

STANDARD CHARTERED PLC – RISK REVIEW continued

Country Risk

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

The GRC approves country risk and delegates the setting and management of country limits to the Deputy Group Chief Risk Officer.

The business and Country Chief Executive Officers manage exposures within these limits and policies. Countries designated as higher risk are subject to increased central monitoring.

Cross border assets comprise loans and advances, interest bearing deposits with other banks, trade and other bills, acceptances, amounts receivable under finance leases, certificates of deposit, and other negotiable paper and

investment securities, where the counterparty is resident in a country other than that where the cross border assets are recorded. Cross border assets also include exposures to local residents denominated in currencies other than the local currency.

Cross border exposure to countries in which the Group does not have a significant presence is predominantly in relation to money market and global corporate activity. The business is originated in the Group's key markets, but is conducted with counterparties domiciled in the country against which the exposure is reported.

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

	30.06.07				30.06.06			
	Public sector \$million	Banks \$million	Other \$million	Total \$million	Public sector \$million	Banks \$million	Other \$million	Total \$million
Hong Kong	5	739	5,424	6,168	1	480	3,846	4,327
USA	1,839	1,496	2,770	6,105	881	540	2,673	4,094
India	5	1,570	3,596	5,171	2	1,028	1,652	2,682
Korea	6	1,209	4,020	5,235	14	1,500	2,854	4,368
Singapore	–	1,012	2,923	3,935	–	716	2,132	2,848
Australia	–	–	–	–	–	2,667	259	2,926
France	–	–	–	–	137	2,530	214	2,881
China	–	–	–	–	57	1,073	1,322	2,452
					31.12.06			
	Public sector \$million	Banks \$million	Other \$million	Total \$million	Public sector \$million	Banks \$million	Other \$million	Total \$million
Hong Kong					4	576	4,531	5,111
USA					1,194	1,027	2,895	5,116
India					3	1,335	2,585	3,923
Korea					8	1,029	3,439	4,476
Singapore					–	584	3,471	4,055
Australia					–	2,794	258	3,052
France					62	3,591	167	3,820
China					94	1,055	1,571	2,720
Dubai					–	1,504	1,413	2,917

STANDARD CHARTERED PLC – RISK REVIEW continued

Market Risk

The Group recognises market risk as the exposure created by potential changes in market prices and rates. The Group is exposed to market risk arising principally from customer driven transactions.

Market risk is governed by the GRC, which agrees policies and levels of risk appetite in terms of Value at Risk (“VaR”). The Group Market Risk Committee (“GMRC”) provides market risk oversight and guidance on policy setting. Policies cover both trading and non-trading books of the Group. The trading book is defined as per the FSA Handbook BIPRU. Limits by location and portfolio are proposed by the businesses within the terms of agreed policy.

Group Market Risk (“GMR”) approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate. Sensitivity measures are used in addition to VaR as risk management tools. Option risks are controlled through revaluation limits on currency and volatility shifts, limits on volatility risk by currency pair and other variables that determine the options’ value.

VaR models are back tested against actual results to ensure pre-determined levels of accuracy are maintained. GMR complements the VaR measurement by regularly stress testing market risk exposures to highlight potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of the market risk management framework and considers both historical market events and forward looking scenarios. Ad hoc scenarios are also prepared reflecting specific market conditions. A consistent stress testing methodology is applied to trading and non-trading books.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. GMRC has responsibility for reviewing stress exposures and, where necessary, enforcing reductions in overall market risk exposure. GRC considers stress testing results as part of its supervision of risk appetite.

The stress test methodology assumes that management action would be limited during a stress event, reflecting the decrease in liquidity that often occurs.

Value at Risk

The Group uses historic simulation to measure VaR on all market risk related activities.

The total VaR for trading and non-trading books combined at 30 June 2007 was \$10.0 million (30 June 2006: \$9.7 million, 31 December 2006: \$10.3 million), with a maximum exposure of \$14.0 million.

Interest rate related VaR was \$9.5 million (30 June 2006: \$9.2 million, 31 December 2006: \$9.3 million) and foreign exchange related VaR was \$2.2 million (30 June 2006: \$2.9 million, 31 December 2006: \$1.5 million).

The average total VaR for trading and non-trading books during the first half of 2007 was \$10.3 million (30 June 2006: \$10.7 million, 31 December 2006: \$10.6 million).

VaR for interest rate risk in the non-trading books of the Group totalled \$7.9 million at 30 June 2007 (30 June 2006: \$8.4 million, 31 December 2006: \$8.0 million).

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

The average daily income earned from market risk related activities during the six months to 30 June 2007 was \$7.0 million, compared with \$5.5 million during the six months to 30 June 2006.

Foreign Exchange Exposure

The Group’s foreign exchange exposures comprise trading and non-trading foreign currency translation exposures and structural currency exposures in net investments in non-US dollar units.

Foreign exchange trading exposures are principally derived from customer driven transactions. The average daily income from foreign exchange trading businesses during the six months ended 30 June 2007 was \$3.0 million (30 June 2006: \$2.6 million).

Interest Rate Exposure

The Group’s interest rate exposures arise from trading and non-trading activities.

Structural interest rate risk arises from the differing re-pricing characteristics of commercial banking assets and liabilities.

The average daily income from interest rate trading businesses during the six months to 30 June 2007 was \$4.0 million (30 June 2006: \$2.9 million).

Derivatives

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

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

The Group enters into derivative contracts in the normal course of business to meet customer requirements and to manage its own exposure to fluctuations in interest, credit and exchange rates.

Derivatives are carried at fair value and shown in the balance sheet as separate totals of assets and liabilities. Recognition of fair value gains and losses depends on whether the derivatives are classified as trading or for hedging purposes.

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

STANDARD CHARTERED PLC – RISK REVIEW continued

Hedging

In accounting terms, hedges are classified into three types: fair value hedges, where fixed rates of interest or foreign exchange are exchanged for floating rates; cash flow hedges, where variable rates of interest or foreign exchange are exchanged for fixed rates, and hedges of net investments in overseas operations translated to the parent company's functional currency, US dollars.

The Group uses futures, forwards, swaps and options transactions in the foreign exchange and interest rate markets to hedge risk.

The Group occasionally hedges the value of its foreign currency denominated investments in subsidiaries and branches. Hedges may be taken where there is a risk of a significant exchange rate movement but, in general, management believes that the Group's reserves are sufficient to absorb any foreseeable adverse currency depreciation.

The effect of exchange rate movements on the capital risk asset ratio is mitigated by the fact that both the net asset value of these investments and the risk weighted value of assets and contingent liabilities follow substantially the same exchange rate movements.

Liquidity Risk

The Group defines liquidity risk as the risk that the bank either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost.

It is the policy of the Group to maintain adequate liquidity at all times, in all geographical locations and for all currencies. Hence the Group aims to be in a position to meet all obligations, to repay depositors, to fulfil commitments to lend and to meet any other commitments.

Liquidity risk management is governed by GALCO, which is chaired by the Group Finance Director. GALCO is responsible for both statutory and prudential liquidity. These responsibilities are managed through the provision of authorities, policies and procedures that are co-ordinated by the Liquidity Management Committee ("LMC") with country Asset and Liability Committees ("ALCO").

Due to the diversified nature of the Group's business, the Group's policy is that liquidity is more effectively managed locally, in-country. Each ALCO is responsible for ensuring that the country is self-sufficient and is able to meet all its obligations to make payments as they fall due. The ALCO has primary responsibility for compliance with regulations and Group policy and maintaining a country liquidity crisis contingency plan.

A substantial portion of the Group's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. Lending is normally funded by liabilities in the same currency.

The Group also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

The GALCO also oversees the structural foreign exchange and interest rate exposures that arise within the Group. These responsibilities are managed through the provision of authorities, policies and procedures that are co-ordinated by the Capital Management Committee. Policies and guidelines for the maintenance of capital ratio levels are approved by GALCO. Compliance with Group ratios is monitored centrally by Group Corporate Treasury, while local requirements are monitored by the local ALCO.

Operational Risk

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people, and systems, or from external events. The Group seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control, and report such risks.

The Group Operational Risk Committee ("GORC") has been established to supervise and direct the management of operational risks across the Group. GORC is also responsible for ensuring adequate and appropriate policies and procedures are in place for the identification, assessment, monitoring, control and reporting of operational risks.

A Group operational risk function, independent from the businesses is responsible for establishing and maintaining the overall operational risk framework, and for monitoring the Group's key operational risk exposures. This unit is supported by Wholesale Banking and Consumer Banking Operational Risk units. These units are responsible for ensuring compliance with policies and procedures in the business, monitoring key operational risk exposures, and the provision of guidance to the respective business areas on operational risk.

Compliance with operational risk policies and procedures is the responsibility of all managers. Every country operates a Country Operational Risk Group ("CORG"). The CORG has in-country governance responsibility for ensuring that an appropriate and robust risk management framework is in place to monitor and manage operational risk.

Compliance and Regulatory Risk

Compliance and Regulatory risk includes the risk of non-compliance with regulatory requirements in a country in which the Group operates. The Group Compliance and Regulatory Risk function is responsible for establishing and maintaining an appropriate framework of Group compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all managers.

Legal Risk

Legal risk is the risk of unexpected loss, including reputational loss, arising from defective transactions or contracts, claims being made or some other event resulting in a liability or other loss for the Group, failure to protect the title to and ability to control the rights to assets of the Group (including intellectual property rights), changes in the law, or jurisdictional risk. The Group manages legal risk through the Group Legal Risk Committee, Legal Risk policies and procedures and effective use of its internal and external lawyers.

STANDARD CHARTERED PLC – RISK REVIEW continued

Reputational Risk

Reputational risk is any material adverse effect on the relations between the Group and any one of its significant stakeholders. It is Group policy that the protection of the Bank's reputation should take priority over all activities including revenue generation at all times.

Reputational risk is not a primary risk, but will arise from the failure to effectively mitigate one or more of country, credit, liquidity, market, legal and regulatory and operational risk

It may also arise from the failure to comply with Social, Environmental and Ethical standards. All staff are responsible for day to day identification and management of reputational risk.

From an organisational perspective the Group manages reputational risk through the Group Reputational Risk and Responsibility Committee ("GRRRC") and Country Management Committees. Wholesale Banking has a specialised Responsibility and Reputational Risk Committee which reviews individual transactions. In Consumer Banking, potential reputational risks resulting from transactions or products are reviewed by the Product and Reputational Risk Committee. Issues are then escalated to the GRRRC.

A critical element of the role of the GRRRC is to act as a radar for the Group in relation to the identification of emerging or thematic risks. The GRRRC also ensures that effective risk

monitoring is in place for Reputational Risk and reviews mitigation plans for significant risks.

At a country level, the Country CEO is responsible for the Group's reputation in their market. The Country CEO and their Management Committee must actively:

- promote awareness and application of the Group's policy and procedures regarding reputational risk;
- encourage business and functions to take account of the Group's reputation in all decision making, including dealings with customers and suppliers;
- implement effective functioning of the in country reporting system to ensure their management committee is alerted of all potential issues; and
- promote effective, proactive stakeholder management.

Monitoring

Group Internal Audit is a separate function that reports to the Group Chief Executive and the Audit and Risk Committee. Group Internal Audit provides independent confirmation that Group and business standards, policies and procedures are being complied with. Where necessary, corrective action is recommended.

STANDARD CHARTERED PLC – CAPITAL

CAPITAL

The GALCO targets Tier 1 and Total capital ratios within a range of 7-9 per cent and 12-14 per cent respectively. The ratios at 30 June 2007 are higher than this range. This reflects the strong pace of organic growth and the deployment of capital across the Group.

	30.06.07 \$million	30.06.06 \$million	31.12.06* \$million
Tier 1 capital			
Called up ordinary share capital and preference shares	8,544	6,067	7,771
Eligible reserves	10,367	7,510	8,937
Minority interests	227	165	211
Innovative Tier 1 securities	2,303	2,186	2,262
Less: Restriction on innovative Tier 1 securities	–	(492)	(343)
Goodwill and other intangible assets	(6,217)	(4,459)	(6,179)
Unconsolidated associated companies	253	226	229
Other regulatory adjustments	(2)	90	(94)
Total Tier 1 capital	15,475	11,293	12,794
Tier 2 capital			
Eligible revaluation reserves	522	191	509
Portfolio impairment provision	513	455	525
Qualifying subordinated liabilities:			
Perpetual subordinated debt	3,415	3,260	3,368
Other eligible subordinated debt	6,382	4,325	5,387
Less: Amortisation of qualifying subordinated liabilities	(863)	(496)	(518)
Restricted innovative Tier 1 securities	–	492	343
Total Tier 2 capital	9,969	8,227	9,614
Investments in other banks	(148)	(149)	(211)
Other deductions	(470)	(207)	(320)
Total capital base	24,826	19,164	21,877
Banking book			
Risk weighted assets	123,007	104,466	120,028
Risk weighted contingents	22,003	21,477	21,106
	145,010	125,943	141,134
Trading book			
Market risks	7,820	4,249	5,834
Counterparty/settlement risks	6,416	4,906	6,475
Total risk weighted assets and contingents	159,246	135,098	153,443
Capital ratios			
Tier 1 capital	9.7%	8.4%	8.3%
Total capital	15.6%	14.2%	14.3%

* Amounts have been restated as explained in note 30 on page 64.

STANDARD CHARTERED PLC

Condensed Consolidated Interim Income Statement For the six months ended 30 June 2007

	Notes	6 months ended 30.06.07 \$million	6 months ended 30.06.06 \$million	6 months ended 31.12.06 \$million
Interest income		7,473	5,970	7,017
Interest expense		(4,521)	(3,460)	(4,199)
Net interest income		2,952	2,510	2,818
Fees and commission income		1,478	1,103	1,172
Fees and commission expense		(250)	(209)	(185)
Net trading income	3	649	531	389
Other operating income	4	434	177	314
		2,311	1,602	1,690
Operating income		5,263	4,112	4,508
Staff costs		(1,884)	(1,381)	(1,532)
Premises costs		(274)	(206)	(238)
General administrative expenses		(610)	(519)	(652)
Depreciation and amortisation		(150)	(119)	(149)
Operating expenses		(2,918)	(2,225)	(2,571)
Operating profit before impairment losses and taxation		2,345	1,887	1,937
Impairment losses on loans and advances and other credit risk provisions	11	(361)	(349)	(280)
Other impairment		(3)	(8)	(7)
(Loss)/profit from associates		(1)	(3)	1
Profit before taxation		1,980	1,527	1,651
Taxation	5	(533)	(395)	(429)
Profit for the period		1,447	1,132	1,222
Profit attributable to:				
Minority interests	22	48	29	47
Parent company's shareholders		1,399	1,103	1,175
Profit for the period		1,447	1,132	1,222
Earnings per share:				
Basic earnings per ordinary share	7	98.5c	82.8c	86.9c
Diluted earnings per ordinary share	7	97.1c	82.2c	86.0c
Dividends per ordinary share:				
Interim dividend declared	6	23.12c	-	-
Interim dividend paid	6	-	20.83c	-
Final dividend paid	6	-	-	50.21c
Total interim dividend payable		\$324m	-	-
Total interim dividend (paid 11 October 2006)		-	\$277m	-
Total final dividend (paid 11 May 2007)		-	-	\$695m

STANDARD CHARTERED PLC

Condensed Consolidated Interim Balance Sheet As at 30 June 2007

	Notes	30.06.07 \$million	30.06.06 \$million	31.12.06* \$million
Assets				
Cash and balances at central banks		8,991	11,813	7,698
Financial assets held at fair value through profit or loss	9	19,344	13,082	15,715
Derivative financial instruments	10	18,441	12,721	13,154
Loans and advances to banks	11	21,108	16,750	19,724
Loans and advances to customers	11	151,953	119,550	139,307
Investment securities	13	52,230	46,037	49,497
Interests in associates		257	206	218
Goodwill and intangible assets		6,217	4,459	6,179
Property, plant and equipment		2,302	1,767	2,169
Deferred tax assets		522	492	519
Other assets		11,890	7,653	8,601
Prepayments and accrued income		3,571	3,618	3,268
Total assets		296,826	238,148	266,049
Liabilities				
Deposits by banks	14	26,846	21,994	26,233
Customer accounts	15	160,242	130,176	147,382
Financial liabilities held at fair value through profit or loss	8	13,117	8,420	9,969
Derivative financial instruments	10	19,235	13,390	13,703
Debt securities in issue	16	27,254	24,953	23,514
Current tax liabilities		131	410	68
Other liabilities	17	13,733	11,198	11,357
Accruals and deferred income		3,008	2,430	3,210
Provisions for liabilities and charges		42	56	45
Retirement benefit obligations	18	356	466	472
Subordinated liabilities and other borrowed funds	19	13,279	10,805	12,699
Total liabilities		277,243	224,298	248,652
Equity				
Share capital	20	701	667	692
Reserves	21	18,324	12,683	16,161
Total parent company shareholders' equity		19,025	13,350	16,853
Minority interests	22	558	500	544
Total equity		19,583	13,850	17,397
Total equity and liabilities		296,826	238,148	266,049

* Amounts have been restated as explained in note 30 on page 64.

STANDARD CHARTERED PLC

Condensed Consolidated Interim Statement of Recognised Income and Expense For the six months ended 30 June 2007

	Notes	6 months ended 30.06.07 \$million	6 months ended 30.06.06 \$million	6 months ended 31.12.06 \$million
Exchange differences on translation of foreign operations		257	364	306
Actuarial gains on retirement benefits		149	68	36
Available-for-sale investments:				
Valuation gains taken to equity		197	134	548
Transferred to income on disposal/redemption		(227)	(52)	(138)
Cash flow hedges:				
Gains taken to equity		6	45	34
(Gains)/losses transferred to income for the period		(28)	6	14
Taxation on items recognised directly in equity		(38)	(56)	(75)
Other		7	3	4
Net income recognised in equity		323	512	729
Profit for the period		1,447	1,132	1,222
Total recognised income and expense for the period		1,770	1,644	1,951
Attributable to:				
Parent company's shareholders	21	1,681	1,615	1,869
Minority interests	22	89	29	82
		1,770	1,644	1,951

STANDARD CHARTERED PLC

Condensed Consolidated Interim Cash Flow Statement

For the six months ended 30 June 2007

	6 months ended 30.06.07 \$million	6 months ended 30.06.06 \$million	6 months ended 31.12.06 \$million
Cash flow from operating activities			
Profit before taxation	1,980	1,527	1,651
Adjustment for items not involving cash flow or shown separately:			
Depreciation and amortisation	150	119	149
Gain on disposal of property, plant and equipment	(1)	(2)	(14)
Gain on disposal of investment securities	(229)	(52)	(138)
Movement in fair value hedges on available-for-sale assets	(18)	(3)	(2)
Amortisation of discounts and premiums of investment securities	(163)	(21)	(236)
Impairment losses	361	349	280
Other impairment	3	8	7
Assets written off, net of recoveries	(534)	(371)	(569)
(Decrease)/increase in accruals and deferred income	(228)	47	739
(Increase)/decrease in prepayments and accrued income	(2,068)	(1,282)	381
Net increase/(decrease) in derivatives mark-to-market adjustment	263	152	(107)
Interest accrued on subordinated loan capital	375	285	358
UK and overseas taxes paid	(521)	(369)	(534)
Net increase in trading treasury bills and other eligible bills	(27)	(460)	(184)
Net increase in loans and advances to banks and customers	(11,049)	(4,328)	(7,336)
Net increase in deposits from banks, customer accounts and debt securities in issue	17,477	10,019	6,895
Net increase in trading debt securities and equity shares	(2,179)	(2,127)	(1,488)
Net increase/(decrease) in other accounts	(17)	(251)	5,330
Net cash from operating activities	3,575	3,240	5,182
Net cash flows from investing activities			
Purchase of property, plant and equipment	(203)	(112)	(133)
Acquisition of investment in subsidiaries, net of cash acquired	(24)	-	(937)
Acquisition of treasury bills and other eligible bills	(10,175)	(12,201)	(11,175)
Acquisition of debt securities	(25,241)	(24,471)	(22,940)
Acquisition of equity shares	(215)	(109)	(219)
Disposal of property, plant and equipment	14	1	39
Disposal and maturity of treasury bills and other eligible bills	10,648	10,853	11,797
Disposal and maturity of debt securities	22,708	18,872	22,037
Disposal of equity shares	281	46	291
Net cash used in investing activities	(2,207)	(7,121)	(1,240)
Net cash flows from financing activities			
Issue of ordinary share capital and preference shares	811	3	1,993
Purchase of own shares	(10)	(9)	-
Net inflow from exercise of share options	21	105	53
Interest paid on subordinated loan capital	(475)	(374)	(188)
Gross proceeds from issue of subordinated loan capital	904	550	1,041
Repayment of subordinated loan capital	(149)	(340)	(50)
Dividends and payments to minority interests and preference shareholders	(61)	(43)	(37)
Dividends paid to ordinary shareholders	(344)	(343)	(153)
Net cash from/(used in) financing activities	697	(451)	2,659
Net increase/(decrease) in cash and cash equivalents	2,065	(4,332)	6,601
Cash and cash equivalents at beginning of period	38,161	35,226	31,387
Effect of exchange rate changes on cash and cash equivalents	81	493	173
Cash and cash equivalents at end of period (note 23)	40,307	31,387	38,161

STANDARD CHARTERED PLC – NOTES

1. Basis of preparation

The Group condensed interim financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”), equity account the Group’s interest in associates and proportionately consolidate interests in jointly controlled entities.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2006.

These condensed consolidated interim financial statements were approved by the Board of Directors on 7 August 2007.

Except as noted below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2006.

On 1 January 2007 the Group retrospectively adopted:

- IFRIC 7 “Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies”;
- IFRIC 8 “Scope of IFRS2”;
- IFRIC 9 “Reassessment of Embedded Derivatives”;

- IFRIC 10 “Interim Financial Reporting and Impairment” none of which had a material impact on the Group’s consolidated financial statements.

The Group has also adopted IFRS 7 “Financial Instruments: Disclosure” and Amendment to IAS 1 “Presentation of Financial Statements – Capital Disclosures” from 1 January 2007 and will present the disclosures required therein in the consolidated financial statements of the Group as at and for the year ended 31 December 2007.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and key sources of uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2006.

The balance sheet as at 31 December 2006 has been restated as explained in note 30 on page 64, to reflect the revised fair values of assets and liabilities acquired on the acquisitions of Union and HIB.

2. Segmental Information

The Group is organised on a worldwide basis into two main business segments: Wholesale Banking and Consumer Banking. The types of products and services within these segments are set out in the Financial Review. The Group’s secondary reporting format comprises geographical segments.

By Class of Business

	30.06.07				30.06.06			
	Consumer Banking \$million	Wholesale Banking \$million	Corporate items not allocated \$million	Total \$million	Consumer Banking \$million	Wholesale Banking \$million	Corporate items not allocated \$million	Total \$million
Internal income	(44)	44	–	–	(12)	12	–	–
Net interest income	2,059	893	–	2,952	1,665	845	–	2,510
Other income	757	1,550	4	2,311	542	1,060	–	1,602
Operating income	2,772	2,487	4	5,263	2,195	1,917	–	4,112
Operating expenses	(1,612)	(1,298)	(8)	(2,918)	(1,210)	(1,015)	–	(2,225)
Operating profit before impairment losses and taxation	1,160	1,189	(4)	2,345	985	902	–	1,887
Impairment (losses)/releases on loans and advances and other credit risk provisions	(372)	11	–	(361)	(405)	56	–	(349)
Other impairment	–	(3)	–	(3)	–	(8)	–	(8)
Loss from associates	–	–	(1)	(1)	–	–	(3)	(3)
Profit before taxation	788	1,197	(5)	1,980	580	950	(3)	1,527
Total assets employed	87,297	209,007	*522	296,826	73,008	164,648	*492	238,148
Total liabilities employed	108,742	168,370	*131	277,243	88,214	135,674	*410	224,298
Total risk weighted assets and contingents	60,495	98,751	–	159,246	55,037	80,061	–	135,098
Other segment items:			–				–	
Capital Expenditure	146	106	–	252	120	47	–	167
Depreciation	61	21	–	82	45	15	–	60
Amortisation of intangible assets	40	28	–	68	25	34	–	59

* As required by IAS 14, tax balances are not allocated.

STANDARD CHARTERED PLC – NOTES continued

2. Segmental Information continued

	31.12.06			
	Consumer Banking \$million	Wholesale Banking \$million	Corporate items not allocated \$million	Total \$million
Internal income	(63)	63	–	–
Net interest income	1,880	938	–	2,818
Other income	672	1,005	13	1,690
Operating income	2,489	2,006	13	4,508
Operating expenses	(1,431)	(1,136)	(4)	(2,571)
Operating profit before impairment losses and taxation	1,058	870	9	1,937
Impairment (losses)/releases on loans and advances and other credit risk provisions	(316)	36	–	(280)
Other impairment	–	(7)	–	(7)
Profit from associates	–	–	1	1
Profit before taxation	742	899	10	1,651
Total assets employed**	87,789	177,741	*519	266,049
Total liabilities employed	107,141	141,443	*68	248,652
Total risk weighted assets and contingents	60,380	93,063	–	153,443
Other segment items:				
Capital Expenditure	89	103	–	192
Depreciation	55	20	–	75
Amortisation of intangible assets	27	47	–	74

* As required by IAS 14, tax balances are not allocated.

** Amounts have been restated as explained in note 30 on page 64. In addition, certain assets have been reallocated between Consumer Banking and Wholesale Banking to present on a consistent basis.

STANDARD CHARTERED PLC – NOTES continued

2. Segmental Information continued

By geographic segment

The Group manages its business segments on a global basis. The operations are based in nine main geographical areas. The UK is the home country of the parent.

	30.06.07									
	Asia Pacific								Americas UK & Group Head Office	Total
	Hong Kong \$million	Singapore \$million	Malaysia \$million	Korea \$million	**Other Asia Pacific \$million	India \$million	***Middle East & Other S Asia \$million	Africa \$million	\$million	\$million
Internal income	(58)	34	11	2	20	10	(7)	(5)	(7)	–
Net interest income	602	120	107	627	478	276	416	208	118	2,952
Fees and commissions income, net	241	104	46	83	220	166	204	89	75	1,228
Net trading income	97	62	28	30	159	65	64	49	95	649
Other operating income	46	80	17	59	151	46	(2)	–	37	434
Operating income	928	400	209	801	1,028	563	675	341	318	5,263
Operating expenses	(398)	(187)	(89)	(560)	(567)	(211)	(328)	(218)	(360)	(2,918)
Operating profit before impairment losses and taxation	530	213	120	241	461	352	347	123	(42)	2,345
Impairment (losses)/releases on loans and advances and other credit risk provisions	(16)	(8)	(23)	(46)	(179)	(32)	(58)	(11)	12	(361)
Other impairment	–	–	–	–	–	–	–	(1)	(2)	(3)
Loss from associates	–	–	–	–	(1)	–	–	–	–	(1)
Profit before taxation	514	205	97	195	281	320	289	111	(32)	1,980
Loans and advances to customers – average	22,834	14,442	9,154	40,925	19,757	7,270	10,528	2,234	14,127	141,271
Net interest margins (%)	2.2	1.2	1.9	2.1	2.7	3.7	4.9	5.7	0.3	2.5
Loans and advances to customers – period end	24,561	15,055	9,679	41,112	24,307	7,288	11,545	2,726	16,486	152,759
Loans and advances to banks – period end	7,046	1,736	1,178	1,597	4,743	484	993	288	5,143	23,208
Total assets employed*	55,173	30,274	14,626	67,928	50,755	22,188	20,697	8,508	71,197	341,346
Total risk weighted assets and contingents	22,253	12,642	5,066	36,735	26,143	11,316	14,038	3,616	31,509	163,318
Capital expenditure	15	40	5	23	44	90	25	8	2	252

* Total assets employed includes intra-group items of \$45,042 million and excludes deferred tax assets of \$522 million.

** Other Asia Pacific includes HIB Operating income of \$196 million; Operating expenses of \$119 million; and Profit before taxation of \$7 million.

*** Middle East & Other S. Asia includes Pakistan Operating income of \$173 million; Operating expenses of \$87 million; and Profit before taxation of \$51 million.

STANDARD CHARTERED PLC – NOTES continued

2. Segmental Information continued

30.06.06

	Asia Pacific									Americas UK & Group Head Office \$million	Total \$million
	Hong Kong \$million	Singapore \$million	Malaysia \$million	Korea \$million	**Other Asia Pacific \$million	India \$million	***Middle East & Other S Asia \$million	Africa \$million			
Internal income	(13)	1	1	26	5	(4)	(2)	(7)	(7)	–	
Net interest income	542	164	122	522	354	210	287	196	113	2,510	
Fees and commissions income, net	198	78	23	68	130	101	141	77	78	894	
Net trading income	57	32	33	51	83	59	53	47	116	531	
Other operating income	10	15	9	67	10	14	3	2	47	177	
Operating income	794	290	188	734	582	380	482	315	347	4,112	
Operating expenses	(344)	(137)	(79)	(460)	(336)	(160)	(225)	(201)	(283)	(2,225)	
Operating profit before impairment losses and taxation	450	153	109	274	246	220	257	114	64	1,887	
Impairment/(losses) releases on loans and advances and other credit risk provisions	8	(19)	(12)	(40)	(277)	(7)	(14)	(17)	29	(349)	
Other impairment	–	–	–	–	–	–	–	(6)	(2)	(8)	
Loss from associates	–	–	–	–	(3)	–	–	–	–	(3)	
Operating profit before taxation	458	134	97	234	(34)	213	243	91	91	1,527	
Loans and advances to customers – average	22,925	12,434	8,389	38,616	11,898	5,647	8,237	2,319	9,881	120,346	
Net interest margins (%)	2.3	1.2	2.2	1.8	2.8	3.6	3.5	6.6	0.4	2.5	
Loans and advances to customers – period end	22,188	13,169	9,007	38,724	11,704	5,695	8,143	2,256	9,259	120,145	
Loans and advances to banks – period end	3,131	1,155	153	1,835	3,433	285	1,501	563	5,586	17,642	
Total assets employed*	45,103	27,546	11,690	65,927	28,425	13,227	14,406	6,957	63,432	276,713	
Total risk weighted assets and contingents	21,938	13,912	5,503	34,610	16,386	7,549	11,782	2,955	23,328	137,963	
Capital expenditure	72	23	1	8	11	7	13	4	28	167	

* Total assets employed includes intra-group items of \$39,057 million and excludes deferred tax assets of \$492 million.

** Other Asia Pacific includes HIB Operating income of \$nil million; Operating expenses of \$nil million; and Profit before taxation of \$nil million.

*** Middle East & Other S. Asia includes Pakistan Operating income of \$80 million; Operating expenses of \$37 million and Profit before taxation of \$41 million.

STANDARD CHARTERED PLC – NOTES continued

2. Segmental Information continued

31.12.06

	Asia Pacific									Americas UK & Group Head Office \$million	Total \$million
	Hong Kong \$million	Singapore \$million	Malaysia \$million	Korea \$million	**Other Asia Pacific \$million	India \$million	***Middle East & Other S Asia \$million	Africa \$million			
Internal income	(1)	2	(3)	24	12	(13)	(5)	(3)	(13)		–
Net interest income	573	181	120	575	434	235	373	200	127		2,818
Fees and commissions income, net	208	81	27	84	172	103	155	83	74		987
Net trading income	17	24	27	13	83	42	62	44	77		389
Other operating income	24	44	12	92	101	70	3	1	(33)		314
Operating income	821	332	183	788	802	437	588	325	232		4,508
Operating expenses	(376)	(157)	(85)	(512)	(449)	(215)	(289)	(212)	(276)		(2,571)
Operating profit before impairment losses and taxation	445	175	98	276	353	222	299	113	(44)		1,937
Impairment (losses)/releases on loans and advances and other credit risk provisions	(15)	(20)	(17)	(56)	(107)	(32)	(39)	(9)	15		(280)
Other impairment	–	–	–	–	(3)	–	–	(3)	(1)		(7)
Loss from associates	–	–	–	–	(1)	–	–	–	2		1
Operating profit before taxation	430	155	81	220	242	190	260	101	(28)		1,651
Loans and advances to customers – average	22,859	12,976	8,671	38,986	12,261	5,876	9,531	2,397	10,415		123,972
Net interest margins (%)	2.3	1.3	2.1	1.9	3.0	3.4	3.8	5.7	0.3		2.5
Loans and advances to customers – period end [#]	22,037	14,626	9,199	40,029	22,858	6,242	10,516	2,536	12,458		140,501
Loans and advances to banks – period end	6,474	939	161	1,753	4,462	477	1,058	387	5,353		21,064
Total assets employed *	49,831	25,393	11,846	64,159	46,898	14,382	18,109	7,792	65,904		304,314
Total risk weighted assets and contingents	23,784	13,681	5,315	35,330	24,876	8,450	13,572	3,287	28,282		156,577
Capital expenditure	6	42	2	27	38	15	24	9	29		192

[#] Amounts have been restated as explained in note 30 on page 64.

* Total assets employed includes intra-group items of \$38,784 million and excludes deferred tax assets of \$519 million.

** Other Asia Pacific includes HIB Operating income of \$80 million; Operating expenses of \$47 million; and Profit before taxation of \$27 million.

*** Middle East & Other S. Asia includes Pakistan Operating income of \$145 million; Operating expenses of \$74 million; and Profit before taxation of \$46 million.

Apart from the entities that have been acquired in the last two years, Group central expenses have been distributed between segments in proportion to their direct costs, and the benefit of the Group's capital has been distributed between segments in proportion to their average risk weighted assets. In the year in which an acquisition is made the Group does not charge and allocate the benefit of the Group's capital. The distribution of central expenses is phased in over two years, based on an estimate of central management costs associated with the acquisition.

Assets held at the centre have been distributed between geographic segments in proportion to their total assets employed.

Total risk weighted assets and contingents include \$4,072 million (30 June 2006: \$2,865 million 31 December 2006: \$3,134 million) of balances which are netted in calculating capital ratios.

Capital expenditure comprises additions to property and equipment and intangibles, including additions resulting from acquisitions.

STANDARD CHARTERED PLC – NOTES continued

2. Segmental Information continued

The following tables set out the structure of the Group's deposits by principal geographic region and business where it operates at 30 June 2007, 30 June 2006 and 31 December 2006.

By geographic segment

	30.06.07									
	Asia Pacific					India \$million	Middle East & Other S Asia \$million	Africa \$million	Americas UK & Group Head Office \$million	Total \$million
	Hong Kong \$million	Singapore \$million	Malaysia \$million	Korea \$million	Other Asia Pacific \$million					
Non interest bearing current and demand accounts	4,188	2,106	536	210	2,508	2,394	4,158	1,686	504	18,290
Interest bearing current and demand accounts	16,878	4,249	1,367	14,084	8,692	4	1,292	1,532	6,748	54,846
Savings deposits	12	3,446	962	15	7,148	1,640	2,117	791	–	16,131
Time deposits	21,075	8,318	6,917	14,437	18,064	4,566	6,689	1,506	15,476	97,048
Other deposits	22	94	254	704	1,063	648	909	62	921	4,677
Total	42,175	18,213	10,036	29,450	37,475	9,252	15,165	5,577	23,649	190,992
Deposits by banks	986	575	1,630	7,299	6,908	1,088	1,675	293	8,409	28,863
Customer accounts	41,189	17,638	8,406	22,151	30,567	8,164	13,490	5,284	15,240	162,129
	42,175	18,213	10,036	29,450	37,475	9,252	15,165	5,577	23,649	190,992
Debt securities in issue	726	1,834	1,039	20,166	2,099	1,457	18	193	4,287	31,819
Total	42,901	20,047	11,075	49,616	39,574	10,709	15,183	5,770	27,936	222,811

	30.06.06									
	Asia Pacific					India \$million	Middle East & Other S Asia \$million	Africa \$million	Americas UK & Group Head Office \$million	Total \$million
	Hong Kong \$million	Singapore \$million	Malaysia \$million	Korea \$million	Other Asia Pacific \$million					
Non interest bearing current and demand accounts	2,804	796	1,277	191	2,718	1,689	3,394	1,602	445	14,916
Interest bearing current and demand accounts	14,056	3,531	195	15,762	4,109	19	1,224	1,275	5,322	45,493
Savings deposits	8	1,617	493	13	2,991	1,334	1,433	389	–	8,278
Time deposits	19,633	9,881	5,026	16,632	9,267	3,780	5,588	1,517	11,361	82,685
Other deposits	31	78	829	691	788	464	366	51	937	4,235
Total	36,532	15,903	7,820	33,289	19,873	7,286	12,005	4,834	18,065	155,607
Deposits by banks	669	1,796	861	6,257	4,807	1,281	1,676	362	6,015	23,724
Customer accounts	35,863	14,107	6,959	27,032	15,066	6,005	10,329	4,472	12,050	131,883
	36,532	15,903	7,820	33,289	19,873	7,286	12,005	4,834	18,065	155,607
Debt securities in issue	585	1,395	918	20,151	721	802	–	127	2,487	27,186
Total	37,117	17,298	8,738	53,440	20,594	8,088	12,005	4,961	20,552	182,793

STANDARD CHARTERED PLC – NOTES continued

2. Segmental Information continued

	31.12.06									
	Asia Pacific					India \$million	Middle East & Other S Asia \$million	Africa \$million	Americas UK & Group Head Office \$million	Total \$million
Hong Kong \$million	Singapore \$million	Malaysia \$million	Korea \$million	Other Asia Pacific \$million						
Non interest bearing current and demand accounts	3,320	1,722	1,435	163	2,123	2,082	3,654	1,649	894	17,042
Interest bearing current and demand accounts	16,894	2,964	261	15,263	5,456	5	1,300	1,136	5,529	48,808
Savings deposits	10	1,857	741	11	11,089	1,451	1,685	449	–	17,293
Time deposits	18,961	9,754	5,211	16,682	12,293	4,073	6,901	1,575	13,574	89,024
Other deposits	14	7	750	1,756	1,507	241	568	140	260	5,243
Total	39,199	16,304	8,398	33,875	32,468	7,852	14,108	4,949	20,257	177,410
Deposits by banks	734	1,276	597	9,297	5,869	871	1,968	323	7,187	28,122
Customer accounts	38,465	15,028	7,801	24,578	26,599	6,981	12,140	4,626	13,070	149,288
	39,199	16,304	8,398	33,875	32,468	7,852	14,108	4,949	20,257	177,410
Debt securities in issue	627	1,087	992	17,561	1,597	932	12	171	3,820	26,799
Total	39,826	17,391	9,390	51,436	34,065	8,784	14,120	5,120	24,077	204,209

3. Net Trading Income

	6 months ended 30.06.07 \$million	6 months ended 30.06.06 \$million	6 months ended 31.12.06 \$million
Gains less losses on foreign currency	444	311	334
Gains less losses on trading securities	135	19	90
Other trading profits/(losses)	70	201	(35)
	649	531	389

4. Other Operating Income

	6 months ended 30.06.07 \$million	6 months ended 30.06.06 \$million	6 months ended 31.12.06 \$million
Other operating income includes:			
Gains less losses on disposal of financial assets not held at fair value through profit or loss	229	52	138
Dividend income	116	33	44
Gains arising on assets fair valued at acquisition	55	42	64
Gains on effective part disposal of Pakistan branches	–	–	17

STANDARD CHARTERED PLC – NOTES continued

5. Taxation

Analysis of taxation charge in the period:

	6 months ended 30.06.07 \$million	6 months ended 30.06.06 \$million	6 months ended 31.12.06 \$million
The charge for taxation based upon the profits for the period comprises:			
United Kingdom corporation tax at 30 per cent (30 June 2006, 31 December 2006: 30 per cent):			
Current tax on income for the period	161	93	136
Adjustments in respect of prior periods	35	(114)	(130)
Double taxation relief	(161)	(88)	(120)
Foreign tax:			
Current tax on income for the period	549	505	363
Adjustments in respect of prior periods	28	41	(8)
Total current tax	612	437	241
Deferred tax:			
Origination/reversal of temporary differences	(79)	(42)	188
Tax on profits on ordinary activities	533	395	429
Effective tax rate	26.9%	25.9%	25.9%

Overseas taxation includes taxation on Hong Kong profits of \$93 million (30 June 2006: \$115 million, 31 December 2006: \$51 million) provided at a rate of 17.5 per cent (30 June 2006: 17.5 per cent, 31 December 2006: 17.5 per cent) on the profits assessable in Hong Kong.

6. Dividends

Ordinary equity shares

Dividends are recorded in the period in which they are declared and, in respect of the final dividend, have been approved by the shareholders. The 2006 interim dividend of 20.83 cents per ordinary share was paid to eligible shareholders on 11 October 2006 and the final dividend of 50.21 cents per ordinary share was paid to eligible shareholders on 11 May 2007.

The 2007 interim dividend of 23.12 cents per ordinary share will be paid in either sterling, Hong Kong dollars or US dollars on 10 October 2007 to shareholders on the UK register of

members at the close of business on 17 August 2007 and to shareholders on the Hong Kong branch register of members at the opening of business in Hong Kong (9:00am Hong Kong time) on 17 August 2007.

It is intended that shareholders will be able to elect to receive ordinary shares credited as fully paid instead of all or part of the interim cash dividend. Details of the dividend arrangements will be sent to shareholders on or around 3 September 2007.

	6 months ended 30.06.07 \$million	6 months ended 30.06.06 \$million	6 months ended 31.12.06 \$million
Preference Shares			
Non-cumulative irredeemable preference shares:			
7 ³ / ₈ per cent preference shares of £1 each*	7	7	7
8 ¹ / ₄ per cent preference shares of £1 each*	8	7	8
Non-cumulative redeemable preference shares:			
8.9 per cent preference shares of \$5 each	–	15	7
6.409 per cent preference shares of \$5 each	24	–	3
7.014 per cent preference shares of \$5 each	5	–	–

* Instruments classified as liabilities with dividends recorded as interest expense.

STANDARD CHARTERED PLC – NOTES continued

7. Earnings per Ordinary Share

	30.06.07			30.06.06			31.12.06		
	Profit* \$million	Weighted average number of shares ('000)	Per share amount cents	Profit* \$million	Weighted average number of shares ('000)	Per share amount cents	Profit* \$million	Weighted average number of shares ('000)	Per share amount cents
Basic earnings per ordinary share	1,370	1,391,128	98.5	1,088	1,314,467	82.8	1,165	1,340,556	86.9
Effect of dilutive potential ordinary shares:									
Options	–	19,136		–	9,666		–	14,338	
Diluted earnings per share	1,370	1,410,264	97.1	1,088	1,324,133	82.2	1,165	1,354,894	86.0

Normalised earnings per ordinary share

The Group measures earnings per share on a normalised basis. This differs from earnings defined in IAS 33 “Earnings per share”. The table below provides a reconciliation.

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Profit attributable to ordinary shareholders*	1,370	1,088	1,165
Amortisation of intangible assets arising on business combinations	35	20	32
Profit on sale of property, plant and equipment	–	–	(16)
Premium and costs paid on repurchase of subordinated debt	–	4	–
Gain on effective part disposal of Pakistan branches	–	–	(17)
Profit on sale of subsidiary	(4)	–	–
Incorporation costs in China	8	–	4
Tax on normalised items	(8)	(7)	2
Normalised earnings	1,401	1,105	1,170
Normalised earnings per ordinary share (cents)	100.7	84.1	87.3

* The profit amounts represent the profit attributable to ordinary shareholders, i.e. after the deduction of dividends payable to the holders of the non-cumulative redeemable preference shares (see note 6 on page 46).

There were no ordinary shares issued after the balance sheet date that would have significantly affected the number of ordinary shares used in the above calculations had they been issued prior to the end of the balance sheet period.

STANDARD CHARTERED PLC – NOTES continued

8. Financial Instruments Classification Summary

Financial instruments are classified between four recognition principles: at fair value through profit or loss (comprising trading and designated), available-for-sale, held-to-maturity and loans and receivables. The face of the balance sheet combines financial instruments that are held at their fair value

through profit or loss and subdivided between those assets and liabilities held for trading purposes and those that the Group has elected to hold at fair value.

The Group's classification of its principal financial assets and liabilities (excluding derivatives) is summarised below:

	Trading \$million	Designated at fair value through profit or loss \$million	Available- for-sale \$million	Loans and receivables \$million	Held-to- maturity \$million	Total \$million
Loans and advances to banks	2,100	–	–	21,108	–	23,208
Loans and advances to customers	474	332	–	151,953	–	152,759
Treasury bills and other eligible bills	3,693	493	12,254	–	–	16,440
Debt securities	11,356	512	35,478	2,729	108	50,183
Equity shares	384	–	1,661	–	–	2,045
Total assets at 30 June 2007	18,007	1,337	49,393	175,790	108	244,635
Loans and advances to banks	892	–	99	16,651	–	17,642
Loans and advances to customers	435	160	129	119,421	–	120,145
Treasury bills and other eligible bills	2,861	637	11,966	–	–	15,464
Debt securities	7,626	315	31,010	1,788	164	40,903
Equity shares	74	82	1,109	–	–	1,265
Total assets at 30 June 2006	11,888	1,194	44,313	137,860	164	195,419
Loans and advances to banks	1,340	–	–	19,724	–	21,064
Loans and advances to customers	1,000	194	–	139,307	–	140,501
Treasury bills and other eligible bills	2,722	696	12,522	–	–	15,940
Debt securities	8,906	695	32,711	2,649	137	45,098
Equity shares	162	–	1,478	–	–	1,640
Total assets at 31 December 2006*	14,130	1,585	46,711	161,680	137	224,243

* Amounts have been restated as explained in note 30 on page 64.

	Trading \$million	Designated at fair value through profit or loss \$million	Amortised cost \$million	Total \$million
Deposits by banks	1,747	270	26,846	28,863
Customer accounts	857	1,030	160,242	162,129
Debt securities in issue	2,153	2,412	27,254	31,819
Short positions	4,648	–	–	4,648
Total liabilities at 30 June 2007	9,405	3,712	214,342	227,459
Deposits by banks	1,473	257	21,994	23,724
Customer accounts	593	1,114	130,176	131,883
Debt securities in issue	1,623	610	24,953	27,186
Short positions	2,750	–	–	2,750
Total liabilities at 30 June 2006	6,439	1,981	177,123	185,543
Deposits by banks	1,286	603	26,233	28,122
Customer accounts	485	1,421	147,382	149,288
Debt securities in issue	1,514	1,771	23,514	26,799
Short positions	2,889	–	–	2,889
Total liabilities at 31 December 2006	6,174	3,795	197,129	207,098

STANDARD CHARTERED PLC – NOTES continued

9. Financial Assets Held at Fair Value through Profit or Loss

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Loans and advances to banks	2,100	892	1,340
Loans and advances to customers	806	595	1,194
Treasury bills and other eligible bills	4,186	3,498	3,418
Debt securities	11,868	7,941	9,601
Equity shares	384	156	162
	19,344	13,082	15,715
Debt securities			
	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Issued by public bodies:			
Government securities	3,199	2,326	2,321
Other public sector securities	105	–	45
	3,304	2,326	2,366
Issued by banks:			
Certificates of deposit	1,090	605	405
Other debt securities	2,366	1,992	2,082
	3,456	2,597	2,487
Issued by corporate entities and other issuers:			
Other debt securities	5,108	3,018	4,748
Total debt securities	11,868	7,941	9,601
Of which:			
Listed on a recognised UK exchange	505	1,241	418
Listed elsewhere	5,799	2,284	2,819
Unlisted	5,564	4,416	6,364
	11,868	7,941	9,601
Equity securities			
Listed	24	20	36
Unlisted	360	136	126
	384	156	162

STANDARD CHARTERED PLC – NOTES continued

10. Derivative Financial Instruments

Derivatives are financial instruments that derive their value from changes in response to changes in interest rates, financial instrument prices, commodity prices, foreign exchange rates, credit risk, and indices. The types of derivatives used by the Group are set out below.

These tables below analyse the notional principal amounts and the positive and negative fair values of the Group's derivative financial instruments. Notional principal amounts are the amount of principal underlying the contract at the reporting date.

	30.06.07			30.06.06		
	Notional principal amounts \$million	Assets \$million	Liabilities \$million	Notional principal amounts \$million	Assets \$million	Liabilities \$million
<i>Total derivatives</i>						
Foreign exchange derivative contracts:						
Forward foreign exchange contracts	651,300	6,644	6,868	456,951	6,027	7,348
Currency swaps and options	423,855	5,514	5,707	259,787	2,290	1,408
	1,075,155	12,158	12,575	716,738	8,317	8,756
Interest rate derivative contracts:						
Swaps	847,451	5,642	5,915	592,685	4,084	4,279
Forward rate agreements and options	114,477	197	295	69,436	138	216
Exchange traded futures and options	389,400	109	106	204,409	78	49
	1,351,328	5,948	6,316	866,530	4,300	4,544
Equity and stock index options	787	22	67	356	4	3
Credit derivatives	32,880	60	55	18,039	43	45
Commodity derivative contracts	2,869	253	222	5,020	57	42
Total derivatives	2,463,019	18,441	19,235	1,606,683	12,721	13,390
Effect of netting		(8,802)			*(6,367)	
Net credit risk on derivatives		9,639			6,354	

	31.12.06		
	Notional principal amounts \$million	Assets \$million	Liabilities \$million
<i>Total derivatives</i>			
Foreign exchange derivative contracts:			
Forward foreign exchange contracts	434,569	3,805	4,165
Currency swaps and options	295,845	4,698	4,793
	730,414	8,503	8,958
Interest rate derivative contracts:			
Swaps	653,283	4,353	4,348
Forward rate agreements and options	94,244	138	195
Exchange traded futures and options	260,182	42	47
	1,007,709	4,533	4,590
Equity and stock index options	699	18	44
Credit derivatives	22,195	49	70
Commodity derivative contracts	2,469	51	41
Total derivatives	1,763,486	13,154	13,703
Effect of netting		(6,425)	
Net credit risk on derivatives		6,729	

* Restated to present on a consistent basis.

\$16,651 million (30 June 2006: \$13,585 million, 31 December 2006: \$17,087 million) of the notional principal amounts of derivatives used by the Group are held for fair value or cash flow hedging purposes.

STANDARD CHARTERED PLC – NOTES continued

11. Loans and Advances

	30.06.07		30.06.06		31.12.06*	
	Loans to banks \$million	Loans to customers \$million	Loans to banks \$million	Loans to customers \$million	Loans to banks \$million	Loans to customers \$million
Loans and advances	23,212	154,767	17,654	121,894	21,074	142,709
Individual impairment provision	(3)	(1,496)	(11)	(1,295)	(9)	(1,684)
Portfolio impairment provision	(1)	(512)	(1)	(454)	(1)	(524)
	23,208	152,759	17,642	120,145	21,064	140,501
Of which: loans and advances held at fair value through profit or loss	(2,100)	(806)	(892)	(595)	(1,340)	(1,194)
	21,108	151,953	16,750	119,550	19,724	139,307

* Amounts have been restated as explained in note 30 on page 64.

The Group's exposure to credit risk is concentrated in Hong Kong, Korea and the Asia Pacific region. The Group is affected by the general economic conditions in the territories in which it operates. The Group sets limits on the exposure to any counterparty, and credit risk is spread over a variety of different personal and commercial customers.

The Group has outstanding mortgage loans to Hong Kong residents of approximately \$11.3 billion (30 June 2006: \$11.3 billion, 31 December 2006: \$11.2 billion), and Korea residents of approximately \$23.7 billion (30 June 2006: \$23.2 billion, 31 December 2006: \$24.0 billion).

	30.06.07 \$million	30.06.06 \$million	31.12.06* \$million
Provisions held at beginning of period	2,218	1,754	1,761
Exchange translation differences	15	49	25
Acquisitions	–	–	736
Amounts written off	(534)	(394)	(568)
Recoveries of acquisition fair values	(55)	(42)	(64)
Recoveries of amounts previously written off	55	65	63
Discount unwind	(34)	(25)	(27)
Other	(6)	(5)	17
New provisions	636	597	534
Recoveries/provisions no longer required	(283)	(238)	(259)
Net charge against profit**	353	359	275
Provisions held at end of period***	2,012	1,761	2,218

* Amounts have been restated as explained in note 30 on page 64.

** The net charge of \$353 million (30 June 2006: \$359 million, 31 December 2006: \$275 million) comprises \$371 million (30 June 2006: \$273 million, 31 December 2006: \$331 million) individual impairment charge and of \$18 million (30 June 2006: charge of \$86 million, 31 December 2006: release of \$56 million) portfolio impairment release. The charge excludes provision releases for credit commitments and other provisions of \$nil million for the six months ended 30 June 2007 (30 June 2006: \$10 million, 31 December 2006: \$1 million) and impairment charges of \$8 million (30 June 2006: \$nil million, 31 December 2006: \$6 million) relating to debt securities classified as loans and receivables (note 8 on page 48). The total impairment charge on loans and advances and other credit risk provisions is \$361 million (30 June 2006: \$349 million, 31 December 2006: \$280 million).

*** The provision of \$2,012 million (30 June 2006: \$1,761 million, 31 December 2006: \$2,218 million) held at 30 June 2007 comprises \$1,499 million (30 June 2006: \$1,306 million, 31 December 2006: \$1,693 million) individual impairment provision and \$513 million (30 June 2006: \$455 million, 31 December 2006: \$525 million) portfolio impairment provision.

STANDARD CHARTERED PLC – NOTES continued

12. Non-Performing Loans and Advances

	30.06.07 \$million	30.06.06 \$million	31.12.06* \$million
Non-performing loans and advances	2,472	2,423	2,961
Impairment provisions	(2,012)	(1,761)	(2,218)
	460	662	743

* Amounts have been restated as explained in note 30 on page 64.

Net non-performing loans and advances comprises loans and advances to banks \$3 million (30 June 2006: \$8 million, 31 December 2006: \$9 million) and loans and advances to customers \$457 million (30 June 2006: \$654 million, 31 December 2006: \$734 million).

Impairment provisions cover 81 per cent of non-performing lending to customers (30 June 2006: 73 per cent, 31 December 2006: 75 per cent). The impairment provisions above include \$513 million (30 June 2006: \$455 million, 31 December 2006: \$525 million) of portfolio impairment provisions.

13. Investment Securities

	30.06.07					Total \$million
	Debt Securities			Equity securities \$million	Treasury bills \$million	
	Held-to- maturity \$million	Available- for-sale \$million	Loans and receivables \$million			
Issued by public bodies:						
Government securities	108	13,311	–			
Other public sector securities	–	1,558	–			
	108	14,869	–			
Issued by banks:						
Certificates of deposit	–	7,046	2,396			
Other debt securities	–	10,350	18			
	–	17,396	2,414			
Issued by corporate entities and other issuers:						
Other debt securities	–	3,213	315			
Total debt securities	108	35,478	2,729			
Listed on a recognised UK exchange	–	3,654	–	22	–	3,676
Listed elsewhere	84	14,265	111	1,202	6,145	21,807
Unlisted	24	17,559	2,618	437	6,109	26,747
	108	35,478	2,729	1,661	12,254	52,230
Market value of listed securities	84	17,919	106	1,224	6,145	25,478

STANDARD CHARTERED PLC – NOTES continued

13. Investment Securities continued

	30.06.06					
	Debt Securities			Equity securities \$million	Treasury bills \$million	Total \$million
	Held-to-maturity \$million	Available-for-sale \$million	Loans and receivables \$million			
Issued by public bodies:						
Government securities	164	10,237	–			
Other public sector securities	–	1,366	–			
	164	11,603	–			
Issued by banks:						
Certificates of deposit	–	7,682	1,423			
Other debt securities	–	8,467	8			
	–	16,149	1,431			
Issued by corporate entities and other issuers:						
Other debt securities	–	3,258	357			
Total debt securities	164	31,010	1,788			
Listed on a recognised UK exchange	–	5,702	7	21	–	5,730
Listed elsewhere	134	10,170	–	424	7,452	18,180
Unlisted	30	15,138	1,781	664	4,514	22,127
	164	31,010	1,788	1,109	11,966	46,037
Market value of listed securities	134	15,872	7	445	7,452	23,910

	31.12.06*					
	Debt Securities			Equity securities \$million	Treasury bills \$million	Total \$million
	Held-to-maturity \$million	Available-for-sale \$million	Loans and receivables \$million			
Issued by public bodies:						
Government securities	137	10,379	–			
Other public sector securities	–	1,403	–			
	137	11,782	–			
Issued by banks:						
Certificates of deposit	–	8,433	2,280			
Other debt securities	–	9,505	178			
	–	17,938	2,458			
Issued by corporate entities and other issuers:						
Other debt securities	–	2,991	191			
Total debt securities	137	32,711	2,649			
Listed on a recognised UK exchange	–	6,679	–	38	–	6,717
Listed elsewhere	113	10,183	132	795	7,027	18,250
Unlisted	24	15,849	2,517	645	5,495	24,530
	137	32,711	2,649	1,478	12,522	49,497
Market value of listed securities	109	16,862	130	833	7,027	24,961

* Amounts have been restated as explained in note 30 on page 64.

STANDARD CHARTERED PLC - NOTES continued

13. Investment Securities continued

The change in the carrying amount of investment securities comprised:

	30.06.07 \$million	30.06.06 \$million	31.12.06* \$million
Opening	49,497	37,863	46,037
Exchange translation differences	374	1,009	477
Acquisitions	–	–	2,018
Additions	35,631	36,781	34,334
Maturities and disposals	(33,637)	(29,771)	(34,125)
Impairments	(13)	–	(26)
Changes in fair value (including the effect of fair value hedging)	215	134	546
Amortisation of discounts and premiums	163	21	236
Closing	52,230	46,037	49,497

* Amounts have been restated as explained in note 30 on page 64.

At 30 June 2007, unamortised premiums on debt securities held for investment purposes amounted to \$68 million (30 June 2006: \$134 million, 31 December 2006: \$39 million) and unamortised discounts amounted to \$152 million (30 June 2006: \$110 million, 31 December 2006: \$112 million).

Income from listed equity shares amounted to \$5 million (30 June 2006: \$2 million, 31 December 2006: \$2 million) and income from unlisted equity shares amounted to \$111 million (30 June 2006: \$31 million, 31 December 2006: \$42 million).

14. Deposits by Banks

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Deposits by banks	26,846	21,994	26,233
Deposits by banks included within:			
Financial liabilities held at fair value through profit or loss (note 8 on page 48)	2,017	1,730	1,889
	28,863	23,724	28,122

15. Customer Accounts

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Customer accounts	160,242	130,176	147,382
Customer accounts included within:			
Financial liabilities held at fair value through profit or loss (note 8 on page 48)	1,887	1,707	1,906
	162,129	131,883	149,288

16. Debt Securities in Issue

	30.06.07			30.06.06		
	Certificates of deposit of \$100,000 or more \$million	Other debt securities in issue \$million	Total \$million	Certificates of deposit of \$100,000 or more \$million	Other debt securities in issue \$million	Total \$million
Debt securities in issue	8,242	19,012	27,254	12,522	12,431	24,953
Debt securities in issue within:						
Financial liabilities held at fair value through profit or loss (note 8 on page 48)	1,373	3,192	4,565	326	1,907	2,233
	9,615	22,204	31,819	12,848	14,338	27,186

STANDARD CHARTERED PLC – NOTES continued

16. Debt Securities in Issue continued

	31.12.06		
	Certificates of deposit of \$100,000 or more \$million	Other debt securities in issue \$million	Total \$million
Debt securities in issue	10,939	12,575	23,514
Debt securities in issue within:			
Financial liabilities held at fair value through profit or loss (note 8 on page 48)	1,154	2,131	3,285
	12,093	14,706	26,799

17. Other Liabilities

Other liabilities include Hong Kong currency notes in circulation of \$2,697 million (30 June 2006: \$2,558 million, 31 December 2006: \$2,605 million) which are secured by Hong Kong SAR Government certificates of indebtedness of the same amount included in other assets.

18. Retirement Benefit Obligations

Retirement benefit obligations comprise:

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Total market value of assets	2,405	2,036	2,339
Present value of the schemes' liabilities	(2,746)	(2,493)	(2,799)
Defined benefit schemes obligation	(341)	(457)	(460)
Defined contribution schemes	(15)	(9)	(12)
Net book amount	(356)	(466)	(472)

Retirement benefit charge comprises:

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Defined benefit schemes	56	43	53
Defined contribution schemes	41	32	38
	97	75	91

STANDARD CHARTERED PLC - NOTES continued

18. Retirement Benefit Obligations continued

The pension cost for defined benefit schemes was:

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Current service cost	52	41	39
Past service cost	–	9	–
Gain/(loss) on settlement and curtailments	–	(8)	9
Expected return on pension scheme assets	(34)	57	(117)
Interest on pension scheme liabilities	38	(56)	122
Total charge to profit before deduction of taxation	56	43	53
Actual less expected return on assets	–	25	(75)
Experience (gain)/loss on liabilities	(149)	(93)	39
Gain recognised in Statement of Recognised Income and Expense before taxation	(149)	(68)	(36)
Deferred taxation	48	20	18
Gain after taxation	(101)	(48)	(18)

19. Subordinated Liabilities and Other Borrowed Funds

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Subordinated liabilities and other borrowed funds	13,279	10,805	12,699

All subordinated liabilities are unsecured, unguaranteed and subordinated to the claims of other creditors, including without limitation, customer deposits and deposits by banks. The Group has the right to settle these instruments in certain circumstances set out in the contractual agreements.

Of the total subordinated loan capital and other borrowings, \$7,072 million is at fixed interest rates (30 June 2006: \$5,949 million, 31 December 2006: \$6,737 million).

On 12 April 2007, Standard Chartered Bank (Hong Kong) Limited issued Lower Tier 2 Capital in the form of \$300 million Floating Rate Notes, which have a maturity of 10 years, with an issuer's call option after five years.

On 26 April 2007, the Group issued £300 million 6 per cent Lower Tier 2 Step-up Dated Subordinated notes, which have a maturity of 11 years, with an issuer's call option after six years.

20. Share Capital

	Number of ordinary shares (millions)	Ordinary share capital \$million	Preference share capital \$million	Total \$million
At 1 January 2006	1,316	658	2	660
Capitalised on scrip dividend	10	5	–	5
Shares issued, net of expenses	4	2	–	2
At 30 June 2006	1,330	665	2	667
Capitalised on scrip dividend	5	2	–	2
Shares repurchased	–	–	(2)	(2)
Shares issued, net of expenses	49	25	–	25
At 31 December 2006	1,384	692	–	692
Capitalised on scrip dividend	13	6	–	6
Shares issued, net of expenses	5	3	–	3
At 30 June 2007	1,402	701	–	701

On 10 May 2007, the Company issued 12,765,274 new ordinary shares instead of the 2006 final cash dividend.

On 24 May 2007, the Company issued 7,500 non-cumulative redeemable preference shares of \$5 each at a placing price of

\$100,000 each. The shares are redeemable at the option of the Company and have discretionary coupon payments and are accordingly classified as equity as required by IAS 32. The shares were issued to fund the continuing business of the Group.

STANDARD CHARTERED PLC - NOTES continued

21. Reserves

	Share premium account \$million	Capital reserve \$million	Capital redemption reserve \$million	Merger reserve \$million	Available-for-sale reserve \$million	Cash flow hedge reserve \$million	Translation reserve \$million	Retained earnings \$million	Total \$million
At 1 January 2006	3,034	5	11	1,944	23	(20)	6	6,219	11,222
Recognised income and expenses	-	-	-	-	68	38	364	1,145	1,615
Capitalised on scrip dividend	(5)	-	-	-	-	-	-	-	(5)
Shares issued, net of expenses	80	-	-	-	-	-	-	-	80
Net own shares adjustment	-	-	-	-	-	-	-	96	96
Share option expense and related taxation	-	-	-	-	-	-	-	32	32
Dividends, net of scrip	-	-	-	-	-	-	-	(357)	(357)
At 30 June 2006	3,109	5	11	1,944	91	18	370	7,135	12,683
Recognised income and expenses	-	-	-	-	319	33	308	1,209	1,869
Capitalised on scrip dividend	(2)	-	-	-	-	-	-	-	(2)
Shares issued, net of expenses	758	-	-	1,205	-	-	-	-	1,963
Shares repurchased	(326)	-	2	-	-	-	-	(2)	(326)
Net own shares adjustment	-	-	-	-	-	-	-	53	53
Share option expense and related taxation	-	-	-	-	-	-	-	83	83
Dividends, net of scrip	-	-	-	-	-	-	-	(162)	(162)
At 31 December 2006	3,539	5	13	3,149	410	51	678	8,316	16,161
Recognised income and expenses	-	-	-	-	(67)	(13)	254	1,507	1,681
Capitalised on scrip dividend	(6)	-	-	-	-	-	-	-	(6)
Shares issued, net of expenses	808	-	-	-	-	-	-	-	808
Net own shares adjustment	-	-	-	-	-	-	-	11	11
Share option expense and related taxation	-	-	-	-	-	-	-	42	42
Dividends, net of scrip	-	-	-	-	-	-	-	(373)	(373)
At 30 June 2007	4,341	5	13	3,149	343	38	932	9,503	18,324

STANDARD CHARTERED PLC - NOTES continued

21. Reserves continued

Bedell Cristin Trustees Limited is trustee of both the 1995 Employees' Share Ownership Plan Trust ("the 1995 trust"), which is an employee benefit trust used in conjunction with some of the Group's employee share schemes, and the Standard Chartered 2004 Employee Benefit Trust ("the 2004 trust") which is an employee benefit trust used in conjunction with the Group's deferred bonus plan. The trustee has agreed to satisfy a number of awards made under the employee share schemes and the deferred bonus plan through the relevant employee benefit trust. As part of these arrangements Group companies fund, from time to time, the trusts to enable the trustee to acquire shares to satisfy these awards. All shares have been acquired through the London Stock Exchange.

The 1995 trust has not acquired any shares in the period ended 30 June 2007 (30 June 2006: nil, 31 December 2006: nil). At 30 June 2007, the 1995 trust held 162,071 (30 June 2006: 5,104,262, 31 December 2006: 2,148,874) Standard Chartered PLC shares, of which 162,071 (30 June 2006: 5,104,262, 31 December 2006: 2,148,874) have vested unconditionally. The shares are held in a pool for the benefit

of participants under the Group's Restricted Share Scheme, Performance Share Plan and Executive Shares Option Schemes. These shares were fully funded by the Group.

For the period ended 30 June 2007, the 2004 trust has acquired, at market value, 351,340 (30 June 2006: 321,242, 31 December 2006: nil) Standard Chartered PLC shares for an aggregate price of \$10 million (30 June 2006: \$9 million, 31 December 2006: \$nil million). These shares 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 2007, the 2004 trust held 377,270 (30 June 2006: 311,575, 31 December 2006: 311,157) Standard Chartered PLC shares, of which none (30 June 2006: none, 31 December 2006: none) have vested unconditionally.

Except as disclosed above, neither the Company nor any of its subsidiaries has bought, sold or redeemed any security of the company listed on The Stock Exchange of Hong Kong Limited during the period ended 30 June 2007.

22. Minority Interests

	\$300m 7.267% Hybrid Tier 1 Securities \$million	Other minority interests \$million	Total \$million
At 1 January 2006	336	115	451
Additions	–	50	50
Recognised income and expense	10	19	29
Distributions	(11)	(17)	(28)
Reductions	–	(2)	(2)
At 30 June 2006	335	165	500
Arising on acquisitions	–	(33)	(33)
Recognised income and expense	9	73	82
Distributions	(11)	(16)	(27)
Other increases	–	22	22
At 31 December 2006	333	211	544
Recognised income and expense	9	80	89
Distributions	(11)	(50)	(61)
Reductions	–	(14)	(14)
At 30 June 2007	331	227	558

STANDARD CHARTERED PLC - NOTES continued

23. 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. Restricted balances comprise minimum balances to be held at central banks.

	30.06.07 \$million	30.06.06 \$million	31.12.06 \$million
Cash and balances with central banks	8,991	11,813	7,698
Less restricted balances	(4,694)	(7,194)	(3,958)
Treasury bills and other eligible bills	7,028	6,222	6,233
Loans and advances to banks	18,291	12,627	16,084
Debt securities	10,691	7,919	12,104
Total	40,307	31,387	38,161

24. Net Interest Margin and Interest Spread

	30.06.07 %	30.06.06 %	31.12.06 %
Net interest margin	2.5	2.5	2.5
Interest spread	2.1	2.0	2.1

	\$million	\$million	\$million
Average interest earning assets	238,879	203,539	211,486
Average interest bearing liabilities	216,773	179,200	188,715

25. Remuneration

The Group employed 63,762 staff at 30 June 2007 (30 June 2006: 49,255, 31 December 2006: 59,205).

Within the authority delegated by the Board of Directors, the Board Remuneration Committee is involved in determining the remuneration policy of the Group and 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; and
- 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; and
- 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.

The Group 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 specific performance criteria. In addition, the Group operates two all-employee sharesave schemes in which 32 per cent of employees participate.

STANDARD CHARTERED PLC - NOTES continued

26. 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 I Accord on capital adequacy, after taking account of collateral and guarantees received.

	30.06.07			30.06.06		
	Contract or underlying principal amount \$million	Credit equivalent amount \$million	Risk weighted amount \$million	Contract or underlying principal amount \$million	Credit equivalent amount \$million	Risk weighted amount \$million
Contingent liabilities*:						
Guarantees and irrevocable letters of credit	22,777	14,745	11,137	13,561	10,320	7,641
Other contingent liabilities	8,692	7,225	5,305	12,621	8,732	6,515
	31,469	21,970	16,442	26,182	19,052	14,156
Commitments*:						
Documentary credits and short term trade-related transactions	5,212	1,042	817	5,613	1,123	929
Forward asset purchases and forward deposits placed	-	-	-	42	42	8
Undrawn formal standby facilities, credit lines and other commitments to lend:						
One year and over	15,552	7,776	6,562	13,091	6,545	4,081
Less than one year	22,785	-	-	17,073	-	-
Unconditionally cancellable	33,588	-	-	31,429	-	-
	77,137	8,818	7,379	67,248	7,710	5,018

* Includes amounts relating to the Group's share of its joint ventures.

	31.12.06		
	Contract or underlying principal amount \$million	Credit equivalent amount \$million	Risk weighted amount \$million
Contingent liabilities*:			
Guarantees and irrevocable letters of credit	18,344	12,784	9,398
Other contingent liabilities	9,046	7,139	5,418
	27,390	19,923	14,816
Commitments*:			
Documentary credits and short term trade-related transactions	5,029	1,006	845
Forward asset purchases and forward deposits placed	31	31	10
Undrawn formal standby facilities, credit lines and other commitments to lend:			
One year and over	14,083	7,042	3,693
Less than one year	20,543	-	-
Unconditionally cancellable	29,858	-	-
	69,544	8,079	4,548

* Includes amounts relating to the Group's share of its joint ventures.

STANDARD CHARTERED PLC - NOTES continued

27. Liquidity Risk

This table analyses assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The analysis gives contractual maturities of balance sheet amounts and does not reflect actual repayments or cash flow.

The Risk Review on pages 17 to 33 explains the Group's risk management with respect to asset and liability management.

	30.06.07				Total \$million
	Three months or less \$million	Between three months and one year \$million	Between one year and five years \$million	More than five years \$million	
Assets					
Cash and balances at central banks	4,297	–	–	4,694	8,991
Derivative financial instruments	3,688	6,270	6,148	2,335	18,441
Loans and advances to banks*	18,671	3,329	1,137	71	23,208
Loans and advances to customers*	49,117	26,694	29,641	47,307	152,759
Investment securities*	18,376	22,288	18,138	9,866	68,668
Other assets	4,868	300	552	19,039	24,759
Total assets	99,017	58,881	55,616	83,312	296,826
Liabilities					
Deposits by banks*	24,937	3,596	318	12	28,863
Customer accounts*	138,620	17,532	4,290	1,687	162,129
Derivative financial instruments	4,584	6,206	6,260	2,185	19,235
Debt securities in issue*	10,664	11,535	8,785	835	31,819
Other liabilities*	7,647	1,022	355	12,894	21,918
Subordinated liabilities and other borrowed funds	352	519	4,591	7,817	13,279
Total liabilities	186,804	40,410	24,599	25,430	277,243
Net liquidity gap	(87,787)	18,471	31,017	57,882	19,583

* Amounts include financial instruments held at fair value through profit or loss (see note 8 on page 48).

	30.06.06				Total \$million
	Three months or less \$million	Between three months and one year \$million	Between one year and five years \$million	More than five years \$million	
Total assets	98,675	41,231	45,280	52,962	238,148
Total liabilities	156,760	27,331	20,070	20,137	224,298
Net liquidity gap	(58,085)	13,900	25,210	32,825	13,850

	31.12.06**				Total \$million
	Three months or less \$million	Between three months and one year \$million	Between one year and five years \$million	More than five years \$million	
Total assets	87,353	50,723	54,360	73,613	266,049
Total liabilities	163,580	37,939	19,418	27,715	248,652
Net liquidity gap	(76,227)	12,784	34,942	45,898	17,397

** Amounts have been restated as explained in note 30 on page 64.

STANDARD CHARTERED PLC - NOTES continued

28. Market Risk

Trading book

	6 months ended 30.06.07				6 months ended 30.06.06			
	Average \$million	High \$million	Low \$million	Actual \$million	Average \$million	High \$million	Low \$million	Actual \$million
Daily value at risk:								
Interest rate risk	4.6	6.6	2.8	4.1	3.4	4.5	2.5	4.0
Foreign exchange risk	2.5	3.6	1.7	2.1	2.7	4.1	1.4	2.9
Total	5.5	8.2	3.5	5.7	4.4	5.5	3.1	4.2

	6 months ended 31.12.06			
	Average \$million	High \$million	Low \$million	Actual \$million
Daily value at risk:				
Interest rate risk	3.5	5.3	2.5	3.9
Foreign exchange risk	2.6	4.1	1.4	1.5
Total	4.3	5.6	3.1	4.0

This note should be read in conjunction with the market risk section of the Risk Review on pages 31 and 32 which explains the Group's market risk management and is incorporated in these financial statements accordingly.

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 to measure VaR on all market risk related activities.

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 historical 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 GRC.

STANDARD CHARTERED PLC - NOTES continued

29. Business Combinations

On 5 September 2006, the Group acquired 95.4 per cent of the share capital of Union, following which on 30 December 2006, the business and assets of the Standard Chartered Bank branch in Pakistan was transferred into a new entity, Standard Chartered (Pakistan) Limited, generating additional goodwill of \$17 million and increasing the Group's shareholding to 99 per cent.

On 19 October the Group acquired a controlling interest of 95.4 per cent of the share capital of HIB. Subsequent to this, the Group acquired a further 0.8 per cent of HIB through share purchase to take its overall share to 96.2 per cent at 31 December 2006. During the six months to 30 June 2007, the Group acquired the remaining minority of HIB for a consideration of \$43 million and generated additional goodwill of \$33 million.

Details of the net assets acquired for Union and HIB are set out below as restated for the revision of certain fair value adjustments (see note 30 on page 64).

	Union		HIB	
	Fair value* \$million	Acquiree's carrying amount \$million	Fair value* \$million	Acquiree's carrying amount \$million
Cash and balances at central banks	148	148	481	481
Financial assets held at fair value through profit or loss	–	–	563	563
Loans and advances to banks	104	104	440	440
Loans and advances to customers	1,119	1,206	9,231	9,352
Investment securities	404	411	1,614	1,609
Intangibles other than goodwill	55	3	122	–
Property, plant and equipment	45	28	287	307
Deferred tax assets	43	1	122	140
Other assets	48	61	212	213
Total assets	1,966	1,962	13,072	13,105
Deposits by banks	425	425	988	988
Customer accounts	1,320	1,309	10,709	10,709
Debt securities in issue	–	–	532	532
Other liabilities	97	96	62	57
Subordinated liabilities and other borrowed funds	40	41	545	545
Total liabilities	1,882	1,871	12,836	12,831
Minority interest	7	7	10	10
Net assets acquired	77	84	226	264
Purchase consideration settled in cash	489		1,201	
Cash and cash equivalents in subsidiary acquired	(164)		(589)	
Cash outflow on acquisition	325		612	
Total purchase consideration	489		1,201	
Fair value of net assets acquired	77		226	
Goodwill	412		975	
Intangible assets acquired:				
Brand names	6		24	
Customer relationships	13		43	
Core deposits	33		55	
Capitalised software	3		–	
Total	55		122	
Contribution from acquisition to 31.12.06:				
Operating income	51		80	
Profit before taxation	7		27	

* Amounts have been restated as explained in note 30 on page 64.

Goodwill arising on the acquisitions of Union and HIB is attributable to the significant synergies expected to arise from their development within the Group and to those intangibles which are not recognised separately, such as the branch networks and, for HIB, a workforce in place with Mandarin speaking capabilities.

STANDARD CHARTERED PLC - NOTES continued

30. Restatement of prior periods

In the consolidated financial statements as at 31 December 2006, the fair value amounts in relation to the acquisitions of Union and HIB contained some provisional balances. During the period to 30 June 2007, certain of these balances have been revised. In accordance with IFRS 3 "Business Combinations", the adjustments to the provisional balances have been made as at the date of acquisition and the 2006 balance sheet amounts restated, with a corresponding

adjustment to goodwill, increasing goodwill on acquisition relating to Union and HIB respectively by \$6 million to \$412 million and by \$27 million to \$975 million. The adjustments primarily relate to a reassessment of the value of certain loan assets and investment debt securities, together with a reduction in deferred tax assets following a reassessment of their recoverability. The income statement for 2006 has not been restated, because any effect is not material.

	As reported at 31.12.06 \$million	Adjustment to Union \$million	Adjustment to HIB \$million	Restated at 31.12.06 \$million
Loans and advances to customers	139,330	(9)	(14)	139,307
Investment securities	49,487	–	10	49,497
Goodwill and intangible assets	6,146	6	27	6,179
Property, plant and equipment	2,168	–	1	2,169
Deferred tax assets	538	3	(22)	519
Other liabilities	11,355	–	2	11,357

Union forms part of the Middle East and Other South Asia geographic segment and HIB forms part of the Other Asia Pacific geographic segment.

31. Related Party Transactions

Joint ventures

At 30 June 2007 the Group had loans and advances to Permata totalling \$7 million (30 June 2006: \$6 million, 31 December 2006: \$8 million), and deposits of \$1 million (30 June 2006: nil, 31 December 2006: nil).

Associates

At 30 June 2007 the Group had no loans to China Bohai Bank Limited (30 June 2006: \$5 million, 31 December 2006: \$54 million).

On 9 February 2007 the Group acquired a 30 per cent holding in MCashback Limited for \$36 million.

32. 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 7 August 2007. The comparative figures for the financial year ended 31 December 2006 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's

auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

33. Corporate Governance

The directors confirm that, throughout the period, the Company has complied with the code provisions set out in Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange. The directors also confirm that the announcement of these results has been reviewed by the Company's Audit and Risk Committee.

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.

STANDARD CHARTERED PLC - ADDITIONAL INFORMATION

Share Awards

1994 Executive Share Option Scheme

As at 1 January 2007, there were options outstanding over 359,207 ordinary shares under the scheme granted between April 1997 and August 1999, with a weighted average exercise price of £8.18. During the first half of the year there were no lapses and options over 212,401 ordinary shares were exercised at various prices from £8.08 to £8.88. The weighted average closing share price on the day before the dates of exercises during the period was £15.72. There were no options granted under this scheme during the first half of the year.

As at 30 June 2007, there were options outstanding over 146,806 ordinary shares, with a weighted average exercise price of £7.95, which may be exercised on various dates up to 2009 under the rules of the scheme.

1997 Restricted Share Scheme

Awards made under this scheme are nil cost options. As at 1 January 2007, there were awards outstanding over 6,088,594 ordinary shares granted between February 2000 and March 2006. During the first half of the year, awards over 1,402,232 ordinary shares were exercised and awards over 115,464 ordinary shares lapsed. The weighted average closing share price on the day before the dates of exercises during the period was £14.92. There were no options granted under this scheme during the first half of the year.

As at 30 June 2007, there were awards outstanding over 4,570,898 ordinary shares.

2006 Restricted Share Scheme

Awards made under this scheme are nil cost options. As at 1 January 2007, there were awards outstanding over 209,792 ordinary shares granted between May and September 2006.

The following awards were granted under the Scheme:

Date award made	Number of shares awarded	Exercise period	Share price at Grant date	Fair value of Equity Settled Awards
12 March 2007	2,140,975	2009 – 2014	£14.51	£13.36

During the first half of the year, awards over 313 ordinary shares were exercised and awards over 34,461 lapsed. The weighted average closing share price on the day before the date of exercise was £14.98.

As at 30 June 2007, there were awards outstanding over 2,315,993 ordinary shares.

2006 Supplementary Restricted Share Scheme

This is a new plan introduced to supplement the 2006 Restricted Share Scheme. Awards made under this scheme are nil cost options.

The following awards were granted under the Scheme:

Date award made	Number of shares awarded	Exercise period	Share price at Grant date	Fair value of Equity Settled Awards
12 March 2007	9,946	2009 – 2014	£14.51	£13.36

During the first half of the year, no options lapsed and none were exercised.

As at 30 June 2007, there were awards outstanding over 9,946 ordinary shares.

2000 Executive Share Option Scheme

As at 1 January 2007, there were options outstanding over 14,974,196 ordinary shares under the scheme granted between June 2000 and June 2005, with a weighted average exercise price of £8.37. During the first half of the year, options over 64,569 ordinary shares lapsed, with exercise prices of between £9.355 and £10.395, and 4,587,176 ordinary share options were exercised at various prices from £6.905 to £10.395. The weighted average closing share price on the day before the dates of exercises during the period was £15.42. There were no options granted under this scheme during the first half of the year.

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

As at 30 June 2007, there were options outstanding over 10,322,451 ordinary shares, with a weighted average exercise price of £8.30, which may be exercised at various dates up to 2015 under the rules of the scheme.

STANDARD CHARTERED PLC - ADDITIONAL INFORMATION continued

Share Awards continued

2001 Performance Share Plan

At 1 January 2007, there were awards outstanding over 4,976,599 ordinary shares under the scheme granted between June 2001 and September 2006.

The following awards were granted under the Plan:

Date award made	Number of shares awarded	Exercise period	Share price at Grant date	Fair value of Equity Settled Awards
12 March 2007	2,327,585	2010 – 2017	£14.51	TSR £2.90 EPS £6.68

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 987,253 ordinary shares were exercised and awards over 30,068 ordinary shares lapsed. The weighted average closing share price on the day before the dates of exercises during the period was £14.92.

At 30 June 2007, there were awards outstanding over 6,286,863 ordinary shares.

Savings Related Share Option Schemes

UK Scheme

At 1 January 2007, there were options outstanding over 1,070,168 ordinary shares under the schemes granted between September 2000 and September 2006, with a weighted average exercise price of £8.43. During the first half of the year, options were exercised over 22,327 ordinary shares at prices from £5.595 to £10.64 and 39,129 options lapsed, with exercise prices of between £5.595 and £10.64. The weighted average closing share price on the day before the dates of exercises during the period was £15.10. No options were granted under the schemes during the first of the year.

At 30 June 2007, there were options outstanding over 1,008,712 ordinary shares, with a weighted average exercise price of £8.46, which may be exercised at various dates up to 2012 under the rules of the schemes.

International Schemes

At 1 January 2007, there were 11,629,527 options outstanding under the schemes granted between October 1999 and September 2006, with a weighted average exercise price of £9.40. During the first half of the year, options were exercised over 127,632 ordinary shares at prices from £5.595 to £10.64 and 698,843 options lapsed, with exercise prices of between £5.595 and £10.64. The weighted average closing share price on the day before the dates of exercises during the period was £14.96. No options were granted under the schemes during the first half of the year.

At 30 June 2006, there were options outstanding over 10,803,052 ordinary shares, with a weighted average exercise price of £9.52, which may be exercised on various dates up to 2012 under the rules of the schemes.

Valuation of options

Details of the valuation models used in determining the fair values of options granted are detailed in the Group's 2006 Annual Report and Accounts.

STANDARD CHARTERED PLC - ADDITIONAL INFORMATION continued

Directors' interests in Ordinary Shares

Director	At 1 January 2007 Total interests	Personal interests	Family interests	At 30 June 2007 Total interests
E M Davies	200,419	28,807	81,193	110,000
P A Sands	30,641	47,713	–	47,713
Sir CK Chow	15,664	15,664	–	15,664
M B DeNoma	159,715	159,715	–	159,715
J F T Dundas	2,100	2,100	–	2,100
V F Gooding	2,049	2,045	–	2,045
R H P Markham	2,364	2,407	–	2,407
R Markland	2,139	2,178	–	2,178
R H Meddings	111,291	151,154	–	151,154
K S Nargolwala	147,340	284,438	–	284,438
P D Skinner	3,206	3,264	–	3,264
O H J Stocken	10,000	10,000	–	10,000
Lord Turner	2,016	5,053	–	5,053

Notes

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.

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.

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

2004 Deferred Bonus Plan

Director	Shares held in Trust at 1 January 2007	Shares awarded during the Period (a)	Shares awarded in respect of notional dividend	Shares vested during the Period	Shares held in Trust at 30 June 2007
E M Davies	34,884	37,859	305	35,189	37,859
P A Sands	22,893	24,845	200	23,093	24,845
M B DeNoma	17,442	17,746	152	17,594	17,746
R H Meddings	16,897	18,693	148	17,045	18,693
K S Nargolwala	17,442	19,360	152	17,594	19,360

Notes

(a) Market value on date of awards (6 March 2007) was 1394.66p.

2004 Deferred Bonus Plan (the "DBP"). Under the DBP, shares are conditionally awarded instead of all or part of the director's annual cash bonus. The shares are held in an employee benefit trust and automatically vest one year after the date of acquisition. No exercise is necessary. A notional dividend accrues on the shares held in the trust. The dividend is delivered in the form of shares and is released on vesting.

STANDARD CHARTERED PLC - ADDITIONAL INFORMATION continued

Long Term Incentives – Share Options

Director	Scheme	At 1 January 2007	Granted	Exercised	Lapsed	At 30 June 2007	Weighted average exercise price (pence)	Period of Exercise
E M Davies	2000 Scheme	877,853	–	720,168(a)	–	157,685	970.28	2008 – 2015
	Sharesave	2,957	–	–	–	2,957	559.50	2007 – 2008
	1994 Scheme	72,365	–	72,365(a)	–	–	–	–
P A Sands	2000 Scheme	598,417	–	3,481(b)	–	594,936	835.38	2007 – 2015
	Sharesave	2,957	–	–	–	2,957	559.50	2007 – 2008
M B DeNoma	2000 Scheme	149,624	–	85,515(b)	–	64,109	971.00	2008 – 2015
R H Meddings	2000 Scheme	140,267	–	–	–	140,267	954.43	2007 – 2015
	Sharesave	878	–	–	–	878	1064.00	2009 - 2010
K S Nargolwala	2000 Scheme	149,624	–	85,515(c)	–	64,109	971.00	2008 – 2015

Notes

- (a) Market value on date of exercise (4 May 2007) 1550.60p.
 (b) Market value on date of exercise (6 March 2007) 1394.66p.
 (c) Market value on date of exercise (20 June 2007) 1657p.
 (d) All of the options in the above table have exercise prices that are lower than the market price on 30 June 2007 (1630p).

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 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.

Sharesave

Sharesave comprises all employee share schemes 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.

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 2006 Report and Accounts, which is available on the Company's website:

<http://investors.standardchartered.com>

STANDARD CHARTERED PLC - ADDITIONAL INFORMATION continued

Long Term Incentives – Shares

Director	Scheme	At 1 January 2007	Granted	Exercised	Lapsed	At 30 June 2007	Period of vesting
E M Davies	Performance Share Plan	69,481	–	69,481(b)	–	–	–
	Performance Share Plan	70,575	–	–	–	70,575	2007 – 2014
	Performance Share Plan	154,479	–	–	–	154,479	2008 – 2015
	Performance Share Plan	111,498	–	–	–	111,498	2009 – 2016
	Performance Share Plan	82,191	–	–	–	82,191	2009 – 2016
	Performance Share Plan	–	179,186(a)	–	–	179,186	2010 – 2017
P A Sands	Restricted Share Scheme	52,216	–	–	–	52,216	2007 – 2009
	Performance Share Plan	48,102	–	–	–	48,102	2007 – 2014
	Performance Share Plan	36,644	–	–	–	36,644	2007 – 2014
	Performance Share Plan	97,837	–	–	–	97,837	2008 – 2015
	Performance Share Plan	73,170	–	–	–	73,170	2009 – 2016
	Performance Share Plan	35,958	–	–	–	35,958	2009 – 2016
	Performance Share Plan	–	142,143(a)	–	–	142,143	2010 – 2017
M B DeNoma	Performance Share Plan	42,757	–	42,757(c)	–	–	–
	Performance Share Plan	21,715	–	21,715(d)	–	–	–
	Performance Share Plan	74,794	–	–	–	74,794	2008 – 2015
	Performance Share Plan	59,930	–	–	–	59,930	2009 – 2016
	Performance Share Plan	22,089	–	–	–	22,089	2009 – 2016
	Performance Share Plan	–	84,424(a)	–	–	84,424	2010 – 2017
R H Meddings	Performance Share Plan	37,413	–	37,413(d)	–	–	–
	Performance Share Plan	9,500	–	9,500(d)	–	–	–
	Performance Share Plan	74,794	–	–	–	74,794	2008 – 2015
	Performance Share Plan	59,930	–	–	–	59,930	2009 – 2016
	Performance Share Plan	22,089	–	–	–	22,089	2009 – 2016
	Performance Share Plan	–	87,870(a)	–	–	87,870	2010 – 2017
K S Nargolwala	Performance Share Plan	55,032	–	55,032(c)	–	–	–
	Performance Share Plan	42,757	–	42,757(c)	–	–	–
	Performance Share Plan	21,715	–	21,715(d)	–	–	–
	Performance Share Plan	74,794	–	–	–	74,794	2008 – 2015
	Performance Share Plan	59,930	–	–	–	59,930	2009 – 2016
	Performance Share Plan	29,452	–	–	–	29,452	2009 – 2016
	Performance Share Plan	–	97,605(a)	–	–	97,605	2010 – 2017

Notes

(a) Market value on date of award (12 March 2007) was 1451p.

(b) Market value on date of exercise (4 May 2007) was 1550.60p.

(c) Market value on date of exercise (6 March 2007) was 1394.66p.

(d) Market value on date of exercise (20 June 2007) was 1657p.

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 2006 Report and Accounts, which is available on the Company's website: <http://investors.standardchartered.com>

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 2006 Report and Accounts, which is available on the Company's website: <http://investors.standardchartered.com>

STANDARD CHARTERED PLC - ADDITIONAL INFORMATION continued

Share price information

The middle market price of an ordinary share at the close of business on 30 June 2007 was 1630 pence. The share price range during the first half of 2007 was 1366 pence to 1727 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

2007 Interim dividend

Ex dividend date	15 August 2007
Record date for dividend	17 August 2007
Dividend payment date	10 October 2007

2007 Final dividend

(provisional only)

Results and dividend announced	26 February 2008
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Preference shares

Next half- yearly dividend

7 ³ / ₈ per cent Non-Cumulative Irredeemable preference shares of £1 each	1 October 2007
8 ¹ / ₄ per cent Non-Cumulative Irredeemable preference shares of £1 each	1 October 2007
6.409 per cent Non-Cumulative preference shares of \$5 each	30 July 2007
7.014 per cent Non-Cumulative preference shares of \$5 each	First semi-annual dividend to be paid on 30 January 2008

STANDARD CHARTERED PLC - ADDITIONAL INFORMATION continued

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	40.44c/21.145p/HK\$3.15156	£9.384/\$17.947
Interim 2005	14 October 2005	18.94c/10.7437p/HK\$1.46911	£11.878/\$21.3578
Final 2005	12 May 2006	45.06c/24.9055p/HK\$3.49343	£14.276/\$24.77885
Interim 2006	11 October 2006	20.83c/11.14409p/HK\$1.622699	£13.2360/\$25.03589
Final 2006	11 May 2007	50.21c/25.17397p/HK\$3.926106	£14.2140/\$27.42591

ShareCare

ShareCare is available to shareholders on the United Kingdom share register who have a United Kingdom address and bank account, and 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 safe. 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 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 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, Rooms 1806-1807, 18th 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 Rooms 1806-1807, 18th 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18樓1806-1807室。

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.

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 35 to 64 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.

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 International Standards on Auditing (UK and Ireland) 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 2007.

KPMG Audit Plc
Chartered Accountants
London
7 August 2007

STANDARD CHARTERED PLC - ADDITIONAL INFORMATION continued

Financial Calendar

Ex-dividend date	15 August 2007
Record date	17 August 2007
Expected posting to shareholders of 2007 Interim Report	3 September 2007
Payment date – interim dividend on ordinary shares	10 October 2007

Copies of this statement are available from:

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

For further information please contact:

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+44 20 7280 6378*

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+44 20 7280 7245*

*Ruth Naderer, Head of Investor Relations, Asia Pacific
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*Tim Baxter, Acting Head of Media Relations
+44 20 7457 5573*

The following information will be available on our website

- *A live webcast of the interim results analyst presentation (available from 10.45 am UK time)*
- *The archived webcast and Q/A session of analyst presentation in London (available 1.00 pm UK time)*
- *Interviews with Peter Sands, Group Chief Executive and Richard Meddings, Group Finance Director (available from 9.15 am UK time)*
- *Slides for the Group's presentations (available after 10.45 am UK time)*

Images of Standard Chartered are available for the media at

http://www.standardchartered.com/global/mc/plib/directors_p01.html

Information regarding the Group's commitment to Sustainability is available at

<http://www.standardchartered.com/sustainability>

The 2007 Interim Report will be made available on the website of the Stock Exchange of Hong Kong Limited and on our website:

<http://investors.standardchartered.com> as soon as is practicable.

Forward looking statements

It is possible that this document could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

The Group undertakes no obligation to revise or update any forward looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

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