

Standard Chartered PLC
(渣打集團有限公司)
(the "Company")
(Registered in England and Wales number 966425)
PRE-CLOSE TRADING UPDATE

**Standard Chartered PLC
announces details of information to be covered in a conference call with analysts ahead of its
close period for the year ending 31 December 2003**

Standard Chartered PLC will be holding a conference call with analysts ahead of its close period for the year ending 31 December 2003. This statement details the information that will be covered in those discussions.

Overall

Standard Chartered has continued to make good progress in the second half of 2003. Profit before tax for the year is expected to be above the market consensus of US\$1,446M (current range: US\$1,380M to US\$1,550M). Normalised earnings per share (EPS) for the year is likely to show growth in mid to high teens.

Consumer Banking is achieving good growth. Wholesale Banking continues to make significant progress on our strategy of improving returns.

Hong Kong, our largest market, is showing positive signs of an economic turnaround and this is reflected in our business performance.

In the second half we have increased the pace of investment in our growth businesses, particularly in Consumer Banking. As a result, costs will likely be higher than current market estimates.

Risk management has been very successful. Net bad debt in Wholesale Banking has been outstanding, underpinned by very strong recoveries. The trade offs we have made between revenue and risk reduction are paying off, particularly in our unsecured portfolio in Hong Kong. The total debt charge is expected to be materially better than market consensus.

Overall, we are continuing to make good progress towards improving our ROE.

Revenue

Consumer Banking

Consumer Banking is delivering good revenue growth outside of Hong Kong; most countries are seeing revenue growth at high single digit or low double digit levels, underpinned by strong asset growth. Markets like Thailand, Indonesia, Middle East and Africa are performing particularly well.

Revenues in Hong Kong have improved in the second half as the economy strengthens. We have resumed marketing activity for the unsecured portfolio following the introduction of the positive credit bureau in August.

Margins, on a product-by-product basis, have remained at broadly stable levels.

Wholesale Banking

Despite subdued asset demand and strong liquidity in Asia, Wholesale Banking continues to achieve good momentum, building on a robust first half performance.

Major growth contributors have been trade finance and global markets. Within global markets, strong increases in customer-driven business have more than offset the expected decline in asset and liability management (ALM) revenue.

Overall, Wholesale Banking is delivering positive operating jaws (the gap between revenue and cost growth). We have continued to keep economic capital broadly flat.

Costs

Costs continue to be a key focus as we work to improve the overall cost income ratio. Underlying costs remain tightly controlled and we are beginning to see real benefits from our hubbing activities. At the same time, given our strong trading performance and the attractive opportunities in our markets, we have decided to accelerate investment for future growth in Consumer Banking.

Specifically, we have invested in innovative products, improvements in customer service, expansion in distribution channels and entry into new markets - South Africa and South Korea. These investments will temporarily impact progress towards our cost income ratio target, but will help accelerate future revenue growth.

Bad Debts

Consumer Banking

Across Consumer Banking net bad debts continue to perform well. The net bad debt ratio has improved from H1, notwithstanding our decision to reshape a specific part of our portfolio in India.

In Hong Kong, Consumer Banking net bad debts have improved as a result of the early actions we took. Bankruptcy related debt charges for Q3 were US\$40M, down from US\$56M in Q2.

Wholesale Banking

The Wholesale Banking book continues to perform well. This reflects the actions we have taken to trade revenue for an improved risk profile as well as the generally robust balance sheets of Asian corporates.

Mervyn Davies, Group Chief Executive, commented, "We are very pleased with the positive progress in our financial performance. As we come to the end of year, we believe we have taken the required actions to create real momentum in the business entering 2004."

Bryan Sanderson, Chairman, commented, "The markets in which we operate continue to offer many exciting growth opportunities. We are committed to pursue sound execution of our strategic objectives with disciplined financial management, delivering our shareholders superior short term performance and long term growth."

This announcement is made pursuant to paragraph 2.2 of the Listing Agreement.

By Order of the Board
David J. Brimacombe
Company Secretary

Hong Kong, 11 December, 2003

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 Standard Chartered'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.

Please also refer to the published version of this announcement in South China Morning Post dated on 12-12-2003.