valuation Investment securities $m	Book amount Investment securities $m	Valuation Investment securities $m
Listed on a recognised UK exchange	**-**	**-**	**-**	1	1	-	-
Listed elsewhere	**12**	**504**	**516**	69	70	88	107
Unlisted	**-**	**429**	**429**	109	112	165	188
	12	**933**	**945**	179	183	253	295

From 1 January 2005, all equity investments are at fair value.

The valuation of listed securities is at market value and of unlisted securities at directors' estimate. Income from listed equity shares amounted to $4 million (30 June 2004: $2 million; 31 December 2004: $4 million) and income from unlisted equity shares amounted to $5 million (30 June 2004: $3 million; 31 December 2004: $7 million).

The change in the book amount of equity shares held for investment purposes comprised:

	***6 months ended 30.06.05** **$m**
Opening	**253**
Adoption of IAS 39	**39**
Opening	**292**
Exchange translation differences	**(2)**
Acquisitions	**295**
Additions	**450**
Disposals (sale and redemption)	**(95)**
Changes in fair value	**(7)**
Closing	**933**

	6 months ended 30.06.04			6 months ended 31.12.04		
	Historical Cost $m	Provisions $m	Book amount $m	Historical cost $m	Provisions $m	Book amount $m
Opening	398	(39)	359	220	(41)	179
Exchange translation differences	(2)	-	(2)	4	(1)	3
Acquisitions	42	-	42	79	-	79
Disposals	(218)	(2)	(220)	(2)	(6)	(8)
Closing	220	(41)	179	301	(48)	253

*From 1 January 2005 all equity investments are held at fair value in accordance with IFRS, with corresponding opening adjustments.

17. Business Combinations

On 15 April 2005, the Group acquired 100 per cent of the share capital of Korea First Bank, a major banking group in the Republic of South Korea. The acquired business contributed revenues of $258 million and profit before tax of $84 million to the Group for the period from 15 April 2005 to 30 June 2005. If the acquisition had occurred on 1 January 2005, KFB would have added approximately $550 million to Group income and $150 million to profit before tax for the period.

Details of net assets acquired and goodwill are as follows:	**$m**
Purchase consideration:	
- cash paid	**3,338**
- direct costs relating to the acquisition	**29**
Total purchase consideration	**3,367**
Fair value of net assets acquired	**1,742**
Goodwill	**1,625**

The goodwill is attributable to the profitability of the acquired business and the significant synergies expected to arise after the Group's acquisition of Korea First Bank.

The assets and liabilities arising from the acquisition are as follows:

	Fair value $m	**Acquiree's carrying amount $m**
Cash and balances at central banks*	2,321	2,321
Treasury bills and other eligible bills	5,468	5,468
Loans and advances to banks	890	890
Derivative financial instruments	27	27
Loans and advances to customers	32,003	31,983
Debt securities	2,382	2,376
Equity shares	295	295
Intangibles other than goodwill	216	58
Deferred tax assets	25	15
Property, plant and equipment	1,087	1,109
Other assets	890	884
Total assets	45,604	45,426
Deposits by banks	2,782	2,782
Derivative financial instruments	240	240
Customer accounts	19,333	19,328
Debt securities in issue	16,992	17,243
Other liabilities	2,608	2,239
Subordinated liabilities and other borrowings	1,581	1,514
Total liabilities	43,536	43,346
Minority interest	326	298
Net assets acquired	1,742	1,782
Purchase considerations settled in cash	3,367	
Cash and cash equivalents in subsidiary acquired	(2,378)	
Cash outflow on acquisition	989	

*Cash balances with central banks include certain amounts subject to regulatory restrictions.

18. Deposits by Banks

	30.06.05 $m	30.06.04 $m	31.12.04 $m
Repayable on demand	**4,656**	3,124	2,588
With agreed maturity dates or periods of notice, by residual maturity:			
Three months or less	**12,706**	9,014	8,964
Between three months and one year	**3,058**	2,207	2,268
Between one and five years	**784**	2,654	1,994
Over five years	**449**	-	-
	21,653	16,999	15,814

19. Customer Accounts

	30.06.05 $m	30.06.04 $m	31.12.04 $m
Repayable on demand	**43,294**	33,478	37,033
With agreed maturity dates or periods of notice, by residual maturity:			
Three months or less	**49,004**	38,574	41,529
Between three months and one year	**12,639**	5,246	5,652
Between one and five years	**3,104**	877	1,205
Over five years	**729**	44	39
	108,770	78,219	85,458

20. Debt Securities in Issue

	30.06.05			30.06.04		
	Certificates of deposit of $100,000 or more $m	**Other debt securities in issue $m**	**Total $m**	Certificates of deposit of $100,000 or more $m	Other debt securities in issue $m	Total $m
By residual maturity:						
Three months or less	**6,220**	**2,960**	**9,180**	1,087	2,581	3,668
Between three and six months	**4,293**	**2,609**	**6,902**	622	876	1,498
Between six months and one year	**3,858**	**3,485**	**7,343**	732	1,449	2,181
Between one and five years	**1,174**	**2,901**	**4,075**	1,620	679	2,299
Over five years	**60**	**395**	**455**	17	322	339
	15,605	**12,350**	**27,955**	4,078	5,907	9,985

	31.12.04		
	Certificates of deposit of $100,000 or more $m	Other debt securities in issue $m	Total $m
By residual maturity:			
Three months or less	1,707	3,268	4,975
Between three and six months	701	1,093	1,794
Between six months and one year	637	1,757	2,394
Between one and five years	1,013	1,051	2,064
Over five years	21	379	400
	4,079	7,548	11,627

21. Other Borrowed Funds

	30.06.05 $m	30.06.04 $m	31.12.04 $m
Dated loan capital	**6,210**	4,351	5,180
Undated loan capital	**2,278**	1,572	1,588
Other undated borrowings	**350**	-	-
Total	**8,838**	5,923	6,768
Dated loan capital residual maturity:			
Within one year	**313**	715	1,084
Between one and five years	**2,549**	1,508	1,805
Over five years	**3,348**	2,128	2,291
	6,210	4,351	5,180

Upon adoption of IAS 32 on 1 January 2005, the Group's £100 million 7⅜ and £100 million 8¼ per cent irredeemable £1 preference shares were reclassified from equity to other borrowed funds.

£200 million Step-Up Notes 2022 and £300 million 8.103 per cent Step-Up Callable Perpetual Trust Preferred Securities were reclassified as other equity instruments.

Of total dated loan capital and other borrowings $5,414 million is at fixed interest rates (30 June 2004: $3,945 million; 31 December 2004: $3,234 million).

On 3 February 2005, the Group issued €750 million subordinated Lower Tier II notes ("Euro Notes") at an issue price of 99.43 per cent and $500 million of subordinated Lower Tier II notes ("Dollar notes") at an issue price of 99.86 per cent.

The Euro notes will mature on 3 February 2017. The Euro notes are callable on 3 February 2012 and at each subsquent interest date.

Interest is payable annually on the Euro notes at a fixed rate of 3.625 per cent until 3 February 2012 when a variable rate of interest of 3 month Euribor plus 87 basis points will be paid.

The Dollar notes will mature on 3 February 2015. The Dollar notes are callable on 4 February 2010 and at each subsequent interest date.

Interest is payable quarterly on the Dollar notes at a variable rate of US$ Libor plus 30 basis points until 4 February 2010 when the rates will increase to Libor plus 80 basis points.

$1,255 million of dated loan capital was added with the acquisition of KFB.

On 18 April 2005, the Group called back the €575 million convertible debt at par.

On 17 June 2005, the bank issued £400 million Undated Callable Step Up Subordinated Upper Tier 2 notes ("GBP Notes") at an issue price of 98.642 per cent. Interest is payable annually on the GBP notes at a fixed rate of 5.375 per cent until 14 July 2020 when variable rate interest of 3 month £ Libor plus 189 basis points will be paid.

22. Share Capital

	Number of ordinary shares (millions)	Ordinary share capital $m	Preference share capital $m	Share premium account $m	Total $m
At 1 January 2004	1,175	588	351	2,813	3,752
Exchange translation differences	-	-	4	-	4
Shares issued, net of expenses	2	1	-	3	4
Capitalised on exercise of share options	-	-	-	2	2
At 30 June 2004	1,177	589	355	2,818	3,762
Exchange translation differences	-	-	22	-	22
Shares issued, net of expenses	2	1	-	12	13
Capitalised on exercise of share options	-	-	-	5	5
At 31 December 2004	1,179	590	377	2,835	3,802
Adoption of IAS 32 and 39	-	-	(375)	-	(375)
At 1 January 2005	**1,179**	**590**	**2**	**2,835**	**3,427**
Capitalised on scrip dividend	**3**	**1**	**-**	**(1)**	**-**
Shares issued, net of expenses	**129**	**65**	**-**	**2,122**	**2,187**
At 30 June 2005	**1,311**	**656**	**2**	**4,956**	**5,614**

The 7⅜ per cent and 8¼ per cent preference shares of £1 each were reclassified to other borrowed funds from 1 January 2005 upon adoption of IAS 32.

On 14 January 2005, the Company issued 117,902,943 new ordinary shares at a price of 920 pence per share representing approximately 9.99 per cent of the Company's existing issued ordinary share capital. The net proceeds of the placing were approximately GBP 1,071 million ($2.0 billion). The purpose of the share issue was to aid the funding of the purchase of the entire share capital of KFB for approximately KRW 3.4 trillion ($3.3 billion) in cash.

On 16 February 2005, the Company repurchased $3 million of 8.9 per cent non-cumulative preference shares. The preference shares were repurchased at a price of 107.90 per cent. The 3,000 repurchased preference shares were cancelled leaving 328,388 dollar preference shares in issue.

On 23 May 2005, the Company issued 11,700,000 new ordinary shares at a price of 985.6 pence per share (GBP 115 million, $211 million) to the Employee Benefit Trust towards satisfaction of the vested shares under the Company's discretionary share schemes.

The 1995 Employees' Share Ownership Trust ("the 1995 trust") has acquired, at market value, 19,503,732 (30 June 2004: 15,383,963; 31 December 2004: 12,127,841) Standard Chartered PLC shares which are held in a pool for the benefit of participants under the Group's Restricted Share Scheme, Performance Share Plan and Executive Share Option Schemes. The purchase of these shares has been fully funded by the Group. At 30 June 2005, the 1995 trust held 19,503,732 (30 June 2004: 15,383,963; 31 December 2004: 12,127,841) shares, of which 16,793,958 (30 June 2004: 10,573,696; 31 December 2004: 11,854,754) have vested unconditionally.

The Standard Chartered 2004 Employee trust has acquired, at market value, 429,012 (30 June 2004: 178,926; 31 December 2004: 178,926) Standard Chartered PLC shares, which are held in a pool for the benefit of participants under the Group's deferred bonus plan. The purchase of these shares has been fully funded by the Group. At 30 June 2005, the 2004 trust held 429,012 (30 June: 178,926; 31 December 2004: 178,926) Standard Chartered Bank PLC shares, of which 7,333 (30 June 2004: nil; 31 December 2004: nil) have vested unconditionally.

23. Reserves and Retained Earnings

	Capital Reserve $m	Capital Redemption Reserve $m	Available for sale reserve $m	Cash flow hedge reserve $m	Premises revaluation reserve $m	Translation adjustment $m	Retained earnings $m	Total $m
At 1 January 2004	5	11	-	-	57	-	4,122	4,195
Recognised income and expenses	-	-	-	-	24	(66)	762	720
Dividend declared and/or paid	-	-	-	-	-	-	(429)	(429)
Net own shares adjustment	-	-	-	-	-	-	(14)	(14)
Capitalised on exercise of share options	-	-	-	-	-	-	(2)	(2)
At 30 June 2004	5	11	-	-	81	(66)	4,439	4,470
Recognised income and expenses	-	-	-	-	(5)	162	816	973
Dividend declared/paid	-	-	-	-	-	-	(201)	(201)
Net own shares adjustment	-	-	-	-	-	-	66	66
Capitalised on exercise of share options	-	-	-	-	-	-	(5)	(5)
At 31 December 2004	5	11	-	-	76	96	5,115	5,303
Adoption of IAS 32 and 39	**-**	**-**	**73**	**42**	**-**	**-**	**(4)**	**111**
At 1 January 2005	**5**	**11**	**73**	**42**	**76**	**96**	**5,111**	**5,414**
Recognised income and expenses	**-**	**-**	**(54)**	**(29)**	**-**	**(71)**	**909**	**755**
Net own shares adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**(167)**	**(167)**
Share option expense and related taxation	**-**	**-**	**-**	**-**	**-**	**-**	**56**	**56**
Dividends and other appropriations, net scrip	**-**	**-**	**-**	**-**	**-**	**-**	**(489)**	**(489)**
At 30 June 2005	**5**	**11**	**19**	**13**	**76**	**25**	**5,420**	**5,569**

24. Minority Interests

	£200m 2022 Step-Up Notes $m	**£300m 8.103% Step-Up Callable Perpetual Trust $m**	**$300m 7.267% Hybrid Tier-1 Securities $m**	**Other minority interests $m**	**Total $m**
At 31 December 2004 previously published	**-**	**-**	**-**	**964**	**964**
Adoption of IAS 32 and 39:	**396**	**598**	**-**	**(4)**	**990**
At 1 January 2005	**396**	**598**	**-**	**960**	**1,954**
Appropriation in respect of exchange translation	**(25)**	**(38)**	**-**	**-**	**(63)**
Other profits attributable to minority	**14**	**23**	**4**	**17**	**58**
Recognised income and expenses	**(11)**	**(15)**	**4**	**17**	**(5)**
Reductions	**-**	**-**	**-**	**(875)**	**(875)**
Arising on acquisition	**-**	**-**	**326**	**-**	**326**
Distributions	**(27)**	**(44)**	**-**	**(18)**	**(89)**
At 30 June 2005	**358**	**539**	**330**	**84**	**1,311**

Following additional investments in the Global Liquidity Fund by third parties, the Group's interest is no longer treated as a subsidiary and the minority interest has been reduced. In May 2005, the Group purchased a further 24.97 per cent of Nakornthon Bank in Thailand, further reducing the minority interest.

25. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprises of the following balances with less than three months maturity from the date of acquisition.

	30.06.05 $m	30.06.04 $m	31.12.04 $m
Cash and balances with central banks*	**5,667**	3,447	3,960
Treasury bills and other eligible bills	**4,686**	2,924	3,665
Loans and advances to banks	**13,769**	10,750	10,345
Trading securities	**6,507**	7,198	6,053
Total	**30,629**	24,319	24,023

* Cash balances with central banks include certain amounts subjected to regulatory restrictions.

26. Net Interest Margin and Interest Spread

	6 months ended 30.06.05 %	6 months ended 30.06.04 %	6 months ended 31.12.04 %
Net interest margin	**2.6**	2.7	2.7
Interest spread	**2.4**	2.4	2.6

	$m	**$m**	**$m**
Average interest earning assets	**151,540**	115,419	119,181
Average interest bearing liabilities	**138,973**	100,632	113,246

27. Remuneration

The Group employed 42,100 staff at 30 June 2005 (30 June 2004: 31,300; 31 December 2004: 33,300).

Within the authority delegated by the Board of Directors, the Board Remuneration Committee is involved in determining the remuneration policy of Standard Chartered Group but specifically for agreeing the individual remuneration packages for executive directors and other highly remunerated individuals. No executive directors are involved in deciding their own remuneration. The Group's remuneration policy is to:

- Support a strong performance-oriented culture and ensure that individual rewards and incentives relate directly to the performance of the individual, the operations and functions for which they are responsible, the Group as a whole and the interests of the shareholders;
- Maintain competitive awards that reflect the international nature of the Group and enable it to attract and retain talented employees of the highest quality internationally.

The success of the Group depends upon the performance and commitment of talented employees. In terms of applying this policy:

- Base salaries are set at the median of the Group's key international competitors.
- Annual bonus awards are made wholly on the basis of Group and individual performance and also an individual's adherence to the Group's values.

Standard Chartered believes strongly in encouraging employee share ownership at all levels in the organisation. The Group operates certain discretionary share plans, which are designed to provide competitive long-term incentives. Of these plans, the Performance Share Plan and the Executive Share Option Scheme are only exercisable upon the achievement of tough performance criteria. In addition, the Group operates two all-employee sharesave schemes in which 40 per cent of employees participate.

28. Charge on Group Assets

Group assets include $2,498 million (30 June 2004: $2,564 million; 31 December 2004: $2,532 million) relating to Hong Kong SAR Government certificates of indebtedness which are subordinated to the claims of other parties.

29. Contingent Liabilities and Commitments

The table below shows the contract or underlying principal amounts, credit equivalent amounts and risk weighted amounts of unmatured off-balance sheet transactions at the balance sheet date. The contract or underlying principal amounts indicate the volume of business outstanding and do not represent amounts at risk.

The credit equivalent and risk weighted amounts have been calculated in accordance with the Financial Services Authority guidelines implementing the Basel Accord on capital adequacy, after taking account of collateral and guarantees received.

	30.06.05			30.06.04		
	Contract or underlying principal amount $m	**Credit equivalent amount $m**	**Risk weighted amount $m**	Contract or underlying principal amount $m	Credit equivalent amount $m	Risk weighted amount $m
Contingent liabilities						
Acceptances and endorsements*	**-**	**-**	**-**	914	914	745
Guarantees and irrevocable letters of credit	**17,002**	**12,434**	**9,327**	14,505	10,384	6,689
Other contingent liabilities	**4,809**	**3,871**	**2,883**	4,071	2,869	1,998
	21,811	**16,305**	**12,210**	19,490	14,167	9,432
Commitments						
Documentary credits and short term trade-related transactions	**3,700**	**740**	**603**	2,213	443	414
Forward asset purchases and forward deposits placed	**87**	**87**	**17**	77	77	15
Undrawn formal standby facilities, credit lines and other commitments to lend:						
One year and over	**9,837**	**4,918**	**3,708**	7,861	3,931	3,664
Less than one year	**17,955**	**-**	**-**	8,020	-	-
Unconditionally cancellable	**27,375**	**-**	**-**	26,652	-	-
	58,954	**5,745**	**4,328**	44,823	4,451	4,093

* Acceptances and endorsements are recorded on balance sheet with the adoption of IAS 39.

29. Contingent Liabilities and Commitments (continued)

	31.12.04		
	Contract or underlying principal amount $m	Credit equivalent amount $m	Risk weighted amount $m
Contingent liabilities			
Acceptances and endorsements	976	976	842
Guarantees and irrevocable letters of credit	15,942	9,976	8,146
Other contingent liabilities	3,139	2,414	1,221
	20,057	13,366	10,209
Commitments			
Documentary credits and short term trade-related transactions	2,924	585	494
Forward asset purchases and forward deposits placed	54	54	11
Undrawn formal standby facilities, credit lines and other commitments to lend:			
One year and over	9,140	4,570	4,133
Less than one year	8,903	-	-
Unconditionally cancellable	25,933	-	-
	46,954	5,209	4,638

30. Fair Values

On 1 January 2005, the Group adopted IAS 39. It requires all derivatives to be recognised as trading and recorded at fair value, with all revaluation gains recognised in profit and loss (except where cash flow hedging has been achieved). For the comparatives UK GAAP has been applied. Derivatives held for hedging purposes are classified as non-trading and are not recorded on the balance sheet at fair value.

These tables analyse the notional principal amounts and the positive and negative fair values of the Group's derivative financial instruments. Positive and negative fair values are the mark-to-market values of the derivative contracts adjusted for any amounts recognised in the Consolidated Profit and Loss Account for non-trading items. Notional principal amounts are the amount of principal underlying the contract at the reporting date.

Fair values at the period end are representative of the Group's typical position during the period.

Trading activities are defined as positions held in financial instruments with the intention of benefiting from short-term rates or price movements. The risk section of the Financial Review on pages 36 and 37 explains the Group's risk management of derivative contracts.

	30.06.05		
	Notional principal amounts $m	**Positive fair value $m**	**Negative fair value $m**
Trading book			
Forward foreign exchange contracts	**440,305**	**4,700**	**4,522**
Foreign exchange derivative contracts			
Currency swaps and options	**152,627**	**2,286**	**2,367**
Exchange traded futures and options	**127**	**1**	**1**
Total	**152,754**	**2,287**	**2,368**
Interest rate derivative contracts			
Swaps	**448,998**	**3,617**	**3,323**
Forward rate agreements and options	**94,913**	**92**	**167**
Exchange traded futures and options	**270,262**	**-**	**-**
Total	**814,173**	**3,709**	**3,490**
Equity and stock index options	**333**	**3**	**3**
Commodity derivative contracts	**5,699**	**5**	**5**
Total derivative financial instruments	**1,413,264**	**10,704**	**10,388**
Effect of netting		**-**	**-**
		10,704	**10,388**

30. Fair Values (continued)

	30.06.04			31.12.04		
	Notional principal amounts $m	Positive fair value $m	Negative fair value $m	Notional principal amounts $m	Positive fair value $m	Negative fair value $m
Trading book						
Forward foreign exchange contracts	411,031	3,628	3,632	409,003	6,789	6,500
Foreign exchange derivative contracts						
Currency swaps and options	138,782	1,555	1,473	116,734	2,592	2,532
Exchange traded futures and options	353	1	7	238	-	-
Total	139,135	1,556	1,480	116,972	2,592	2,532
Interest rate derivative contracts						
Swaps	344,993	2,577	2,794	409,418	3,359	3,125
Forward rate agreements and options	64,667	110	110	57,475	101	127
Exchange traded futures and options	129,562	54	53	96,282	54	54
Total	539,222	2,741	2,957	563,175	3,514	3,306
Total trading book derivative financial instruments	1,089,388	7,925	8,069	1,089,150	12,895	12,338
Effect of netting		(4,375)	(4,375)		(7,563)	(7,563)
		3,550	3,694		5,332	4,775

Non-trading activities are defined as positions held with respect to management of the Group's assets and liabilities and related hedges under UK GAAP for 2004.

	30.06.04			31.12.04		
	Notional principal amounts $m	Positive fair value $m	Negative fair value $m	Notional principal amounts $m	Positive Fair value $m	Negative Fair value $m
Non-trading book						
Interest rate derivative contracts						
Swaps	1,142	1	5	2,304	17	4
Forward rate agreements and options	53	-	-	495	-	-
Exchange traded futures and options	1,694	-	-	-	-	-
Total	2,889	1	5	2,799	17	4
Equity and stock derivatives	1	-	- -	-		-
Commodity derivative contracts	617	-	-	6,030	33	33
Total non-trading book derivative financial instruments	3,507	1	5	8,829	50	37

30. Fair Values (continued)

	30.06.05		30.06.04		31.12.04	
	Book value $m	**Market value $m**	Book value $m	Market value $m	Book value $m	Market value $m
Listed and publicly traded securities:						
Financial assets	**26,804**	**26,804**	18,566	18,562	16,627	16,689
Preference shares	**1,190**	**1,448**	655	774	676	856
Other financial liabilities	**36,794**	**35,913**	10,901	11,053	12,013	11,833
Financial liabilities	**37,984**	**37,361**	11,556	11,827	12,689	12,689

Financial assets include treasury bills, debt securities and equity shares. Other financial liabilities include debt securities in issue and subordinated loan capital.

31. Credit Exposures in respect of Derivative Contracts

The residual maturity analysis of the notional principal amounts of derivative contracts, excluding exchange traded futures and options, held at 30 June 2005, 30 June 2004 and 31 December 2004 for trading (and for 2004, non-trading) purposes is set out below:

	30.06.05				30.06.04			
	Under One Year $m	**One to five years $m**	**Over five years $m**	**Total $m**	Under one year $m	One to five years $m	Over five years $m	Total $m
Forward foreign exchange and foreign exchange derivative contracts								
Notional principal amount	**525,738**	**57,407**	**9,787**	**592,932**	498,725	47,880	3,208	549,813
Net replacement cost	**5,473**	**1,786**	**(273)**	**6,986**	4,171	922	90	5,183
Interest rate derivative contracts								
Notional principal amount	**273,035**	**226,938**	**43,938**	**543,911**	212,724	165,612	32,519	410,855
Net replacement cost	**549**	**1,864**	**1,296**	**3,709**	512	1,453	723	2,688
Equity and stock index								
Notional principal amount	**314**	**7**	**12**	**333**	1 -	-		1
Net replacement cost	**3**	**-**	**-**	**3**	- -	-		-
Commodity derivative contracts								
Notional principal amount	**1,364**	**4,335**	**-**	**5,699**	308	309	-	617
Net replacement cost	**-**	**1**	**4**	**5**	- -	-		-
Counterparty risk								
Financial institutions				**10,182**				6,242
Non financial institutions				**521**				1,629
Total net replacement cost				**10,703**				7,871

31. Credit Exposures in respect of Derivative Contracts (continued)

	31.12.04			
	Under one year $m	One to five years $m	Over five years $m	Total $m
Forward foreign exchange and foreign exchange derivative contracts				
Notional principal amount	479,468	41,409	4,860	525,737
Net replacement cost	7,640	1,504	237	9,381
Interest rate derivative contracts				
Notional principal amount	243,369	189,548	36,775	469,692
Net replacement cost	519	1,782	1,176	3,477
Commodity derivative contracts				
Notional principal amount	1,094	4,348	588	6,030
Net replacement cost	3	23	7	33
Counterparty risk				
Financial institutions				11,532
Non financial institutions				1,359
Total net replacement cost				12,891

The risk section of the Financial Review on pages 36 and 37 explains the Group's risk management of derivative contracts.

32. Market Risk

	6 months ended 30.06.05			**30.06.05**
Trading book	**Average $m**	**High $m**	**Low $m**	**Actual $m**
Daily value at risk:				
Interest rate risk	**4.1**	**5.5**	**3.1**	**3.6**
Foreign exchange risk	**1.6**	**2.8**	**1.0**	**1.4**
Total	**4.4**	**5.9**	**3.5**	**3.9**

	6 months ended 30.06.04			30.06.04	6 months ended 31.12.04			31.12.04
Trading book	Average $m	High $m	Low $m	Actual $m	Average $m	High $m	Low $m	Actual $m
Daily value at risk:								
Interest rate risk	3.1	4.1	2.2	3.1	3.5	4.4	2.7	3.4
Foreign exchange risk	2.7	4.5	1.3	2.5	2.2	3.6	1.2	3.0
Total	4.4	6.0	3.1	4.5	4.1	5.5	3.2	5.1

32. Market Risk (continued)

This note should be read in conjunction with the market risk section of the Financial Review on pages 36 and 37 which explains the Group's market risk management.

The Group measures the risk of losses arising from future potential adverse movements in interest and exchange rates, prices and volatilities using a VaR methodology. The Group uses historic simulation as its VaR methodology.

The total Group Trading book VaR shown in the table above is not a sum of the interest rate and exchange rate risks due to offset. The highest and lowest VaR are independent and could have occurred on different days.

VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 97.5 per cent. This confidence level suggests that potential daily losses, in excess of the VaR measure, are likely to be experienced six times per year.

The historic simulation method is used with an observation period of one year and involves the revaluation of all unmatured contracts to reflect the effect of historically observed changes in market risk factors on the valuation of the current portfolio.

The Group recognises that there are limitations to the VaR methodology. These limitations include the fact that the historic data may not be the best proxy for future price movements, either because the observation period does not include representative price movements or, in some cases, because of incomplete market data.

The Group performs regular back-testing, where actual profits and losses are compared with VaR estimates to track the statistical validity of the VaR Model.

VaR is calculated as the Group's exposure as at the close of business, London time. Intra-day risk levels may vary from those reported at the end of the day.

Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. To manage the risk arising from events, which the VaR methodology does not capture, the Group regularly stress tests its main market risk exposures. Stress testing involves valuing portfolios at prices, which assume extreme changes in risk factors beyond the range of normal experience. Positions that would give rise to potentially significant losses under a low probability stress event are reviewed by the Group Risk Committee.

33. Statutory Accounts

The information in this interim statement is unaudited and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. This document was approved by the Board on 8 August 2005. The comparative figures for the financial year end 31 December 2004 are not the Company's statutory accounts for that financial year.

These statutory accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under Section 237 (2) or (3) of the Companies Act 1985.

34. Forward Looking Statements

This document contains forward-looking statements, including such statements within the meaning of section 27A of the US Securities Act of 1993 and section 21E of the Securities Exchange Act of 1934. These statements concern, or may affect, future matters. These may include the Group's future strategies, business plans, and results and are based on the current expectations of the directors of Standard Chartered.

They are subject to a number of risks and uncertainties that might cause actual results and outcomes to differ materially from expectations outlined in these forward-looking statements. These factors are not limited to regulatory developments but include stock markets, IT developments, competitive and general operating conditions.

35. Transition to EU Endorsed IFRS

EU law (IAS Regulation EC 1606/2002) requires that the next annual consolidated financial statements of the company, for the year ending 31 December 2005, be prepared in accordance with International Financial Reporting Standards (IFRSs) adopted for use in the EU ("adopted IFRSs").

This interim financial information has been prepared on the basis of the recognition and measurement requirements of IFRSs in issue that either are endorsed by the EU and effective (or available for early adoption) at 31 December 2005 or are expected to be endorsed and effective (or available for early adoption) at 31 December 2005, the Group's first annual reporting date at which it is required to use adopted IFRSs. Based on these adopted and unadopted IFRSs, the directors have made assumptions about the accounting policies expected to be applied, which are as set out below, when the first annual IFRS financial statements are prepared for the year ending 31 December 2005.

In particular, the directors have assumed that the following IFRSs issued by the International Accounting Standards Board will be adopted by the EU in sufficient time that they will be available for use in the annual IFRS financial statements for the year ending 31 December 2005:

- Amendment to IAS 19 Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
- Amendments to IAS 39 - Financial Instruments: Recognition and Measurement The Fair Value Option

The adopted IFRSs that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 December 2005 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 December 2005.

Application of IFRS 1: First-time adoption of International Financial Reporting standards

The Group's transition date is 1 January 2004. The Group prepared its opening IFRS balance sheet at that date. The reporting date of these interim consolidated financial statements is 30 June 2005. The Group's IFRS adoption date is 1 January 2005.

In preparing these interim consolidated financial statements in accordance with IFRS 1, the Group has applied the mandatory exceptions and certain of the optional exemptions from full retrospective application of IFRS.

Exemptions from full retrospective application elected by the Group

The Group has elected to apply the following optional exemptions from full retrospective application.

(a) Business combinations exemption

The Group has applied the business combinations exemption in IFRS 1. It has not restated business combinations that took place prior to the 1 January 2004 transition date.

(b) Fair value as deemed cost exemption

The Group has elected to deem as cost certain items of property, plant and equipment held at valuation as at 1 January 2004.

(c) Cumulative translation differences exemption

The Group has elected to set the previously accumulated cumulative translation to zero at 1 January 2004.

(d) Exemption from restatement of comparatives for IAS 32 and IAS 39

The Group elected to apply this exemption. It has applied previous UK GAAP rules to derivatives, financial assets and financial liabilities and to hedging relationships for the 2004 comparative information. The adjustments required for differences between UK GAAP and IAS 32 and IAS 39 have been determined and recognised at 1 January 2005.

(e) Share-based payment transaction exemption

As the Group has not previously published information regarding the fair value of employee rewards, it has been required to apply the share-based payment exemption. It applied IFRS 2 from 1 January 2004 to those equity settled share awards that were issued after 7 November 2002 but that have not vested by 1 January 2005.

35. Transition to EU Endorsed IFRS (continued)

Exceptions from full retrospective application followed by the Group

The Group has applied the following mandatory exceptions from retrospective application.

(a) Derecognition of financial assets and liabilities exception

Financial assets and liabilities derecognised before 1 January 2004 are not re-recognised under IFRS. The application of the exemption from restating comparatives for IAS 32 and IAS 39 means that the Group recognised from 1 January 2005 any financial assets and financial liabilities derecognised since 1 January 2004 that do not meet the IAS 39 derecognition criteria. Management did not chose to apply the IAS 39 derecognition criteria to an earlier date.

(b) Estimates exception

Estimates under IFRS at 1 January 2004 should be consistent with estimates made for the same date under previous UK GAAP, unless there is evidence that those estimates were in error.

(c) Assets held for sale and discontinued operations exception

Management has applied IFRS 5 prospectively from 1 January 2005. Any assets held for sale or discontinued operations are recognised in accordance with IFRS 5 only from 1 January 2005.

Reconciliations between IFRS and UK GAAP

The following reconciliations provide details of the impact of the transition on:

- equity at 1 January 2004 (excluding IAS 32/39)
- equity at 30 June 2004 (excluding IAS 32/39)
- equity at 31 Dec 2004 (excluding IAS 32/39)
- equity at 1 January 2005 (including IAS 32/39)
- profit and loss 30 June 2004 (including IAS 32/39)
- profit and loss 31 December 2004 (excl IAS 32/39)

An explanation of the adjustments and the Group's accounting policies under IFRS is set out in the presentation and press release entitiled "Standard Chartered PLC Results for 2004 Restated Under International Financial Reporting Standards" dated 12 May 2005. Copies of this document are available from the Group's website at: *http://investors.standardchartered.com*

35. Transition to EU Endorsed IFRS (continued)

Reconciliation of equity

01.01.04

	Share capital/ premium and redemption reserve $m	Premises revaluation $m	Own shares held in ESOP Trusts $m	Retained earnings $m	Minority interest $m	**Total equity $m**
UK GAAP	3,768	(2)	(60)	3,823	614	**8,143**
Dividends	-	-	-	439	-	**439**
Fixed Assets	-	81	-	(84)	-	**(3)**
Share options	-	-	-	(3)	-	**(3)**
Consolidation	-	-	-	25	6	**31**
Tax	-	(22)	-	(9)	-	**(31)**
Other	-	-	-	(9)	-	**(9)**
IFRS	3,768	57	(60)	4,182	620	**8,567**

30.06.04

	Share capital/ premium and redemption reserve $m	Premises revaluation $m	Own shares held in ESOP Trusts $m	Retained earnings $m	Minority interest $m	**Total equity $m**
UK GAAP	3,778	-	(74)	4,301	626	**8,631**
Dividends	-	-	-	208	-	**208**
Goodwill	-	-	-	21	-	**21**
Fixed Assets	-	81	-	(84)	-	**(3)**
Share options	-	-	-	10	-	**10**
Consolidations	-	-	-	17	4	**21**
Tax	-	-	-	(4)	-	**(4)**
Other	-	-	-	(22)	-	**(22)**
IFRS	3,778	81	(74)	4,447	630	**8,862**

31.12.04

	Share capital/ premium and redemption reserve $m	Premises revaluation $m	Own shares held in ESOP Trusts $m	Retained earnings $m	Minority interest $m	**Total equity $m**
UK GAAP	3,818	(5)	(8)	4,630	956	**9,391**
Dividends	-	-	-	532	-	**532**
Goodwill	-	-	-	114	-	**114**
Fixed Assets	-	81	-	(84)	-	**(3)**
Share options	-	-	-	16	-	**16**
Consolidations	-	-	-	27	8	**35**
Tax	-	-	-	(4)	-	**(4)**
Other	-	-	-	(12)	-	**(12)**
IFRS	3,818	76	(8)	5,219	964	**10,069**

35. Transition to EU Endorsed IFRS (continued)

01.01.05

	Share capital/premium and redemption reserve $m	Other equity instruments $m	AFS reserves $m	Cash flow hedge reserve $m	Premises revaluation $m	Retained earnings $m	Minority interest $m	Total equity $m
IFRS (ex IAS 32/39)	3,818	-	-	-	76	5,211	964	10,069
Debt/Equity	(375)	994	-	-	-	20	-	639
Effective Yield	-	-	-	-	-	109	-	109
Derivatives/hedging	-	-	-	61	-	58	(4)	115
Asset classification/ fair values	-	-	87	-	-	(27)	-	60
Other	-	-	-	-	-	(142)	-	(142)
Impairment	-	-	-	-	-	33	-	33
Tax	-	-	(14)	(19)	-	(55)	-	(88)
IFRS	3,443	994	73	42	76	5,207	960	10,795

Reconciliation of profit and loss

Profit attributable to shareholders	6 months ended 30.06.04 $m	12 months ended 31.12.04 $m
UK GAAP	746	1,479
Goodwill	21	114
Share options	(12)	(23)
Consolidations	2	3
Tax	7	7
Other	(8)	(2)
IFRS	756	1,578

36. UK and Hong Kong Accounting Requirements

On 1 January 2005 the Group converted from UK GAAP to International Accounting Standards endorsed by the EU, or those that are expected to be endorsed by 31 December 2005. The consolidated financial statements of the Group for the six months ended 30 June 2005, including 2004 comparatives, have been prepared accordingly, except that the 2004 comparatives exclude the effects of IAS 32 and 39. Where applicable for 2004, the principles of UK GAAP have been applied. On 1 January 2005 Hong Kong GAAP adopted an accounting standard on financial instruments similar to IAS 39. There would be no material differences between the accounting conventions except as set out below:

Investments in Securities

2004 IFRS excluding IAS 32/39

Securities, including equity shares and treasury bills, which are intended for use on a continuing basis are classified as investment securities. Investment securities are stated at cost less any provision for impairment. Where dated investment securities are purchased at a premium or a discount, these premiums or discounts are amortised through the profit and loss account. Securities other than investment securities are classified as dealing securities and are stated at market value.

2004 Hong Kong GAAP

Under Hong Kong Statement of Standard Accounting Practice 24 – Accounting for Investments in Securities (SSAP24), investment securities classified as held-to-maturity securities are stated at amortised cost less any provision for diminution in value. Other securities, not intended to be held until maturity, are accounted for under the 'alternative' treatment. Under the alternative treatment securities are identified as either trading or non-trading. Trading securities are stated at fair value with changes in fair value recognised in the profit and loss account as they arise. Non-trading securities are stated at fair value with changes in fair value recognised in the revaluation reserve until disposal.

If the Group had prepared its 2004 comparative financial statements under Hong Kong SSAP24 there would have been a net charge to the profit and loss account for the six months ended 30 June 2004 of $24 million and $9 million for the 12 months ended 31 December 2004, an increase in the book amount of investment in securities of $25 million as at 30 June 2004 and $46 million as at 31 December 2004 and a credit to reserves of $18 million at 30 June 2003 and $32 million at 31 December 2003.

Share Awards – Additional Information

1994 Executive Share Option Schemes
As at 1 January 2005, there were options outstanding over 2,252,949 ordinary shares under the schemes. During the first half of the year, options over 54,000 ordinary shares lapsed and options over 567,538 ordinary shares were exercised at various prices from 387 pence to 888 pence. There were no options granted under these schemes during the year.

As at 30 June 2005, there were options outstanding over 1,631,411 ordinary shares which may be exercised on various dates up to 2009 under the rules of the schemes.

Supplemental Executive Share Options Scheme
As at 1 January 2005, there were options outstanding over 379,819 ordinary shares under the scheme. During the year 379,819 options over ordinary shares lapsed and there were no exercises.

The exercise of these options were linked to performance criteria. As at 30 June 2005, there were no options outstanding under the scheme.

1997 Restricted Share Scheme
As at 1 January 2005, there were awards outstanding over 5,396,020 ordinary shares. During the first half of the year, awards over 1,016,807 ordinary shares were exercised and awards over 97,907 ordinary shares lapsed.

The following awards were made:

Date award made	Number of shares awarded	Exercise period
9 March 2005	2,527,452	2007 - 2012
14 June 2005	37,393	2007 - 2012

As at 30 June 2005, there were awards outstanding over 6,846,151 ordinary shares.

2000 Executive Share Option Scheme
As at 1 January 2005, there were options outstanding over 30,707,971 ordinary shares under the scheme. During the first half of the year, options over 362,764 ordinary shares lapsed and 2,604,914 ordinary shares options were exercised at various prices from 722.8 pence to 935.5 pence.

The following options were granted under the scheme:

Date option granted:	Option price per share	Number of shares under option	Exercise period
9 March 2005	971.0	752,938	2008 – 2015
14 June 2005	1039.5	153,839	2008 – 2015

The exercise of options granted during the year will be linked to performance criteria.

As at 30 June 2005, there were options outstanding over 28,647,070 ordinary shares which may be exercised at various dates up to 2015 under the rules of the scheme.

2001 Performance Share Plan
At 1 January 2005, there were awards outstanding over 3,066,957 ordinary shares.

The following awards were granted under the Plan:

Date award made	Number of shares awarded	Exercise period
9 March 2005	1,497,179	2008 – 2015

Share Awards – Additional Information (continued)

The awards granted under the 2001 performance share plan are nil cost options. The exercise of awards granted during the year will be linked to performance criteria. During the first half of the year awards over 401,401 ordinary shares were exercised and awards over 82,583 ordinary shares lapsed.

At 30 June 2005, there were awards outstanding over 4,080,152 ordinary shares.

Savings Related Share Option Schemes

UK Schemes

At 1 January 2005, there were options outstanding over 1,380,980 ordinary shares under these schemes. During the first half of the year, options were exercised over 28,699 ordinary shares at prices from 559.5 to 743 pence and 48,095 options lapsed. No options were granted under the schemes.

At 30 June 2005, there were options outstanding over 1,304,186 ordinary shares, which may be exercised at various dates up to 2010 under the rules of the schemes.

International Schemes

At 1 January 2005, there were 8,273,070 options outstanding under the schemes. During the first half of the year, options were exercised over 167,653 ordinary shares at prices from 334 pence to 743 pence and 487,640 options lapsed. No options were granted under the schemes.

At 30 June 2005, there were options outstanding over 7,617,777 ordinary shares which may be exercised on various dates up to 2010 under the rules of the schemes.

STANDARD CHARTERED PLC – ADDITIONAL INFORMATION (continued)

Directors' interests in Ordinary Shares – Additional Information

Director	At 1 January 2005 Total interests	Personal interests	Family interests	Other interests (e)	At 30 June 2005 Total interests
B K Sanderson	101,617	132,423	11,159	26,062	169,644
E M Davies	124,538	109,291	-	51,602	160,893
Sir CK Chow	15,664	15,664	-	-	15,664
M B DeNoma	53,172	103,107	-	24,941	128,048
J F T Dundas	2,100	2,100	-	-	2,100
V F Gooding	-	2,049	-	-	2,049
Ho KwonPing	2,375	2,429	-	-	2,429
R H P Markham	2,232	2,282	-	-	2,282
R Markland	2,019	2,065	-	-	2,065
R H Meddings	17,947	11,669	-	24,081	35,750
K S Nargolwala	116,917	147,340	-	24,941	172,281
H E Norton	4,000	4,000	-	-	4,000
P A Sands	24,238	15,503	-	30,961	46,464
P D Skinner	3,029	3,097	-	-	3,097
O H J Stocken	5,000	10,000	-	-	10,000

Notes

(a) The beneficial interests of directors and their families in the ordinary shares of the Company are set out above. The directors do not have any non-beneficial interests in the Company's shares.

(b) No director had an interest in the Company's preference shares or loan stock, nor the shares or loan stocks of any subsidiary or associated undertaking of the Group.

(c) No director had any corporate interests in the Company's ordinary shares.

(d) Miss Gooding was appointed as an independent non-executive director on 1 January 2005.

(e) The shares shown in this column are Deferred Bonus Plan shares. Under the 2004 Deferred Bonus Plan, shares are awarded instead of all or part of the director's annual cash bonus. The shares are held in trust and automatically vest one year after the date of purchase; no exercise is necessary.

Directors' interests in Ordinary Shares (continued)

Director	Scheme	At 1 January 2005	Granted	Exercised	Lapsed	At 30 June 2005	Weighted average exercise price (pence)	Period of Exercise
B K Sanderson	2000 Scheme	142,055	49,433[a]	-	-	191,488	822.5	2006-2015
	Sharesave	2,472		-	-	2,472	641	2008-2009
E M Davies	2000 Scheme	1,138,426	154,479(a)	-	-	1,292,905	796.65	2005-2015
	Sharesave	2,957	-	-	-	2,957	559.5	2007-2008
	Supplemental Scheme	26,832	-	-	26,832	-	-	-
	1994 Scheme	132,848	-	-	-	132,848	754.02	2005-2009
M B DeNoma	2000 Scheme	622,473	64,109(a)	316,828[b]	-	369,754	795.8	2006-2015
	Sharesave	2,397	-	2,397[b]	-	-	-	-
	Supplemental Scheme	36,585	-	-	36,585	-	-	-
	1994 Scheme	33,783	-	33,783[b]	-	-	-	-
R H Meddings	2000 Scheme	302,805	74,794(a)	-	-	377,599	817.99	2005-2015
	Sharesave	1,439	-	-	-	1,439	641	2006-2007
K S Nargolwala	2000 Scheme	580,819	64,109(a)	-	-	644,928	829.16	2005-2015
	Supplemental Scheme	54,878	-	-	54,878	-	-	-
	1994 Scheme	99,063	-	-	-	99,063	757.1	2005-2009
P A Sands	2000 Scheme	500,580	97,837(a)	-	-	598,417	835.54	2005-2015
	Sharesave	2,957	-	-	-	2,957	559.5	2007-2008

Notes

(a) Exercise Price: 971p

(b) Market value on date of exercise (21 June 2005) 1039p.

(c) 2000 Executive Share Option Scheme (the 2000 Scheme). Executive share options are exercisable after the third, but before the tenth, anniversary of the date of grant. The exercise price per share is at least the share price at the date of grant and options can normally only be exercised if an earnings per share (EPS) linked performance condition is satisfied. For awards granted in 2005, there is a sliding scale EPS performance condition. EPS must increase by a minimum of 15 per cent over the performance period for partial vesting, and by 30 per cent for full vesting.

(d) Sharesave. Sharesave is an all employee share scheme in which staff across the Group, including the executive directors, are eligible to participate. There are two schemes - the UK Sharesave Scheme and the International Sharesave Scheme.

Under Sharesave participants have a choice of opening a three-year or a five-year savings contract. Within a period of six months after the third or fifth anniversary, participants may purchase ordinary shares in the Company. The price at which they may purchase shares is typically at a 20 per cent discount to the share price at the date of invitation. There are no performance conditions attached to awards under the Sharesave schemes.

(e) 1997 Supplemental Executive Share Option Scheme (the Supplemental Scheme). No awards have been made under the Supplemental Scheme since February 2000 and it is anticipated that no future grants will be made under it except in exceptional circumstances.

To be eligible for a grant under this scheme, participants had to retain a personal holding of at least 10,000 shares, purchased at their own expense. Options can only be exercised up to the fifth anniversary of the grant date if, firstly, the share price over 20 consecutive days exceeds the share price at grant by at least 50 per cent plus RPI and, secondly, EPS increases by at least 25 per cent plus RPI. All subsisting awards under this scheme have now lapsed.

(f) 1994 Executive Share Option Scheme (the 1994 Scheme) (closed). No awards have been made under the 1994 Scheme since August 1999 as it was replaced by the 2000 Scheme.

Executive share options to purchase ordinary shares in the Company are exercisable after the third, but before the tenth anniversary of the date of grant. The exercise price is the share price at the date of grant and options can only be exercised if EPS increases by at least 15 per cent over three consecutive years.

Further details of the share schemes mentioned above, can be found in the Company's 2004 Report and Accounts, which is available on the Company's website: http://investors.standardchartered.com

STANDARD CHARTERED PLC – ADDITIONAL INFORMATION (continued)

Directors' interests in Ordinary Shares (continued)

		Options where market price greater than exercise price			Options where market price lower than exercise price		
Director	**Type of Scheme***	**At 30 June 2005**	**Weighted exercise price (pence)**	**Expiry date**	**At 30 June 2005**	**Weighted exercise price (pence)**	**Expiry date**
B K Sanderson	Executive Schemes	191,488	822.5	2015	-	-	-
	Sharesave	2,472	641	2009	-	-	-
E M Davies	Executive Schemes	1,425,753	792.68	2007-2015	-	-	-
	Sharesave	2,957	559.5	2008	-	-	-
M B DeNoma	Executive Schemes	369,754	795.80	2013-2015	-	-	-
R H Meddings	Executive Schemes	377,599	817.99	2012-2015	-	-	-
	Sharesave	1,439	641	2007	-	-	-
K S Nargolwala	Executive Schemes	743,991	819.56	2008-2015	-	-	-
P A Sands	Executive Schemes	598,417	835.54	2012-2015	-	-	-
	Sharesave	2,957	559.50	2008	-	-	-

*Executive Schemes includes the 1994 Executive Share Option Scheme and the 2000 Executive Share Option Scheme

Directors' interests in Ordinary Shares (continued)

Director	Scheme	At 1 January 2005	Granted	Exercised	Lapsed	At 30 June 2005	Period of vesting
B K Sanderson	Performance Share Plan	32,068	-	-	-	32,068	2007
	Performance Share Plan	-	57,672(a)	-	-	57,672	2008
	Restricted Share Scheme	40,404	-	20,202(b)	-	20,202	2005
E M Davies	Performance Share Plan	83,010	-	-	-	83,010	2005
	Performance Share Plan	86,893	-	-	-	86,893	2006
	Performance Share Plan	69,481	-	-	-	69,481	2007
	Performance Share Plan	70,575	-	-	-	70,575	2007
	Performance Share Plan	-	154,479(a)	-	-	154,479	2008
M B DeNoma	Performance Share Plan	30,713	-	28,409(c)	2,304	-	-
	Performance Share Plan	55,032	-	-	-	55,032	2006
	Performance Share Plan	42,757	-	-	-	42,757	2007
	Performance Share Plan	21,715	-	-	-	21,715	2007
	Performance Share Plan	-	74,794(a)	-	-	74,794	2008
R H Meddings	Performance Share Plan	38,015	-	-	-	38,015	2006
	Performance Share Plan	37,413	-	-	-	37,413	2007
	Performance Share Plan	9,500	-	-	-	9,500	2007
	Performance Share Plan	-	74,794(a)	-	-	74,794	2008
	Restricted Share Scheme	45,319	-	-	-	45,319	2004-2005
K S Nargolwala	Performance Share Plan	51,189	-	47,349(d)	3,840	-	-
	Performance Share Plan	55,032	-	-	-	55,032	2006
	Performance Share Plan	42,757	-	-	-	42,757	2007
	Performance Share Plan	21,715	-	-	-	21,715	2007
	Performance Share Plan	-	74,794(a)	-	-	74,794	2008
P A Sands	Performance Share Plan	52,216	-	48,299(e)	3,917	-	-
	Performance Share Plan	65,170	-	-	-	65,170	2006
	Performance Share Plan	48,102	-	-	-	48,102	2007
	Performance Share Plan	36,644	-	-	-	36,644	2007
	Performance Share Plan	-	97,837(a)	-	-	97,837	2008
	Restricted Share Scheme	52,216	-	-	-	52,216	2004-2005

Notes

(a) Market value on date of award (9 March 2005) was 971p.

(b) Market value on date of exercise (10 June 2005) was 1042.5p.

(c) Market value on date of exercise (21 June 2005) was 1039p.

(d) Market value on date of exercise (11 May 2005) was 973p.

(e) Market value on date of exercise (23 May 2005) was 989p.

(f) 2001 Performance Share Plan (the Plan). Under the Plan awards of nil price options to acquire shares are granted to the director and will normally be exercised between three and ten years after the date of grant.

Before any award can be exercised under the Plan, certain performance conditions need to be met. The performance conditions are set at the time of the award. 50 per cent of each award is subject to the satisfaction of a relative total shareholder return performance target. The remaining 50 per cent of the award is subject to the satisfaction of an EPS performance target. Further details of the performance conditions can be found in the Company's 2004 Report and Accounts, which is available on the Company's website: http://investors.standardchartered.com

(g) 1997 Restricted Share Scheme (the Restricted Share Scheme). The awards under the Restricted Share Scheme are nil cost options and are not normally granted to executive directors except upon their appointment. Fifty per cent of the award vests two years after the date of grant and the remainder after three years. There are no performance conditions attached to awards under the Restricted Share Scheme.

Further details of the share schemes mentioned above, can be found in the Company's 2004 Report and Accounts, which is available on the Company's website: http://investors.standardchartered.com

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.

Securities transactions

The Company confirms that it has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than required by Appendix 10 of the Listing Rules of the Hong Kong Stock Exchange, and that the directors of the Company have complied with this code of conduct throughout the period.

Share price information

The middle market price of an ordinary share at the close of business on 30 June 2005 was 1020 pence. The share price range during the first half of 2005 was 924.5 pence to 1043 pence (based on the closing middle market prices).

Substantial shareholders

The Company and its shareholders have been granted partial exemption from the disclosure requirements under Part XV of the Securities and Futures Ordinance ("SFO").

As a result of this exemption, shareholders no longer have an obligation under the SFO to notify the Company of substantial shareholding interests, and the Company is no longer required to maintain a register of interests of substantial shareholders under section 336 of the SFO. The Company is, however, required to file with the Hong Kong Stock Exchange any disclosure of interests made in the UK.

Dividend and interest payment dates

2005 Interim dividend

Ex dividend date	17 August 2005
Record date for dividend	19 August 2005
Dividend payment date	14 October 2005

2005 Final dividend	**(provisional only)**
Results and dividend announced	2 March 2006

Preference shares	**Next half- yearly dividend**
7⅜ per cent Non-Cumulative Irredeemable preference shares of £1each	1 October 2005
8¼ per cent Non-Cumulative Irredeemable preference shares of £1each	1 October 2005
8.9 per cent Non-Cumulative preference shares of $5 each:	Dividends paid on the 1st of each calendar quarter

Previous dividend payments

Dividend and financial year	Payment date	Cash dividend per ordinary share	Cost of one new ordinary share under the share dividend scheme
Final 1998	28 May 1999	14.50p	889.5p
Interim 1999	15 October 1999	6.75p	860.8p
Final 1999	26 May 2000	16.10p	797.9p
Interim 2000	13 October 2000	7.425p	974.3p
Final 2000	25 May 2001	17.71p	No offer
Interim 2001	12 October 2001	12.82c/8.6856p	No offer
Final 2001	17 May 2002	29.10c/19.91p	£8.43/$12.32
Interim 2002	15 October 2002	14.10c/9.023p	£6.537/$10.215
Final 2002	13 May 2003	32.9c/20.692p/ HK$2.566	£6.884/$10.946
Interim 2003	10 October 2003	15.51c/9.3625p/HK$1.205	£8.597/$14.242
Final 2003	14 May 2004	36.49c/20.5277p/HK$2.8448	£8.905/$15.830
Interim 2004	8 October 2004	17.06c/9.4851p/HK$1.3303	£9.546/$17.16958
Final 2004	13 May 2005	44.44c/21.145p/HK$3.15156	£9.384/$17.947

ShareCare

ShareCare is available to shareholders on the United Kingdom share register who have a resident address in the United Kingdom. Sharecare allows you to hold your Standard Chartered shares in a nominee account. Your shares can be held in electronic form so you will no longer have to worry about keeping your share certificates safely. If you join ShareCare you will still be invited to attend the Company's AGM and you will still receive your dividend at the same time as everyone else. ShareCare is free to join and there are no annual fees to pay. If you would like to receive more information please contact the shareholder helpline on 0870 702 0138.

Bankers' Automated Clearing System (BACS)

Dividends and loan stock interest can be paid straight into your bank or building society account. Please contact our registrar for a mandate form.

Registrars and shareholder enquiries

If you have any enquiries relating to your shareholding and you hold your shares on the United Kingdom share register, please contact our registrar Computershare Investor Services PLC, at PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 7NH. There is a shareholder helpline on 0870 702 0138.

If you hold your shares on the Hong Kong branch register and you have enquiries, please contact Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queens Road East, Hong Kong. You can check your shareholding at: www.computershare.com

Chinese translation

If you would like a Chinese version of this Interim Report please contact: Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queens Road East, Hong Kong.

中期報告之中文譯本可向香港中央證券登記有限公司索取，地址：香港皇后大道東 183 號合和中心 46 樓。

Shareholders on the Hong Kong branch register who have asked to receive corporate communications in either Chinese or English can change this election by contacting Computershare.

If there is a dispute between any translation and the English version of this Interim Report, the English text shall prevail.

Taxation

Information on taxation applying to dividends paid to you if you are a shareholder in the United Kingdom, Hong Kong and the United States will be sent to you with your dividend documents.

Electronic communications

If you hold your shares on the United Kingdom share register and in future you would like to receive the Report and Accounts and Interim Reports electronically rather than by post, please register online at:
www.standardchartered.com/investors.

Then click on Update **Shareholder Details** and follow the instructions. You will need to have your Shareholder or ShareCare Reference number when you log on. You can find this on your share certificate or ShareCare statement.

Independent review report by KPMG Audit Plc to Standard Chartered PLC

Introduction

We have been engaged by the company to review the financial information set out on pages 41 to 80 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Listing Rules of the Financial Services Authority. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual financial statements except where any changes, and the reasons for them, are disclosed.

As disclosed in note 1 to the financial information, the next annual financial statements of the group will be prepared in accordance with IFRSs adopted for use in the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting as described in Note 1 and the requirements of IFRS 1 First-time Adoption of International Financial Reporting Standards relevant to interim reports.

The accounting policies that have been adopted in preparing the financial information are consistent with those that the directors currently intend to use in the next annual financial statements. There is, however, a possibility that the directors may determine that some changes to these policies are necessary when preparing the full annual financial statements for the first time in accordance with those IFRSs adopted for use by the European Union. This is because, as disclosed in note 1, the directors have anticipated that certain standards, which have yet to be formally adopted for use in the EU, will be so adopted in time to be applicable to the next annual financial statements.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 *Review of interim financial information* issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2005.

KPMG Audit Plc
Chartered Accountants
London
8 August 2005

Financial Calendar

Ex-dividend date	17 August 2005
Record date	19 August 2005
Posting to shareholders of 2005 Interim Report	2 September 2005
Payment date – interim dividend on ordinary shares	14 October 2005

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

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The following information will be available on our website

- *A live webcast of the interim results analyst presentation (available from 10:45am BST)*
- *A pre-recorded webcast and Q/A session of analyst presentation in London (available 1:00pm BST)*
- *Interviews with Mervyn Davies, Group Chief Executive and Peter Sands, Group Finance Director available from 9:00am BST.*
- *Slides for the Group's presentations (available after 1:00pm BST)*

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

Information regarding the Group's commitment to Corporate Responsibility is available at http://www.standardchartered.com/corporateresponsibility

The 2005 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.