

Standard  
Chartered   
**Standard Chartered PLC**  
**(渣打集團有限公司)**

(Registered in England and Wales number 966425)  
(Stock Code: 2888)

**Pre-close Trading Update**

**Standard Chartered PLC  
announces details of information to be covered in discussions with analysts and investors ahead of its  
close period for the half year ending 30 June 2006**

Standard Chartered PLC ("the Group") will be holding discussions with analysts and investors ahead of its close period for the half year ending 30 June 2006. This statement details the information that will be covered in those discussions.

The following sections outline Standard Chartered's progress in the first few months of 2006. Unless otherwise stated, references to 2005 are made in relation to the first half.

**Overall**

Standard Chartered has continued to make good progress in 2006. Income and working profit growth has been very strong, benefiting in part from the inclusion of SC First Bank. Operating profit performance has been good.

The Group has good double-digit income growth in both Consumer Banking and Wholesale Banking, with strong performance across a wide range of products, customer segments and geographies.

Net interest margins have remained broadly stable.

We continue to manage our expenses with discipline, pacing investments to reflect income growth and the overall performance of the business.

Consumer Banking impairment charges, excluding Taiwan, are growing in line with the size and mix of the book. In Taiwan the credit card market has proved to be more challenging than anticipated, although conditions appear to be improving.

The impairment charge in Wholesale Banking continues to benefit from the benign credit environment in our markets.

Overall risk weighted asset growth has been good in both businesses. In Consumer Banking asset growth has been good in SME and Cards and Loans. In Wholesale Banking growth has been good.

Liability growth is strong in Consumer Banking, in particular in Wealth Management. In Wholesale Banking liability growth is good.

**Business Performance**

In order to aid a better understanding of the underlying business, given that SC First Bank (formerly Korea First Bank) was acquired in April 2005, the Consumer and Wholesale Banking sections detail their performance excluding Korea.

**Consumer Banking (excluding Korea)**

Consumer Banking continues to show good income momentum.

Wealth Management and SME are achieving excellent growth. Asset margins are, however, affected by rising interest rates in our key markets.

Strong income growth continues in the Middle East and Other South Asia ("MESA") region and growth is good in India, Malaysia and Other Asia Pacific.

The majority of the countries in MESA have shown strong income growth, with particularly good performances in Pakistan and the UAE where Wealth Management and Card and Loans have performed very well.

India has seen very good income growth in Wealth Management and broadly stable income in asset products.

Income growth in Hong Kong and Singapore has improved.

The Consumer Banking loan impairment charge, excluding Taiwan, is growing in line with the size and mix of the book.

In Taiwan, as previously indicated, the credit card market has proved challenging. Earlier in the year we saw a further deterioration in credit quality, though the situation appears to have eased more recently. On the basis of our experience so far in 2006, the full year loan impairment charge for Taiwan is expected to be around twice that for the full year 2005, with most of the charge being taken in the first half.

Growth in expenses has been consistent with our approach of managing expenses in line with business performance.

**Wholesale Banking (excluding Korea)**

Wholesale Banking continues to demonstrate strong income momentum delivering broad based growth in all our key client segments and across multiple products.

Client driven income has performed very strongly, showing high double digit growth. Global Markets, including Corporate Finance, Debt Capital Markets and our Rates and FX business, continues to deliver strong and sustainable income growth. Our Cash Management business has benefited from the rising interest rate environment.

Expense growth reflects our continuing investment to expand our client coverage and product capabilities.

The quality of the loan book remains good and new provisions remain low. We have continued to achieve recoveries and releases.

**Korea**

In order to facilitate meaningful comparison, the statements made below about the performance of Korea in the first few months of 2006 are made relative to the second half of 2005.

Both Consumer and Wholesale Banking continue to make good progress. The integration has been a success. We are now focusing on: continued enhancement of the product portfolio in both businesses; transfer of best business practices; and the development of our people.

New product launches in Cards and Loans, Wealth Management and SME banking have contributed to the good performance in Consumer Banking.

Wholesale Banking is also building momentum as we develop new client relationships and introduce innovative solutions to grow this business.

Overall, expenses and impairment charges have been broadly in line with the second half of 2005.

We continue to be pleased with our performance in this market.

**Conclusion**

In summary, the Group's businesses are performing well. Income momentum is strong and we continue to manage tightly expenses and risks. Our acquisitions continue to make a positive contribution to our Group performance.

Bryan Sanderson, Chairman, commented, "Standard Chartered is performing well. We have a clear strategy that is delivering value for shareholders."

Mervyn Davies, Group Chief Executive, commented, "We have strong, broad-based income growth in both our businesses. We are investing for the future while maintaining our disciplined approach to expenses and risk."

The pre-close conference call, hosted by Peter Sands, Group Finance Director, will be webcast live on Standard Chartered's website by following this link <http://investors.standardchartered.com> from 10:30 BST onwards. A recording of the webcast will also be available shortly after the event.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Charles Bennett Brown**  
Group Company Secretary

Hong Kong, 28 June 2006

As of the date of hereof, the Board of Directors of Standard Chartered comprises:

Executive Directors – Mr Bryan Kaye Sanderson, CBE; Mr Evan Mervyn Davies, CBE; Mr Michael Bernard DeNoma; Mr Richard Henry Meddings; Mr Kaikhushru Shiavax Nargolwala; Mr Peter Alexander Sands; and

Independent Non-Executive Directors – Sir CK Chow; Mr James Frederick Trevor Dundas, Ms Valerie Frances Gooding, CBE; Mr Rudolph Harold Peter Markham; Ms Ruth Markland; Mr Hugh Edward Norton; Mr Paul David Skinner; Mr Oliver Henry James Stocken.

This document contains forward-looking statements, including such statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These statements concern or may affect future matters and can be identified by the fact that they do not relate 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. These statements may relate to Standard Chartered's future strategies, business plans and results and are based on the current expectations of Standard Chartered and its directors. They are subject to a number of risks and uncertainties that may cause actual results and outcomes to differ materially from expectations outlined in these forward-looking statements. These risks and uncertainties include but are not limited to such factors as regulatory developments, volatility in capital markets, IT developments, the ability to identify and successfully integrate acquisitions, and general economic, competitive and operating conditions, globally and in particular markets where Standard Chartered operates.

Please also refer to the published version of this announcement in South China Morning Post.