

STANDARD CHARTERED PLC

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2006

	Notes	6 months ended 30.06.06 \$million	6 months ended 30.06.05 \$million	6 months ended 31.12.05 \$million
Interest income		5,970	3,678	5,072
Interest expense		(3,460)	(1,706)	(2,709)
Net interest income		2,510	1,972	2,363
Fees and commission income		1,103	868	972
Fees and commission expense		(209)	(141)	(204)
Net trading income	3	531	409	360
Other operating income	4	177	128	134
		1,602	1,264	1,262
Operating income		4,112	3,236	3,625
Staff costs		(1,381)	(990)	(1,155)
Premises costs		(206)	(181)	(182)
General administrative expenses		(519)	(417)	(603)
Depreciation and amortisation		(119)	(120)	(163)
Operating expenses		(2,225)	(1,708)	(2,103)
Operating profit before impairment losses and taxation		1,887	1,528	1,522
Impairment losses on loans and advances and other credit risk provisions	11	(349)	(194)	(125)
Other impairment		(8)	(1)	(49)
Loss from associates		(3)	–	–
Profit before taxation		1,527	1,333	1,348
Taxation	5	(395)	(367)	(343)
Profit for the period		1,132	966	1,005
Profit attributable to:				
Minority interests	22	29	(5)	30
Parent company's shareholders		1,103	971	975
Profit for the period		1,132	966	1,005
Earnings per share:				
Basic earnings per ordinary share	7	82.8c	74.7c	74.0c
Diluted earnings per ordinary share	7	82.2c	73.2c	73.5c
Dividends per ordinary share:				
Interim dividend declared	6	20.83c	–	–
Interim dividend paid		–	18.94c	–
Final dividend paid		–	–	45.06c
Total interim dividend payable		\$274m	–	–
Total interim dividend paid		–	\$248m	–
Total final dividend paid		–	–	\$595m

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Condensed Consolidated Interim Balance Sheet As at 30 June 2006

	Notes	30.06.06 \$million	*30.06.05 \$million	31.12.05 \$million
Assets				
Cash and balances at central banks		11,813	5,667	8,012
Financial assets held at fair value through profit or loss	9	13,082	8,459	10,333
Derivative financial instruments	10	12,721	10,704	9,370
Loans and advances to banks	11	16,750	19,874	21,701
Loans and advances to customers	11	119,550	106,510	111,791
Investment securities	13	46,037	38,334	37,863
Interests in associates		206	–	128
Goodwill and intangible assets		4,459	4,359	4,321
Property, plant and equipment		1,767	1,615	1,644
Deferred tax assets		492	392	498
Other assets		7,653	6,820	7,163
Prepayments and accrued income		3,618	1,909	2,272
Total assets		238,148	204,643	215,096
Liabilities				
Deposits by banks	14	21,994	20,958	18,834
Customer accounts	15	130,176	107,056	119,931
Financial liabilities at fair value through profit or loss	8	8,420	5,820	6,293
Derivative financial instruments	10	13,390	10,388	9,864
Debt securities in issue	16	24,953	26,761	25,913
Current tax liabilities		410	275	283
Other liabilities	17	11,198	9,844	8,446
Accruals and deferred income		2,430	1,854	2,319
Provisions for liabilities and charges		56	81	55
Retirement benefit obligations	18	466	535	476
Subordinated liabilities and other borrowed funds	19	10,805	8,537	10,349
Total liabilities		224,298	192,109	202,763
Equity				
Share capital and share premium	20	5,720	5,614	5,638
Reserves and retained earnings	21	7,630	5,609	6,244
Total parent company shareholders' equity		13,350	11,223	11,882
Minority interests	22	500	1,311	451
Total equity		13,850	12,534	12,333
Total equity and liabilities		238,148	204,643	215,096

* The balance sheet as at 30 June 2005 has been restated to reflect the revised fair values of assets and liabilities acquired on the acquisition of SCFB and the re-presentation of balances to conform with that used as at 31 December 2005; specifically, financial assets and liabilities held at fair value, other than derivatives, have been presented in single lines under assets and liabilities (see note 29).

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Condensed Consolidated Interim Statement of Recognised Income and Expense

For the six months ended 30 June 2006

	Notes	6 months ended 30.06.06 \$million	6 months ended 30.06.05 \$million	6 months ended 31.12.05 \$million
Exchange differences on translation of foreign operations		364	(71)	(19)
Actuarial gains/(losses) on retirement benefits		68	(36)	(114)
Available-for-sale investments:				
Valuation gains/(losses) taken to equity		134	12	(5)
Transferred to income on disposal/redemption		(52)	(74)	(33)
Cash flow hedges:				
Gains/(losses) taken to equity		45	(28)	(37)
Losses/(gains) transferred to income for the period		6	(19)	(1)
Deferred tax on items recognised directly in equity		(56)	37	104
Other		3	(37)	38
		512	(216)	(67)
Profit for the period		1,132	966	1,005
Total recognised income and expenses for the period		1,644	750	938

Effect of change in accounting policy

Effect of adopting IAS 32 and 39 on 1 January 2005:

Available-for-sale reserve			73
Cash flow hedge reserve			42
Retained earnings			36
	21		151
			901

Attributable to:

Parent company shareholders	21	1,615	906	908
Minority interests	22	29	(5)	30
		1,644	901	938

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Condensed Consolidated Interim Cash Flow Statement For the six months ended 30 June 2006

	6 months ended 30.06.06 \$million	6 months ended *30.06.05 \$million	6 months ended 31.12.05 \$million
Cash flow from operating activities			
Profit before taxation	1,527	1,333	1,348
Adjustment for items not involving cash flow or shown separately			
Depreciation and amortisation of property, plant and equipment, and intangibles	119	120	163
Gain on disposal of property plant and equipment	(2)	(1)	2
Gain on disposal of investment securities	(52)	(74)	(33)
Amortisation of investments	(21)	55	(38)
Impairment losses	349	194	125
Other impairment	8	1	49
Assets written off, net of recoveries	(371)	(287)	(431)
Increase in accruals and deferred income	47	577	375
Increase in prepayments and accrued income	(1,282)	(918)	(330)
Net increase in mark-to-market adjustment	152	341	598
Interest paid on subordinated loan capital	285	165	223
UK and overseas taxes paid	(369)	(278)	(333)
Net increase in treasury bills and other eligible bills	(460)	(170)	(516)
Net increase in loans and advances to banks and customers	(4,328)	(3,944)	(1,786)
Net increase in deposits from banks, customer accounts and debt securities in issue	10,019	8,633	10,363
Net increase in trading securities	(2,127)	(361)	(1,133)
Net decrease in other accounts	(254)	(2,486)	(1,496)
Net cash from operating activities	3,240	2,900	7,150
Net cash flows from investing activities			
Purchase of property plant and equipment	(112)	(37)	(98)
Acquisition of investment in subsidiaries, net of cash acquired	–	(1,093)	–
Acquisition of treasury bills and other eligible bills	(12,201)	(7,552)	(5,891)
Acquisition of debt securities	(24,471)	(16,573)	(17,082)
Acquisition of equity shares	(109)	(450)	(208)
Disposal of property plant and equipment	1	–	8
Disposal and maturity of treasury bills	10,853	5,625	6,974
Disposal and maturity of debt securities	18,872	19,497	16,251
Disposal of equity shares	46	95	256
Net cash (used in)/from investing activities	(7,121)	(488)	210
Net cash (outflow)/inflow from financing activities			
Issue of ordinary share capital	3	1,975	25
Purchase of own shares, net of exercise, for share option awards	96	(167)	94
Interest paid on subordinated loan capital	(374)	(206)	(91)
Gross proceeds from issue of subordinated loan capital	550	3,362	512
Repayment of subordinated liabilities	(340)	(731)	(295)
Dividends and payments to minority interests and preference shareholders	(43)	(104)	(69)
Dividends paid to ordinary shareholders	(343)	(474)	(211)
Net cash (used in)/from financing activities	(451)	3,655	(35)
Net (decrease)/increase in cash and cash equivalents	(4,332)	6,067	7,325
Cash and cash equivalents at beginning of period	35,226	22,112	27,810
Effect of exchange rate changes on cash and cash equivalents	493	(369)	91
Cash and cash equivalents at end of period (note 23)	31,387	27,810	35,226

* Restated to reflect the revised fair values of assets and liabilities acquired on the acquisition of SCFB and the re-presentation of balances to conform with that used as at 31 December 2005 (see note 29).