THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom, or, if you are not, from another appropriately authorised independent financial adviser.

This document comprises a prospectus relating to Standard Chartered and the Rights Issue, prepared in accordance with the Prospectus Rules. This document has been approved by the Financial Services Authority in accordance with section 85 of FSMA. A copy of this document has been filed with the Financial Services Authority in accordance with paragraph 3.2.1 of the Prospectus Rules. This document will be made available to the public in accordance with paragraph 3.2.1 of the Prospectus Rules by the same being made available at www.standardchartered.com. This document can also be obtained on request from the Company's Receiving Agent, Computershare Investor Services PLC, or from Computershare Hong Kong Investor Services Limited.

Subject to the restrictions set out below, if you have sold or transferred all of your Existing Ordinary Shares (other than ex-rights) held in certificated form before 27 November 2008, please send any Provisional Allotment Letter, if and when received, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. This document and/or the Provisional Allotment Letter should not, however, be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to (subject to certain exceptions), the Excluded Territories. Please refer to Sections 9 and 10 of Part VI of this document if you propose to send this document and/or the Provisional Allotment Letter outside the United Kingdom or Hong Kong. If you have sold or transferred Existing Ordinary Shares (other than ex-rights) held in uncertificated form before the ex-rights date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee. If you have sold or transferred part of your holding of Existing Ordinary Shares (other than ex-rights) held in certificated form, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately. Instructions regarding split applications are set out in the Provisional Allotment Letter.

The distribution of this document and/or the Provisional Allotment Letter and/or the transfer of Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares into a jurisdiction other than the United Kingdom or Hong Kong may be restricted by law and therefore persons into whose possession this document and/or any accompanying documents comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdictions. In particular, subject to certain exceptions, this document and the Provisional Allotment Letter should not be distributed, forwarded to or transmitted in or into the United States, Canada, India, South Africa or Switzerland, or in or into any other jurisdiction where the extension or availability of the Rights Issue would breach any applicable law. The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The Existing Ordinary Shares have been admitted to the Official List, to trading on the London Stock Exchange's main market for listed securities and to listing on the Hong Kong Stock Exchange. Application has been made to the UK Listing Authority for the New Ordinary Shares (nil and fully paid) to be admitted to the Official List, to the London Stock Exchange for the New Ordinary Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities and to the Hong Kong Stock Exchange for listing of and permission to deal in the New Ordinary Shares (nil and fully paid) on the Hong Kong Stock Exchange. It is expected that UK Admission will become effective and that dealings in the New Ordinary Shares will commence on the London Stock Exchange, nil paid, on 27 November 2008 and that HK Admission will become effective and that dealings in the New Ordinary Shares will commence on the Hong Kong Stock Exchange, nil paid, on 2 December 2008.

Standard Chartered

Standard Chartered PLC

(Incorporated as a public limited company in England and Wales with registered number 966425)

(HK Stock Code 2888)

30 for 91 Rights Issue of 470,014,830 New Ordinary Shares at 390 pence each

JPMorgan Cazenove Limited	**J.P. Morgan Securities Ltd.**	**Goldman Sachs International**	**UBS Investment Bank**
Sponsor, financial adviser and Joint Bookrunner	Joint Underwriter	Joint Underwriter and Joint Bookrunner	Joint Underwriter and Joint Bookrunner

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Your attention is drawn to the letter from the chairman of the Company which is set out in Part III of this document. You should read the whole of this document and any documents incorporated herein by reference. Please refer to Part II for a description of certain important factors, risks and uncertainties that may affect the Group's business, the Rights Issue and the New Ordinary Shares and which should be taken into account when considering whether to take up rights under the Rights issue.

The latest time for acceptance and payment in full of entitlements under the Rights Issue is 11.00 a.m. (UK time) and 4.00 p.m. (Hong Kong time) on 17 December 2008. The procedure for acceptance and payment is set out in Part VI of this document and, for Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders only, will also be set out in the accompanying Provisional Allotment Letter. Qualifying CREST Shareholders should refer to Section 5 and Qualifying CCASS Shareholders should refer to Section 8 of Part VI of this document.

JPMorgan Cazenove Limited, J.P. Morgan Securities Ltd., Goldman Sachs International and UBS Limited are acting for Standard Chartered and are acting for no one else in connection with the Rights Issue and will not be responsible to anyone other than Standard Chartered for providing the protections afforded to their respective clients, nor for providing advice in connection with the Rights Issue or any other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on JPMorgan Cazenove Limited, J.P. Morgan Securities Ltd., Goldman Sachs International or UBS Limited by FSMA or the regulatory regime established thereunder, none of JPMorgan Cazenove Limited, J.P. Morgan Securities Ltd., Goldman Sachs International and UBS Limited accept any responsibility whatsoever and make no representation or warranty, express or implied, for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company, the New Ordinary Shares or the Rights Issue and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. JPMorgan Cazenove Limited, J.P. Morgan Securities Ltd., Goldman Sachs International and UBS Limited accordingly disclaim all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which any of them might otherwise have in respect of this document.

The Banks may engage in trading activity other than, to the extent prohibited under applicable law and regulation, short selling to hedge commitments under the Underwriting Agreement or otherwise. Such activity may include purchases and sales of securities of the Company and related and other securities and instruments (including Ordinary Shares, Nil Paid Rights and Fully Paid Rights).

This document includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Hong Kong Stock Exchange, the Securities and Futures Commission and HKSCC take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS DOCUMENT IS NOT BEING MADE TO SHAREHOLDERS OR INVESTORS IN THE UNITED STATES, CANADA, INDIA, SOUTH AFRICA OR SWITZERLAND. This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, Nil Paid Rights, Fully Paid Rights or New Ordinary Shares or to take up any entitlements to Nil Paid Rights in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares will qualify for distribution under any of the relevant securities laws of Canada, India, South Africa or Switzerland. Accordingly, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within Canada, India, South Africa or Switzerland.

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares may not be circulated or distributed, nor may Nil Paid Rights, Fully Paid Rights or New Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an existing holder of Ordinary Shares pursuant to Section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or (ii) otherwise pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

This document does not constitute a prospectus within the meaning of Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland. No offer of the New Ordinary Shares to the public is made, or will be made, that requires the publication of a prospectus pursuant to Irish prospectus law (within the meaning of Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland) in general, or in particular, pursuant to the Prospectus (Directive 2003/71 IEC) Regulations 2005 of Ireland. No person receiving a copy of this document in Ireland may treat the same as constituting an offer or invitation to him to acquire. subscribe for or purchase New Ordinary Shares (nor should he in any event acquire, subscribe for or purchase Ordinary Shares) unless he is a qualified investor within the meaning of the Prospectus (Directive 200117/ IEC) Regulations 2005 of Ireland.

The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Shareholders with registered addresses in the United States, Canada, India, South Africa or Switzerland are referred to Section 9 of Part VI of this document.

Capitalised terms have the meanings ascribed to them in Part XVII of this document.

Certain information in relation to the Company is incorporated by reference into this document; see Part XVI.

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information for any purposes other than in considering an acquisition of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares is prohibited, except to the extent such information is otherwise publicly available.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by Standard Chartered. Subject to FSMA, the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, neither the delivery of this document nor any acquisition or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Standard Chartered since the date of this document or that the information in this document is correct as at any time after this date. Without limitation, the contents of the Group's website do not form part of this document.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

A copy of each of this document and the Provisional Allotment Letter, having attached thereto the documents specified in the paragraph headed "Documents registered with the Registrar of Companies" in Part XVIII of this document, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

WHERE TO FIND HELP

If you have questions, please telephone the Shareholder Helpline on the numbers set out below. The UK helpline is available from 8.30 a.m. to 5.30 p.m. (UK time) on any Business Day and will remain open until 9 January 2009 and the Hong Kong helpline is available from 9.00 a.m. to 6.00 p.m. (HK time) Monday to Friday and will remain open until 9 January 2009.

Shareholder Helpline telephone numbers:

0870 702 0138 (from inside the UK) or +44 870 702 0138 (from outside the UK)

or +852 2862 8555 (from inside Hong Kong)

Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this document and information relating to Standard Chartered's register of members and will be unable to give advice on the merits of the Rights Issue or to provide financial, tax or investment advice.

Persons who hold Ordinary Shares through Computershare Company Nominees Limited (the Standard Chartered ShareCare Nominee Account)

Persons who hold Ordinary Shares via the Standard Chartered ShareCare Nominee Account will have received, via Computershare Company Nominees Limited, a form of election instruction form which they should complete and return in accordance with the instructions set out on that form if they wish to participate in the Rights Issue. If you have any questions you should contact the Shareholder Helpline on the numbers set out above.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS IN THE UK

	2008
Record Date for entitlements under the Rights Issue	5.00 p.m. on 24 November
Transfers from London register to Hong Kong register suspended	5.00 p.m. on 24 November
UK Admission	**8.00 a.m. on 27 November**
Dealings in Nil Paid Rights and Fully Paid Rights commence on the London Stock Exchange	**8.00 a.m. on 27 November**
Existing Ordinary Shares marked "ex-rights" by the London Stock Exchange	8.00 a.m. on 27 November
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)	8.00 a.m. on 27 November
Nil Paid Rights and Fully Paid Rights enabled in CREST	as soon as practicable after 8.00 a.m. on 27 November
Hong Kong register re-opens for transfers from London register	9.00 a.m. on 1 December
Recommended latest time for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into Provisional Allotment Letters)	4.30 p.m. on 11 December
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account	3.00 p.m. on 12 December
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid, for rights traded on the London Stock Exchange	3.00 p.m. on 15 December
Latest time and date in the UK for acceptance and payment in full and registration of renounced Provisional Allotment Letters	**11.00 a.m. on 17 December**
Dealings in New Ordinary Shares, fully paid, commence on the London Stock Exchange and New Ordinary Shares credited to CREST stock accounts (uncertificated holders only)	**8.00 a.m. on 18 December**
Expected date of despatch of definitive share certificates for New Ordinary Shares in certificated form	by 2 January 2009

EXPECTED TIMETABLE OF PRINCIPAL EVENTS IN HONG KONG

	All references below are to Hong Kong time 2008
Transfers from Hong Kong register to London register suspended	5.00 p.m. on 24 November
Existing Ordinary Shares marked "ex-rights" by the Hong Kong Stock Exchange	9.30 a.m. on 27 November
Record Date for entitlements under the Rights Issue	4.30 p.m. on 28 November
London register re-opens for transfers from Hong Kong register	9.00 a.m. on 1 December
HK Admission	**9.30 a.m. on 2 December**
Dealings in Nil Paid Rights commence on the Hong Kong Stock Exchange	**9.30 a.m. on 2 December**
Latest time and date for splitting Provisional Allotment Letters, for rights traded on the Hong Kong Stock Exchange	4.30 p.m. on 9 December
Last day of dealings in Nil Paid Rights	12 December
Latest time and date in Hong Kong for acceptance and payment in full and registration of renounced Provisional Allotment Letters	**4.00 p.m. on 17 December**
Expected date of despatch of definitive share certificates for New Ordinary Shares in certificated form	by 22 December
Announcement of results of Rights Issue published on Hong Kong Stock Exchange and Company's website	by 22 December
Dealings in New Ordinary Shares, fully paid, commence on the Hong Kong Stock Exchange and New Ordinary Shares credited to CCASS stock accounts (uncertificated holders only)	**9.30 a.m. on 23 December**

Notes:

(i) Each of the times and dates set out in the above timetables and mentioned in this document, the Provisional Allotment Letter and in any other document issued in connection with the Rights Issue is subject to change by the Company (with the agreement of the Banks), in which event details of the new times and dates will be notified to the UK Listing Authority and the Hong Kong Stock Exchange and, where appropriate, to Shareholders.

(ii) References to times in this document are to London times, unless otherwise specified.

(iii) If there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal:

(a) in force in Hong Kong at any time before 12.00 noon but no longer in force after 12.00 noon on the latest date for acceptance in Hong Kong, the latest time for acceptance of and payment for the Rights Issue will be extended to 5.00 p.m. on the same date; or

(b) in force in Hong Kong at any time between 12.00 noon and 4.00 p.m. on the latest date for acceptance in Hong Kong, the latest time for acceptance of and payment for the Rights Issue will be postponed to 4.00 p.m. on the following HK Business Day when there is no tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal.

IMPORTANT NOTE

Since the UK Record Date and the HK Record Date are fixed for different dates to cater for different market practices for rights issues in the UK and Hong Kong, the Company has instructed the Registrars not to process transfers of Ordinary Shares (i) from the Hong Kong register of members to the UK register of members from 5.00 p.m. (Hong Kong time) on Monday 24 November 2008 until 5.00 p.m. (Hong Kong time) on Friday 28 November 2008; and (ii) from the UK register of members to the Hong Kong register of members from 5.00 p.m. (UK time) on 24 November 2008 until 5.00 p.m. (UK time) on Friday 28 November 2008. Accordingly, Shareholders will not be able to transfer their Ordinary Shares between the two registers during these times. This will ensure that anyone who bought Ordinary Shares before the announcement of the Rights Issue will be able to participate in the Rights Issue by virtue of being on the register of members in the correct jurisdiction.

In addition, because the Issue Price for HK Shareholders is in HK$ whereas the Issue Price for UK Shareholders is in Pounds Sterling, it will not be possible to transfer Nil Paid Rights from the Hong Kong register of members to the UK register of members or vice versa.

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PART I

SUMMARY

The following summary information should be read as an introduction to the more detailed information appearing elsewhere in this document. Any investment decision relating to the Rights Issue should be based on the consideration of the document as a whole and not solely on this summarised information. Where a claim relating to the information contained in this document is brought before a court in a member state of the European Economic Area, the claimant may, under the national legislation of the member state where the claim is brought, be required to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this document.

1. Introduction

It was announced on 24 November 2008 that the Company was proposing to raise £1,779 million (net of expenses) by way of a Rights Issue of 470,014,830 New Ordinary Shares at 390 pence per share on the basis of 30 New Ordinary Shares for every 91 Existing Ordinary Shares.

2. Reasons for the Rights Issue and use of proceeds

Standard Chartered is strongly liquid, is well capitalised, within its target range for total Tier 1 and total capital, with a conservative balance sheet and meets all regulatory capital adequacy requirements. The Group's capital strength is supported by:

- a strong liquidity position with diversified sources of funding. This is demonstrated by an advances to deposit ratio of 86 per cent. as at 30 September 2008 and net inflows of deposits of US$3,853 million between 30 June 2008 and 30 September 2008;[1]
- an asset portfolio that is well diversified by geography, asset type and industry; and
- good levels of capital, with a total capital ratio of 14.9 per cent. as at 30 June 2008, above the Group's existing target range of 12-14 per cent., and a total Tier 1 Ratio of 8.5 per cent., within the Group's existing 7-9 per cent. target range.[2]

Following the Rights Issue, the Group will be in an even better position to weather the economic uncertainties and take advantage of the opportunities emerging from the current turmoil in financial services. In this context, the Group's primary focus will be on seizing the organic growth opportunities it sees in its markets, strengthening and expanding the Group's existing businesses through deepening relationships with existing clients and taking market share from competitors. There may also be acquisition opportunities which meet the Group's stringent return criteria and which fit its strategic priorities, strengthening its position in specific markets or adding to existing capabilities. Furthermore, the Board believes that in this volatile and uncertain environment, reinforcing the Group's demonstrable balance sheet strength will provide an increasingly powerful source of competitive differentiation alongside the Group's product capabilities, customer franchise, international network and brand. The Board is alert to the prospect of continuing volatility in the currency and financial markets and to the increased levels of economic uncertainty across all sectors and geographies. Moreover, it has become clear to the Board that in the current economic environment, investors' expectations about capital levels across the banking sector have changed, with a greater focus on core equity capital and a general preference for higher levels of capital. Through this Rights Issue, the Group can respond to these changes in market expectations, further strengthening its capital position and giving it greater resilience and flexibility.

3. Summary of terms of the Rights Issue

The New Ordinary Shares are being offered by way of rights to all Qualifying Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with a registered address in the United States, or other Excluded Territories) on the following basis:

30 New Ordinary Shares at 390 pence per New Ordinary Share for every 91 Existing Ordinary Shares

1 The advances to deposit ratio and the net inflows of deposits have been derived from the Group's unaudited financial information as at 30 September 2008.

2 The total capital ratio and total Tier 1 Ratio have been derived from the 2008 First Half Results, which are incorporated by reference into this document.

held and registered in their name at the close of business on the Record Date. Qualifying Shareholders with fewer than four Existing Ordinary Shares will not be entitled to any New Ordinary Shares. The New Ordinary Shares will rank for all dividends declared, made or paid after the date of allotment and issue of the New Ordinary Shares and otherwise *pari passu* with the Existing Ordinary Shares.

Fractions of New Ordinary Shares have not been allotted to any Qualifying Shareholders, but will be aggregated and sold in the market ultimately for the benefit of the Company.

The offer of Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares to persons resident in, or who are citizens of, or who have a registered address in countries other than the United Kingdom or Hong Kong may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

The Issue Price of 390 pence per New Ordinary Share represents a 48.65 per cent. discount to the Closing Price of an Existing Ordinary Share of 759.50 pence on 21 November 2008 (being the latest practicable date prior to the publication of this document) and a 41.61 per cent. discount to the theoretical ex-rights price based on that Closing Price. If a Qualifying Shareholder does not take up the offer of New Ordinary Shares, his/her proportionate shareholding will be diluted by 24.8 per cent. The Issue Price per New Ordinary Share for HK Shareholders is HK$45.11.

The Directors who are entitled to take up shares under the Rights Issue (holding in aggregate 428,576 Existing Ordinary Shares) intend to take up, or procure that their nominees take up, their rights in full in respect of 141,281 New Ordinary Shares.

Temasek, the Company's largest shareholder which owns approximately 19 per cent. of the issued ordinary share capital of the Company, is supportive of the Rights Issue and is intending to take up its rights. Temasek is also participating in the underwriting of the Rights Issue. The other Underwriters are J.P. Morgan, Goldman Sachs International and UBS Limited.

The Company has arranged for the Rights Issue to be underwritten in full to provide certainty as to the amount of capital to be raised. The Underwriting Agreement is not subject to any right of termination after UK Admission (including in respect of any statutory withdrawal rights).

4. Current trading and prospects

The Group has good income momentum, although slower than in the first half of 2008. The Board is mindful of the potential impact of market volatility during the last few weeks of the year. The Group is continuing to manage expense growth in line with income growth. The Group continues to be proactive and disciplined in its management of risks. Despite the extraordinary events of the last few months, which have left no major financial institution unaffected, the financial performance and asset quality of the Group remain strong.

5. Working capital

The Company is, and the Directors are, of the opinion that the working capital available to the Group is sufficient for its present requirements, that is, for at least the 12 months following the date of this document.

6. Risk factors

The following factors could result in an adverse impact on the Group's financial condition and results of operations:

Internal risks and risks relating to the Group's business operations

- The credit quality and the recoverability of loans and amounts due from counterparties may change.
- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgments and estimates, which may change over time.
- The Group's business could be affected if its capital is not managed effectively.
- Lack of liquidity is a risk to the Group's business.
- Failure to manage legal risk properly.

- Operational risks are inherent in the Group's business.
- The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel.
- The Group is expanding its operations and this growth may represent a risk if not managed effectively.

External risk factors

- Macroeconomic risks.
- The Group operates primarily in Asia, Africa and the Middle East, and these operations expose it to risks arising from the political and economic environment of markets in these areas.
- The Group operates in competitive markets.
- The Group is operating in a highly regulated industry and bank regulatory restrictions and other laws and regulations could impair its operations.
- The UK Banking (Special Provisions) Act 2008 gives the UK Treasury wide-ranging powers to make certain orders in respect of deposit-taking institutions.
- Downgrades to the Group's credit ratings or outlook could impair the Group's access to funding and the Group's competitive position.
- Changes in interest rates, foreign exchange rates, equity prices and other market risks.
- Financial markets volatility globally and in the markets in which the Group operates.
- Systemic risk resulting from failures in the banking industry.
- Country risk.
- The Group operates in some markets that have relatively less developed judicial and dispute resolution systems.
- Regional hostilities, terrorist attacks or social unrest as well as natural calamities in the markets in which the Group operates.

Risks relating to the Rights Issue and the New Ordinary Shares

- Standard Chartered's share price will fluctuate.
- An active trading market in the Nil Paid Rights may not develop.
- Standard Chartered's ability to continue to pay dividends will depend on the level of profits and cash flows generated by the Group.
- Shareholders who do not acquire New Ordinary Shares in the Rights Issue will experience dilution in their ownership of Standard Chartered.

PART II

RISK FACTORS

You should carefully consider the risks and uncertainties described below, in addition to the other information in this document. These risks and uncertainties represent all of those known to the Directors, as at the date of this document, which the Directors consider to be material. However, they are not the only ones facing the Group; additional risks and uncertainties not presently known to the Directors, or that the Directors currently consider to be immaterial, could also impair the business of the Group. If any or a combination of these risks and uncertainties actually occurs, the business, financial condition and operating results of the Group could be adversely affected. In such case, the market price of the New Ordinary Shares could decline and you may lose all or part of your investment.

Internal risks and risks relating to the Group's business operations

1. Changes in the credit quality and the recoverability of loans and amounts due from counterparties may have an adverse effect on the Group's financial condition and results of operations

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. Adverse changes in the credit quality of the Group's borrowers and counterparties, or adverse changes arising from a general deterioration in global economic conditions or systemic risks in the financial systems, could reduce the recoverability and value of the Group's assets and require an increase in the Group's level of provisions for bad and doubtful debts. An adverse change in economic conditions could also adversely affect the level of banking activity and the Group's interests and other income. Although the Group devotes considerable resources to managing the above risks, failure to manage these effectively can impact the Group adversely.

2. The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgments and estimates which may change over time

In order to establish the fair value of financial instruments which the Group, under IFRS, recognises at fair value, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable market data. In certain circumstances, the data for individual financial instruments or classes of financial instrument utilised by such valuation models may not be available, or may become unavailable, due to changes in market conditions, as has been the case over the past several months. In such circumstances, the Group's internal valuation models require the Group to make assumptions, judgments and estimates in order to establish fair value. In common with other financial institutions, these internal valuation models are complex, and the assumptions, judgments and estimates the Group is required to make often relate to matters that are inherently uncertain, such as expected cash flows, the ability of borrowers to service debt, asset price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgments and estimates may need to be updated to reflect changing trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Group's financial condition and results of operations.

3. The Group's business could be affected if its capital is not managed effectively

Effective management of the Group's capital position is important to its ability to operate its business, to continue to grow organically and to pursue its strategy. While the Rights Issue will strengthen the Group's capital position, any future change that limits the Group's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms, could have a material adverse effect on the Group's financial condition and regulatory capital position.

4. Lack of liquidity is a risk to the Group's business

Liquidity risk is the risk that the Group 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. This risk is inherent in banking operations and can be heightened by a number of factors, including changes in credit ratings or market-wide phenomena such as financial market instability and natural disasters. Credit markets world-wide have experienced and continue to experience a reduction in liquidity and term-funding in the aftermath of events in the US sub-prime residential mortgage market and the current severe financial market conditions. While this liquidity stress has not been experienced in the Group's core markets of Asia, Africa and the Middle East to the same degree as in some other markets, there is no assurance that these markets will not become subject to a high degree of liquidity stress in the future. It is the policy of the Group to manage its liquidity prudently in all geographical locations and for all currencies. Exceptional market events of the type described above can impact the Group adversely.

5. Failure to manage legal risk properly can impact the Group adversely

The Group is subject to a wide variety of banking, insurance and financial services laws and regulations and a large number of regulatory and enforcement authorities in each of the jurisdictions in which it operates. As a result, the Group is exposed to many forms of legal risk, which may arise in a number of ways, primarily:

- loss may be caused by changes in applicable laws;
- the Group is subject to a variety of complex governmental regulatory regimes in many of the countries where it operates, in respect of which requirements, standards or sanctions may differ significantly from country to country;
- from defective transactions or contracts, either where contractual obligations are not enforceable or do not allocate rights and obligations as intended, or where contractual obligations are enforceable against the Group in an adverse way, or by defective security arrangements;
- the title to and ability to control the assets of the Group (including the intellectual property of the Group, such as its trade names) may not be adequately protected; and
- the Group may be liable for damages to third parties where legal proceedings are brought against it. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss.

Although the Group has processes and controls to manage legal risk, failure to manage legal risk properly can impact the Group adversely or result in administrative actions or sanctions or other proceedings involving the Group which may have a material adverse effect on the Group's business and ultimately the value of the New Ordinary Shares. In addition, a failure to comply with the applicable regulations in various jurisdictions by the Group's employees, representatives, agents and third party service providers, or those of its subsidiaries either in or outside the course of their services, or suspected or perceived failures by them, may result in inquiries or investigations by regulatory and enforcement authorities, or in regulatory or enforcement action against the Group, its subsidiaries or such employees, representatives, agents and third party service providers. Such actions may adversely impact the reputation of the Group, result in adverse media reports, lead to increased or enhanced regulatory or supervisory concerns, additional costs, penalties, claims and expenses being incurred by the Group or impact adversely the Group's ability to conduct business.

The Company cannot predict the timing or form of any current or future regulatory or law enforcement initiatives which the Company notes are increasingly common for international banks and financial institutions. The Company would expect to cooperate with any such regulatory investigation or proceeding.

6. Operational risks are inherent in the Group's business

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. Any of these risks could result in an adverse impact on the Group's financial condition and results of operations. 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") supervises and directs 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.

The Group's operational risk team is responsible for setting the operational risk policy, defining standards for measurement and for operational risk capital calculation. An operational risk assurance function, independent from the Group's operating businesses, is responsible for deploying and assuring the operational risk management framework, and for monitoring the Group's key operational risk exposures. This unit is supported by units within the Wholesale Banking and Consumer Banking businesses who have responsibility 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.

7. The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel

The Group's continued success depends in part on the continued service of key members of its management team. The ability to continue to attract, train, motivate and retain highly qualified professionals is a key element of the Group's strategy. The successful implementation of the Group's growth strategy depends on the availability of skilled management, both at its head office and at each of its business units and international locations. If the Group or one of its business units or other functions fails to staff their operations appropriately, or loses one or more of its key senior executives and fails to replace them in a satisfactory and timely manner, its business, financial condition and results of operations, including control and operational risks, may be adversely affected. Likewise, if the Group fails to attract and appropriately train, motivate and retain qualified professionals, its business may also be affected.

8. The Group is expanding its operations and this growth may represent a risk if not managed effectively

The Group is experiencing significant growth as it both expands geographically and in the scope of products and services it offers, including through acquisitions. The Group's business strategy is based on organic growth but includes selective plans to continue to acquire assets or businesses that it believes are logical extensions of its existing businesses to increase cash flow and earnings. The Group continues to look at potential acquisitions in a number of markets. The Group may experience some, or all, of the difficulties described below managing the integration of any subsequent acquisitions into its existing businesses. The failure to effectively manage its expansion, whether organic or inorganic, could have a material adverse effect on the Group's financial condition and results of operations.

The success of the Group's acquisitions will depend, in part, on the ability of its management to integrate the operations of newly-acquired businesses with its existing operations and to integrate various departments, systems and procedures. Consequently, the Group's ability to implement its business strategy may be constrained and the timing of such implementation may be impacted due to demands placed on existing resources by that process. There can be no assurance that:

- the Group will be successful in acquiring all the entities it seeks to acquire;
- the acquired entities will achieve the level of performance that the Group anticipates, or that the carrying value of goodwill on acquisition will be fully supported by the cash flows of the cash generating unit to which it has been allocated for the purpose of impairment testing;
- the projected demand and prices of the Group's products and services will be realised;
- the acquired entities will not cause a disruption to the Group's ongoing businesses, distract management and other resources, or make it difficult to maintain the Group's standards, internal controls and procedures;
- the Group will not be required to incur debt or issue equity securities to pay for acquisitions, for which financing may not be available or may not be available on acceptable terms;
- the Group's current ratings will not be affected by such acquired entities;
- the Group will be able to successfully integrate the services, products and personnel of an acquired entity into its operations, especially if the Group acquires large businesses; or
- the Group will not assume unforeseen liabilities and exposures as a result of the acquisitions.

External risk factors

1. Macroeconomic risks could result in an adverse impact on the Group's financial condition and results of operations

The Group operates in over 70 geographic markets and is affected by the prevailing economic conditions in each market. Macroeconomic factors that have an impact on personal expenditure and consumption, demand for business products and services, the debt service burden of consumers or businesses, and the general availability of credit, will influence the Group's customers and, by extension, the Group's financial condition and results of operations.

One of the principal uncertainties is the extent to which the economic slowdown currently being experienced in certain Western markets may feed through to the Group's major markets, and the timing of that impact. The linkages between economic activities in different markets are complex and depend not only on direct drivers such as the balance of trade and investment between countries, but also on domestic monetary, fiscal and other policy responses to address macroeconomic conditions.

Consequently, one uncertainty for the corporate sectors in Wholesale Banking and the small/medium enterprises segment in Consumer Banking will be the extent to which exports are impacted by a slowdown in other economies, particularly in the US and Europe. Similarly, there will be uncertainty about domestic demand, which is a function of a number of factors including consumer and business confidence.

A key uncertainty for the Group relates to the management of inflationary pressures, to the extent to which they arise. These inflationary pressures may be exacerbated in some countries by the reduction or removal of fuel price subsidies and the impact of significant rises in the price of certain foodstuffs. An increase in inflation can have a number of adverse impacts on the Group's business, including, but not limited to, increasing its operating expenses, which would reduce profits attributable to Group Shareholders. High inflation can also have an adverse effect on the credit quality of the Group's individual and corporate borrowers, as well as its counterparties, which could lead to an increase in delinquencies and defaults across a range of sectors, which could also impact profitability and otherwise have a negative effect on the Group's financial condition and results of operations.

The Group's geographic and business diversification will help to mitigate any impact on revenues, or of increased loan impairment, that may stem from a slowdown in any one market. No single country accounts for more than 20 per cent. of total loans and advances to customers. There are also no unduly significant concentrations across industries among the corporate customer base. However, diversification of the Group may not be effective to safeguard the Group from the effect of certain macroeconomic factors which may impact the overall economy in a single country or globally.

2. The Group operates primarily in Asia, Africa and the Middle East, and these operations expose it to risks arising from the political and economic environment of markets in these areas that could adversely affect its financial condition and results of operations

Operations in many of the markets in which the Group operates in Asia, Africa and the Middle East present various risks that do not necessarily apply to businesses in Western Europe and North America. Some of these markets are typically more volatile and less developed economically and politically than markets in Western Europe and North America. The Group faces significant economic and political risk, including economic volatility, recession, inflationary pressure, exchange rate fluctuation risk and interruption of business, as well as civil unrest, imposition of exchange controls, sanctions relating to specific countries, expropriation, nationalisation, renegotiation or nullification of existing contracts and changes in law or tax policy. These risks could result in an adverse impact on the Group's financial condition and results of operations.

3. The Group operates in competitive markets, which may have an adverse effect on its financial condition and results of operations

The Group is subject to significant competition from local banks and many other international banks operating in the emerging markets described above, including competitors that may have greater financial and other resources. Local regulations in a number of jurisdictions that favour local banks by restricting the ability of international banks operating in the relevant country to enter the market and/or expand their existing operations could adversely affect the Group's ability to compete in these markets. Many of the international and local banks operating in the Group's markets compete for substantially the same customers as the Group. Competition may increase in some or all of the Group's principal markets and may have an adverse effect on its financial condition and results of operations.

4. The Group is operating in a highly regulated industry and bank regulatory restrictions and other laws and regulations could impair its operations

The Group's businesses and earnings are affected by the fiscal or other policies and regulations that are adopted by various regulatory authorities of the UK, the US and other jurisdictions where the Group operates, and international agencies. The nature and impact of future changes in laws, regulations and regulatory policies are not predictable and are beyond the Group's control, and changes in such laws, regulations and regulatory policies may have an adverse effect on the Group's financial condition and results of operations.

5. The UK Banking (Special Provisions) Act 2008 gives the UK Treasury wide-ranging powers to make certain orders in respect of deposit-taking institutions

Under the UK Banking (Special Provisions) Act 2008 (the "Special Provisions Act"), until 21 February 2009, the UK Treasury (the "Treasury") has wide powers to make certain orders in respect of a UK authorised deposit-taking institution (such as SCB) and, in certain circumstances, certain related corporate undertakings.

The orders which may be made by the Treasury under the Special Provisions Act relate to, among other things: (i) transfers of securities issued by relevant entities (and/or securing the rights of holders of securities ceased to be exercisable by such holders, discontinuing the listing of securities and/or varying or nullifying the terms of securities); (ii) transfers of property, rights and liabilities of relevant entities notwithstanding any restrictions, requirements or interest (and/or modifying related interests, rights or liabilities of third parties); (iii) the disapplication or modification of laws; (iv) the imposition of a moratorium on the commencement or continuation of any legal process in relation to any body or property; and/or (v) the dissolution of any relevant entity. Such orders may have retrospective effect (as from not earlier than three months before 21 February 2008) and may make provision for nullifying the effect of transactions or events taking place after the relevant time. The Special Provisions Act includes provisions related to compensation in respect of any transfer orders made.

While certain orders under the Special Provisions Act may only be made for the purposes of maintaining the stability of the UK financial system in circumstances where the Treasury considers that there would be a serious threat to its stability and/or protecting the public interest where financial assistance has been provided by the Treasury to the deposit-taking institution, such purpose conditions may not apply in respect of all orders which may be made under the Special Provisions Act.

At present, the Treasury has not made any orders under the Special Provisions Act in respect of SCB and/or its related corporate undertakings and there has been no indication that it will make any such order under the Special Provisions Act, but there can be no assurance that this will not change and/or that Shareholders will not be adversely affected by any such order if made.

A draft Banking Bill was introduced to the UK parliament on 7 October 2008. If enacted, the Banking Bill may have significant consequences for the UK banking industry. For example, it is currently anticipated that a new "Special Resolutions Regime" will be implemented which will give wide powers in respect of UK authorised deposit-taking institutions (such as SCB) to the Treasury, the FSA and the Bank of England in circumstances where any such UK authorised deposit-taking institution has encountered, or is likely to encounter, financial difficulties. It is also anticipated that a new administration and insolvency regime will be implemented in respect of UK authorised deposit-taking institutions (such as SCB). However, given that the Banking Bill is at an early stage in the legislative process, currently it is not possible to predict with any certainty what form any legislation (if enacted) will take and the impact it will have on SCB and/or the other issuers and the impact it will have (if any) on Shareholders.

6. Downgrades to the Group's credit ratings or outlook could impair the Group's access to funding and the Group's competitive position

The Group's ability to access the capital and, to a lesser extent, the wholesale markets, and the cost of borrowing in these markets, is influenced by the Group's credit ratings. There can be no guarantee that the Group will not be subject to downgrades to its credit ratings. Any changes in the credit ratings of the Group could impact the volume and pricing of its funding, and this could impact profit.

7. Changes in interest rates, foreign exchange rates, equity prices and other market risks could adversely affect the Group's financial condition and results of operations

Market risk is the exposure created by potential changes in market prices and rates. The Group is exposed to market risk arising principally from customer driven transactions. Some of the significant market risks the Group faces are interest rate, foreign exchange and bond price risks. Changes in interest levels, yield curves and spreads may affect, among other things, interest rate margins and trading profits. Changes in currency rates may affect, among other things, the value of assets and liabilities denominated in foreign currencies and also the earnings reported by the Group's non-US dollar denominated branches and subsidiaries. Although the Group devotes considerable resources to managing the above risks, failure to manage these effectively could impact the Group adversely.

8. Financial markets volatility globally and in the markets in which the Group operates could result in an adverse impact on the Group's financial condition and results of operations

Additional volatility, and further dislocation affecting certain financial markets and asset classes, are factors that may also impact the Group's financial condition and results of operations. These factors may have an impact on the mark-to-market valuations of assets in the Group's available-for-sale and trading portfolios. In addition, any further deterioration in the performance of the assets underlying the ABS portfolio could lead to additional impairment. The ABS portfolio accounts for less than 2 per cent. of Group assets as at 30 June 2008.

9. Systemic risk resulting from failures in the banking industry could adversely affect the Group

Within the banking industry the default of any institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Group interacts on a daily basis, which could have an adverse effect on the Group's ability to raise new funding and on the Group's business, financial condition and results of operations.

10. Country risk could result in an adverse impact on the Group's financial condition and results of operations

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. This includes the risk that:

- a sovereign borrower may be unable or unwilling to fulfil its foreign currency or cross-border contractual obligations; and/or
- a non-sovereign counterparty may be unable to fulfil its contractual obligations as a result of currency shortage due to adverse economic conditions or actions taken by the government of the country.

These risks could have an adverse impact on the Group's financial condition and results of operations.

11. The Group operates in some markets that have relatively less developed judicial and dispute resolution systems, which could have an adverse effect on the Group's operations

In the less developed markets in which the Group operates, judicial and dispute resolution systems may be less developed. In case of a breach of contract, there may be difficulties in making and enforcing claims against contractual counterparties. On the other hand, if claims are made against the Group, there may be difficulties in defending such allegations. If the Group becomes party to legal proceedings in a market with an insufficiently developed judicial system, it could have an adverse effect on the Group's financial condition and results of operations.

12. Regional hostilities, terrorist attacks or social unrest as well as natural calamities in the markets in which the Group operates could adversely affect the Group's business and results of operations

Some of the countries in which the Group operates have from time to time experienced social and civil unrest, hostilities both internally and with neighbouring countries and terrorist attacks. Some of those countries have also experienced natural calamities such as earthquakes, floods and drought in the past few years. These and similar hostilities, tensions and natural disasters could lead to political or economic instability in the markets in which the Group operates and adversely affect its business and results of operations.

Risks Relating to the Rights Issue and the New Ordinary Shares

1. Standard Chartered's share price will fluctuate

The market price of the New Ordinary Shares (including the Nil Paid Rights and the Fully Paid Rights) and/or the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the New Ordinary Shares (including the Nil Paid Rights and the Fully Paid Rights) and/or the Ordinary Shares (or securities similar to them). Such risks depend on the market's perception of the likelihood of completion of the Rights Issue, and/or in response to various facts and events, including any regulatory changes affecting the Group's operations, variations in the Group's operating results, business developments of the Group and/or its competitors. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the New Ordinary Shares (including the Nil Paid Rights and the Fully Paid Rights) and/or the Ordinary Shares.

2. An active trading market in the Nil Paid Rights may not develop

An active trading market in the Nil Paid Rights may not develop on the London Stock Exchange and/or Hong Kong Stock Exchange during the trading period. In addition, because the trading price of the Nil Paid Rights depends on the trading price of the Ordinary Shares, the Nil Paid Rights price may be volatile and subject to the same risks as noted elsewhere in this document.

3. Standard Chartered's ability to continue to pay dividends will depend on the level of profits and cash flows generated by the Group

Under UK company law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. As a holding company, Standard Chartered's ability to pay dividends in the future is affected by a number of factors, principally its ability to receive sufficient dividends from subsidiaries. The payment of dividends to Standard Chartered by its subsidiaries is, in turn, subject to restrictions, including certain regulatory requirements and the existence of sufficient distributable reserves and cash in Standard Chartered's subsidiaries.

The ability of these subsidiaries to pay dividends and Standard Chartered's ability to receive distributions from its investments in other entities is subject to applicable local laws and regulatory requirements and other restrictions, including, but not limited to, applicable tax laws and covenants in some of Standard Chartered's debt facilities. These laws and restrictions could limit the payment of dividends and distributions to Standard Chartered by its subsidiaries, which could in future restrict Standard Chartered's ability to fund other operations or to pay a dividend to holders of the Existing Ordinary Shares or the New Ordinary Shares.

4. Shareholders who do not acquire New Ordinary Shares in the Rights Issue will experience dilution in their ownership of Standard Chartered

If Shareholders do not take up the offer of New Ordinary Shares under the Rights Issue their proportionate ownership and voting interests in Standard Chartered will be reduced and the percentage that their shares will represent of the total share capital of the Company will be reduced accordingly. Even if a Shareholder elects to sell his unexercised Nil Paid Rights, or such Nil Paid Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Company's share capital that may be caused as a result of the Rights Issue.

FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference ‘forward-looking statements’ regarding the belief or current expectations of Standard Chartered, the Directors and other members of its senior management about the Company’s businesses and the transactions described in this document. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions identify forward-looking statements.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in individual markets in which Standard Chartered operates, and other factors affecting the level of Standard Chartered’s business activities and the costs and availability of financing for Standard Chartered’s activities.

Any forward-looking statement contained in this document based on past or current trends and/or activities of Standard Chartered should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed the historical or published earnings of the Company.

These forward-looking statements are subject to the risk factors described in the Part II of this document. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by the Listing Rules, the Disclosure and Transparency Rules, the Prospectus Rules, the London Stock Exchange or otherwise by law, Standard Chartered expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Standard Chartered’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

PART III

LETTER FROM THE CHAIRMAN
STANDARD CHARTERED

(Incorporated as a public limited company in England and Wales with registered number 966425)

Directors:	*Registered Office:*
E Mervyn Davies CBE	1 Aldermanbury Square
Peter Sands	London EC2V 7SB
Richard Meddings	
Steve Bertamini	
Gareth Bullock	
John Peace	
Jamie Dundas	
Val Gooding CBE	
Rudy Markham	
Ruth Markland	
Sunil Mittal	
John Paynter	
Paul Skinner	
Oliver Stocken	

26 November 2008

Dear Shareholder,

RIGHTS ISSUE

1. Introduction

We announced on 24 November 2008 that the Company was raising £1,779 million (net of expenses) by way of a Rights Issue of 470,014,830 New Ordinary Shares at 390 pence per share on the basis of 30 New Ordinary Shares for every 91 Existing Ordinary Shares.

The purpose of this document is to provide Shareholders with details of the Rights Issue, and to explain why the Directors consider the Rights Issue to be in the best interests of the Company and its Shareholders as a whole.

2. Reasons for the Rights Issue and use of proceeds

Through its disciplined strategy focused on Asia, Africa and the Middle East, Standard Chartered has continued to make good progress this year, with a strong trading performance despite the difficult economic backdrop and unprecedented capital markets volatility. This reflects the high quality of the Group's customer franchise and its leading market positions in countries with attractive long-term growth prospects. This progress was demonstrated by the record interim results for the six months to 30 June 2008. The Group also issued its trading update on 24 November 2008, which is set out in full in Part IV of this document.

Standard Chartered is strongly liquid, is well capitalised, within its target range for total Tier 1 and total capital, with a conservative balance sheet and meets all regulatory capital adequacy requirements. The Group's capital strength is supported by:

- a strong liquidity position with diversified sources of funding. This is demonstrated by an advances to deposit ratio of 86 per cent. as at 30 September 2008 and net inflows of deposits of US$3,853 million between 30 June 2008 and 30 September 2008;[1]
- an asset portfolio that is well diversified by geography, asset type and industry; and
- good levels of capital, with a total capital ratio of 14.9 per cent. as at 30 June 2008, above the Group's existing target range of 12-14 per cent., and a total Tier 1 Ratio of 8.5 per cent., within the Group's existing 7-9 per cent. target range.[2]

1 The advances to deposit ratio and the net inflows of deposits have been derived from the Group's unaudited financial information as at 30 September 2008.

2 The total capital ratio and total Tier 1 Ratio have been extracted from the 2008 First Half Results, which are incorporated by reference into this document.

Economic growth within the key core markets of Asia, Africa and the Middle East is clearly slowing down largely as a consequence of the global financial crisis and the sharp economic slowdown in the West. However, although these economies are not immune to the challenges and uncertainties emerging from the global financial crisis, in general their economic and financial fundamentals are resilient and their near term economic growth rates appear likely to remain well above those of markets in the West. Moreover, the Group's core markets remain very attractive from a long term perspective, given their high levels of foreign exchange reserves, high savings rates, low levels of leverage, resilient domestic demand and positive demographics.

Following the Rights Issue, the Group will be in an even better position to weather the economic uncertainties and to take advantage of the opportunities emerging from the current turmoil in financial services. In this context, the Group's primary focus will be on seizing the organic growth opportunities it sees in its markets, strengthening and expanding the Group's existing businesses through deepening relationships with existing clients and taking market share from competitors. There may also be acquisition opportunities which meet the Group's stringent return criteria and which fit its strategic priorities, strengthening its position in specific markets or adding to existing capabilities. Furthermore, the Board believes that in this volatile and uncertain environment, reinforcing the Group's demonstrable balance sheet strength will provide an increasingly powerful source of competitive differentiation alongside the Group's product capabilities, customer franchise, international network and brand. The Board is alert to the prospect of continuing volatility in the currency and financial markets and to the increased levels of economic uncertainty across all sectors and geographies. Moreover, it has become clear to the Board that in the current economic environment, investors' expectations about capital levels across the banking sector have changed, with a greater focus on core equity capital and a general preference for higher levels of capital. Through this Rights Issue, the Group can respond to these changes in market expectations, further strengthening its capital position and giving it greater resilience and flexibility.

The Board considers that the Rights Issue is in the best interests of Shareholders. Raising further equity capital will enable Standard Chartered to continue to build on its existing very successful strategy. The Board is aware of the significant discount of the offering to the historical share price levels and therefore has ensured that the structure of the equity offering allows Shareholders to participate on a pre-emptive basis.

3. Intentions of Directors and largest shareholder

The Directors who are entitled to take up shares under the Rights Issue (holding in aggregate 428,576 Existing Ordinary Shares) intend to take up, or procure that their nominees take up, their rights in full in respect of 141,281 New Ordinary Shares.

Temasek, the Company's largest shareholder, which owns approximately 19 per cent. of the issued ordinary share capital of the Company, is supportive of the Rights Issue and is intending to take up its rights. Temasek is also participating in the underwriting of the Rights Issue.

4. Summary of the principal terms of the Rights Issue

The New Ordinary Shares are being offered by way of rights to all Qualifying Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with a registered address in the United States, or other Excluded Territories) on the following basis:

30 New Ordinary Shares at 390 pence each for every 91 Existing Ordinary Shares

held and registered in their name at the close of business on the Record Date. The Issue Price for HK Shareholders is HK$45.11 for each New Ordinary Share. Entitlements to New Ordinary Shares have been rounded down to the nearest whole number. Fractions of New Ordinary Shares have not been allotted to any Qualifying Shareholders, but will be aggregated and sold in the market ultimately for the benefit of the Company. Qualifying Shareholders with fewer than four Existing Ordinary Shares are not entitled to any New Ordinary Shares. The New Ordinary Shares will rank for all dividends declared, made or paid after the date of allotment and issue of the New Ordinary Shares and otherwise *pari passu* with the Existing Ordinary Shares.

The Issue Price of 390 pence per New Ordinary Share represents a 48.65 per cent. discount to the Closing Price of an Existing Ordinary Share of 759.50 pence on 21 November 2008 (being the latest practicable date prior to the publication of this document) and a 41.61 per cent. discount to the theoretical ex-rights price based on that Closing Price. If a Qualifying Shareholder does not take up the offer of New Ordinary Shares, his/her proportionate shareholding will be diluted by 24.8 per cent.

The Company has arranged for the Rights Issue to be underwritten by Temasek, J.P. Morgan Securities Ltd. (on behalf of JPMorgan Cazenove Limited), Goldman Sachs International and UBS Limited to provide certainty as to the amount of capital to be raised. The Underwriting Agreement is not subject to any right of termination after UK Admission (including in respect of any statutory withdrawal rights). The terms of the Underwriting Agreement are summarised in Section 8 of Part XIII of this document.

5. Financial impact of the Rights Issue

As at 30 June 2008, Standard Chartered's Core Tier 1 Ratio was 6.1 per cent. and its total Tier 1 Ratio was 8.5 per cent. against its existing long term target range of 7-9 per cent. for total Tier 1.[1] Adjusting for the proceeds of the Rights Issue, the pro-forma Core Tier 1 Ratio and total Tier 1 Ratios as at 30 June 2008 would have been approximately 7.4 per cent. and 9.8 per cent.[2]

A pro forma statement of net assets illustrating the effect of the Rights Issue on the Group's net assets as at 30 June 2008 as if the Rights Issue had been undertaken at this date is set out in Part XI of this document. This information is unaudited and has been prepared for illustrative purposes only. It shows that net proceeds from the Rights Issue of US$2,654 million would have led to a pro-forma movement in net assets from US$18,824 million to US$21,478 million as at 30 June 2008.[3]

Under the provisions of IFRS, the Rights Issue is treated as a derivative because the Issue Price is denominated in Pounds Sterling whilst the Company's functional currency is US dollars. As a consequence, revaluation of this derivative between the close of business on 26 November 2008 and allotment will be reflected in the Group's profit and loss account with an equal and offsetting movement in equity on allotment. This will have no effect on the Company or Group capital base, distributable reserves or financial position once the New Ordinary Shares have been alloted.

6. Dividends

Given the timing of the Rights Issue, falling as it does near the end of the financial year, the Company intends to distribute by way of final dividend for the financial year ending 31 December 2008 the same absolute monetary amount as it would have done had the Rights Issue not been implemented. The level of dividends per Ordinary Share in future will reflect the long term growth of the Group's business and will depend upon, among other things, expected future earnings, capital requirements of the Group and general prevailing financial and business conditions.

7. Standard Chartered Share Schemes

In accordance with the rules of the Standard Chartered Share Schemes, the Board proposes to adjust outstanding options and awards to take account of the Rights Issue, subject to any necessary approvals. Where options and awards are subject to performance conditions, adjustments will, if appropriate, be made to those conditions. Participants in the Standard Chartered Share Schemes will be contacted separately with detailed information on how their options and awards will be affected by the Rights Issue.

8. Overseas shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom or Hong Kong, or who are citizens or residents of countries other than the United Kingdom or Hong Kong, or who are holding Ordinary Shares for the benefit of such persons (including, without limitation,

1. Standard Chartered's Core Tier 1 Ratio and total Tier 1 Ratio are derived from the 2008 First Half Results, which are incorporated by reference into this document.
2. The adjusted Core Tier 1 Ratio and total Tier 1 Ratio are extracted from the unaudited pro forma financial information in Part XI of this document.
3. The pro forma movement in net assets is extracted from the unaudited pro forma financial information in Part XI of this document.

custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document, a Provisional Allotment Letter and any other document in relation to the Rights Issue to such persons, is drawn to the information which appears in Section 9 of Part VI of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom or Hong Kong should consult their professional advisers whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements to the Rights Issue.

9. Taxation

Your attention is drawn to Sections 10 and 11 of Part XIII of this document. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

10. Action to be taken

The latest time for acceptance by Shareholders under the Rights Issue is 11.00 a.m. (UK time) and 4.00 p.m. (Hong Kong time) on 17 December 2008. The procedure for acceptance and payment is set out in Part VI of this document. Further details also appear in the Provisional Allotment Letter which has been sent to all Qualifying Non-CREST Shareholders and all Qualifying Non-CCASS Shareholders (other than, subject to certain exceptions, those Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders with a registered address in the United States, Canada, India, South Africa or Switzerland).

If you are in any doubt what action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor or other independent professional adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities.

11. Other information

Your attention is drawn to the further information set out in Parts IV to XVIII of this document. You are advised to read the whole of this document and not rely solely on the information contained in this letter.

Yours sincerely

E. Mervyn Davies

E Mervyn Davies CBE
Chairman

PART IV

TRADING UPDATE

Set out below is the trading update announced by the Company on 24 November 2008:

"Pre-close Trading Update

24 November 2008

Standard Chartered PLC (together with its subsidiaries, the "Group") will be holding discussions with analysts and investors ahead of its close period for the full year ending 31 December 2008. This statement details the information that will be covered in those discussions.

Peter Sands, Group Chief Executive, commented, "Standard Chartered continues to deliver, with record profits to the end of October, despite the challenges arising from the global financial crisis. The diversity of our income streams, the strength of our balance sheet and our disciplined approach to risk have proved a robust platform for growth. Our markets in Asia, Africa and the Middle East, whilst not immune to the turmoil, appear relatively resilient. Standard Chartered is well positioned to continue to weather the economic uncertainties and to take advantage of opportunities as they emerge."

All comparisons will be made on a full year basis unless otherwise stated.

Overall – Profit & Loss Account

Standard Chartered has continued to perform strongly in the second half of 2008, building on our excellent first half results.

The global financial crisis is having an increasing impact on our markets. Economic growth is slowing in most countries, and we have seen increased volatility in local financial markets and liquidity conditions. However, GDP growth prospects in most of our markets remain much higher than in the West. These economies benefit from high levels of foreign exchange reserves, high natural savings rates, low levels of leverage, continued growth in domestic demand and determined actions by Governments and Central Banks.

At a Group level, income growth remains strong, driven by continued strong performance in Wholesale Banking across a wide range of products and customer segments. Consumer Banking revenue growth has slowed in the second half, with the run-rate of Wealth Management income below the levels seen in the first half of the year, and is continuing to slow.

Net interest margins remain broadly stable.

The Group continues to take a dynamic approach to managing expense growth. We continue to invest in strategic priorities, while at the same time taking action to drive efficiency in the existing cost base and to respond to the changing dynamics of our business. For the full year, and including American Express Bank ("AEB"), we anticipate that expense growth will be broadly in line with income growth. Excluding AEB, income growth is anticipated to significantly exceed expense growth.

The integration of AEB continues to make good progress. As previously stated, we expect AEB to have a negative impact on earnings in 2008 of some USD100 million, with integration expenses of some USD160 million in this first year more than offsetting underlying earnings.[1]

Our commitment to continued development of the franchise and our confidence in the prospects for growth are demonstrated by the three small acquisitions announced in the last two months in Taiwan, Brazil and Hong Kong.

Overall – Balance Sheet

The Group remains well capitalised and highly liquid, with a well-diversified and conservative asset base.

The Group continues to comfortably meet capital requirements across all of its geographies. Standard Chartered Bank, the UK authorised entity of Standard Chartered PLC, meets the capital requirements under the UK Government's banking sector scheme. The eligibility criteria for the scheme were for a total Tier 1 Capital of at least 8%, and Core Tier 1 Capital as defined by the FSA of at least 4% under a stress scenario.

1 Derived from the Group's unaudited financial information.

On 14 November the Group launched a tender offer to buy back USD1.3 billion of Floating Rate Notes which qualify as Upper Tier 2 Capital. The rationale for the tender offer was to optimise the capital structure. The tender offer closes on 3 December and any benefit to profit will be normalised out of EPS.

The second half of the year has seen significant volatility in currency movements, which have had a negative impact on the Group's Net Assets. The most significant is that arising from currency movements in the Korean Won. A movement of 50 Won changes the Group's Net Assets by approximately USD185 million. The effect on the capital ratios however, is less significant as the revaluation of foreign currency Risk Weighted Assets partially mitigates the impact of currency movements on the capital base.

The Group remains strongly liquid and we have continued to see a good inflow of deposits, resulting in a loan to deposit ratio materially below 100% We continue to be a provider of liquidity to the interbank money market.

Asset quality in both businesses remains good and loan impairments are in line with expectations.

The balance sheet is conservative and diverse, with limited exposure to Asset Backed Securities (ABS), Commercial Real Estate and level 3 assets. The mortgage portfolio has an average loan-to-value of 49%.

The Group has elected to redesignate certain debt instruments following the amendments to IAS39 issued by the IASB in October, 2008. A total of USD8.3 billion of illiquid assets has been redesignated from held-for-trading and available for sale ("AFS"), to AFS and loans and receivables. If this redesignation had not been made the Group's pre-tax profits would have been lower by around USD200 million of which less than half related to the ABS portfolio.[1]

Further details covering the ABS portfolio are set out in the Appendix to this document.

Business Performance

Consumer Banking

Consumer Banking has delivered modest income growth on a headline basis and on an underlying basis (excluding the impact of American Express Bank) income is expected to be broadly flat on 2007.

The average monthly income run rate in the second half of the year is lower than that seen in the first half of 2008. This is largely due to softness in Wealth Management, particularly from September onwards, driven by a fall-off in sales as consumers reacted to turmoil in the global financial sector.

Markets such as Singapore, India and Africa have performed particularly well, albeit growth has slowed in the second half of the year in line with reduced consumer confidence and pressure on asset margins. In Hong Kong, income is anticipated to fall from the levels seen in 2007, due primarily to the sharp slowdown in Wealth Management in the second half of the year and lower Prime HIBOR spreads affecting mortgage margins.

We have delivered good income growth in SME banking with particularly strong performances in India, Singapore and the UAE. SME assets have fallen, primarily due to actions taken to slow the growth in unsecured lending and to tighten underwriting criteria as the economic uncertainties increase.

Mortgage income has been adversely impacted by interest rate movements and intense competition.

We have continued to invest in the franchise on a disciplined and highly selective basis, focusing on distribution and product capability. At the same time, in response to the challenging business dynamics, we have taken additional measures to reduce costs through headcount rationalisation and efficiency drives, and on an underlying basis, we anticipate that expenses will have fallen from the levels seen in the first half of the year. On a full year basis, growth in expenses is expected to exceed income growth on an underlying basis.

Asset quality in Consumer Banking remains strong, notwithstanding the deteriorating economic environment. Loan impairment is in line with expectations, with stress limited to specific portfolios and geographies, none of which are material to the Group. We are taking anticipatory action in response to economic uncertainties, tightening underwriting criteria, reinforcing collection resources and reshaping certain portfolios. As a result, assets have fallen marginally.

Consumer Banking continues to achieve accelerating liability growth across the franchise.

1 Derived from the Group's unaudited financial information.

Wholesale Banking

Wholesale Banking income momentum has remained very strong, both overall and on an underlying (excluding the impact of American Express Bank) basis in the second half of the year.

Income growth has been broad-based across all key client segments and across multiple products. Client-driven income has performed very strongly and continues to be the primary driver of Wholesale Banking income, with a particularly strong performance in cash management and trade.

We are deepening client relationships, repricing for risk and managing collateral more effectively and more extensively in response to changing competitive dynamics and greater market volatility. Our pipeline for Corporate Finance transactions remains strong, although the pace and timing of execution is being affected by the increasingly uncertain economic environment.

Own account income has continued to perform strongly, reflecting effective balance sheet management and the benefits of enhanced product capabilities. Principal Finance realisations have become more difficult as a result of market conditions.

We have continued to invest in Wholesale Banking, enhancing our product capabilities, reinforcing our infrastructure and broadening coverage, while also pursuing a range of initiatives to improve underlying efficiency. We anticipate cost growth will be below income growth for the full year.

Credit quality in Wholesale Banking remains good, although new impairments and early alerts have risen from the exceptionally low levels seen in recent years. The increase in early alerts is mainly as a result of increasing stress in the financial institutions segment, while early alerts in the corporate book remain at low levels. Recoveries and releases continue to be achieved, albeit at lower levels than in 2007.

We are being extremely vigilant about credit quality, taking anticipatory actions, and reshaping certain portfolios. In taking on new assets we are sensitive to the changing levels of appetite for primary and secondary distribution. Yet despite the disruption in global credit markets our syndication activities continue to perform strongly, with a good ongoing appetite for assets from our markets.

Through the second half of the year and accelerating through October, the dislocation in equity markets has placed downward pressure on the valuation of certain equity investments, including some of those in the Principal Finance business. The downward valuation impacts profits and was approximately USD300 million as at 31 October.[1] We consider that the portfolio continues to be attractive on a fundamental valuation basis.

We have been very selective in growing Risk Weighted Assets (RWA), focusing on key businesses and customer segments. We anticipate RWA growth to be in low single digits on the first half of the year.

Korea

We continue to make progress in reshaping and streamlining the business in Korea.

There continues to be volatility to income arising from the impact of accounting asymmetry on economically effective hedges with a charge to income of USD8 million as at the end of October.[2]

The Korean Won has depreciated significantly during the year, which has had a negative impact on the headline results. However, on a constant currency basis, both income and profits are expected to show strong double digit growth.

On a constant currency basis, expenses are expected to grow at a substantially slower rate than income as we continue to address productivity issues in Korea. As part of our ongoing efforts to improve the efficiency of the cost base we launched a voluntary redundancy scheme in July. This will result in increased costs in 2008, but significant savings in 2009.

Conclusion

In summary, the Group has good income momentum, although slower than in the first half. We are mindful of the potential impact of market volatility during the last few weeks of the year. We are continuing to manage expense growth in line with income growth. We continue to be proactive and disciplined in our management of risks. Despite the extraordinary events of the last few months, which have left no major financial institution unaffected, the financial performance and asset quality of the Group remain strong.

1 Derived from the Group's unaudited financial information as at 31 October 2008.

2 Derived from the Group's unaudited financial information as at 31 October 2008.

Appendix: Asset Backed Securities

Total exposures to Asset Backed Securities USD millions	30 Jun 2008 Notional value	31 Oct 2008 Notional value	30 Jun 2008 Carrying value	31 Oct 2008 Carrying value	31 Oct 2008 Fair value Note 1
RMBS					
US Sub-prime	0	0	0	0	0
US Alt A	89	86	59	59	48
US prime	2	2	2	1	1
UK/Other	1,562	1,112	1,499	1,059	1,027
CDOs					
ABS	264	212	79	44	39
Other CDOs	394	381	335	313	245
CMBS					
US CMBS	150	148	132	130	103
Other CMBS	904	708	796	596	576
Other ABS	2,221	1,940	2,059	1,774	1,674
Total	**5,586**	**4,589**	**4,961**	**3,976**	**3,713**
Charge to AFS reserve	(186)	(215)			
Charge to P&L	(130)	(153)			

Note 1: Fair value reflects the entire ABS portfolio including those assets redesignated to loans and receivables.

Source: The figures as at 30 June 2008 are derived from the 2008 First Half Results. The figures as at 31 October 2008 are derived from the Group's unaudited financial information as at 31 October 2008.

PART V

RIGHTS ISSUE STATISTICS

Number of Existing Ordinary Shares	1,425,711,654
Number of New Ordinary Shares available under the Rights Issue	470,014,830
Enlarged Share Capital[1]	1,895,726,484
Issue Price per New Ordinary Share	390 pence[2]
New Ordinary Shares as a percentage of the Enlarged Share Capital	24.8 per cent.
Gross proceeds of the Rights Issue (approximately)	£1,833 million
Net proceeds of the Rights Issue (approximately)	£1,779 million

1 Assuming that no options granted under Standard Chartered Share Schemes are exercisd between the date of this document and completion of the Rights Issue.

2 Issue Price for HK Shareholders is HK$45.11 per New Ordinary Share.

PART VI

TERMS OF THE RIGHTS ISSUE

1. Summary of the Rights Issue

The Company is raising approximately £1,779 million (net of expenses) by way of a 30 for 91 Rights Issue of New Ordinary Shares at a price of 390 pence per New Ordinary Share.

The Issue Price of 390 pence per New Ordinary Share represents a discount of approximately 48.65 per cent. to the Closing Price for an Existing Ordinary Share of 759.5 pence on 21 November 2008 (being the latest practicable date prior to the publication of this document) and a 41.61 per cent. discount to the theoretical ex-rights price based on that Closing Price.

The Issue Price for HK Shareholders is HK$45.11 per New Ordinary Share, which was calculated using the £/HK$ exchange rate of 1:11.5669 at the close of business on 21 November 2008 (being the latest practicable date prior to the announcement of the Rights Issue).

2. Terms and conditions of the Rights Issue

New Ordinary Shares are being offered for acquisition by way of rights to Qualifying Shareholders (other than, subject to certain exceptions, Qualifying Shareholders with registered addresses in the Excluded Territories) on the following basis and otherwise on the terms and conditions set out in this document (and, in the case of Qualifying Non-CREST Shareholders and the Qualifying Non-CCASS Shareholders, the Provisional Allotment Letter):

30 New Ordinary Shares at 390 pence each
for every 91 Existing Ordinary Shares

held and registered in their name at the close of business on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held.

Holdings of Existing Ordinary Shares in certificated and uncertificated form have been treated as separate holdings to calculate entitlements under the Rights Issue. Fractions of New Ordinary Shares have not been allotted to Qualifying Shareholders and fractional entitlements have been rounded down to the nearest whole number of New Ordinary Shares. Such fractions will be aggregated and, if possible, sold in the market. The net proceeds of such sales (after deduction of expenses) will be aggregated and an equivalent amount will accrue for the ultimate benefit of the Company. Qualifying Shareholders with fewer than four Existing Ordinary Shares are not entitled to any New Ordinary Shares.

The attention of Restricted Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document or a Provisional Allotment Letter into a jurisdiction other than the United Kingdom or Hong Kong is drawn to Sections 9 and 10 of this Part VI. In particular, subject to the provisions of Section 9 of this Part VI, Qualifying Shareholders with registered addresses in the United States, Canada, India, South Africa or Switzerland have not been and will not be sent Provisional Allotment Letters and have not had and will not have their CREST stock accounts or CCASS stock accounts (as the case may be) credited with Nil Paid Rights.

Application has been made to the UK Listing Authority for the New Ordinary Shares (nil and fully paid) to be admitted to the Official List, to the London Stock Exchange for the New Ordinary Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities and to the Hong Kong Stock Exchange for the listing of and permission to deal in the New Ordinary Shares (nil and fully paid) on the Hong Kong Stock Exchange. It is expected that UK Admission will become effective and that dealings in the New Ordinary Shares will commence on the London Stock Exchange, nil paid and fully paid, at 8.00 a.m. on 27 November 2008. It is expected that HK Admission will become effective and that dealings in the New Ordinary Shares will commence on the Hong Kong Stock Exchange, nil paid, at 9.30 a.m. on 2 December 2008.

The Existing Ordinary Shares are already admitted to CREST and CCASS. Applications have been made for the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares to be admitted to CREST. Applications have also been made for the Nil Paid Rights and the New Ordinary Shares to be admitted to CCASS. Euroclear requires the Company to confirm to it that certain conditions are satisfied before Euroclear will admit the New Ordinary Shares to CREST. As soon as practicable after UK Admission, the Company will confirm this to Euroclear. It is expected that these conditions will be satisfied on UK Admission.

It is expected that:

(i) the Registrar will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, such Qualifying CREST Shareholders with registered addresses in the United States, Canada, India, South Africa or Switzerland) with such Shareholders' entitlements to Nil Paid Rights, with effect from 8.00 a.m. on 27 November 2008;

(ii) HKSCC will credit the appropriate stock accounts of Qualifying CCASS Shareholders (other than, subject to certain exceptions, such Qualifying CCASS Shareholders with registered addresses in the United States, Canada, India, South Africa or Switzerland) with such Shareholders' entitlements to Nil Paid Rights, with effect from 9.30 a.m. (Hong Kong time) on 2 December 2008;

(iii) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement by Euroclear on 27 November 2008, as soon as practicable after the Company has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied;

(iv) the Nil Paid Rights will be enabled for settlement by HKSCC on 2 December 2008;

(v) New Ordinary Shares will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders (or their renouncees) who validly take up their rights by 8.00 a.m. on 18 December 2008;

(vi) share certificates for the New Ordinary Shares will be despatched to relevant Qualifying Non-CCASS Shareholders (or their renouncees) who validly take up their rights by 22 December 2008 at their own risk;

(vii) New Ordinary Shares will be credited to the appropriate stock accounts of relevant Qualifying CCASS Shareholders (or their renouncees) who validly take up their rights by 9.30 a.m. (Hong Kong time) on 23 December 2008; and

(viii) share certificates for the New Ordinary Shares will be despatched to relevant Qualifying Non-CREST Shareholders (or their renouncees) who validly take up their rights by 2 January 2009 at their own risk.

Shareholders taking up their rights by completing a Provisional Allotment Letter or by sending a MTM instruction to Euroclear will be deemed to have given the representations and warranties set out in Section 10 of this Part VI, unless such requirement is waived by the Company and the Banks.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of allotment and issue of New Ordinary Shares.

The Underwriters have agreed to underwrite, severally and in their Due Underwriting Proportions, the Rights Issue in accordance with the terms and subject to the conditions in the Underwriting Agreement. The Underwriting Agreement is not subject to any right of termination after UK Admission (including in respect of any statutory withdrawal rights).

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees or renouncees (or their agents, as appropriate) will be posted at their own risk.

3. Action to be taken by UK Shareholders

The action to be taken by UK Shareholders in respect of New Ordinary Shares depends on whether, at the relevant time, the Nil Paid Rights or Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

If you are a Qualifying Non-CREST Shareholder and do not have a registered address in the United States, Canada, India, South Africa or Switzerland (subject to certain limited exceptions), please refer to Section 4 of this Part VI.

If you hold your Ordinary Shares in CREST and do not have a registered address in the United States, Canada, India, South Africa or Switzerland (subject to certain limited exceptions), please refer to Section 5 of this Part VI and to the CREST Manual for further information on the CREST procedures referred to below.

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

4. Action to be taken by Qualifying Non-CREST Shareholders in relation to Nil Paid Rights represented by Provisional Allotment Letters

(a) General

The Provisional Allotment Letter sets out:

(i) the aggregate number of New Ordinary Shares provisionally allotted to such Qualifying Non-CREST Shareholder;

(ii) the procedures to be followed if a Qualifying Non-CREST Shareholder (but not a Qualifying Non-CCASS Shareholder) wishes to dispose of all or part of his entitlement or to convert all or part of his entitlement into uncertificated form;

(iii) instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation; and

(iv) the procedure to be followed if a Qualifying Non-CREST Shareholder (but not a Qualifying Non-CCASS Shareholder) wishes to dispose of his Nil Paid Rights or effect a Cashless Take Up through the Computershare Dealing Facility.

Assuming that dealings commence at 8.00 a.m. on 27 November 2008, the latest time and date for requesting a Cashless Take Up or a disposal of all Nil Paid Rights through the Computershare Dealing Facility will be 3.00 p.m. on 10 December 2008.

The latest time and date for acceptance and payment in full is 11.00 a.m. on 17 December 2008.

(b) Procedure for acceptance and payment

(i) Qualifying Non-CREST Shareholders who wish to accept in full

Holders of Provisional Allotment Letters who wish to take up all of their Nil Paid Rights should complete the Provisional Allotment Letter in accordance with its instructions. The Provisional Allotment Letter must be returned, together with the cheque or banker's draft, made payable to 'Standard Chartered Rights Issue' and crossed 'A/C payee only', for the full amount payable on acceptance, in accordance with the instructions printed on the Provisional Allotment Letter, by post to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions 2, Bristol BS99 6AG, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 17 December 2008. A reply-paid envelope is enclosed with the Provisional Allotment Letter for use within the United Kingdom only. If you post your Provisional Allotment Letter, it is recommended that you allow sufficient time for delivery. Computershare Investor Services PLC will hold such monies on behalf of JPMorgan Cazenove Limited, who are acting as principal, but subject to the requirement that the monies can only be applied in acquiring preference shares in Newco as provided in Section 12 of this Part VI. Payments via CHAPs, BACS or electronic transfer will not be accepted.

(ii) Qualifying Non-CREST Shareholders who wish to accept in part

Holders of Provisional Allotment Letters who wish to take up some but not all of their Nil Paid Rights should refer to Section 4(f) of this Part VI.

(iii) Qualifying Non-CREST Shareholders who wish to effect a Cashless Take Up through the Computershare Dealing Facility

Qualifying Non-CREST Shareholders (but not Qualifying Non-CCASS Shareholders) who wish to effect a Cashless Take Up through the Computershare Dealing Facility should tick the box under Option 2 "Cashless Take Up" on page 1 of the Provisional Allotment Letter, sign and date the bottom of page 1 of the Provisional Allotment Letter, and return their Provisional Allotment Letter by post to Computershare Investor Services PLC, Corporate Actions 2, Bristol BS99 6AG, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received as soon as possible and, in any event, not later than 3.00 p.m. on 10 December 2008, the latest time and date for requesting a Cashless Take Up. A business reply-paid envelope is enclosed with the Provisional Allotment Letter for use within the UK only. If you post your Provisional Allotment Letter, it is recommended that you allow sufficient time for delivery.

(iv) Qualifying Non-CREST Shareholders who wish to dispose of all of their Nil Paid Rights through the Computershare Dealing Facility

Qualifying Non-CREST Shareholders (but not Qualifying Non-CCASS Shareholders) who wish to dispose of all of their Nil Paid Rights through the Computershare Dealing Facility should tick the box under Option 3 "Sell all of your Rights" on page 1 of the Provisional Allotment Letter, sign and date the bottom of page 1 of the Provisional Allotment Letter, and return their Provisional Allotment Letter by post to Computershare Investor Services PLC, Corporate Actions 2, Bristol BS99 6AG, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received as soon as possible and, in any event, not later than 3.00 p.m. on 10 December 2008, the latest time and date for requesting disposals through the Computershare Dealing Facility. A business reply-paid envelope is enclosed with the Provisional Allotment Letter for use within the UK only. If you post your Provisional Allotment Letter, it is recommended that you allow sufficient time for delivery. Please note that there will be a £5.00 (five pounds) charge for disposing of all your Nil Paid Rights through the Computershare Dealing Facility. The terms and conditions of the dealing facility are set out in a Rights Issue guide accompanying the Provisional Allotment Letters. Shareholders using such service should note that they will be clients of Computershare Investor Services PLC and not of Standard Chartered when using this service. Computershare Investor Services PLC rather than Standard Chartered will be responsible, therefore, for providing the protections afforded by the UK regulatory regime to clients for whom such services are provided. Standard Chartered does not provide advice to Shareholders on dealing in its Ordinary Shares.

(v) Discretion as to validity of acceptances

If payment as set out in Section 4(b) of this Part VI is not received in full by 11.00 a.m. on 17 December 2008, the provisional allotment will be deemed to have been declined and will lapse. However, the Company and the Banks may, but shall not be obliged to, treat as valid acceptances in respect of which remittances for the full amount are received prior to 11.00 a.m. on 17 December 2008 from an authorised person (as defined in Section 31(2) of FSMA) specifying the number of New Ordinary Shares to be acquired and an undertaking by that person to lodge the relevant Provisional Allotment Letter, duly completed, in due course.

The Company and the Banks may also (in their absolute discretion) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the New Ordinary Shares that appears to the Company to have been executed in, dispatched from or that provides an address for delivery of definitive share certificates for New Ordinary Shares in an Excluded Territory.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this paragraph is deemed to request that the New Ordinary Shares to which they will become entitled be issued to them on the terms set out in this document and subject to the memorandum and articles of association of the Company.

(vi) Payments

All payments made by Qualifying Non-CREST Shareholders (but not Qualifying Non-CCASS Shareholders or Qualifying CCASS Shareholders) must be made in Pounds Sterling by cheque or banker's draft made payable to 'Standard Chartered Rights Issue' and crossed 'A/C payee only'. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. Cheques or banker's drafts must be drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies. Such cheques and banker's drafts must bear the appropriate sorting code in the top right-hand corner. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques and banker's drafts will be presented for payment on receipt. No interest will be allowed on payments made before they are due and any interest on such payments ultimately will accrue for the benefit of the Company. It is a term of the Rights Issue that cheques shall be honoured on first presentation, and the Company and the Banks may elect to treat as invalid any acceptances in respect of which cheques are not so honoured. If New Ordinary Shares have already been allotted to Qualifying Shareholders prior to any payment not being so honoured or such Qualifying Shareholders' acceptances being treated as invalid, the Banks may (in their absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of those Qualifying Shareholders and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholders pursuant to the provisions of this Part VI in respect of the acquisition of such shares) on behalf of such Qualifying Shareholders. None of the Company, the Banks nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by Qualifying Shareholders as a result.

(c) Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the 'verification of identity requirements'). If an application is made by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Provisional Allotment Letter. The person lodging the Provisional Allotment Letter with payment (the 'applicant'), including any person who appears to the Receiving Agent to be acting on behalf of some other person, shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements. Submission of a Provisional Allotment Letter will constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, the relevant New Ordinary Shares (notwithstanding any other term of the Rights Issue) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and none of the Receiving Agent, the Company nor the Banks will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

The verification of identity requirements will not usually apply if:

(a) the applicant is an organisation required to comply with the EU Money Laundering Directive (No. 91 308 EEC);

(b) the applicant (not being an applicant who delivers his/her application in person) makes payment by way of a cheque drawn on an account in the name of such applicant; or

(c) the aggregate price for taking up the relevant New Ordinary Shares is less than €15,000 (approximately £13,000).

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

(i) if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank endorsing on the cheque or draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature; or

(ii) if the Provisional Allotment Letter is lodged with payment by an agent which is an organisation of the kind referred to in sub-Section (a) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Mexico, Luxembourg, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide with the Provisional Allotment Letter(s) written confirmation that it has that status and written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent and/or any relevant regulatory or investigatory authority.

To confirm the acceptability of any written assurance referred to in paragraph (ii) above, or in any other case, the applicant should contact the Receiving Agent. The telephone number of the Receiving Agent is 0870 702 0138 or +44 870 702 0138 if calling from overseas or +852 2862 8555 if calling from inside Hong Kong.

If the Provisional Allotment Letter(s) is/are in respect of taking up New Ordinary Shares with an aggregate price of €15,000 or more (approximately £13,000) and is/are lodged by hand by the applicant in person, or if the Provisional Allotment Letter(s) in respect of New Ordinary Shares is lodged by hand by the applicant and the accompanying payment is not the applicant's own cheque, the applicant should ensure that they have evidence of identity bearing their photograph (for example, the applicant's passport) and separate evidence of their address.

(d) Dealings in Nil Paid Rights

Dealings on the London Stock Exchange in the Nil Paid Rights are expected to commence at 8.00 a.m. on 27 November 2008. A transfer of Nil Paid Rights can be made by renunciation of the Provisional Allotment Letter in accordance with the instructions printed on it and delivery of the Provisional Allotment Letter to the transferee. The latest time and date for registration of renunciation of Provisional Allotment Letters, nil paid, is 3.00 p.m. on 15 December 2008.

(e) Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant fully paid Provisional Allotment Letter and lodging of the same, by post to Computershare, Corporate Actions 2, Bristol BS99 6AG, or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received not later than 11.00 a.m. on 17 December 2008. To do this, a Qualifying Non-CREST Shareholder will need to have his fully paid Provisional Allotment Letter returned to him after the acceptance has been effected by the Receiving Agent. However, fully paid Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders unless their return is requested by ticking Box 4 on page 2 of the Provisional Allotment Letter.

After 18 December 2008, the New Ordinary Shares will be in registered form and transferable in the usual way (see Section 4(b) of this Part VI).

(f) Renunciation and splitting of Provisional Allotment Letters

Qualifying Non-CREST Shareholders who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on page 2 of the Provisional Allotment Letter (if it is not already marked 'Original Duly Renounced') and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a Provisional Allotment Letter has been renounced, it will become a negotiable instrument in bearer form. The latest time and date for registration of renunciation of Provisional Allotment Letters is 11.00 a.m. on 17 December 2008.

If a holder of a Provisional Allotment Letter wishes to have only some of the New Ordinary Shares registered in his name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights, or (if appropriate) Fully Paid Rights but to different persons, he may have the Provisional Allotment Letter split, for which purpose he must sign and date Form X on page 2 of the Provisional Allotment Letter. The Provisional Allotment Letter must then be delivered by post to Computershare, Corporate Actions 2, Bristol BS99 6AG, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE by not later than 3.00 p.m. on 15 December 2008, to be cancelled and exchanged for the split Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split Provisional Allotment Letter should be stated in an accompanying letter. Form X on page 2 of split Provisional Allotment Letters will be marked 'Original Duly Renounced' before issue. The Provisional Allotment Letter will then be cancelled and exchanged for split Provisional Allotment Letters. The split Provisional Allotment Letter representing the New Ordinary Shares they wish to accept should be delivered together with the cheque or bankers' draft for the appropriate amount, made payable to 'Standard Chartered Rights Issue' and crossed 'A/C payee only' by 11.00 a.m. on 17 December 2008, the last date and time for acceptance. Computershare Investor Services PLC will hold such monies on behalf of JPMorgan Cazenove Limited who are acting as principal on receipt of such monies but subject to the requirement that the monies can only be applied in acquiring preference shares in Newco as provided in Section 12 of this Part VI. The second Provisional Allotment Letter (representing the New Ordinary Shares they do not wish to take up) will be required in order to sell those rights.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their rights, without selling or transferring the remainder, should complete the boxes at the bottom on page 1 of the Provisional Allotment Letter and Form X on page 2 of the original Provisional Allotment Letter and return it by post to Computershare, Corporate Actions 2, Bristol BS99 6AG, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, together with a covering letter confirming the number of Nil Paid Rights to be taken up and a cheque for the appropriate amount made payable to "Standard Chartered Rights Issue" and crossed "A/C payee only" and with the Shareholder Reference Number, which appears on page 1 of the Provisional Allotment Letter, written on the reverse of the cheque or bankers' draft to pay for this number of shares. In this case, the Provisional Allotment Letter and cheque must be received by the Receiving Agent by 3.00 p.m. on 15 December 2008, being the last date and time for splitting Nil Paid Rights. Computershare Investor Services PLC will hold such monies on behalf of JPMorgan Cazenove Limited, who are acting as principal, but subject to the requirement that the monies can only be applied in acquiring preference shares in Newco as provided in Section 12 of this Part VI.

The Company and/or the Banks reserve the right to refuse to register any renunciation in favour of any person in respect of which the Company and/or the Banks believe such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of any person with an address outside the United Kingdom or Hong Kong.

(g) Registration in names of Qualifying Shareholders

A Qualifying Shareholder who wishes to have all the New Ordinary Shares to which he is entitled registered in his name must accept and make payment for such allotment in accordance with the provisions set out in this document and (in the case of Qualifying non-CREST Shareholders) the Provisional Allotment Letter.

(h) Registration in names of persons other than Qualifying Shareholders originally entitled

To register Nil Paid Rights or Fully Paid Rights in certificated form in the name of someone other than the Qualifying Shareholder(s) originally entitled, the renouncee or his agent(s) must complete Form Y on page 2 of the Provisional Allotment Letter (unless the renouncee is a CREST member who wishes to hold such New Ordinary Shares in uncertificated form, in which case Form X and the CREST Deposit Form (both on page 2 of the Provisional Allotment Letter) must be completed – see Section 4(i) of this Part VI) and send the entire Provisional Allotment Letter by post or by hand (during normal business hours only) to Computershare, Corporate Actions 2, Bristol BS99 6AG, or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by not later than 11.00 a.m. on 17 December 2008.

The New Ordinary Shares comprised in several Provisional Allotment Letters (duly renounced where applicable) may be registered in the name of one holder (or joint holders) if Form Y on page 2 of the Provisional Allotment Letter is completed on one Provisional Allotment Letter (the "Principal Letter") and all the Provisional Allotment Letters are delivered in one batch together. Details of each Provisional Allotment Letter (including the Principal Letter) should be listed in the Consolidated Listing Form adjacent to Forms X and Y on page 2 of the Provisional Allotment Letter and the allotment number of the Principal Letter should be entered in the space provided in each of the other Provisional Allotment Letters.

(i) Deposit of Nil Paid Rights or Fully Paid Rights into CREST

The Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Subject as provided in the following Section or in the Provisional Allotment Letter, normal CREST procedures and timings apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address(es) appear on page 1 of the Provisional Allotment Letter or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows: Form X and the CREST Deposit Form (both on page 2 of the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter deposited with the CCSS (as this term is defined in the CREST Manual). In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS and (b) only the whole of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. If you wish to deposit some only of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter into CREST, you must first apply for split Provisional Allotment Letters. If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited. A 'Consolidation Listing Form' must not be used.

A holder of the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) represented by a Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 17 December 2008. In particular, having regard to processing times in CREST and on the part of the Receiving Agent, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form on page 2 of the Provisional Allotment Letter duly completed), with the CCSS (to enable the person acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 17 December 2008) is 3.00 p.m. on 12 December 2008.

When Form X and the CREST Deposit Form (both on page 2 of the Provisional Allotment Letter) have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter will cease forthwith to be renounceable or transferable by delivery and for the avoidance of doubt any entries in Form Y on page 2 of the Provisional Allotment Letter will not be recognised or acted upon by the Receiving Agent. All renunciations or transfers of the Nil Paid Rights or Fully Paid Rights must be effected through the means of the CREST system once such rights have been deposited into CREST.

CREST sponsored members should contact their CREST sponsor as only their CREST sponsors will be able to take the necessary actions to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

(j) Issue of New Ordinary Shares in definitive form

Definitive share certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be despatched by post by 2 January 2009, at the risk of persons entitled thereto, to Qualifying Non-CREST Shareholders or to persons entitled thereto at their registered address (unless lodging agent details have been completed on page 2 of the Provisional Allotment Letter). After despatch of definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the New Ordinary Shares will be certified by the Registrar against the register.

5. Action to be taken in relation to Nil Paid Rights or Fully Paid Rights in CREST

(a) General

Subject as provided in Section 9 of this Part VI in relation to certain Restricted Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to his CREST stock account of his entitlement to Nil Paid Rights on 27 November 2008. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The maximum number of New Ordinary Shares that a Qualifying CREST Shareholder may take up is that which has been provisionally allotted to that Qualifying CREST Shareholder and for which he receives a credit of entitlement into his stock account in CREST. The minimum number of New Ordinary Shares a Qualifying CREST Shareholder may take up is one.

The Nil Paid Rights constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If for any reason it is impracticable to credit the stock accounts of Qualifying CREST Shareholders or to enable the Nil Paid Rights, Provisional Allotment Letters shall, unless the Company and the Banks agree otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this document may, with the consent of the Banks, be adjusted as appropriate. References to dates and times in this document should be read as subject to any such adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up all or part of their entitlements in respect of, or otherwise to transfer all or part of, their Nil Paid Rights or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement as only your CREST sponsor will be able to take the necessary action to take up your entitlement or otherwise to deal with your Nil Paid Rights or Fully Paid Rights.

(b) Procedure for acceptance and payment

(i) MTM instructions

CREST members who wish to take up all or part of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an MTM instruction to Euroclear which, on its settlement, will have the following effect:

(a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with the number of Nil Paid Rights to be taken up;

(b) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank of the Receiving Agent in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in sub-Section (a) above; and

(c) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in sub-Section (a) above.

(ii) *Contents of MTM instructions*

The MTM instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- the number of Nil Paid Rights to which the acceptance relates;
- the participant ID of the accepting CREST member;
- the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 3RA47;
- the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is STANDARD;
- the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
- the amount payable by means of the CREST assured payment arrangements on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights to which the acceptance relates;
- the intended settlement date (which must be on or before 11.00 a.m. on 17 December 2008);
- the Nil Paid ISIN Number which is GB00B3FQPK80;
- the Fully Paid ISIN Number which is GB00B3FQQH27;
- the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;
- a contact name and telephone number (in the free format shared note field); and
- a priority of at least 80.

(iii) *Valid acceptance*

An MTM instruction complying with each of the requirements as to authentication and contents set out in sub-Section (ii) of this Section 5 will constitute a valid acceptance where either:

(a) the MTM instruction settles by not later than 11.00 a.m. on 17 December 2008; or

(b) at the discretion of the Company and the Banks: (i) the MTM instruction is received by Euroclear by not later than 11.00 a.m. on 17 December 2008; (ii) the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction at 11.00 a.m. on 17 December 2008; and (iii) the relevant MTM instruction settles by 2.00 p.m. on 17 December 2008 (or such later date as the Company has determined).

An MTM instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Provider's Communications Host (as this term is defined in the CREST Manual) at Euroclear of the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM instruction by the Network Provider's Communications Host.

(iv) *Representations, warranties and undertakings of CREST members*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this Section 5 represents, warrants and undertakes to the Company and the Banks that he/she/it has taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by him/her or by his/her CREST sponsor (as appropriate) to ensure that the MTM instruction concerned is capable of settlement at 11.00 a.m. on 17 December 2008 and remains capable of settlement at all times after that until 2.00 p.m. on 17 December 2008 (or until such later time and date as the Company and the Banks may determine). In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that at 11.00 a.m. on 17 December 2008 and at all times thereafter that until 2.00 p.m. on 17 December 2008 (or until such later time and date as the Company and the Banks may determine) there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM instruction to settle. CREST sponsored members should contact their CREST sponsor if they are in any doubt. If there is insufficient Headroom within the Cap (as those terms are defined in the CREST manual) in respect of the cash memorandum account of a CREST member or CREST sponsored member for such amount to be debited or the CREST member's or CREST sponsored member's acceptance is otherwise treated as invalid and New Ordinary Shares have already been allotted to such CREST member or CREST sponsored member, the Banks may (in their absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that they have suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the provisions of this Part VI in respect of the acquisition of such shares) on behalf of such CREST member or CREST sponsored member. None of the Company, the Banks nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by such CREST member or CREST sponsored member as a result.

(v) *CREST procedures and timings*

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action.

Normal system timings and limitations will therefore apply in relation to the input of an MTM instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 17 December 2008. In this connection, CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vi) *CREST member's undertaking to pay*

A CREST member or CREST sponsored member, who makes a valid acceptance in accordance with the procedures set out in this Section 5: (a) undertakes to pay to JPMorgan Cazenove Limited, or procure the payment to JPMorgan Cazenove Limited of, the amount payable in Pounds Sterling on acceptance in accordance with the above procedures or in such other manner as JPMorgan Cazenove Limited may require (it being acknowledged that, where payment is made by means of the RTGS payment mechanism (as defined in the CREST Manual) the creation of a RTGS settlement bank payment obligation in Pounds Sterling in favour of the Receiving Agent's RTGS settlement bank (as defined in the CREST Manual), in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to JPMorgan Cazenove Limited the amount payable on acceptance); and (b) requests that the Fully Paid Rights and/or New Ordinary Shares, to which they will become entitled, be issued to them on the terms set out in this document and subject to the memorandum of association and Articles of the Company. Any amount paid to JPMorgan Cazenove Limited will be paid subject to the requirement that the monies can only be applied in acquiring preference shares in Newco as provided in Section 12 of this Part VI.

If the payment obligations of the relevant CREST member in relation to such New Ordinary Shares are not discharged in full and such New Ordinary Shares have already been allotted to the CREST member or CREST sponsored member, the Banks may (in their absolute discretion as to the manner, timing and terms) make arrangements for the sale of such shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of expenses including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and all amounts payable by the CREST member or CREST sponsored member pursuant to the provisions of this Part VI in respect of the acquisition of such shares) or an amount equal to the original payment of the CREST member or CREST sponsored member (whichever is lower) on trust for such CREST member or CREST sponsored member. In these circumstances, the Banks and the Company shall not be responsible for, or have any liability for, any loss, expenses or damage arising as a result.

(vii) Discretion as to rejection and validity of acceptances

The Company and the Banks may:

(a) reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this Section 5. Where an acceptance is made as described in this Section 5 which is otherwise valid, and the MTM instruction concerned fails to settle by 2.00 p.m. on 17 December 2008 (or by such later time and date as the Company and the Banks may determine), the Company and the Banks shall be entitled to assume, for the purposes of their right to reject an acceptance as described in this Section 5, that there has been a breach of the representations, warranties and undertakings set out or referred to in this Section 5;

(b) treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this Section 5;

(c) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as the Company and the Banks may determine;

(d) treat a properly authenticated dematerialised instruction (in this sub-Section the "first instruction") as not constituting a valid acceptance if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(e) accept an alternative instruction or notification from a CREST member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all of part of his/her Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by the Receiving Agent in connection with CREST.

(c) Money Laundering Regulations

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is required to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any MTM instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent any information the Receiving Agent may specify as being required for the purposes of the Money Laundering Regulations or FSMA. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent, having consulted with the Company and the Banks, may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If satisfactory evidence of identity has not been provided within a reasonable time, then the Receiving Agent will not permit the MTM instruction concerned to proceed to settlement but without prejudice to the right of the Company and/or the Banks to take proceedings to recover any loss suffered by it/them as a result of failure by the applicant to provide satisfactory evidence.

(d) Dealings in Nil Paid Rights

Dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence at 8.00 a.m. on 27 November 2008. Dealings in Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of CREST business on 17 December 2008.

(e) Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document, the Fully Paid Rights may be transferred by means of CREST in the same manner as any other security that is admitted to CREST. The last time for settlement of any transfer of Fully Paid Rights in CREST is expected to be 11.00 a.m. on 17 December 2008. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 17 December 2008.

After 17 December 2008, the New Ordinary Shares will be registered in the name(s) of the person(s) entitled to them in the Company's register of members and will be transferable in the usual way.

(f) Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights or, if appropriate, Fully Paid Rights, from CREST is 4.30 p.m. on 11 December 2008, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights or, if appropriate, Fully Paid Rights, following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 17 December 2008. It is recommended that you refer to the CREST Manual for details of such procedures.

(g) Issue of New Ordinary Shares in CREST

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 17 December 2008 (the latest date for settlement of transfers of Fully Paid Rights in CREST). New Ordinary Shares will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST at the close of business on the date on which the Fully Paid Rights are disabled. The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Ordinary Shares with effect from the next Business Day (expected to be 18 December 2008).

(h) Right to allot/issue in certificated form

Despite any other provision of this document, the Company reserves the right to allot and to issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by the Receiving Agent in connection with CREST or otherwise if it has first obtained the Banks' written consent.

6. Procedure in respect of New Ordinary Shares not taken up and withdrawal rights

(a) Procedure in respect of New Ordinary Shares not taken up

If an entitlement to New Ordinary Shares is not validly taken up in accordance with the procedure laid down for acceptance and payment, then the Banks will use reasonable endeavours to procure, by not later than 3.00 p.m. on 19 December 2008, acquirers for all (or as many as possible) of those New Ordinary Shares not taken up if a premium over the total of the Issue Price and the expenses of procuring such acquirers (including any related commissions and amounts in respect of Value Added Tax which are not recoverable) can be obtained.

Notwithstanding the above, the Banks may cease to endeavour to procure any such acquirers if, in the opinion of the Banks, it is unlikely that any such acquirers can be so procured at such a price by such time. If and to the extent that acquirers cannot be procured on the basis outlined above, those of the relevant New Ordinary Shares that are underwritten will be acquired by the Underwriters as principals pursuant to the Underwriting Agreement or by sub-underwriters procured by the Banks, in each case, at the Issue Price and in the Due Underwriting Proportions.

Any premium over the aggregate of the Issue Price and the expenses of procuring acquirers (including any applicable brokerage and commissions and amounts in respect of Value Added Tax which are not recoverable) shall be paid (subject as provided in this Part VI):

(i) where the Nil Paid Rights were, at the time they lapsed, represented by a Provisional Allotment Letter, to the person whose name and address appeared on page 1 of the Provisional Allotment Letter;

(ii) where the Nil Paid Rights were, at the time they lapsed, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST or CCASS; and

(iii) where an entitlement to New Ordinary Shares was not taken up by a Restricted Shareholder, to that Restricted Shareholder.

New Ordinary Shares for which acquirers are procured on this basis will be re-allotted to such acquirers and the aggregate of any premiums (being the amount paid by such acquirers after deducting the price at which the New Ordinary Shares are offered pursuant to the Rights Issue and the expenses of procuring such acquirers including any applicable brokerage and commissions and amounts in respect of Value Added Tax which are not recoverable), if any, will be paid (without interest) to those persons entitled (as referred to above) pro rata to the relevant lapsed provisional allotments, save that no payment will be made of amounts of less than £5.00 (five pounds), which amounts will be aggregated and will ultimately accrue to the benefit of the Company.

Any transactions undertaken pursuant to this Section 6 shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments and none of the Company, the Banks or any other person procuring acquirers shall be responsible for any loss or damage (whether actual or alleged) arising from the terms of or timing of any such acquisition, any decision not to endeavour to procure acquirers or the failure to procure acquirers on the basis described above. Cheques for the amounts due will be sent in Pounds Sterling to UK Shareholders and Hong Kong dollars to HK Shareholders, by post, at the risk of the person(s) entitled, to their registered addresses (in the case of joint holders, to the registered address of the first named), provided that where any entitlement concerned was held in CREST or CCASS, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the Company procuring the creation of an assured payment obligation in favour of the relevant CREST/CCASS member's (or CREST sponsored member's) RTGS settlement bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

Shareholders will not be entitled to apply for New Ordinary Shares in excess of their entitlement.

(b) Withdrawal rights

Persons wishing to exercise statutory withdrawal rights after the issue by the Company of a prospectus supplementing this document must do so by sending a written notice of withdrawal which must include the account number, the full name and address of the person wishing to exercise such right of withdrawal and, if such person is a CREST member, the participant ID and the member account ID of such CREST member, in writing to Computershare Investor Services PLC (for further details, Shareholders should contact Computershare Investor Services PLC on 0870 702 0138 (from inside the UK) or +44 870 702 0138 (from outside the UK)) or on +852 2862 8555 (from inside Hong Kong), no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal. Furthermore, the exercise of withdrawal rights will not be permitted after payment by the relevant person in respect of their New Ordinary Shares in full and the allotment of the New Ordinary Shares to such person becoming unconditional. In such circumstances, Shareholders are advised to consult their professional advisers. Provisional allotments of entitlements to New Ordinary Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Ordinary Shares will be subject to the provisions of Section 6(a) above of this Part VI as if the entitlement had not been validly taken up.

7. Action to be taken by HK Shareholders

Where this document has been sent to Shareholders in Hong Kong, a Provisional Allotment Letter has been enclosed with this document which entitles Qualifying Non-CCASS Shareholders to whom it is addressed to take up the number of New Ordinary Shares shown therein. If a Qualifying Non-CCASS Shareholder wishes to accept all New Ordinary Shares provisionally allotted to them as specified in the Provisional Allotment Letter, they must lodge the Provisional Allotment letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the HK Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4.00 p.m. on 17 December 2008. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Standard Chartered Rights Issue" and crossed "Account Payee Only".

It should be noted that unless the Provisional Allotment Letter, together with the appropriate remittance, has been lodged with the HK Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4.00 p.m. on 17 December 2008, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If a Qualifying Non-CCASS Shareholder wishes to accept only part of their provisional allotment or transfer a part of their rights to take up the New Ordinary Shares provisionally allotted to them under the Provisional Allotment Letter or to transfer all or part of their rights to more than one person, the original Provisional Allotment Letter must be surrendered and lodged for cancellation by no later than 4.30 p.m. on 9 December 2008 with the HK Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, who will cancel the original Provisional Allotment Letter and issue new Provisional Allotment Letters in the denominations required which will be available for collection from the HK Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong after 9.00 a.m. on the second HK Business Day after the surrender of the original Provisional Allotment Letter.

All cheques or cashier orders for the New Ordinary Shares will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any Provisional Allotment Letter in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

8. Application for listing on the Hong Kong Stock Exchange

Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Ordinary Shares, in both nil-paid and fully-paid forms. The New Ordinary Shares do not constitute a new class of securities to be listed on the Hong Kong Stock Exchange.

Subject to the granting of listing of, and permission to deal in, the New Ordinary Shares in their nil-paid and fully-paid forms on the Hong Kong Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the New Ordinary Shares in their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the New Ordinary Shares in their nil-paid and fully-paid forms or such other dates as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Nil Paid Rights are expected to be traded in board lots of 50 (as the Existing Ordinary Shares are currently traded on the Hong Kong Stock Exchange in board lots of 50). Dealings in the nil-paid and fully-paid New Ordinary Shares will be subject to the payment of stamp duty in Hong Kong.

9. Restricted Shareholders

(a) General

The offer of Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares to persons resident in, or who are citizens of, or who have a registered address in countries other than the United Kingdom or Hong Kong may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers whether they require any governmental or other consent or need to observe any other formalities to enable them to take up their rights.

This Section 9 sets out the restrictions applicable to Qualifying Shareholders who have registered addresses outside the United Kingdom or Hong Kong, who are citizens or residents of countries other than the UK or Hong Kong, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside the UK or Hong Kong or who hold Ordinary Shares for the account or benefit of any such person.

New Ordinary Shares have been provisionally allotted to all Qualifying Shareholders, including Restricted Shareholders. However, Provisional Allotment Letters have not been, and will not be, sent to, and Nil Paid Rights will not be credited to CREST or CCASS accounts of, Restricted Shareholders with registered addresses in the United States, Canada, India, South Africa or Switzerland or to their agent or intermediary except where the Company and the Banks are satisfied that such action would not result in a contravention of any registration or other legal requirement in any such jurisdiction.

As required under Rule 13.36(2) of the Hong Kong Listing Rules, the Company has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to the making the Rights Issue in the Excluded Territories. The Company has obtained advice from legal advisers in the United States, Canada, India, South Africa and Switzerland that either (i) this document will be required to be registered or filed with or subject to approval by the relevant authorities in these jurisdictions; or (ii) the Company would need to take additional steps to comply with the local legal and regulatory requirements if the Rights Issue were extended to the Shareholders in these jurisdictions.

Having considered the circumstances, the Directors have formed the view that it is necessary or expedient to exclude certain Shareholders in the United States and Shareholders in Canada, India, South Africa or Switzerland from the Rights Issue due to the time and costs involved in the registration of the document and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Receipt of this document and/or a Provisional Allotment Letter or the crediting of Nil Paid Rights to a stock account in CREST or CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or a Provisional Allotment Letter must be treated as sent for information only and should not be copied or redistributed. No person who has received or receives a copy of this document and/or a Provisional Allotment Letter and/or who receives a credit of Nil Paid Rights to a stock account in CREST or CCASS in any territory other than the United Kingdom or Hong Kong may treat the same as constituting an invitation or offer to him/her, nor should he/she in any event use the Provisional Allotment Letter or deal with Nil Paid Rights or Fully Paid Rights in CREST or Nil Paid Rights in CCASS, in the relevant territory, unless such an invitation or offer could lawfully be made to him/her or the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights in CREST or Nil Paid Rights in CCASS could lawfully be used or dealt with without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons who have received a copy of this document or a Provisional Allotment Letter or whose stock account in CREST is credited with Nil Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the same in or into, or transfer Nil Paid Rights or Fully Paid Rights to any person in or into, any Excluded Territory. If a Provisional Allotment Letter or a credit of Nil Paid Rights or Fully Paid Rights in CREST is received by any person in any such territory, or by his/her agent or nominee, he/she must not seek to take up the rights referred to in the Provisional Allotment Letter or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights in CREST unless the Company and the Banks determine that such actions would not violate applicable legal or regulatory requirements.

Similarly, persons who have received a copy of this document or a Provisional Allotment Letter or whose stock account in CCASS is credited with Nil Paid Rights should not, in connection with the Rights Issue, distribute or send the same in or into, or transfer Nil Paid Rights to any person in or into, any Excluded Territory. If a Provisional Allotment Letter or a credit of Nil Paid Rights in CCASS is received by any person in any such territory, or by his/her agent or nominee, he/she must not seek to take up the rights referred to in the Provisional Allotment Letter or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights in CCASS unless the Company and the Banks determine that such actions would not violate applicable legal or regulatory requirements. Any person who does forward this document or a Provisional Allotment Letter in or into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this Section 9.

Subject to Sections (b) and (c) of this Section 9, any person (including, without limitation, agents, nominees and trustees) outside the United Kingdom or Hong Kong wishing to take up their rights under the Rights Issue must satisfy himself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. **The comments set out in this Section 9 are intended as a general guide only and any Qualifying Shareholder who is in any doubt as to his/her position should consult his/her professional adviser without delay.**

The Company and the Banks may treat as invalid any acceptance or purported acceptance of the offer of Fully Paid Rights, Nil Paid Rights or New Ordinary Shares which appears to the Company or the Banks or their respective agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if, in the case of a Provisional Allotment Letter, it provides for an address for delivery of the share certificates in or, in the case of a credit of New Ordinary Shares in CREST, a CREST member or CREST sponsored member or, in the case of a credit of New Ordinary Shares in CCASS, a CCASS participant whose registered address is in any of the Excluded Territories or any other jurisdiction outside the United Kingdom or Hong Kong in which it would be unlawful to deliver such share certificates or make such a credit or if the Company or the Banks believe or their respective agents believe that the same may violate applicable legal or regulatory requirements. The attention of Qualifying Shareholders with registered addresses in the United States or holding Ordinary Shares on behalf of persons with such addresses is drawn to Section (b) of this Section 9.

Despite any other provision of this document or the Provisional Allotment Letter, the Company and the Banks reserve the right to permit any Qualifying Shareholder to take up his/her rights if the Company and the Banks in their sole and absolute discretion are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the Company and the Banks are so satisfied, the Company will arrange for the relevant Qualifying Shareholder to be sent a Provisional Allotment Letter if he/she is a Qualifying Non-CREST Shareholder or a Qualifying Non-CCASS Shareholder or, if he/she is a Qualifying CREST Shareholder or a Qualifying CCASS Shareholder, arrange for Nil Paid Rights to be credited to the relevant CREST or CCASS stock account.

Those Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in Sections 4(b) and 5(b) of this Part VI.

The provisions of Section 6 of this Part VI will apply to all Restricted Shareholders who do not or are unable to take up New Ordinary Shares provisionally allotted to them. Accordingly, such Restricted Shareholders will be treated as not having taken up their rights to New Ordinary Shares and the Banks will endeavour to procure, on behalf of such Restricted Shareholders, acquirers for the New Ordinary Shares.

Specific restrictions relating to certain jurisdictions are set out below.

(b) Offering restrictions relating to the United States

The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been and will not be registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Accordingly, the Company is not extending the Rights Issue into the United States unless an exemption from the registration requirements of the Securities Act is available and, subject to certain exceptions, none of this document and the Provisional Allotment Letter constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor a Provisional Allotment Letter will be sent to, and no Nil Paid Rights will be credited to, a stock account in CREST or CCASS of any Shareholder with a registered address in the United States. Subject to certain exceptions, Provisional Allotment Letters or renunciations thereof sent from or post marked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

The Company reserves the right to treat as invalid any Provisional Allotment Letter (or renunciation thereof) that appears to the Company or its agents to have been executed in or despatched from the United States, or that provides an address in the United States for the acceptance or renunciation of the Rights Issue, or which does not make the warranty set out in the Provisional Allotment Letter to the effect that the person accepting and/or renouncing the Provisional Allotment (i) is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares from within the United States, (ii) is not in any of the other Excluded Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire New Ordinary Shares or to use the Provisional Allotment Letter in any manner which such person has used or will use it, (iii) is not acting on a non-discretionary basis for a person within the United States or any territory referred to in (ii) above at the time the instruction to accept or renounce was given, and (iv) is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any territory referred to in (ii) above. The Company will not be bound to allot (on a non-provisional basis) or issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour a Provisional Allotment Letter or any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares may be transferred or renounced. In addition, the Company and the Banks reserve the right to reject any MTM instruction sent by or on behalf of any CREST member or any instruction sent by or on behalf of any CCASS participant with a registered address in the United States in respect of the Nil Paid Rights.

Until the expiration of the 40-day period beginning on the date of this document, an offer to sell or a sale of, or acquisition of, the New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters within the United States by a broker/dealer (whether or not it is participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

(c) Other overseas territories

Provisional Allotment Letters have been and, where relevant, will be posted to Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders (other than, subject to certain limited exceptions, those Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders who have registered addresses in the United States, Canada, India, South Africa or Switzerland) and Nil Paid Rights have been and, where relevant, will be credited to the CREST stock accounts of Qualifying CREST Shareholders and the CCASS stock accounts of Qualifying CCASS Shareholders (other than, subject to certain limited exceptions, those Qualifying CREST Shareholders and Qualifying Non-CCASS Shareholders who have registered addresses in the United States, Canada, India, South Africa or Switzerland). No offer of or invitation to take up New Ordinary Shares is being made by virtue of this document or the Provisional Allotment Letters into the United States, Canada, India, South Africa or Switzerland. Qualifying Shareholders in jurisdictions other than those specified above may, subject to the laws of their relevant jurisdiction, accept their rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders only, the Provisional Allotment Letter.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of countries other than the United Kingdom or Hong Kong should consult their appropriate professional advisers whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights or to acquire Fully Paid Rights (UK Shareholders only) or New Ordinary Shares.

If you are in any doubt as to your eligibility to accept the offer of New Ordinary Shares or to deal with Nil Paid Rights or Fully Paid Rights, you should contact your appropriate professional adviser immediately.

10. Representations and warranties relating to Restricted Shareholders

(a) Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the New Ordinary Shares comprised therein represents and warrants to the Company and the Banks that, except where proof has been provided to the Company's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares, from within the United States, (ii) such person is not in any of the other Excluded Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire New Ordinary Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it, (iii) such person is not acting on a non-discretionary basis for a person within the United States or any territory referred to in (ii) above at the time the instruction to accept or renounce was given, and (iv) such person is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into the United States or any territory referred to in (ii) above. The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it: (a) appears to the Company to have been executed in or despatched from the United States or any of the other Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement, (b) provides an address in the United States or any of the other Excluded Territories for delivery of definitive share certificates for New Ordinary Shares or any jurisdiction outside the United Kingdom or Hong Kong in which it would be unlawful to deliver such certificates, or (c) purports to exclude the warranty required by this Section.

(b) Qualifying CREST Shareholders and Qualifying CCASS Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in Section 5 of this Part VI and a CCASS participant who makes a valid acceptance represents and warrants to the Company and the Banks that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States, (ii) such person is not in any of the other Excluded Territories or in any territory in which it is otherwise unlawful to make or accept an offer to acquire Fully Paid Rights or New Ordinary Shares, (iii) such person is not accepting on a non-discretionary basis for a person within the United States or any territory referred to in (ii) above at the time the instruction to accept was given, and (iv) such person is not acquiring Fully Paid Rights or New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Fully Paid Rights or New Ordinary Shares into the United States or any territory referred to in (ii) above.

The Company may treat as invalid any MTM instruction which appears to the Company to have been despatched from the United States or the Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believes the same may violate any applicable legal or regulatory requirement or purports to exclude the warranty required by this Section.

11. Taxation

Information on taxation in the United Kingdom with regard to the Rights Issue is set out in Section 10 of Part XIII of this document. Information on taxation in Hong Kong with regard to the Rights Issue is set out in Section 11 of Part XIII of this document. The information contained in Sections 10 and 11 of Part XIII of this document is intended only as a general guide to the current tax position in the United Kingdom and in Hong Kong, respectively. Qualifying Shareholders in the United Kingdom and Hong Kong should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. **Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate professional adviser immediately.**

12. Rights Issue structure

The Company will issue the New Ordinary Shares in consideration for the transfer to it by JPMorgan Cazenove Limited of certain issued ordinary and the entire issued redeemable preference share capital of Newco, which will result in the Company owning the entire issued share capital of Newco, the only assets of which will be its cash resources. These resources will represent the net proceeds of the Rights Issue. The Company will be able to utilise this amount by redeeming the redeemable preference shares it will then hold in Newco. The structure of the Rights Issue is expected to have the effect of creating distributable reserves equal to the net proceeds of the Rights Issue less the nominal value of the New Ordinary Shares. Accordingly, by taking up New Ordinary Shares under the Rights Issue and submitting a valid payment in respect thereof, a Qualifying Shareholder instructs the Receiving Agent and the HK Registrar (i) to the extent of a successful application under the Rights Issue, to apply such payment (after deduction of certain agreed fees, costs and expenses) on behalf of JPMorgan Cazenove Limited solely to acquire preference shares in Newco and (ii) to the extent of an unsuccessful application under the Rights Issue, to return the relevant payment without interest to the applicant. Further details of this structure are set out in Section 8 of Part XIII of this document.

13. Times and dates

The Company shall, in its discretion and after consultation with its financial and legal advisers (and with the agreement of the Banks), be entitled to amend the date that dealings in Nil Paid Rights commence and amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this document and in such circumstances shall notify the UK Listing Authority, the Hong Kong Stock Exchange and a Regulatory Information Service and, if appropriate, Shareholders, but Qualifying Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two days or fewer prior to the date specified in this document as the latest date for acceptance under the Rights Issue (or such later date as may be agreed between the Company and the Banks), the latest date of acceptance under the Rights Issue shall be extended to the date which is three Dealing Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

14. Governing law and jurisdiction

The terms and conditions of the Rights Issue as set out in this document and the Provisional Allotment Letter (where appropriate) and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter (where appropriate). By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders only, the Provisional Allotment Letter, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

15. Persons who hold Ordinary Shares through Computershare Company Nominees Limited (the Standard Chartered ShareCare Nominee Account)

Persons who own Ordinary Shares through the Standard Chartered ShareCare Nominee Account will have received a form of election which they should complete and return in accordance with the instructions set out on that form if they wish to participate in the Rights Issue. If you have any questions you should contact the Shareholder Helpline on 0870 702 0138 (from inside the UK) or +44 870 702 0138 (from outside the UK).

PART VII

INFORMATION ON STANDARD CHARTERED

1. History and development

(a) Company information

The Group is an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East. The Group has a network of approximately 1,750 branches and outlets in over 70 countries and territories and approximately 75,000 employees.

(b) History and development

Standard Chartered is a public limited company domiciled in England and Wales. Standard Chartered, the ultimate holding company of SCB, was incorporated and registered in England and Wales on 18 November 1969 as a company limited by shares. Its ordinary shares and preference shares are listed on the Official List and traded on the London Stock Exchange. Standard Chartered's ordinary shares are also listed on the Hong Kong Stock Exchange. Standard Chartered operates under the Companies Acts 1985 and 2006 and its registered number is 966425. Standard Chartered's registered office is at 1 Aldermanbury Square, London EC2V 7SB, and its principal place of business in the United Kingdom is at 1 Basinghall Avenue, London EC2V 5DD. Standard Chartered's telephone number is +44(0)20 7885 8888. Standard Chartered adopted new articles of association on 7 May 2008.

2. Organisational structure

The Group, through SCB and its subsidiaries, operates two business divisions: Consumer Banking and Wholesale Banking.

3. Business overview

Set out below is an overview of the business of the Group as carried on in the last three financial years.

(a) Consumer Banking

Consumer Banking provides innovative products and services to over 14 million customers, including individuals and small and medium enterprises in Asia, Africa and the Middle East. In 2007, Consumer Banking launched The Standard Chartered Private Bank to serve the growing demand for more specialised products and services tailored for high net worth individuals in SCB's markets. Consumer Banking is focused on continuously improving the benefits and experience of its customers.

(b) Wholesale Banking

Wholesale Banking provides a wide range of solutions to help corporate and institutional clients facilitate trade and finance across some of the fastest growing markets and trade corridors in today's global economy. Its focus is on building a client-driven business, being the leading international bank of choice in Asia, Africa and the Middle East and leveraging its in-depth local knowledge and extensive cross-border network.

(c) Geographic Markets

The Group's network covers Asia Pacific, the Middle East, South Asia, Africa, the Americas, the United Kingdom and Europe.

Hong Kong

For the six months ended 30 June 2008, Hong Kong activities contributed US$1,219 million operating income and US$656 million profit before tax to the Group. For the year ended 31 December 2007, Hong Kong activities contributed US$2,068 million operating income and US$1,193 million profit before tax to the Group.

Singapore, Malaysia and Other Asia Pacific Regions

For the six months ended 30 June 2008, Singapore, Malaysia and other Asia Pacific business contributed US$2,179 million operating income and US$822 million profit before tax to the Group. For the year ended 31 December 2007, Singapore, Malaysia and other Asia Pacific business contributed US$3,452 million operating income and US$1,254 million profit before tax to the Group.

Singapore is one of the Group's top five markets by pre-tax operating profits and Standard Chartered was among the first four foreign banks in Singapore to be awarded a Qualifying Full Bank licence in October 1999.

The Group continues to be well positioned in a range of faster expanding markets in the Asia Pacific region. In China in the first six months of 2008 the Group expanded the network to 43 outlets and opened further branches in the second half of the year. Operating income in China increased 24 per cent. to US$306 million in the first six months of 2008 compared with the first six months of 2007. The acquisition of Hsinchu International Bank in 2006 (subsequently renamed Standard Chartered Bank (Taiwan) Limited) made the Group the largest international bank in Taiwan. In Indonesia, Standard Chartered increased its stake in PT Permata Bank Tbk in 2006, reinforcing its position as the country's largest international bank.

Korea

The Group acquired Korea First Bank, a major banking group in the Republic of Korea (South Korea) in April 2005 and completed the rebranding as SC First Bank in September 2005. In November 2005, SCB's branch business in South Korea was integrated with SC First Bank.

For the six months ended 30 June 2008, Korea contributed operating income of US$867 million and profit before tax of US$209 million to the Group. For the year ended 31 December 2007, Korea contributed operating income of US$1,564 million and profit before tax of US$324 million to the Group.

India

In India, the Group operates the country's largest international bank in terms of branches and had 90 branches and over 18,000 employees (including the global shared service centre in Chennai) as at 30 June 2008.

For the six months ended 30 June 2008, India contributed operating income of US$975 million and profit before tax of US$606 million to the Group, making it the Group's second largest contributor of income and profits after Hong Kong. For the year ended 31 December 2007, India contributed operating income of US$1,308 million and profit before tax of US$690 million to the Group.

Middle East and other South Asia

For the six months ended 30 June 2008, Middle East and other South Asia contributed operating income of US$888 million and profit before tax of US$386 million to the Group. For the year ended 31 December 2007, Middle East and other South Asia contributed operating income of US$1,428 million and profit before tax of US$591 million to the Group.

In the United Arab Emirates, the Group operates a larger branch network than any other international bank.

Standard Chartered Bank (Pakistan) Limited is the largest international bank in Pakistan; it is now the fifth largest bank in terms of total revenue.

Africa

The Group offers Consumer Banking and Wholesale Banking services in Africa. Its core African markets are Botswana, Ghana, Kenya, Nigeria, Zambia, Tanzania and Uganda.

For the six months ended 30 June 2008, Africa contributed operating income of US$434 million and profit before tax of US$157 million to the Group. For the year ended 31 December 2007, Africa contributed operating income of US$795 million and profit before tax of US$298 million to the Group.

Americas, United Kingdom and Europe

The Group's principal activities in the Americas, the United Kingdom and Europe are focused on serving clients with needs in Asia, Africa and the Middle East, offering specialised products to multinational organisations. In New York, the Group is one of the leading clearers of US dollar payments. The Group's head office in London provides governance and regulatory standards across the Standard Chartered network.

For the six months ended 30 June 2008, the Group's operations in the Americas, the United Kingdom and Europe contributed operating income of US$425 million and a loss before tax of US$250 million to the Group. For the year ended 31 December 2007, the Group's operations in the Americas, the United Kingdom and Europe contributed operating income of US$452 million and a loss before tax of US$315 million to the Group.

(d) Breakdown of revenue

A breakdown of total revenues by category of activity and geographic market for the FY 2006 and FY 2007 is given on pages 100 to 103 of Standard Chartered's 2007 Annual Report (which is incorporated into this document by reference) and a breakdown of total revenues by category of activity and geographic market for the FY 2005 and FY 2006 is given on pages 87 to 90 of Standard Chartered's 2006 Annual Report (which is incorporated into this document by reference).

(e) Intellectual property

The Company has no intellectual property rights which are material to the Group other than trademark registrations and applications. The Company has approximately 295 trademark registrations for, and approximately 152 applications for registration relating to, the Standard Chartered name and/or Standard Chartered logo (or variations thereof) in all countries where the Group has significant operations. In addition, in specific countries, the Company has 701 trademark registrations for, and 256 applications for registration relating to, other trademarks relevant to its products and/or business. Other than in respect of the Standard Chartered name and/or Standard Chartered logo, the Group is not materially dependent on any intellectual property right.

4. Principal subsidiaries

Principal subsidiaries

The principal subsidiary undertakings of Standard Chartered, all indirectly held and principally engaged in the business of banking and provision of other financial services, are as follows:

Name and place of incorporation or registration	Main areas of operation	Company's indirect interest in ordinary share capital
SCB, England and Wales	UK, Middle East, South Asia, Asia Pacific, Americas and, through Group companies, Africa	100 per cent.
Standard Chartered First Bank Korea Limited	Korea	100 per cent.
Standard Chartered Bank Malaysia Berhad, Malaysia	Malaysia	100 per cent.
Standard Chartered Bank (Pakistan) Limited, Pakistan	Pakistan	99.0 per cent.
Standard Chartered Bank (Taiwan) Limited, Taiwan	Taiwan	100 per cent.
Standard Chartered Bank (Hong Kong) Limited, Hong Kong	Hong Kong	100 per cent.
Standard Chartered Bank (China) Limited, China	China	100 per cent.
Standard Chartered Bank (Thai) Public Company Limited, Thailand	Thailand	99.97 per cent.
Standard Chartered Receivables (UK) Limited, England and Wales	UK	100 per cent.
Standard Chartered Financial Investments Limited, England and Wales	UK	100 per cent.
Standard Chartered Debt Trading Limited, England and Wales	Hong Kong	100 per cent.
Standard Chartered Private Equity Limited, Hong Kong	Hong Kong	100 per cent.
American Express Bank Ltd	Americas, Europe, South Asia and Asia Pacific	100 per cent.

Joint ventures

The Group has a 44.51 per cent. interest through a joint venture company which holds a majority investment in PT Permata Bank Tbk. PT Permata Bank Tbk is a national bank in Indonesia. It was formally established in 2002 when the Indonesian Bank Restructuring Agency merged five banks under its custody: PT Bank Bali Tbk, PT Bank Universal Tbk, PT Bank Prima Express, PT Bank

Artamedia and PT Bank Patriot. In 2004, SCB and PT Astra International Tbk acquired PT Permata Bank Tbk. To further their commitment, joint ownership of these major shareholders in the bank was increased to 89 per cent. in 2006.

The Group has a 49 per cent. interest in UTI Securities Limited in India, subsequently renamed as Standard Chartered – STCI Capital Markets Limited. It is engaged in the business of stock broking (retail and institutional including internet trading), investment banking, depository and distribution of financial products.

Principal associates

The Group's principal associates are:

Associate	Main areas of operation	Group interest in ordinary share capital
China Bohai Bank	China	19.9 per cent.
Fleming Family & Partners	Asia	20.0 per cent.
First Africa Holdings	Africa	25.0 per cent.
MCashback Limited	UK	30.0 per cent.
Merchant Solutions Limited	Hong Kong	44.0 per cent.
Asia Commercial Bank	Vietnam	15.0 per cent.

The investments in China Bohai Bank and Asia Commercial Bank are less than 20 per cent. but they are considered to be associates because of the significant influence the Group is able to exercise over the Companies' management, financial and operating policies.

Other connected persons

The following table indicates the subsidiary undertakings of Standard Chartered in which there is a shareholder with an interest in 10 per cent. or more of the voting share capital. No options have been granted in respect of such interests:

	Subsidiary	Business Description	Name and % of External Shareholder	External Shareholder's % interest
1.	Standard Chartered Bank Gambia Limited (Gambia)	Banking Services	Social Security and Housing Finance Corporation (Gambia)	16.9 per cent.
2.	Standard Chartered Bank Ghana Limited (Ghana)	Banking Services	Social Security and National Insurance Trust (SSNIT). SSNIT is a statutory public Trust charged with the administration of Ghana's National Pension Scheme	14.34 per cent.
3.	CWB Capital Partners Limited (UK)	Joint venture investment vehicles established to facilitate new Private Equity fund with WestLB following the sale of SC's UK Merchant Bank to WestLB in late 1980s	WestLB (UK)	25 per cent.
	Standard Chartered (SFD No.1) Limited (UK)			11 per cent.
	Standard Chartered (SFD No.2) Limited (UK)			25 per cent.
	CWB Capital Partners (Investments) Limited (UK)			49.99 per cent.
	CWB Capital Partners (Nominees) Limited (UK)			49.99 per cent.

5. Principal investments

A description of the Company's principal acquisitions for the FY 2005 and FY 2006 is given on pages 105 to 109 of its 2006 Annual Report (which is incorporated into this document by reference); a description of the Company's principal acquisitions for the FY 2006 and FY 2007 is given on pages 119 to 120 of its 2007 Annual Report (which is incorporated into this document by reference); and a description of the Company's principal acquisitions for the period 1 January 2008 to 30 June 2008 is given on pages 59 to 61 of its 2008 Interim Report (which is incorporated into this document by reference).

Details are provided below of the principal acquisitions made by the Group during the period between 30 June 2008 and 21 November 2008 (the latest practicable date prior to the publication of this document). Each of these acquisitions was financed wholly from the Group's existing cash resources.

On 13 November 2008, it was announced that Standard Chartered Bank (Hong Kong) Limited had entered into an agreement to acquire 100 per cent. of the share capital of Cazenove Asia Limited. The acquisition is subject to certain regulatory approvals and is expected to be completed in the first quarter of 2009.

On 7 October 2008, it was announced that Standard Chartered Bank (Taiwan) Limited had been named as the preferred bidder in a government auction to acquire the 'good bank' portion of Asia Trust and Investment Corporation in Taiwan. The transaction, which is subject to certain conditions, including regulatory approvals, is expected to be completed by the end of 2008.

On 24 July 2008, Standard Chartered Bank (Hong Kong) Limited acquired a further 6.16 per cent. of the ordinary shares in Asia Commercial Bank, Vietnam ("ACB") and a further 7.10 per cent. in the convertible bonds of ACB. The transaction increased the investment of the Standard Chartered Group in ACB from 8.84 per cent. of ACB's ordinary shares to 15.00 per cent. and from 8.76 per cent. of ACB's convertible bonds to 15.86 per cent.

6. Property, plant and equipment

As of 31 December 2007, the Group's global network consisted of 2,031 commercial properties, of which 374 were directly owned and 1,657 were leased.

The net book value of all of the Group's properties as at 31 December 2007 was US$2,450 million, of which US$1,752 million represented freehold and long leasehold interests. All of the Group's properties are occupied for the Group's own activities. There has been no significant acquisition or disposal in the portfolio of properties since 31 December 2007.

All property is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Land is not depreciated although it is subject to impairment testing. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

Principal properties by size

The aggregate area of the Group's principal properties (being the Group's properties each having a net area of over 100,000 square feet or more) was 3.6 million square feet at 31 December 2007, representing 23 per cent. of the area of all the Group's property portfolio as at 31 December 2007.

Country	Building	Owned/Leased	Area (Square Feet)
South Korea	Head Office	Owned	430,037
Thailand	Sathornthani	Owned	268,614
Hong Kong	SC Tower	Owned	241,349
Taiwan	106 Jhongyang	Owned	238,819
Singapore	6 Battery Road	Leased	217,340
UK	Basinghall	Leased	204,510
Malaysia	Menara SCB	Leased	162,006
India – Chennai	Haddows Road – Asia	Owned	161,120
Singapore	Plaza By the Park	Leased	155,602
India – Mumbai	SC Tower	Owned	155,231
Hong Kong	Des Voeux Road	Leased	154,687
Taiwan	107 Minsheng Road	Owned	154,082
South Korea	IT Centre	Owned	139,283
Zimbabwe	Avondale	Owned	136,410
Dubai	DIFC	Owned	132,000
Indonesia	Wisma SCB	Leased	124,915
China	SC Tower	Owned	118,452
Sri Lanka	SCB Old Building	Owned	110,691
Bangladesh	SCB House	Leased	109,237
Bahrain	Government Avenue	Owned	106,094
Dubai	Al Fardan	Leased	100,886

PART VIII

INFORMATION CONCERNING THE NEW ORDINARY SHARES

1. Description of the type and class of securities admitted

The New Ordinary Shares will be Ordinary Shares with a nominal value of US$0.50 each. The ISIN of the New Ordinary Shares will be GB0004082847. The New Ordinary Shares will be created under the Companies Act and the Memorandum and Articles of Association of Standard Chartered.

The New Ordinary Shares will be credited as fully paid and free from all liens, equities, charges, encumbrances and other interests, and rank in full for all dividends and distributions on the ordinary share capital of the Company declared, made or paid after the date of allotment and issue of the New Ordinary Shares.

2. Listing

Application has been made to the UK Listing Authority for the New Ordinary Shares (nil and fully paid) to be admitted to the Official List, to the London Stock Exchange for the New Ordinary Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities and to the Hong Kong Stock Exchange for listing of and permission to deal in the New Ordinary Shares (nil and fully paid) on the Hong Kong Stock Exchange. UK Admission is expected to become effective and dealings commence in the New Ordinary Shares on 27 November 2008. HK Admission is expected to become effective and dealings commence in the New Ordinary Shares on 23 December 2008. Listing of the New Ordinary Shares will not be sought on any stock exchange in connection with the Rights Issue other than the London Stock Exchange and the Hong Kong Stock Exchange.

3. Form and currency of the New Ordinary Shares

The New Ordinary Shares resulting from the Rights Issue will be issued in registered form and will be capable of being held in certificated and uncertificated form.

Title to the certificated New Ordinary Shares will be evidenced by entry in the register of members of the Company and title to uncertificated New Ordinary Shares will, in respect of UK Shareholders, be evidenced by entry in the operator register maintained by Euroclear (which forms part of the register of the Company). The registrars of the Company are Computershare Investor Services PLC and Computershare Hong Kong Investor Services Limited.

If any New Ordinary Shares are converted to be held in certificated form, share certificates will be issued in respect of those shares in accordance with the Articles and applicable legislation.

The New Ordinary Shares will be denominated in US dollars.

4. Rights attached to the New Ordinary Shares

Each New Ordinary Share will rank *pari passu* in all respects with each Existing Ordinary Share and has the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as the other Ordinary Shares, as set out in the Articles. These rights are set out in Section 4 of Part XIII.

5. Dividends

Given the timing of the Rights Issue, falling as it does near the end of the financial year, the Company intends to distribute by way of final dividend for the financial year ending 31 December 2008 the same absolute monetary amount as it would have done had the Rights Issue not been implemented. The level of dividends per Ordinary Share in future will reflect the long term growth of the Group's business and will depend upon, among other things, expected future earnings, capital requirements of the Group and general prevailing financial and business conditions.

Subject to the provisions of the Companies Act and the Articles, the Company may pay dividends upon a recommendation by the Board and approval by a majority of the Shareholders, who have the right to decrease but not to increase the amount of the dividend recommended by the Board. Such dividends are known as final dividends and become a debt payable to Shareholders when they are approved by the Shareholders. Subject to the provisions of the Companies Act and the Articles, the

Board may declare and pay dividends without Shareholder approval. Such dividends are known as interim dividends and, unlike final dividends, become a debt payable to the Shareholders only upon actual payment. The Board may also pay any dividend payable at a fixed rate at intervals settled by the Board in accordance with the terms of issue of the shares to which such dividend attaches.

The Board normally declares an interim dividend on Ordinary Shares in respect of the first half of a financial year representing a proportion of the total anticipated dividend distribution for the full financial year. If an interim dividend is declared, it is usually paid in October with any final dividend being paid during May.

Dividends are declared in US$ but are paid in Pounds Sterling to UK registered Shareholders, and in HK$ to Shareholders on the Hong Kong branch register. All Shareholders can elect to receive payment in Pounds Sterling, US$ or HK$.

(a) Ordinary Shares

The dividends (in US cents) paid on the Ordinary Shares in respect of the last five years were as follows:

	Dividend per ordinary share (US cents)
2008 Interim	25.67
2007 Final	56.23
2007 Interim	23.12
2006 Final	50.21
2006 Interim	20.83
2005 Final	45.06
2005 Interim	18.94
2004 Final	40.44
2004 Interim	17.06
2003 Final	36.49
2003 Interim	15.51

(b) Preference Shares

The total dividends paid on preference shares in respect of the last five years were as follows:

	Total Dividend Paid (US$ millions)			
	7⅜ per cent. preference shares of £1 each	**8¼ per cent. preference shares of £1 each**	**6.409 per cent. preference shares of US$5 each**	**8.9 per cent. preference shares of US$5 each**
2007	15	16	28	–
2006	14	15	3	22
2005	14	15	–	29
2004	14	15	–	29
2003	12	13	–	30

6. Resolutions, authorisations and approvals relating to the New Ordinary Shares

By ordinary resolution passed on 3 May 2001, the authorised ordinary share capital of the Company was increased to 2,632,000,000 Ordinary Shares of US$0.50 by the creation of 1,129,000,000 ordinary shares of US$0.50 each.

At an annual general meeting of the Company held on 7 May 2008, the Board was authorised, generally and without conditions, to allot relevant securities (as defined in the Companies Act 1985) up to a maximum of US$235,070,165 nominal value in connection with a pre-emptive offer to Shareholders. The New Ordinary Shares are being allotted under this authority.

7. Dates of issue and settlement

The New Ordinary Shares were provisionally allotted on 24 November 2008. The provisional allotment is expected to be confirmed on 18 December 2008 and those entitled to New Ordinary Shares are expected to be entered on the Company's register of members on 18 December 2008.

8. Description of restrictions on free transferability

Save as set out below, the New Ordinary Shares are freely transferable.

The Company may, under the Companies Act, send out statutory notices to those it knows or has reasonable cause to believe have an interest in its shares, asking for details of those who have an interest and the extent of their interest in a particular holding of shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it, the Company can apply to the court for an order directing, among other things, that any transfer of the shares which are the subject of the statutory notice is void.

The Directors may also, without giving any reason, refuse to register the transfer of any Ordinary Shares which are not fully paid.

9. Mandatory takeover bids, squeeze-out and sell-out rules

Other than as provided by the City Code, the Hong Kong Code on Takeovers and Mergers and Chapter 3 of Part 28 of the Companies Act 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Ordinary Shares.

10. Public takeover bids in the last and current financial years

There have been no public takeover bids by third parties in respect of the share capital of the Company in the last or current financial year.

11. Taxation

Please see Section 10 of Part XIII of this document for information relating to UK taxation (including a discussion of UK stamp duty and SDRT which is relevant to holders of New Ordinary Shares, irrespective of their tax residence). Please see Section 11 of Part XIII of this document for information relating to Hong Kong taxation.

PART IX

DIRECTORS AND EMPLOYEES

1. Directors

Biographical details of the Directors (apart from Steve Bertamini and John Paynter) are given on pages 62 to 63 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

Biographical details of Steve Bertamini are given in the announcement by the Company made on 22 April 2008 announcing his appointment, which is incorporated into this document by reference.

Biographical details of John Paynter are given in the announcement by the Company made on 16 September 2008 announcing his appointment, which is incorporated into this document by reference.

The Directors hold or have held in the past five years the following directorships in companies in addition to their directorships of Standard Chartered and past or current members of the Group and are or have been a member of any of the following partnerships in the past five years.

Director	Company	Position	Still held
E Mervyn Davies	Breakingviews Limited	Director	Yes
	FF&P Private Equity Limited	Director	Yes
	Fleming Family & Partners Limited	Director	Yes
	Hong Kong Association (The)	Director	Yes
	Nordic Windpower Limited	Director	Yes
	Tottenham Hotspur Public Limited Company	Director	Yes
	Trinity Limited	Director	Yes
	Albion Equity Partners LLP	Member	Yes
	Ingenious Film Partners 2 LLP	Member	Yes
	Tesco plc	Director	No
	Wyfold UK Limited	Director	No
Peter Sands	British Bankers' Association	Board Member	Yes
	Global Business Coalition	Director	Yes
	The Roundhouse Trust	Director	Yes
	Ingenious Film Partners 2 LLP	Member	Yes
Richard Meddings	3i Group plc	Director	Yes
	The Indo British Partnership Network	Director	No
	UK-India Business Council	Director	No
Steve Bertamini	Mastercard Asia/Pacific Regional Advisory Board	Director	Yes
	United Group Australia	Director	No
	GE Liquidity Australia Pty Ltd	Director	No
	GE Holdings Australia Pty Ltd	Director	No
	GE Investments Australia Pty Ltd	Director	No
	GE Capital Australia Funding Pty Ltd	Director	No
	GE Capital Australia Cash Pool Pty Ltd	Director	No
	GE Finance Australia Pty Ltd	Director	No
	GE Finance Australia II Pty Ltd	Director	No
	GEMICO Holdings	Director	No
	GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd	Director	No
	GE Mortgage Insurance Pty	Director	No
	GE Capital Finance Australasia Pty Ltd	Director	No
	GE Mortgage Solutions Ltd	Director	No
	GE Capital Finance Australia (Unlimited)	Director	No
	Avco Australia Pty Ltd	Director	No
	Avco Access Pty Ltd	Director	No
	Hallmark Life Insurance Co Ltd	Director	No
	Hallmark General Insurance Co Ltd	Director	No

Director	Company	Position	Still held
	Capital Australis Pty Ltd	Director	No
	GE Finance Australasia Pty Ltd (formerly Australian Guarantee Corporation Pty Ltd)	Director	No
	AOC Holdings Pty Ltd	Director	No
	Traders Finance Corporation Pty Ltd	Director	No
	GE (Leasing) Pty Ltd	Director	No
	GE (Finance) Pty Ltd	Director	No
	GE (General Finance) Pty Ltd	Director	No
	GE Automotive Financial Services (Unlimited)	Director	No
	GE Finance Holdings Hold Co Pty Ltd	Director	No
	GE Finance Holdings Operating Co Pty Ltd	Director	No
	GE Capital International Holdings Australia Pty Ltd	Director	No
	GE Capital International Holdings Australia Operating Co Pty Ltd	Director	No
	Morlan Pty Ltd	Director	No
	Beargen Pty Limited	Director	No
	Australian Mortgage Securities Ltd	Director	No
	AFIG Wholesale Pty Ltd	Director	No
	Australian Securitisation Management Pty Ltd	Director	No
	Moneywizard Limited	Director	No
	AMS Investment Pty Ltd	Director	No
	Wizard Home Loans Pty Ltd	Director	No
	Wizard Financial Solutions Pty Ltd	Director	No
	Australian Financial Investments Group Ltd	Director	No
	Pamigav Pty Ltd	Director	No
	GE Capital Australia (Unlimited)	Director	No
	Ogygian Pty Ltd	Director	No
	Alcyone Australia Pty Ltd	Director	No
	GE Capital Insurance (Australia) Pty Ltd	Director	No
	GE Commercial Finance Australia Pty Ltd	Director	No
	Wizard Financial Services Limited (NZ)	Director	No
	AMS NZ Funds Limited	Director	No
	Australian Mortgage Securities (NZ) Ltd	Director	No
	GE Consumer Finance NZ	Director	No
	GE Commercial Finance NZ	Director	No
	GE Capital (NZ) Ltd	Director	No
	Hallmark Life Insurance Company Limited (New Zealand Branch)	Director	No
	GE Finance and Insurance (NZ)	Director	No
	GE Finance and Insurance	Director	No
	Gellco Infrastructure Services Pty Limited	Director	No
	GE Uluru Pty Limited	Director	No
	Traders Finance Corporation Proprietary Limited	Director	No
	GEASF Nominees Pty Limited	Director	No
	GE Capital Holdings Pty	Director	No
	GECCA Pty Ltd	Director	No
	CE DF and CEF Holdings Proprietary Limited	Director	No
	GE CF and CEF Finance Proprietary Limited	Director	No
	AGC (Finance) Proprietary Limited	Director	No
	AGC (General Finance) Proprietary Limited	Director	No
	AGC (Leasing) Proprietary Limited	Director	No
	Australian Guarantee Corporation Proprietary Limited	Director	No
	GE Personal Finance Pty Limited	Director	No

Director	Company	Position	Still held
	Avco Access Pty Ltd	Director	No
	Avco Australia Pty Ltd	Director	No
	Capital Australis Pty Ltd	Director	No
	GE Card Company of Australia Pty Ltd	Director	No
	Avco Financial Services Ltd	Director	No
	Avco Access Ltd	Director	No
	Avco Financial Services International, Inc NZ branch	Director	No
	GE Commercial Corporation (Australia) Pty Ltd NZ branch	Director	No
	Gellco Infrastructure Services Pty Ltd.	Director	No
	Luccino Pty Limited	Director	No
	Nurley Pty Limited	Director	No
	Rohenryn Pty Limited	Director	No
	Makaasar Pty Limited	Director	No
	Zinadene Pty Ltd	Director	No
	Brindalane Ptv Limited	Director	No
	GE,(China) Co. Ltd	Director	No
	GE (China) Research and Development Center Co Ltd (CTC)	Director	No
	GE (China) Finance Leasing Co. Ltd.	Director	No
	GE Commerce (Shanghai) Co. Ltd, (CEPA)	Director	No
	GE Capital Asia Pacific Ltd	Director	No
Gareth Bullock	Fleming Family & Partners Limited	Director	Yes
	M Cashback Limited	Director	Yes
	Spirax-Sarco Engineering plc	Director	Yes
	Bullant Ltd	Director	No
John Peace	Burberry Group plc	Director	Yes
	Experian Holdings Limited	Director	Yes
	Experian North America, Inc	Director	Yes
	Experian plc (Jersey)	Director	Yes
	Musto Limited	Director	Yes
	The Work Foundation	Director	Yes
	Experian Goad (Holdings)	Director	No
	Experian Group Limited	Director	No
	Experian International Limited	Director	No
	Experian Finance PLC	Director	No
	Experian Limited	Director	No
	Experian NA Holdings Limited	Director	No
	Experian NA Limited	Director	No
	Experian US Holdings Limited	Director	No
	Experian US Limited	Director	No
	Experian plc (United Kingdom)	Director	No
Jamie Dundas	Drax Group plc	Director	Yes
	Jupiter Asset Management Group Limited	Director	Yes
	Jupiter Fund Management Group Limited	Director	Yes
	Jupiter Investment Management Holdings Limited	Director	Yes
	Macmillan Cancer Support	Director	Yes
	Cancerbackup	Director	Yes
	The Property Investment Market Limited	Director	Yes
	The Property Investment Market Operations Limited (entered into members' voluntary liquidation)	Director	Yes
	Xchangeco Limited (entered into members' voluntary liquidation)	Director	Yes

Director	Company	Position	Still held
	J Sainsbury plc	Director	No
	D III LLP	Member	Yes
	Oxiana Property LLP	Member	Yes
Val Gooding	J Sainsbury plc	Director	Yes
	Lawn Tennis Association	Director	Yes
	British Broadcasting Corporation	Director	Yes
	British United Provident Association Limited (The)	Director	No
	BAA plc	Director	No
	BUPA Insurance Limited	Director	No
	BUPA Health Assurance Limited	Director	No
	BUPA Insurance Services Limited	Director	No
	BUPA Membership Limited	Director	No
	Sanitas S.A. De Seguros	Director	No
	GB Airways Limited	Director	No
	Compass Group Foundation	Director	No
	Compass Group plc	Director	No
Rudy Markham	AstraZeneca plc	Director	Yes
	Legal & General Group PLC	Director	Yes
	The Financial Reporting Council Limited	Director	Yes
	United Parcel Service, Inc	Director	Yes
	JohnsonDiversey Holdings, Inc	Director	No
	Unilever N.V.	Director	No
	Unilever plc	Director	No
Ruth Markland	The Sage Group plc	Director	Yes
	WRVS	Director	Yes
	Home Choice Meals Limited (entered into members' voluntary liquidation)	Director	Yes
	WRVS Asset Supply Limited (entered into members' voluntary liquidation)	Director	Yes
	WRVS Enterprises Limited	Director	Yes
	WRVS Food Services Limited	Director	Yes
	WRVS Office Premises Limited	Director	Yes
	WRVS Retail & Catering Services Limited (entered into members' voluntary liquidation)	Director	Yes
	WRVS Services Welfare Limited	Director	Yes
	WRVS Supplies Limited (entered into members' voluntary liquidation)	Director	Yes
Sunil Mittal	Bharti (SBM) Holdings Private Limited	Director	Yes
	Bharti AXA General Insurance Company Limited	Director	Yes
	Bharti Infratel Limited	Director	Yes
	Bharti Ventures Limited	Director	Yes
	Bharti Wal-Mart Private Limited	Director	Yes
	Bharti (LM) Holdings Private Limited	Director	Yes
	Bharti AXA Life Insurance Company Limited	Director	Yes
	Bharti Airtel Limited	Director	Yes
	Bharti Enterprises	Partner	Yes
	Bharti Enterprises (Holdings) Private Limited	Director	Yes
	Bharti Enterprises Limited	Director	Yes
	Bharti Global Limited	Director	Yes
	Bharti Infotel Private Limited	Director	Yes
	Bharti Retail (Holdings) Private Limited	Director	Yes
	Bharti Telecom Limited	Director	Yes
	Bharti Teletech Limited	Director	Yes
	Bharti Del Monte Private Limited	Director	Yes

Director	Company	Position	Still held
	Guernsey Airtel Limited	Director	Yes
	Hero Honda Motors Limited	Director	Yes
	Indian Continent Investment Limited	Director	Yes
	Jersey Airtel Limited	Director	Yes
	Telecom (Seychelles) Limited	Director	Yes
	Bharti Telesoft Limited	Director	No
	Bharti Retail Private Limited	Director	No
	Bharti Realty Private Limited	Director	No
John Paynter	Jardine Lloyd Thompson Group plc	Director	Yes
	110 Drayton Gardens Management Company Limited	Director	Yes
	JP Morgan Cazenove Limited	Director	No
	JP Morgan Cazenove Holdings	Director	No
	Cazenove Group Limited	Director	No
	Cazenove AG	Director	No
Paul Skinner	Air Liquide S.A.	Director	Yes
	Commonwealth Business Council Limited	Director	Yes
	INSEAD	Director	Yes
	Rio Tinto plc	Director	Yes
	Rio Tinto Limited	Director	Yes
	Tetra Laval Group	Director	Yes
Oliver Stocken	3i Group plc	Director	Yes
	Gardens Pension Trustees Limited	Director	Yes
	Home Retails Group plc	Director	Yes
	Hoyle Barn Limited	Director	Yes
	Oval Limited	Director	Yes
	River and Rowing Museum Foundation	Director	Yes
	Stanhope Group Holdings Limited	Director	Yes
	The Natural History Museum Trading Company Limited	Director	Yes
	GUS plc	Director	No
	Novar plc	Director	No
	Pilkington plc	Director	No
	Rutland Trust plc (entered into members' voluntary liquidation)	Director	No
	Searchspace Group Limited	Director	No
	Searchspace Limited	Director	No
	Stanhope plc	Director	No
	The Rank Group plc	Director	No
	The Royal College of Art and Design Group Limited	Director	No

2. Other managerial personnel

All the managerial personnel mentioned below are permanent employees. The address of each of the managerial personnel mentioned below is the Company's principal place of business in the UK at 1 Basinghall Avenue, London EC2V 5DD. Their biographical details are given on pages 64 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

Standard Chartered Bank

The directors of SCB comprise the executive Directors of Standard Chartered and the following three senior executives:

- Jaspal Bindra
- Tim Miller
- Mike Rees

Group Management Committee

The Group Management Committee comprises the directors of SCB and the following executives:

- Tracy Clarke
- David Edwards
- Richard Goulding
- Vis Shankar
- Jan Verplancke

3. Directors' service contracts and emoluments

(a) Base salary, fees, bonuses and benefits-in-kind for FY 2007

The amount of remuneration paid and benefits in kind granted to the Directors by the Group for services to the Group in FY 2007 (being the last full financial year for the Company) is set out on page 80 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

(b) Retirement benefits

The retirement benefits of the Directors, including the amount accrued by the Group to provide pension, retirement or similar benefits in FY 2007 (being the last full financial year for the Company) is set out on page 81 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

(c) Share ownership and options held by Directors

As at 21 November 2008 (the latest practicable date prior to the publication of this document), and except as set out below, no Director has any interest in the issued share capital of the Company which is required to be notified to the Company pursuant to the Disclosure and Transparency Rules:

				Immediately following completion of the Rights Issue		
Directors	**Personal interests**	**Family interests**	**Total interests**	**Personal interests**	**Family interests**	**Total interests**
E Mervyn Davies	2,000	22,957	24,957	2,659	30,525	33,184
John Peace	5,000	–	5,000	6,648	0	6,648
Peter Sands	81,402	–	81,402	108,237	0	108,237
Richard Meddings	156,453	–	156,453	208,030	0	208,030
Steve Bertamini	2,000	–	2,000	2,659	0	2,659
Gareth Bullock	133,603	–	133,603	177,647	0	177,647
Jamie Dundas	2,100	–	2,100	2,792	0	2,792
Val Gooding	2,071	–	2,071	2,753	0	2,753
Rudy Markham	2,491	–	2,491	3,312	0	3,312
Ruth Markland	2,254	–	2,254	2,997	0	2,997
Sunil Mittal	2,000	–	2,000	2,000	0	2,000
John Paynter	2,000	–	2,000	2,659	0	2,659
Paul Skinner	3,795	–	3,795	5,045	0	5,045
Oliver Stocken	10,450	–	10,450	13,894	0	13,894

Notes

(a) The beneficial interests of Directors and their families in the Ordinary Shares are set out above. The Directors do not have any non–beneficial interests in the Ordinary Shares.

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

(c) No Director had any corporate interests in the Company's Shares.

As at 21 November 2008 (the latest practicable date prior to publication of this document), the Directors have been granted the following options or awards over Ordinary Shares under the Standard Chartered Share Schemes:

2004 Deferred Bonus Plan

Directors	**Shares held in trust at 1 January 2008***	**Shares awarded during the period[(a)]**	**Shares awarded in respect of notional dividend[(b)]**	**Shares vested during the period[(a)]**	**Shares held in trust at 14 November 2008****
E Mervyn Davies	37,859	–	290	38,149	–
Peter Sands	24,845	29,998	190	25,035	29,998
Steve Bertamini	n/a	–	–	–	–
Gareth Bullock	14,789	15,599	113	14,902	15,599
M B DeNoma***	17,746	16,499	135	17,881	16,499
Richard Meddings	18,693	20,398	143	18,836	20,398

* Or at date of appointment to the Board, if later.

** Or date of resignation from Board if earlier.

*** M B DeNoma ceased to be a Director of the Company on 1 June 2008.

Notes

(a) Market value of each Ordinary Share on date of awards/vesting (6 March 2008) was 1643 pence.

(b) Under the 2004 Deferred Bonus Plan, 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 vest one year after the date of acquisition. 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.

Long Term Incentives – Share Options

Director	Scheme	Grant Date	As at 1 January 2008*	Exercise Price (£ pence)	Exercised	Lapsed	At 14 November 2008**	Period of exercise
E Mervyn Davies	2000 ESOS	4 March 2004	3,206	935.5	–	–	3,206	2008–2014
	2000 ESOS	9 March 2005	154,479	971	154,479[(b)]	–	–	–
Peter Sands	2000 ESOS	20 May 2002	205,384	861.8	–	–	205,384	2008–2012
	2000 ESOS	5 March 2003	195,510	690.5	–	–	195,510	2008–2013
	2000 ESOS	4 March 2004	96,205	935.5	–	–	96,205	2008–2014
	2000 ESOS	9 March 2005	97,837	971	–	–	97,837	2008–2015
	Sharesave	26 September 2007	1,351	1243	–	–	1,351	2012–2013
Steve Bertamini	n/a	–	–	–	–	–	–	–
Gareth Bullock	2000 ESOS	4 March 2004	64,136	935.5	64,136[(b)]	–	–	–
	2000 ESOS	9 March 2005	50,205	971	50,205[(b)]	–	–	–
	Sharesave	8 September 2003	2,472	641	–	–	2,472	2008–2009
	Sharesave	29 September 2008	826	1162	–	–	826	2011–2012
M B DeNoma***	2000 ESOS	9 March 2005	64,109	971	64,109[(a)]	–	–	–
Richard Meddings	2000 ESOS	4 March 2004	65,473	935.5	–	–	65,473	2008–2014
	2000 ESOS	9 March 2005	74,794	971	74,794[(b)]	–	–	–
	Sharesave	8 September 2006	878	1064	–	–	878	2009–2010

* Or at date of appointment to the Board or date of grant, if later.

** Or date of resignation from Board if earlier.

*** M B DeNoma ceased to be a Director of the Company on 1 June 2008.

Notes

(a) Market value of each Ordinary Share on date of exercise (10 March 2008) was 1602.569 pence.

(b) Market value of each Ordinary Share on date of exercise (8 May 2008) was 1842.02 pence.

Long Term Incentives – Shares

Director	Scheme	Grant date	At 1 January 2008	Granted	Exercised	Lapsed	At 14 November 2008**	Period of vesting
E Mervyn Davies	PSP	9 March 2005	154,479	–	154,479[c]	–	–	–
	PSP	14 March 2006	111,498	–	–	–	111,498	2009 – 2016
	PSP	11 May 2006	82,191	–	–	–	82,191	2009 – 2016
	PSP	12 March 2007	179,186	–	–	–	179,186	2010 – 2017
Peter Sands	RSS	20 May 2002	52,216	–	52,216[c]	–	–	–
	PSP	4 March 2004	48,102	–	48,102[c]	–	–	–
	PSP	9 June 2004	36,644	–	–	–	36,644	2008 – 2014
	PSP	9 March 2005	97,837	–	–	–	97,837	2008 – 2015
	PSP	14 March 2006	73,170	–	–	–	73,170	2009 – 2016
	PSP	11 May 2006	35,958	–	–	–	35,958	2009 – 2016
	PSP	12 March 2007	142,143	–	–	–	142,143	2010 – 2017
	PSP	11 March 2008[a]	161,737	–	–	–	161,737	2011 – 2018
Steve Bertamini	PSP	16 September 2008[d]	–	51,939	–	–	51,939	2011 – 2018
Gareth Bullock	PSP	9 March 2005	58,573	–	58,573[b]	–	–	–
	PSP	14 March 2006	48,780	–	–	–	48,780	2009 – 2016
	PSP	11 May 2006	17,979	–	–	–	17,979	2009 – 2016
	PSP	12 March 2007	81,495	–	–	–	81,495	2010 – 2017
	PSP	11 March 2008[a]	95,117	–	–	–	95,117	2011 – 2018
M B DeNoma ***	PSP	9 March 2005	74,794	–	74,794[b]	–	–	–
	PSP	14 March 2006	59,930	–	–	–	59,930	2009 – 2016
	PSP	11 May 2006	22,089	–	–	–	22,089	2009 – 2016
	PSP	12 March 2007	84,424	–	–	–	84,424	2010 – 2017
	PSP	11 March 2008[a]	83,025	–	–	–	83,025	2011 – 2018
Richard Meddings	PSP	9 March 2005	74,794	–	74,794[c]	–	–	–
	PSP	14 March 2006	59,930	–	–	–	59,930	2009 – 2016
	PSP	11 May 2006	22,089	–	–	–	22,089	2009 – 2016
	PSP	12 March 2007	87,870	–	–	–	87,870	2010 – 2017
	PSP	11 March 2008[a]	109,981	–	–	–	109,981	2011 – 2018

* Or at date of appointment to the Board or date of grant, if later.

** Or date of resignation from Board if earlier.

*** M B DeNoma ceased to be a Director of the Company on 1 June 2008.

Notes

(a) Market value of each Ordinary Share on date of award (11 March 2008) was 1623 pence.

(b) Market value of each Ordinary Share on date of exercise (10 March 2008) was 1602.569 pence.

(c) Market value of each Ordinary Share on date of exercise (8 May 2008) was 1842.02 pence.

(d) Market value of each Ordinary Share on date of award (16 September 2008) was 1444 pence.

(e) The Company and its Directors, chief executives and shareholders have been granted a partial exemption from the disclosure requirements under Part XV of the SFO. As a result of this exemption, Directors, chief executives and shareholders no longer have an obligation under the SFO to notify the Company of shareholding interests, and the Company is no longer required to maintain a register of Directors' and chief executives' interests under section 352 of the SFO nor 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 United Kingdom. In addition, the Company has adopted a code of conduct regarding securities transactions by Directors in accordance with the UK and Hong Kong Listing Rules. Save as set out above, there are no additional interests to be disclosed in this document pursuant to these codes of conduct.

4. Board practices

(a) Service contracts

Information about the Directors' contracts of employment with the Company, including the terms of those contracts and benefits upon termination of employment, in relation to FY 2007 (being the last completed financial year for the Company) are given on pages 77 to 78 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

The Group policy is for all executive directors to receive and be required to give 12 months' notice.

(b) Board committees

Information about the Company's board committees, including the Audit and Risk Committee and the Board Remuneration Committee, in relation to FY 2007 (being the last completed financial year for the Company) are given on pages 69 to 71 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

(c) Corporate governance

The Standard Chartered Board is firmly committed to high standards of corporate governance. The Company complies with all the provisions of the Combined Code except that non-executive Directors are not formally invited to meet major shareholders as part of their induction programme. However, the non-executive directors have the opportunity to attend meetings with major shareholders and analysts and they receive, in a timely manner, accurate information reflecting the views of the Company's institutional shareholders and other stakeholders.

5. Employees

The average number of employees of the Group for the last three financial years is given on page 3 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

The average number of employees of the Group broken down by geographic location for the last three financial years is given on pages 6 to 7 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

6. Standard Chartered Share Schemes

A description of the Standard Chartered Share Schemes is given on pages 138 to 143 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

7. Directors' confirmations

None of the Directors named above has, during the last five years been:

(a) convicted in relation to a fraudulent offence;

(b) associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company;

(c) subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or

(d) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

The Directors do not believe that there are any actual or potential conflicts of interest between their private interests or other duties and their duties to Standard Chartered.

None of the Directors was appointed to their respective positions pursuant to arrangements or undertakings with major shareholders, customers, suppliers or others.

No restrictions have been agreed by any Director on the disposal within a certain period of his holding in Ordinary Shares.

There are no family relationships among any of the Directors.

PART X

KEY INFORMATION

1. Selected financial information

The selected historical financial information and other historical financial information in relation to Standard Chartered in this Part X has, unless otherwise stated, been extracted without material adjustment from the condensed financial information in the Interim Report 2008 in respect of the year ended 31 December 2007, the Consolidated Financial Statements in the Annual Reports and Accounts 2007 for the financial information in respect of the year ended 31 December 2006, from the Consolidated Financial Statements in the Annual Report and Accounts 2006 for the financial information in respect of the year ended 31 December 2005 and from the condensed financial information in the Interim Report 2008 in respect of the six month periods ended 30 June 2008 and 30 June 2007.

The Consolidated Financial Statements included in the Annual Report and Accounts of Standard Chartered for each of the years ended 31 December 2007, 2006 and 2005 together with the audit reports thereon are incorporated by reference into this document. The unaudited consolidated interim financial information for the six months ended 30 June 2008 and 30 June 2007 have been incorporated by reference into this document.

The financial information for the years ended 31 December 2007, 31 December 2006 and 31 December 2005 has been restated in certain instances in the comparative information for 2007 in the Interim Report 2008, for 2006 in the Annual Report and Accounts 2007 and for 2005 in the Annual Report and Accounts 2006 respectively. The profit before and after tax for the years ended 31 December 2007, 31 December 2006 and 31 December 2005 are not impacted by this restatement.

In the consolidated balance sheets as at 31 December 2006 and 31 December 2007, the fair value amounts in relation to acquisitions made in the preceding respective 12 months contained some provisional balances. In accordance with IFRS 3 “Business Combinations” the adjustments to the provisional balances have been made as at the date of acquisition and the balance sheet amounts restated with a corresponding increase in goodwill for the year ended 31 December 2006 during the year ended 31 December 2007 and a corresponding decrease in goodwill for the year ended 31 December 2007 during the six months to 30 June 2007.

In the consolidated balance sheets as at 30 June 2007 and 31 December 2007 a representation was made in respect of the current tax creditor to show the current tax asset and current tax liability separately.

The consolidated cash flow statement for the year ended 31 December 2006 has been restated to increase net cash flow from operating activities by US$254 million and reduce net cash flow from financing activities by US$254 million following the separate identification of the outflow on redemption of preference shares and the inflow from certain of the proceeds of the issue of ordinary share capital. The consolidated cash flow statements for the years ended 31 December 2006, 31 December 2007 and the six months ended 30 June 2007 have been restated to re-present and expand certain balances that were previously netted. Such re-presentation was first made in the year ended 31 December 2007, with 2006 comparatives being restated. The net increase in cash and cash equivalents in the cash flow statements has been unaffected by any of the reclassifications.

The profit before and after tax for all periods are not impacted by any of the above restatements.

The consolidated annual financial statements have been audited by KPMG Audit Plc, independent auditors. KPMG Audit Plc is a firm of chartered accountants registered with the Institute of Chartered Accountants in England and Wales.

(a) Summary consolidated income statement

	For the half year ended 30 June		For the year ended 31 December		
	2008	**2007**	**2007**	**2006**	**2005**
			(US$ million)		
Interest income	8,276	7,473	16,176	12,987	8,750
Interest expense	(4,566)	(4,521)	(9,911)	(7,659)	(4,415)
Net interest income	**3,710**	**2,952**	**6,265**	**5,328**	**4,335**
Fees and commission income	1,955	1,478	3,189	2,275	1,840
Fees and commission expense	(274)	(250)	(528)	(394)	(345)
Net trading income	1,151	649	1,261	920	769
Other operating income	445	434	880	491	262
	3,277	**2,311**	**4,802**	**3,292**	**2,526**
Operating income	**6,987**	**5,263**	**11,067**	**8,620**	**6,861**
Staff costs	(2,585)	(1,884)	(3,949)	(2,913)	(2,145)
Premises costs	(347)	(274)	(592)	(444)	(363)
General administrative expenses	(767)	(610)	(1,329)	(1,171)	(1,020)
Depreciation and amortisation	(201)	(150)	(345)	(268)	(283)
Operating expenses	**(3,900)**	**(2,918)**	**(6,215)**	**(4,796)**	**(3,811)**
Operating profit before impairment losses and taxation	**3,087**	**2,345**	**4,852**	**3,824**	**3,050**
Impairment losses on loans and advances and other credit risk provisions	(465)	(361)	(761)	(629)	(319)
Other impairment	(26)	(3)	(57)	(15)	(50)
Profit/(loss) from associates	(10)	(1)	1	(2)	–
Profit before taxation	**2,586**	**1,980**	**4,035**	**3,178**	**2,681**
Taxation	(698)	(533)	(1,046)	(824)	(710)
Profit for the year	**1,888**	**1,447**	**2,989**	**2,354**	**1,971**
Profit attributable to minority interests	44	48	148	76	25
Profit attributable to parent company shareholders	1,844	1,399	2,841	2,278	1,946
Profit for the year	**1,888**	**1,447**	**2,989**	**2,354**	**1,971**
Basic earnings per ordinary share	**126.3 c**	**98.5 c**	**201.1 c**	**169.0 c**	**148.5 c**
Diluted earnings per ordinary share	**124.9 c**	**97.1 c**	**198.7 c**	**167.0 c**	**146.9 c**

(b) Summary consolidated balance sheet

	At 30 June		At 31 December		
	2008	**2007***	**2007***	**2006***	**2005***
			(US$ million)		
ASSETS					
Cash and balances at central banks	10,471	8,991	10,175	7,698	8,012
Financial assets held at fair value through profit or loss	23,070	19,344	22,958	15,715	10,333
Derivative financial instruments	42,838	18,441	26,204	13,154	9,370
Loans and advances to banks	49,175	21,108	35,365	19,724	21,701
Loans and advances to customers	174,735	151,946	154,266	139,300	111,791
Investment securities	64,259	52,230	55,274	49,497	37,863
Interests in associates	271	257	269	218	128
Goodwill and intangible assets	6,738	6,285	6,374	6,247	4,321
Property, plant and equipment	3,488	2,301	2,892	2,168	1,644
Deferred tax assets	563	515	560	512	498
Current tax assets[(a)]	735	607	633	475	414
Other assets	15,917	11,890	11,011	8,601	7,163
Prepayments and accrued income	4,467	3,571	3,857	3,268	2,272
Total assets	**396,727**	**297,486**	**329,838**	**266,577**	**215,510**
LIABILITIES					
Deposits by banks	38,389	26,846	25,880	26,233	18,834
Customer accounts	205,539	160,242	179,760	147,382	119,931
Financial liabilities held at fair value through profit or loss	14,650	13,117	14,250	9,969	6,293
Derivative financial instruments	42,161	19,235	26,270	13,703	9,864
Debt securities in issue	32,511	27,254	27,137	23,514	25,913
Current tax liabilities[(a)]	733	738	818	543	697
Other liabilities	18,903	13,707	14,742	11,331	8,446
Accruals and deferred income	3,635	3,008	3,429	3,210	2,319
Provisions for liabilities and charges	68	42	38	45	55
Retirement benefit obligations	488	437	322	553	476
Subordinated liabilities and other borrowed funds	18,745	13,279	15,740	12,699	10,349
Total Liabilities	**375,822**	**277,905**	**308,386**	**249,182**	**203,177**
EQUITY					
Share capital	711	701	705	692	660
Reserves	19,601	18,324	20,146	16,161	11,222
Total parent company shareholders' equity	20,312	19,025	20,851	16,853	11,882
Minority interests	593	556	601	542	451
Total equity	**20,905**	**19,581**	**21,452**	**17,395**	**12,333**
Total equity and liabilities	**396,727**	**297,486**	**329,838**	**266,577**	**215,510**

* As restated

(a) The current tax assets and current tax liabilities have been separated for the years ended 31 December 2006 and 2005 to present on a basis consistent with the year ended 31 December 2007. The net tax liabilities for the year ended 31 December 2006 and 31 December 2005 were US$68 million and US$283 million respectively.

(c) Summary consolidated cash flow statement

	For the half year ended 30 June		For the year ended 31 December		
	2008	**2007***	**2007***	**2006***	**2005*(b)**
			(US$ million)		
Cash flow from operating activities					
Profit before taxation	2,586	1,980	4,035	3,178	2,681
Adjustment for items not involving cash flow or shown separately:					
Depreciation and amortisation	201	150	345	268	283
Gain on disposal of property, plant and equipment	(2)	(1)	(1)	(16)	1
Gain on disposal of investment securities and loans and receivable financial assets	(154)	(229)	(342)	(190)	(107)
Gain arising on initial recognition of Visa Inc. shares	(17)	–	(107)	–	–
Writedowns relating to asset backed securities	49	–	87	–	–
Movement in fair value hedges on available-for-sale assets and cash flow hedges	65	(18)	(21)	(5)	–
Amortisation of discounts and premiums of investment securities	139	(163)	(259)	(257)	17
Pension costs for defined benefit schemes	53	56	110	96	66
Impairment losses on loans and advances and other credit risk provisions	465	361	761	629	319
Other impairment	26	3	57	15	50
Profit on sale of businesses	146	–	18	–	–
Recoveries of acquisition fair values and discount unwind	(71)	(89)	(164)	(158)	–
	900	**70**	**484**	**382**	**629**
Net increase/(decrease) in derivative financial instruments	(796)	263	(466)	45	939
Net increase/(decrease) in debt securities, treasury bills and equity shares held at fair value through profit or loss	1,352	(2,206)	(3,691)	(4,259)	(2,180)
Net increase in loans and advances to banks and customers	(21,237)	(11,049)	(14,983)	(11,664)	(5,730)
Increase/(decrease) in prepayments and accrued income	(646)	(2,068)	(519)	(901)	(1,248)
Net increase in deposits from banks, customer accounts and debt securities in issue	33,719	17,477	36,135	16,914	18,996
Increase in accruals and deferred income	195	(228)	289	786	952
Net increase/(decrease) in other accounts	1,547	(518)	(1,898)	4,408	(4,766)
	14,134	**1,671**	**14,867**	**5,329**	**6,963**
Interest expense on subordinated liabilities	587	375	811	643	388
Net return from defined benefit schemes	6	–	16	47	–
UK and overseas taxes paid	(735)	(521)	(1,097)	(903)	(611)
Net cash from operating activities	**17,478**	**3,575**	**19,116**	**8,676**	**10,050**

	For the half year ended 30 June		For the year ended 31 December		
	2008	2007*	2007*	2006*	2005*(b)
			(US$ million)		
Net cash flows from investing activities					
Purchase of property, plant and equipment	(185)	(203)	(471)	(245)	(135)
Purchase of assets leased to customers under operating lease	(605)	–	–	–	–
Disposal of property, plant and equipment	14	14	22	40	8
Acquisition of investment in subsidiaries, net of cash acquired	6,131	(24)	(85)	(937)	(1,093)
Disposal of investment in subsidiaries	159	–	–	–	–
Acquisition of investment securities	(53,974)	(35,631)	(78,292)	(71,115)	(47,756)
Disposal and maturity of investment securities	45,423	33,637	74,457	63,896	48,698
Net cash used in investing activities	**(3,037)**	**(2,207)**	**(4,369)**	**(8,361)**	**(278)**
Net cash flows from financing activities					
Issue of ordinary and preference share capital	33	811	861	2,070	2,000
Purchase of own shares	(64)	(10)	(15)	(9)	(223)
Exercise of share options through ESOP	8	21	39	158	150
Redemption of preference share capital	–	–	–	(328)	–
Interest paid on subordinated liabilities	(348)	(475)	(737)	(562)	(297)
Gross proceeds from issue of subordinated liabilities	3,421	904	3,051	1,591	3,874
Repayment of subordinated liabilities	(348)	(149)	(505)	(390)	(1,026)
Dividends paid to minority interests and preference shareholders	(153)	(61)	(148)	(80)	(173)
Dividends paid to ordinary shareholders	(526)	(344)	(573)	(496)	(685)
Net cash from financing activities	**2,023**	**697**	**1,973**	**1,954**	**3,620**
Net increase in cash and cash equivalents	16,464	2,065	16,720	2,269	13,392
Cash and cash equivalents at beginning of year	55,338	38,161	38,161	35,226	22,112
Effect of exchange rate movements on cash and cash equivalents	249	81	457	666	(278)
Cash and cash equivalents at end of year	**72,051**	**40,307**	**55,338**	**38,161**	**35,226**

* As restated

(b) The cash flow for the year ended 31 December 2005 has been restated for the following items to present on a basis consistent with the year ended 31 December 2007:

- the purchase of own shares and the inflow from the exercise of share options netting to US$73 million has been presented on a gross basis within net cash from financing activities
- a reclassification within cash flow from operating activities from 'Assets written off, net of recoveries' of US$718 million to other accounts and from other accounts to pension cost for defined benefit scheme of US$66 million.

Capitalisation and indebtedness

The following table sets out the unaudited consolidated capitalisation and indebtedness of the Group as at 30 September 2008.

	30 September 2008 US$million
Authorised share capital	
Ordinary shares of US$0.50 each	1,316
Non-cumulative irredeemable preference shares of £1.00 each	888
Non-cumulative redeemable preference shares of US$5.00 each	1,500
Non-cumulative preference shares of €1,000 each	1,403
Total authorised share capital	**5,107**
Shareholders' capital	
Allotted, called-up and fully paid share capital	
Ordinary shares	713
Preference shares	–
Total Shareholders' capital (excluding reserves)[9]	**713**
Subordinated loan capital	
US$400 million Primary Capital Floating Rate Notes[8],[10]	400
US$300 million Primary Capital Floating Rate Notes (Series 2)[8],[10]	300
US$400 million Primary Capital Floating Rate Notes (Series 3)[8],[10]	400
US$200 million Primary Capital Floating Rate Notes (Series 4)[8],[10]	200
£150 million Primary Capital Floating Rate Notes[10]	267
£30 million Floating Rate Notes due 2009[10]	53
£300 million 6.75 per cent. Notes due 2009	477
€600 million 5.375 per cent. Notes due 2009	754
US$700 million 8.0 per cent. Subordinated Notes due 2031	791
€500 million 8.16 per cent. non-cumulative Trust Preferred Securities (callable 2010)[5]	702
£600 million 8.103 per cent. Step-Up Callable Perpetual Trust Preferred Securities (callable 2016)[6]	1,213
£200 million 7.75 per cent. Step-Up Notes (callable 2022)	407
US$350 million 4.375 per cent. Notes due 2014 (Floating rate from 2009)	353
HKD (Hong Kong dollars) 500 million 3.5 per cent. Notes due 2014 (Floating rate from 2009)	65
HKD 670 million Floating Rate Notes due 2014	77
€750 million 3.625 per cent. (Floating rate from 2012) Subordinated rates due 2017	1,024
US$500 million Floating Rate Notes due 2015[10]	499
US$500 million Floating Rate Notes due 2016[10]	499
US$92 million Subordinated Debt due 2013	92
KRW (South Korean Won) 205 billion Subordinated Debt due 2009	164
KRW 30 billion Subordinated Debt due 2011	25
KRW 3 billion Subordinated Debt due 2011	2
KRW 90 billion Subordinated Debt due 2018	73
KRW 260 billion Subordinated Debt due 2018	211
BWP 50 million Fixed and Floating Rate Subordinated Notes due 2015	7
BWP (Botswana Pula) 75 million Floating Rate Notes due 2017	11
TZS (Tanzanian Schilling) 8 billion Subordinated Notes due 2015	7
€675 million Floating Rate Notes due 2018[10]	957
US$100 million Floating Rate Notes due 2018[10]	100
IDR (Indonesian Rupiah) 500 billion Floating Rate Notes due 2016	23
PKR 750 million Floating Rate Notes due 2011	9
PKR 1 billion Floating Rate Notes due 2015	13
TWD 10 billion undated Floating Rate Notes	311
£675 million 5.375 per cent. undated step up Subordinated Notes (callable 2020)	1,157
US$300 million Floating Rate Notes due 2017[10]	302
£300 million 6 per cent. Floating Rate Notes due 2013	550
US$1billion 6.4 per cent. Subordinated Debt due 2017	1,064
€1,100 million 5.875 per cent. Subordinated Debt due 2017	988

	30 September 2008 US$million
£700m 7.75 per cent. Subordinated Debt due 2018	1,231
€400 mn 5.875 per cent. Sub Debt Maturing September 2017	513
JPY 10 billion 3.35 per cent. Sub Debt Maturing due April 2023	93
SGD 450 million Sub Debt Maturing 10 April 2023	310
MYR 500 million 4.28 per cent. Subordinated Bonds due 2017	145
Total subordinated loan capital	**16,839**
Other borrowings	
£96 million 7.375 per cent. irredeemable preference shares	163
£99 million 8.25 per cent. irredeemable preference shares	169
US $675 million 8.125 per cent. redeemable preference shares	668
US $250 million 8.15 per cent. redeemable preference shares	247
Total other borrowings	**1,247**
Total Capitalisation and Indebtedness (excluding reserves)[9]	**18,799**

1. All subordinated loan capital described above is unsecured, unguaranteed and subordinated to the claims of other creditors including, without limitation, customer deposits and deposit by banks.

2. Liabilities denominated in foreign currencies are translated into US dollars at market exchange rates prevailing at 30 September 2008. The exchange rates used were £1.00 = US$1.77; US$1.00 = HK$7.7667; US$1.00 = BWP 6.8832; US$1.00 = KRW1207.5214; US$1.00 = TZS1158.7634; US$1.00 = EUR0.7128; US$1.00 = IDR9516.8182; US$1.00 = PKR78.0682.

3. Contingent liabilities amounted to US$41 billion as at 30 September 2008, of which US$29 billion related to guarantees and irrevocable letters of credit.

4. The total amount of all other borrowings and indebtedness as at 30 September 2008 was US$289 billion, comprising deposits by banks US$48 billion, customer accounts US$215 billion and other debt securities in issue such as certificates of deposits was US$26 billion. These obligations are unsecured and are not guaranteed. However, US$5.7 billion of the deposits by banks and US$0.9 billion of the customer accounts include liabilities under repurchase agreements (repos), which are collateralised with treasury bills/bonds.

5. SCB has agreed that it will pay in full on a subordinated basis to the holders of the €500 million 8.16 per cent. non cumulative partnership referred securities issued by Standard Chartered Capital 1 L.P. (the "partnership") definitive dividends and amounts payable on redemption and liquidation to the extent that such amounts are not paid by the partnership.

6. These securities are redeemable at the option of SCB on or after 11 May 2016 on any interest payment date.

7. List of debt issued since 1 January 2008:

   (a) On 19 March 2008, Standard Chartered First Bank issued KRW 90 billion 6.05 per cent. Subordinated Debt due 2018.

   (b) On 2 April 2008, SCB issued GBP 500 million 7.75 per cent. Subordinated Notes due 2018.

   (c) On 10 April 2008, SCB issued SGD 200 million 5.25 per cent. Subordinated Notes due 2023 callable 2018.

   (d) On 18 April 2008, SCB issued GBP 200 million 7.75 per cent. Subordinated Notes due 2018.

   (e) On 18 April 2008, SCB issued EUR 400 million 5.875 per cent. Subordinated Notes due 2018.

   (f) On 18 April 2008, SCB issued SGD 250 million 5.25 per cent. Subordinated Notes due 2023 callable 2018.

   (g) On 18 April 2008, SCB issued JPY 10 billion 3.35 per cent. Subordinated Notes due 2023 callable 2018.

   (h) On 25 May 2008, Standard Chartered First Bank issued KRW 260 billion 6.08 per cent. Subordinated Notes due 2018 callable 2013.

   (i) On 27 May 2008, Standard Chartered issued US$675 million 8.125 per cent. non-cumulative redeemable preference shares with an issuer's call option in November 2013.

   (j) On 19 September 2008, Standard Chartered issued US$250 million 8.15 per cent. non-cumulative redeemable preference shares with an issuer's call option in November 2013.

8. On 14 November 2008, the Company launched a tender offer for these notes inviting noteholders to tender notes for repurchase at 62.5 per cent. of their principal amount. The tender offer closes on 3 December 2008.

9. Reserves, including share premium, capital reserve, capital redemption reserve, merger reserve, available-for-sale-reserve, cash flow hedge reserve, translation reserve and retained earnings aggregated US$19,601 million at 30 June 2008.

10. These notes bear interest rates fixed periodically based on London interbank rates.

2. Liquidity and capital resources

The Group's capital management approach is driven by its desire to maintain a strong capital base to support the developments of its business, to meet regulatory capital adequacy requirements at all times and to maintain good credit ratings. The Group's lead supervisor is the FSA. The capital that the Group is required to hold by the FSA is determined by its balance sheet, off-balance sheet and market risk positions, weighted according to the type of counterparty instrument and collateral held.

Capital in the Group's branches and subsidiaries is maintained on the basis of the host regulator's requirements. The Group has robust processes in place to ensure compliance with local regulatory requirements in all Group entities. The Group is able to transfer funds within its operations with due regard to local regulatory requirements.

The Group's Tier 1 Capital principally comprises called-up ordinary share capital, preferences shares, eligible reserves, minority interests and innovative Tier 1 securities, less goodwill and other intangibles and other supervisory deductions. The Group measures Core Tier 1 as Tier 1 Capital excluding preference shares and Innovative Tier 1 securities. At 30 June 2008, the Group had Tier 1 and Core Tier 1 Ratios of 8.5 per cent. and 6.1 per cent. respectively on a Basel II basis[1]. Had the capital raising completed on 30 June 2008, it would have had the effect of increasing the Group's 30 June 2008 Core Tier 1 Capital ratio to 7.4 per cent. and Tier 1 Ratio to 9.8 per cent.[2]

The Group has a US$20,000,000,000 Debt Issuance Programme under which debt securities ranking as Senior Notes or Subordinated Debt (Upper Tier 2 or Lower Tier 2) can be issued. The issuers on the Programme are Standard Chartered PLC, SCB, Standard Chartered Bank (Hong Kong) Limited and Standard Chartered First Bank (Korea) Limited. The form of capital issued is managed in order to optimise the capital mix, currency exposure and maturity profile, and to ensure diversification of the investor base.

From 1 January 2008, the Group has been using the Advanced Internal Ratings Based approach for the measurement of credit risk capital under Basel II. This approach builds on the Group's risk management practices and is the result of a significant investment in data warehouses and risk models. The Group applies a VaR model for the measurement of market risk capital in accordance with the scope of permission to use such a model granted by the FSA. Where the Group's market risk exposures are not approved for inclusion in its VaR model, capital requirements are based on standard rules provided by the regulator which are less risk sensitive.

In line with the FSA's regulations, the maximum amount of total Tier 1 Capital that can comprise of non-Core Capital is 50 per cent. This may be comprised entirely of non-innovative Tier 1 (typically preference shares) or there is a sub limit for innovative Tier 1 of 15 per cent. of total Tier 1 Capital. Tier 2 Capital cannot exceed 100 per cent. of Tier 1 Capital, and Lower Tier 2 Capital cannot exceed 50 per cent. of Tier 2 Capital. Any excess in the category of capital should qualify as the next lower level of capital.

The UK government, the Bank of England and the FSA ("the Tripartite Authorities") announced on 8 October 2008 that they would implement a comprehensive £500 billion plan to support the UK banking system. The plan addressed both capital and funding liquidity together. SCB, the UK authorised entity of Standard Chartered PLC, meets the capital requirements under the Tripartite Authorities' plan. The Group does not intend to raise capital under the UK's recapitalisation scheme.

Liquidity Risk

Liquidity risk is the risk that the Group either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can only access these financial resources at excessive cost. It is the policy of the Group to maintain adequate liquidity at all times, in all geographic locations and for all currencies, and hence to be in a position to meet all obligations as they fall due.

The Group Asset and Liability Management Committee ("GALCO") is the responsible governing body that approves the Group's liquidity management policies through authority delegated by the Court of SCB. The Liquidity Management Committee ("LMC") receives authority from GALCO and is responsible for setting liquidity limits, proposing liquidity risk policies and practices, assisting in cross-business and cross-geography liquidity discussions and helping establish country balance sheet targets.

1 Standard Chartered's Tier 1 Ratio and Core Tier 1 Ratio are derived from the 2008 First Half Results, which are incorporated by reference into this document.

2 The adjusted Tier 1 Ratio and Core Tier 1 Ratio are extracted from the unaudited pro forma financial information in Part XI of this document.

In response to the market dislocation in the second half of 2008, the LMC has increased the frequency of meetings and regularly monitors key metrics including the liquid asset ratio and the interbank position. The holdings of liquid assets in the balance sheet and the strong Advances / Deposit ratio reflect the prudent approach that is inherent in the Group's liquidity management framework.

	30.06.08	**31.12.07**	**30.06.07**
Liquid Assets* to total assets ratio	22.8%	23.9%	21.9%
Advances / Deposit ratio	85%	86%	95%

* Liquid Assets = Cash (less restricted balances), net interbank, Treasury Bills and Debt Securities less the asset backed securities portfolio

Source: extracted without material adjustment from the Liquidity Risk Section of the 2008 First Half Results. These figures are unaudited.

The Group has remained liquid during the second half of 2008, has continued to attract customer deposits and has been able to access wholesale funding at market rates. The behavioural maturity profile of the balance sheet has remained stable since half year. The profile is strong with inflows exceeding outflows out to one year.

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 country Asset and Liability Committee ("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 by operating within the liquidity limits set for the country. In addition, the Group prescribes a liquidity stress scenario that assumes accelerated withdrawal of deposits over a period of time. Each country has to ensure that cash inflows exceed outflows under such a scenario including the repayment of any funds owed to other Group companies on the funds' contractual maturity date. The Group has significant levels of marketable securities, principally government securities and bank paper, which can be realised in the event that there is a need for liquidity in a crisis.

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. Country ALCO monitors trends in the balance sheet and ensures that any concerns that might impact the stability of these deposits are addressed effectively. ALCO also reviews balance sheet plans to ensure that asset growth is matched by growth in the stable funding base.

The diversification of the Group's sources of funding is demonstrated below:

Sources of Funding	**30.06.08**	**31.12.07**	**30.06.07**
Customer accounts	53%	55%	55%
Deposits by banks	10%	9%	10%
Debt securities in issue	9%	10%	11%
Subordinated liabilities and other borrowed funds	5%	5%	4%
Equity	5%	6%	6%
Derivative Financial Instruments & Other Liabilities	18%	15%	14%
	100%	**100%**	**100%**

Source: percentages derived from the Condensed Consolidated Interim Balance Sheet information, without material adjustment, contained in the 2008 First Half Results. These figures are unaudited.

3. Working capital statement

The Company is, and the Directors are, of the opinion that the working capital available to the Group is sufficient for its present requirements, that is, for at least the 12 months following the date of this document.

PART XI

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial information set out in this Part XI has been prepared to illustrate the effect of the Rights Issue as if it had occurred on 30 June 2008. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, the pro forma statement of financial information addresses a hypothetical situation and does not, therefore, represent the Standard Chartered Group's actual financial position or results following the Rights Issue.

	As at 30 June 2008 Note 1 US$m	Adjustments for Rights Issue Note 2 and 3 US$m	Pro forma net assets and net tangible assets Note 4 US$m
ASSETS			
Cash and balances at central banks	10,471	2,654	13,125
Financial assets held at fair value through profit or loss	23,070	–	23,070
Derivative financial instruments	42,838	–	42,838
Loans and advances to banks	49,175	–	49,175
Loans and advances to customers	174,735	–	174,735
Investment securities	64,259	–	64,259
Interests in Associates	271	–	271
Goodwill and Intangible assets	6,738	–	6,738
Property, plant and equipment	3,488	–	3,488
Deferred tax assets	563	–	563
Current tax assets	735	–	735
Other assets	15,917	–	15,917
Prepayments and accrued income	4,467	–	4,467
Total Assets	**396,727**	**2,654**	**399,381**
LIABILITIES			
Deposits by banks	38,389	–	38,389
Customer accounts	205,539	–	205,539
Financial liabilities held at fair value through profit or loss	14,650	–	14,650
Derivative financial instruments	42,161	–	42,161
Debt securities in issue	32,511	–	32,511
Current tax liabilities	733	–	733
Other liabilities	18,903	–	18,903
Accruals and deferred income	3,635	–	3,635
Provisions for liabilities and charges	68	–	68
Retirement benefit obligations	488	–	488
Subordinated liabilities and other borrowed funds	18,745	–	18,745
Total Liabilities	**375,822**	**–**	**375,822**
Net assets (note 5)	**18,824**	**2,654**	**21,478**
Net tangible assets (note 5)	**12,086**	**2,654**	**14,740**
Shares in issue (Number in millions) (note 6)	**1,420**	**470**	**1,890**
Net assets per share (cents)	**1,325.7**		**1,136.5**
Net tangible assets per share (cents)	**851.2**		**779.9**

	As at 30 June 2008*	Adjustments for Rights Issue	Pro forma core tier 1 capital and tier 1 capital
Key balance sheet measures			
Total risk weighted assets (US$m)	**204,361**	–	204,361
Core tier 1 capital (US$m)	**12,442**	2,654	15,096
Total tier 1 capital (US$m)	**17,345**	2,654	19,999
Core tier 1 capital ratio (%)	**6.1**		7.4
Total tier 1 capital ratio (%)	**8.5**		9.8

* Extracted without material adjustment from the Capital Section of the Interim Report for the six months ended 30 June 2008, as referred to in Part XV of this document .

Notes:

(1) Information on the net assets and net tangible assets of the Group as at 30 June 2008 has been extracted without material adjustment from the unaudited interim financial information for the six months ended 30 June 2008 as referred to in Part XV of this document.

(2) As set out in Part III of this document Standard Chartered proposes to raise £1,833 million before expenses by means of the Rights Issue. The proceeds of the Rights Issue have been included in cash and balances at central banks. The exchange rate used is £1=USD1.492.

(3) The expenses of the Rights Issue have been estimated at £54.5 million (excluding VAT).

(4) No account has been taken of the trading results of the Group since 30 June 2008.

(5) Net assets are after deducting minority interests of US$593 million and preference shares (including premium) of US$1,488 million. Net tangible assets are also stated net of goodwill and intangible assets at 30 June 2008.

(6) Number of shares in issue at 30 June 2008 of 1,422 million after deducting own shares held in employee trusts aggregating 2,208,126.

(7) No account has been taken of any Ordinary Shares which may have been issued on the exercise of options granted or which may be granted under the Standard Chartered Share Schemes after 30 June 2008.

KPMG Audit Plc
8 Salisbury Square
London E4Y 8BB
United Kingdom

The Directors
Standard Chartered PLC
1 Basinghall Avenue
London EC2V 5DD

26 November 2008

Dear Sirs

Standard Chartered

We refer to the unaudited pro forma statement of consolidated net assets and consolidated net tangible assets (the 'Unaudited Pro Forma statement of net assets and net tangible assets) set out in Part XI of the prospectus dated 26 November 2008, which has been prepared on the basis described therein, for illustrative purposes only, to provide information about how the Rights Issue might have affected the net assets and net tangible assets presented on the basis of the accounting policies adopted by Standard Chartered in preparing the consolidated financial statements for the period ended 30 June 2008.

I. Opinion required by paragraph 7 of Annex II of the Prospectus Directive Regulation:

The opinion set out in this part I is required by paragraph 20.2 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of Standard Chartered to prepare the Unaudited Pro Forma statement of net assets and net tangible assets in accordance with paragraph 20.2 of Annex I of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Unaudited Pro Forma statement of net assets and net tangible assets and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Unaudited Pro Forma statement of net assets and net tangible assets, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this opinion or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of providing this opinion, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma statement of net assets and net tangible assets with the directors of Standard Chartered.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Unaudited Pro Forma statement of net assets and net tangible assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Standard Chartered.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions apart from the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Unaudited Pro Forma statement of net assets and net tangible assets has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Standard Chartered.

II. Opinion required by paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"):

The opinion set out in this part II is required by paragraph 4.29 of the Hong Kong Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility solely of the directors of Standard Chartered to prepare the Unaudited Pro Forma statement of net assets and net tangible assets in accordance with Paragraph 4.29 of the Hong Kong Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29 (7) of the Hong Kong Listing Rules, on the Unaudited Pro Forma statement of net assets and net tangible assets and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma statement of net assets and net tangible assets beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Save for any responsibility arising under paragraph 4.29 (7) of the Hong Kong Listing Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this opinion or our statement, required by and given solely for the purposes of complying with paragraph 5(2) of Appendix 1, Part B of the Hong Kong Listing Rules, consenting to its inclusion in the Prospectus.

Basis of Opinion

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma statement of net assets and net tangible assets with the directors of Standard Chartered. The engagement did not involve independent examination of any of the underlying financial information. Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma statement of net assets and net tangible assets.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma statement of net assets and net tangible assets has been properly compiled by the directors of Standard Chartered on the basis stated, that such basis is consistent with the accounting policies of Standard Chartered and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma statement of net assets and net tangible assets as disclosed pursuant to paragraph 4.29(1) of the Hong Kong Listing Rules. The Unaudited Pro Forma statement of net assets and net tangible assets is for illustrative purposes only, based on the judgements and assumptions of the directors of Standard Chartered, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of Standard Chartered as at 30 June 2008 or any future date.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions apart from Hong Kong and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Unaudited Pro Forma statement of net assets and net tangible assets has been properly compiled by the directors of Standard Chartered on the basis stated;

(b) such basis is consistent with the accounting policies of Standard Chartered; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma statement of net assets and net tangible assets as disclosed pursuant to Paragraph 4.29(1) of the Hong Kong Listing Rules.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG Audit Plc

PART XII

PERSONS RESPONSIBLE AND ADVISERS

1. Persons responsible

(a) UK compliant responsibility statement

The Company and the Directors, whose names appear below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

(b) Hong Kong compliant responsibility statement

The Directors, whose names appear below, and Standard Chartered, collectively and individually, accept responsibility for the accuracy of the information contained in this document. To the best of the knowledge and belief of the Directors and Standard Chartered (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information or which would make any statement in this document misleading.

2. Directors, Company Secretary and advisers of the Company

Directors

Name	Position
E Mervyn Davies	*Chairman*
Peter Sands	*Group Chief Executive*
Richard Meddings	*Group Finance Director*
Steve Bertamini	*Group Executive Director* – Consumer Banking
Gareth Bullock	*Group Executive Director* – Africa, Middle East, Europe and the Americas and Risk
John Peace	*Independent Non-Executive Director* and *Deputy Chairman*(1)(2)
Jamie Dundas	*Independent Non-Executive Director*(1)
Val Gooding	*Independent Non-Executive Director*(2)
Rudy Markham	*Independent Non-Executive Director*(1)
Ruth Markland	*Independent Non-Executive Director*(1)(2)
Sunil Mittal	*Independent Non-Executive Director*
John Paynter	*Independent Non-Executive Director*(1)
Paul Skinner	*Independent Non-Executive Director*(2)
Oliver Stocken	*Independent Non-Executive Director*(2)

(1) Member of the Audit and Risk Committee
(2) Member of the Board Remuneration Committee

The business address of all of the Directors is 1 Basinghall Avenue, London EC2V 5DD United Kingdom, except for Steve Bertamini which is Plaza By The Park #09-00, 51 Bras Basah Road, Singapore, 189554.

Group Company Secretary

Annemarie Durbin

Registered Office

1 Aldermanbury Square
London EC2V 7SB

Website

www.standardchartered.com

Advisers and others

Sponsor, financial adviser and joint bookrunner
JPMorgan Cazenove Limited
20 Moorgate
London EC2R 6DA
United Kingdom

Joint underwriter and joint bookrunner
UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

Joint underwriter and joint bookrunner
Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

Joint underwriter
J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Legal adviser to the Company
(as to English law)
Slaughter and May
One Bunhill Row
London EC1Y 8YY
United Kingdom

Legal adviser to the Company
(as to Hong Kong law)
Slaughter and May
47th Floor, Jardine House
One Connaught Place
Central
Hong Kong

Legal adviser to the Sponsor,
joint underwriters and
joint bookrunners
Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

Auditors
KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB
(A member firm of the Institute of
Chartered Accountants of England and Wales.)

Registrar and Receiving Agent
Computershare Investor Services PLC
Corporate Actions 2
Bristol
BS99 6AG
United Kingdom

Hong Kong share registrar and transfer office
Computershare Hong Kong
Investor Services Limited
Rooms 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PART XIII

ADDITIONAL INFORMATION

1. Share capital of the Company

(a) Share capital

Standard Chartered has four classes of share authorised: (i) Ordinary Shares (of US$0.50 each); (ii) non-cumulative irredeemable preference shares (of £1.00 each); (iii) non-cumulative redeemable preference shares (of US$5.00 each); and (iv) non-cumulative preference shares (of €1,000 each).

(b) History of share capital

(i) The Company was incorporated in England and Wales on 18 November 1969 with an authorised share capital of 7 shares of £1 each.

(ii) As at 1 January 2005 (being the first day of FY 2005) the authorised share capital was: (i) 2,632,000,000 Ordinary Shares (of US$0.50 each); (ii) 500,000,000 non-cumulative irredeemable preference shares (of £1.00 each); (iii) 300,000,000 non-cumulative redeemable preference shares (of US$5.00 each); and (iv) 1,000,000 non-cumulative preference shares (of €1,000 each).

(iii) Since 1 January 2005, the authorised share capital has remained the same.

The following table shows the movements in called–up share capital over the last five years up to 21 November 2008 (the latest practicable date before publication of this document).

	Notes	Number of Ordinary Shares (m)	Ordinary share capital US$m	Preference share capital US$m	Share premium account US$m	Total US$m
At 1 January 2003		1,170	585	351	2,764	3,700
Issued instead of dividends	**1**	3	2	–	46	48
Issued under employee share schemes	**1**	2	1	–	3	4
At 31 December 2003		**1,175**	**588**	**351**	**2,813**	**3,752**
Exchange translation differences		–	–	26	–	26
Issued instead of dividends	**2**	3	1	–	15	16
Issued under employee share schemes	**2**	1	1	–	7	8
At 31 December 2004		1,179	590	377	2,835	3,802
Adoption of IAS 32 and 39		–	–	(375)	–	(375)
At 1 January 2005		1,179	590	2	2,835	3,427
Issued instead of dividends	**5**	4	2	–	(2)	–
Shares issued, net of expenses						–
i) New issue	**3**	118	59	–	–	59
ii) Issued under employee share schemes	**4, 5**	15	7		201	208
At 31 December 2005		1,316	658	2	3,034	3,694
Shares repurchased	–	–	–	(2)	–	(2)
Preference shares	**6**	–	–	–	750	750
Issued instead of dividends	**7**	15	7	–	(7)	–
i) New issue	**8**	52	27	–	88	115
ii) Issued under employee share schemes	**7**	1	–	–	–	–
At 31 December 2006		1,384	692	–	3,865	4,557
Preference shares	**10**	–	–	–	750	750
Issued instead of dividends	**9**	16	8		(8)	–
Issued under employee share schemes	**9**	10	5	–	106	111
At 31 December 2007		1,410	705	–	4,713	5,418
Issued instead of dividends	**11**	11	5		(5)	–
Issued under employee share schemes	**11**	5	2		31	33
At 21 November 2008		**1,426**	**712**	**–**	**4,739**	**5,451**

(1) On 13 May 2003, 1,897,212 Ordinary Shares were issued instead of the 2002 final dividend. On 10 October 2003, 858,819 Ordinary Shares were issued instead of the 2003 interim dividend. A further 2,010,942 Ordinary Shares were issued under the Standard Chartered Share Schemes during 2003.

(2) On 14 May 2004, 2,066,122 Ordinary Shares were issued instead of the 2003 final dividend. On 8 October 2004, 912,977 Ordinary Shares were issued instead of the 2004 interim dividend. A further 1,272,055 Ordinary Shares were issued under the Standard Chartered Share Schemes during 2004.

(3) On 10 January 2005, the Company placed 117,902,943 Ordinary Shares of US$0.50 each at a price of 920 pence per share representing approximately 9.99 per cent. of the Company's existing issued ordinary share capital. The placees (comprising more than six in number) were professional and institutional investors, independent and not connected with the Company and its subsidiaries and their respective associates. The Ordinary Shares were issued on 14 January 2005 raising net proceeds of approximately £1,071 million (US$2.1 billion), a net price per share of 908.5 pence. The market price of the Ordinary Shares at close of business in London on 10 January 2005 was 928.5 pence. The Ordinary Shares that were issued had an aggregate nominal amount of US$58,981,471.50.

The purpose of the share issue was to aid the funding of the purchase of the entire share capital of Korea First Bank for approximately KRW 3.4 trillion (US$3.3 billion) in cash.

On 16 February 2005, the Company repurchased 3,000 8.9 per cent. non cumulative preference shares. The preference shares were repurchased at a premium of US$3 million and were cancelled.

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

(5) On 13 May 2005, 2,522,654 Ordinary Shares were issued instead of the 2004 final cash dividend. On 14 October 2005, 1,735,708 Shares were issued instead of the 2005 interim cash dividend. A further 3,525,788 Ordinary Shares were issued under the Standard Chartered Share Schemes during 2005.

(6) On 8 December 2006, the Company issued 7,500 non-cumulative redeemable preference shares of US$5 each at a placing price of US$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.

(7) On 12 May 2006, the Company issued 9,960,348 Ordinary Shares instead of the 2005 final dividend. On 11 October 2006, the Company issued 4,912,941 Ordinary Shares instead of the 2006 interim dividend. A further 1,496,807 Ordinary Shares were issued under the Standard Chartered Share Schemes during 2006.

(8) On 12 January 2006, the Company issued 3,401,290 Ordinary Shares at an average price of 1,301 pence per share representing approximately 0.3 per cent. of the Company's existing issued ordinary share capital. The middle market price on 12 January 2006 was 1,323 pence. The issue of Ordinary Shares was used to acquire 20 per cent. of Fleming Family & Partners Limited. On 4 October 2006, the Company issued 48,500,000 Ordinary Shares each at a placing price of 1,375 pence per share representing approximately 3.7 per cent. of the Company's existing issued share capital. The middle market price on 4 October 2006 was 1,363 pence. This issue of Ordinary Shares was used to acquire Hsinchu. On 2 October 2006, the Company repurchased the remaining 328,388 8.9 per cent. non-cumulative preference shares. The preference shares were repurchased at a premium of US$326 million and were cancelled.

(9) On 10 May 2007, the Company issued 12,765,274 Ordinary Shares instead of the 2006 final dividend. On 10 October 2007, the Company issued 3,163,466 Ordinary Shares instead of the 2007 interim dividend. A further 9,012,891 Ordinary Shares were issued under the Standard Chartered Share Schemes during 2007.

(10) On 25 May 2007, the Company issued 7,500 non-cumulative redeemable preference shares of US$5 each at a placing price of US$100,000 each. The shares are redeemable at the option of the Company in accordance with the terms of the shares at the paid-up amount (which includes premium) and have discretionary dividend payments and are accordingly classified as equity as required by IAS 32. The shares were issued to fund the continuing business of the Group.

(11) On 16 May 2008, the Company issued 8,142,490 Ordinary Shares instead of the 2007 final dividend. On 9 October 2008, the Company issued 2,940,049 Ordinary Shares instead of the 2008 interim dividend. A further 4,959,783 Ordinary Shares were issued under the Standard Chartered Share Schemes during the year up to 21 November 2008.

(12) On 21 November 2008, the Company issued 23,873 Ordinary Shares under the Standard Chartered Share Schemes.

(13) The Company has confirmed that it has not raised funds on any issue of new equity securities in the 12 months preceding the Rights Issue.

(c) Issued share ordinary capital immediately following completion of the Rights Issue

The issued and fully paid ordinary share capital of the Company immediately following completion of the Rights Issue will be as follows (excluding any Ordinary Shares issued under the Standard Chartered Share Schemes during the Rights Issue):

Number of Ordinary Shares (m)	Ordinary share capital US$m
1,895,726,484	948

(d) Dilution on Rights Issue

The New Ordinary Shares represent approximately 32.97 per cent. of the Ordinary Shares in issue immediately prior to the Rights Issue. Qualifying Shareholders who take up their *pro rata* entitlement in full will suffer no dilution to their interests in the Company. Qualifying Shareholders who do not take up any of their rights to take up the New Ordinary Shares will suffer an immediate dilution of 24.8 per cent. in their interests in the Company.

(e) Options

A description of the Standard Chartered Share Schemes for its directors and employees is given on pages 138 to 143 of Standard Chartered's 2007 Annual Report, which is incorporated into this document by reference.

As at 21 November 2008 (the latest practicable date prior to publication of this document), options and awards over 41,430,052 Ordinary Shares were outstanding under the Standard Chartered Share Schemes, as follows:

Grant Date	Option Price	Options Outstanding	Expiry Date
12/06/2000	£8.7102	402,833	2010
02/04/2001	£9.02	686,067	2011
13/06/2001	£0	9,043	2011
06/03/2002	£0-£7.228	1,013,513	2009-2012
20/05/2002	£8.618	205,384	2012
17/09/2002	£0-£7.182	42,029	2009-2012
05/03/2003	£0-£6.905	2,220,153	2010-2013
08/09/2003	£6.41	105,629	2009
18/09/2003	£6.41-£8.52	179,945	2009-2013
04/03/2004	£0-£9.355	2,143,264	2011-2014
09/06/2004	£0	39,966	2014
08/09/2004	£7.43	67,197	2010
14/09/2004	£0-£9.58	241,204	2010-2014
09/03/2005	£0-£9.71	1,343,095	2012-2015
14/06/2005	£0-£10.395	57,134	2012-2015
08/09/2005	£9.87	233,432	2009-2011
20/09/2005	£0-£9.87	4,907,953	2009-2015
14/03/2006	£0	2,400,442	2013-2016
11/05/2006	£0	257,804	2013-2016
08/09/2006	£10.64	226,202	2010-2012
12/09/2006	£0-10.64	3,324,425	2010-2016
12/03/2007	£0	4,022,109	2014-2017
17/09/2007	£0	716,313	2014-2017
26/09/2007	£12.43	313,444	2011-2013
01/10/2007	£12.43	4,196,777	2011-2013
11/03/2008	£0	5,139,361	2015-2018
24/04/2008	£0	642,947	2015-2018
16/09/2008	£0	809,000	2015-2018
29/09/2008	£11.62	380,932	2012-2014
03/10/2008	£11.62	5,102,455	2012-2014

The above excludes awards made under the Deferred Bonus Plan in March 2008

(f) Shares held by or on behalf of Standard Chartered

As at 21 November 2008 (the latest practicable date prior to publication of this document), no Ordinary Shares were held by or on behalf of Standard Chartered.

(g) Shares held by or on behalf of experts

As at 21 November 2008 (the latest practicable date prior to publication of this document), none of the experts named in the document had any shareholding in any member of the Group or any right to subscribe for securities in any members of the Group.

2. Interests of natural and legal persons involved in the Rights Issue

Save as otherwise disclosed in this document, no person involved in the Rights Issue had an interest which was material to the Rights Issue.

3. Major shareholders and related party transactions

As at 21 November 2008 (the latest practicable date prior to the publication of this document) Standard Chartered was not aware of any persons who, directly or indirectly, jointly or severally, will exercise or could exercise control over Standard Chartered.

As at 21 November 2008 (the latest practicable date prior to the publication of this document) Standard Chartered was not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

(a) Ordinary Share Capital

As at 21 November 2008 (the latest practicable date prior to publication of this document) Standard Chartered had been notified by the following companies of their interests in the total voting rights of Standard Chartered:

			Immediately following completion of the Rights Issue[1]	
Shareholder	**Number of Ordinary Shares**	**Percentage of voting rights**	**Number of Ordinary Shares**	**Percentage of voting rights**
Temasek Holdings (Private) Limited[2]	268,197,219	18.81	356,613,884	18.81

(1) Assuming no New Ordinary Shares are acquired by the Underwriters and that Temasek Holdings (Private) Limited takes up its entitlement in full.

(2) Temasek Holdings (Private) Limited's interest is held indirectly through Dover Investments Pte Ltd and Cavanagh Investments Pte Ltd.

(b) Related party transactions

A description of the related party transactions that the Group has entered into for FY 2005, FY 2006, FY 2007 and the period 1 January 2008 to 30 June 2008 is given on page 126 of Standard Chartered's 2005 Annual Report, page 140 of Standard Chartered's 2006 Annual Report, pages 155 to 156 of Standard Chartered's 2007 Annual Report and page 72 of Standard Chartered's 2008 Interim Report, respectively.

Other than as disclosed on page 72 of Standard Chartered's 2008 Interim Report, no Director nor experts named in this document have any interest in any assets which have been, or which are proposed to be, acquired by, disposed of by or leased to any member of the Group since 31 December 2007.

Other than as disclosed on page 72 of Standard Chartered's 2008 Interim Report, there are no contracts or arrangements subsisting at the date of this document in which a Director is materially interested and which is significant in relation to the business of the Group.

There are no related party transactions between the Company and members of the Group that were entered into during the period between 30 June 2008 and 21 November 2008 (the latest practicable date prior to the publication of this document).

4. Summary of Memorandum and Articles of Association of Standard Chartered

The following is a summary of Standard Chartered's Memorandum and Articles of Association, which are incorporated by reference into this document and which are available for inspection as set out in Section 13 of this Part XIII.

(a) Memorandum of Association

The Company's principal objects are to carry on the business of banking in all its aspects and to transact and do all matters and things incidental thereto in all parts of the world and to acquire the whole of the issued share capitals of The Standard Bank Limited and The Chartered Bank. The objects of the Company are set out in full in Clause 4 of the memorandum of association which is available for inspection at the address specified in Section 13 of this Part XIII below.

(b) Articles of Association

The Articles, which were adopted on 7 May 2008, contain (amongst others) provisions to the following effect:

Share Rights

Subject to the requirements of the Hong Kong Listing Rules, applicable statutes (in this section the "Companies Acts"), any resolution passed by the Company under the Companies Acts and any other shareholders' rights, shares may be issued with such rights and restrictions as the Company may by ordinary resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board (as defined in the Articles) may decide. Redeemable shares may be issued. Save to the extent inconsistent with the Articles preference shares may be issued. Subject to the Articles, the Companies Acts and other shareholders' rights, unissued shares are at the disposal of the Board.

(iv) Voting Rights

Subject to any rights or restrictions attaching to any class of shares, every member present in person or by a duly appointed proxy at a general meeting or class meeting has, upon a show of hands, one vote and every member present in person or by proxy has, upon a poll, one vote for every US$2 nominal value of share capital held by him. The chairman has the casting vote in the event of equality of votes at a meeting.

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

(v) Restrictions on voting

No member shall, unless the Board otherwise decides, be entitled to attend or vote at any general meeting or class meeting in respect of any share held by him unless all calls or other sums then payable by him in respect of that share have been paid.

If any member is required under the Hong Kong Listing Rules to abstain from voting on any particular resolution or to vote only for or against any particular resolution, any vote cast by or on behalf of such member in contravention of such requirement shall not be counted.

(vi) Dividends and Other Distributions

The Company may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. Subject to the Companies Acts, the Board may pay interim dividends, or any fixed rate dividend, whenever the financial position of the Company, in the opinion of the Board, justifies their payment. If the Board acts in good faith, it will not be liable to holders of shares with preferred or *pari passu* rights for losses arising from the payment of interim or fixed dividends on other shares.

No dividend payable or any other moneys payable by the Company in respect of any share shall bear interest against the Company.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion of the period in respect of which the dividend is paid. Dividends may be declared or paid in any currency.

The Board may if authorised by an ordinary resolution of the Company, offer ordinary shareholders (excluding any member holding shares as treasury shares) in respect of any dividend, the right to elect to receive ordinary shares by way of share dividend, instead of cash.

Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and revert to the Company.

The Company may cease to send cheques, warrants or similar financial instruments by post or to employ any other means of payment for dividends if either (i) at least two consecutive payments have remained uncashed or are returned undelivered or that means of payment has failed or (ii) one payment remains uncashed or is returned undelivered or that means of payment has failed and reasonable inquiries have failed to establish any new postal address or account of the holder. The Company must resume sending cheques, warrants or similar financial instruments or employing such other means of payment if the person entitled to payment requests such resumption in writing.

(vii) Variation of Rights

Subject to the Companies Acts, rights attached to any class of shares may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class (calculated excluding any shares held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting (except an adjourned meeting) the quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class (calculated excluding any shares held as treasury shares).

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

(viii) Transfer of Shares

Subject to the Uncertificated Securities Rules (as defined in the Articles) the Board may permit title to shares of any class to be evidenced otherwise than by a certificate and title to shares of such a class to be transferred by means of a relevant system. Provisions of the Articles do not apply to any uncertificated shares to the extent that such provisions are inconsistent with the holding of shares in uncertificated form or with the transfer of shares by means of a relevant system.

Any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer must be signed by or on behalf of the transferor and (in the case of a partly-paid share) the transferee.

The transferor of a share is deemed to remain the holder until the transferee's name is entered in the register.

The Board can decline to register any transfer of any share which is not a fully paid share. The Board may also decline to register a transfer of a certificated share unless the instrument of transfer:-

- is duly stamped or certified or otherwise shown to the satisfaction of the board to be exempt from stamp duty and is accompanied by the relevant share certificate and such other evidence of the right to transfer as the board may reasonably require;
- is in respect of only one class of share; and
- if to joint transferees, is in favour of not more than four such transferees.

Registration of a transfer of an uncertificated share may be refused in the circumstances set out in the Uncertificated Securities Rules (as defined in the Articles) and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

(ix) Alteration of Share Capital

The Company may by ordinary resolution increase, consolidate, consolidate and then divide, (subject to the Companies Acts) sub-divide its shares or cancel any shares which have not been taken.

The Company may, subject to the Companies Acts, by special resolution reduce its share capital, capital redemption reserve share premium account, or any other undistributable reserve.

(x) General Meetings

The Articles rely on the Companies Act 2006 provisions dealing with the calling of general meetings. The Companies Act 2006 provides that a general meeting (other than an adjourned meeting) must be called by notice of at least 21 days in the case of an annual general meeting and at least 14 days in any other case. Notice of a general meeting must be given in hard copy form, in electronic form, or by means of a website and must be sent to every member and every Director. It must state the time and date and the place of the meeting and the general nature of the business to be dealt with at the meeting. A notice calling an annual general meeting must state that the meeting is an annual general meeting. Save as otherwise provided by the Articles five members present in person or by proxy and entitled to vote shall be a quorum.

Each Director shall be entitled to attend and speak at any general meeting. The chairman of the meeting may invite any person to attend and speak at any general meeting where he considers that this will assist in the deliberations of the meeting.

(xi) Directors

Number of Directors

The Directors shall be not less than five and not more than thirty in number. The Company may by ordinary resolution vary the minimum and/or maximum number of Directors.

Directors' shareholding qualification

Unless otherwise determined by the company in general meeting, the qualification of a Director shall be the holding alone, and not jointly with any other person, of US$1,000 nominal amount of share capital of the company. A Director may act before acquiring his qualification but if not already qualified shall acquire his qualification within two months of the adoption of these Articles or the date of his appointment as Director, whichever is the later.

Appointment of Directors

Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board holds office only until the next following annual general meeting of the Company and is then eligible for re-appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.

The Board or any committee authorised by the board may from time to time appoint one or more Directors to hold any employment or executive office with the Company for such period and on such terms as they may determine and may also revoke or terminate any such appointment.

Retirement of Directors

At every annual general meeting a minimum of one third of the Directors shall retire. If their number is not three nor a multiple of three then the minimum number required to retire shall be the nearest to and not less than one third. Those to retire by rotation on each occasion shall be those of the Directors who held office at the time of the two preceding annual general meetings and who did not retire at either of them. If the number so retiring is still less than the minimum number required, additional Directors up to that number shall also retire. Those additional Directors shall be those who have been longest in office since they were last elected. If they have been last elected on the same day, those to retire (unless they agree amongst themselves) shall be determined by lot.

A Director who would not otherwise be required to retire shall retire if he has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting.

The Directors to retire on each occasion (both number and identity) shall be determined by the composition of the Board at start of business on the date of the notice convening the annual general meeting and no Director shall be required to retire by rotation or be relieved from retiring by rotation by reason of any change in the number or identity of the Directors after that time on the date of the notice but before the close of the meeting.

Removal of Directors by special resolution

The Company may by special resolution remove any Director before the expiration of his period of office.

Vacation of office

The office of a Director shall be vacated if:

- he resigns his office by notice in writing to the Company;
- he resigns or offers to resign by notice in writing and the Board resolve to accept such offer;
- he is or has been suffering from mental ill health or he becomes a patient for the purposes of any statues relating to mental health and the Board resolves that his office be vacated;
- he is absent without the permission of the Board from meetings of the Board (whether or not an alternate director appointed by him attends) for three consecutive months and the Board resolves that his office is vacated;
- he becomes bankrupt or compounds with his creditors generally;
- he is prohibited by a law from being a Director;
- he ceases to be a Director by virtue of the Companies Acts;
- he is removed from office pursuant to the Articles; or
- his resignation is requested by three-quarters of his co-directors;

If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

Alternate Director

Any Director may appoint any person to be his alternate and may at his discretion remove such an alternate director. If the alternate Director is not already a Director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.

Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate is meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be five. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the Board.

The Board may appoint a Director to be the chairman or a deputy chairman and may at any time remove him from that office. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

All or any of the members of the Board may participate in a meeting of the Board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and to be counted in the quorum.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons as it thinks fit, provided that the majority of persons on any committee or sub-committee must be directors. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in the Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

Remuneration of Directors

Each of the Directors shall be paid a fee at such rate as may from time to time be determined by the Board, but the aggregate of all such fees so paid to the Directors shall not exceed £750,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the Company. Any Director who is appointed to any executive office shall be entitled to receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, either in addition to or in lieu of his remuneration as a Director. In addition, any Director, who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a Director, may be paid such extra remuneration as the Board or any committee authorised by the Board may determine. Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board, or committees of the Board, or of the Company or any other meeting which as a Director he is entitled to attend, and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. The Company may also fund a Director's expenditure and that of a Director of any holding company of the Company for the purposes permitted under the Companies Acts and may do anything to enable a Director or a Director of any holding company of the Company to avoid incurring such expenditure as provided in the Companies Acts.

Pensions and gratuities for Directors

The Board or any committee authorised by the Board may exercise the powers of the Company to provide benefits either by the payment of gratuities or pensions or by insurance or in any other manner for any Director or former Director or his relations, dependants or persons connected to him, but no benefits (except those provided for by the Articles) may be granted to or in respect of a Director or former Director who has not been employed by or held an executive office or place of profit under the Company or any of its subsidiary undertakings or their respective predecessors in business of the Company without the approval of an ordinary resolution of the Company.

Directors' interests

The Board may, subject to the provisions of the Articles, authorise any matter which would otherwise involve a Director breaching his duty under the Companies Acts to avoid conflicts of interest. Where the Board gives authority in relation to a conflict of interest the Board may (a) require the relevant Director to be excluded from the receipt of information, the participation in discussion and/or the making of decisions related to the conflict of interest; (b) impose upon the relevant Director such other terms for the purpose of dealing with the conflict of interest as it may determine; and (c) provide that the relevant Director will not be obliged to disclose information obtained otherwise than through his position as a Director and that is confidential to a third party or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence. The Board may revoke or vary such authority at any time.

Subject to the provisions of the Companies Acts, and provided he has declared the nature and extent of his interest to the Board as required by the Companies Acts, a Director may:

(i) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;

(ii) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms, including remuneration, as the Board may decide;

(iii) act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as auditor);

(iv) be or become a Director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested; and

(v) be or become a Director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a Director of that other company.

A Director shall not, by reason of his office be liable to account to the Company for any benefit realised by reason of having an interest permitted as described above or by reason of having a conflict of interest authorised by the Board and no contract shall be liable to be avoided on the grounds of a Director having any such interest.

Restrictions on voting

No Director may vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

Subject to certain limited exceptions set out in the Articles, no Director may vote on, or be counted in a quorum in relation to, any resolution of the Board in respect of any contract in which he or his associates (as defined in the Articles) has an interest (which to his knowledge is a material interest) and, if he does so, his vote shall not be counted.

Subject to the Companies Acts, the Company may by ordinary resolution suspend or relax the above provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

Borrowing and other powers

Subject to the Company's memorandum of association, the Articles, the Companies Acts and any directions given by the Company by special resolution, the business of the Company will be managed by the Board who may exercise all the powers of the Company, whether relating to the management of the business of the Company or not. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge any of its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party.

Indemnity of Directors

To the extent permitted by the Companies Acts, the Company may indemnify any Director of the Company or any associated company against any liability and may purchase and maintain for any Director of the Company or any associated company insurance against any liability.

5. No significant change

The second half of the year has seen significant volatility in currency movements, which has had a negative impact on the Group's net assets. The only currency movements which are significant are those in the Korean Won. A movement of 50 Won changes the Group's Net Assets by approximately US$185 million. The effect on the capital ratios, however, is less significant, as the revaluation of foreign currency Risk Weighted Assets partially mitigates the impact of currency movements on the capital base.

Save as disclosed above, there has been no significant change in the trading or financial position of the Group since 30 June 2008, the date to which the 2008 First Half Results (which are incorporated by reference into this document as set out in Part XVI of this document) were prepared.

6. No material adverse change

Save as disclosed in the current trading update set out in Part IV of this document and the 2008 First Half Results (which are incorporated by reference into this document as set out in Part XVI of this document), there has been no material adverse change in the trading or financial position of the Group since 31 December 2007, the date to which Standard Chartered's last audited consolidated annual financial statement (which is incorporated by reference into this document as set out in Part XVI of this document) was prepared.

7. Litigation

No member of the Group is or has been engaged in or, so far as the Company is aware, has any pending or threatened governmental, legal or arbitration proceedings which may have, or have had in the recent past (covering the 12 months preceding the date of this document), a significant effect on the financial position or profitability of the Company and/or the Group.

8. Material contracts

The following are summaries of all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company or any member of the Group: (i) within the two years immediately preceding the date of this document which are, or may be, material to the Group; or (ii) at any time and contain obligations or entitlements which are, or may be, material to the Group as at the date of this document:

(a) Underwriting Agreement

Pursuant to an Underwriting Agreement dated 24 November 2008 among Standard Chartered, the Underwriters and JPMorgan Cazenove Limited, the Banks have agreed severally to procure acquirers for, or failing which, the Underwriters shall acquire in their Due Underwriting Proportions, up to 469,849,676 New Ordinary Shares to the extent not taken up under the Rights Issue (the "**Underwritten Shares**"), in each case at the Issue Price. To the extent that Temasek takes up its rights under the Rights Issue, Temasek's underwriting proportions shall be reduced by subtracting a percentage equal to such number of taken up Ordinary Shares divided by the number of Underwritten Shares and the underwriting proportion of each of the Underwriters shall then be increased proportionately to the extent necessary to ensure that the underwriting proportions of the Underwriters equal 100 per cent. of the Underwritten Shares.

In consideration of the Underwriters' agreement to underwrite the Underwritten Shares and the Banks' services in connection with the Rights Issue, the Company shall pay: (a) to the Banks, a commission of 2.75 per cent on the aggregate value at the Issue Price of the number of Underwritten Shares underwritten by the non-Temasek Underwriters. Such commission shall be shared between the Banks in proportion to their Due Underwriting Proportions (JPMorgan Cazenove Limited's share being equal to J.P. Morgan's Due Underwriting Proportion); and (b) to Temasek, a commission of 1.75 per cent on the aggregate value at the Issue Price of that number of Underwritten Shares underwritten by it which is equal to the number of New Ordinary Shares which Temasek is entitled as a shareholder to take up under the Rights Issue and a commission of 2.75 per cent on the aggregate value at the Issue Price of the balance of the Underwritten Shares underwritten by it.

Out of such fees (to the extent received by the Underwriters) the Banks will pay any sub-underwriting commissions (to the extent that sub-underwriters are or have been procured). The non-Temasek Underwriters may arrange sub-underwriting for some, all or none of the Underwritten Shares. The underwriting fee was determined in accordance with market rates.

The Company shall pay (whether or not the Underwriters' and/or JPMorgan Cazenove Limited's obligations under this Agreement become unconditional) all costs and expenses of, or in connection with, the Rights Issue, the allotment and issue of the New Ordinary Shares and the Underwriting Agreement including (but not limited to) the UK Listing Authority and the London Stock Exchange and Hong Kong Stock Exchange listing and trading fees, other regulatory fees and expenses, printing and advertising costs, postage, the Registrar's charges, its own, the Underwriters' and JPMorgan Cazenove Limited's legal and other out of pocket expenses, all accountancy and other professional fees, public relations fees and expenses and all stamp duty and stamp duty reserve tax (if any) and other duties and taxes (other than corporation tax incurred by any of the Banks and/or JPMorgan Cazenove Limited on the commissions payable to them).

The obligations of the Underwriters and JPMorgan Cazenove Limited under the Underwriting Agreement are subject to certain conditions including, amongst others:

(i) UK Admission becoming effective by not later than 8.00 a.m. on 27 November 2008 (or such later time and date (not later than 4 December 2008) as the parties to the Underwriting Agreement may agree);

(ii) each condition to enable the Nil Paid Rights and the Fully Paid Rights to be admitted as a participating security in CREST (other than UK Admission) being satisfied on or before 27 November 2008; and

(iii) the fulfilment in all material respects by the Company of its obligations under a number of provisions of the Underwriting Agreement by the times specified therein.

Since the Company is a regulated entity in a number of jurisdictions, the Underwriting Agreement contains provisions which delay the confirmation of allotment of New Ordinary Shares to any of the Underwriters (but does not delay their obligation to pay for those New Ordinary Shares) until such time as any regulatory approvals are obtained (which, in the case of non-Temasek Underwriters, can be no longer than 12 months). In particular, certain approvals will be required to enable Temasek to increase its holding to above 20 per cent. of the issued ordinary share capital of the Company. This mechanism does not render the underwriting conditional after UK Admission. Where allotment of New Ordinary Shares is deferred as referred to in this paragraph, the Underwriters are entitled, subject to certain conditions, to place such New Ordinary Shares in the market.

None of the Banks, Temasek or J.P. Morgan is entitled to terminate the Underwriting Agreement after UK Admission.

Pursuant to the Underwriting Agreement, the parties to the Underwriting Agreement have agreed that if a supplementary prospectus is issued by the Company two business days or fewer prior to the date specified as the latest date for acceptance and payment in full, such date shall be extended to the date which is three Dealing Days after the date of issue of the supplementary prospectus.

The Company has given certain warranties and indemnities to the Underwriters and JPMorgan Cazenove Limited. The liabilities of Standard Chartered are unlimited as to time and amount.

The Banks have agreed that neither they nor any person acting on their behalf will procure subscribers for any of the New Ordinary Shares, the Nil Paid Rights and the Fully Paid Rights other than in accordance with Regulation S.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the non-Temasek Underwriters and the ultimate beneficial owner of each of the non-Temasek Underwriters are third parties independent of the Company and connected persons of the Company. Temasek is a substantial shareholder, and therefore a connected person, of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement are fair and reasonable and that the Underwriting Agreement is in the best interests of Shareholders as a whole.

(b) Subscription and Transfer Agreement

In connection with the Rights Issue, the Company, JPMorgan Cazenove Limited and Newco have entered into agreements, each dated 26 November 2008, in relation to the subscription and transfer of ordinary shares and redeemable preference shares in Newco. Under the terms of these agreements:

(i) the Company and JPMorgan Cazenove Limited agreed to take up ordinary shares in Newco and enter into put and call options in respect of the ordinary shares in Newco subscribed for by JPMorgan Cazenove Limited that are exercisable if the Rights Issue does not proceed;

(ii) JPMorgan Cazenove Limited will apply the proceeds of the Rights Issue (after deduction of the commission, fees and expenses referred to above) including amounts received from acquirers procured by the Banks and amounts received from the Underwriters in subscribing for preference shares in Newco to an aggregate value equal to such proceeds; and

(iii) the Company will allot and issue the New Ordinary Shares to those persons entitled thereto in consideration of JPMorgan Cazenove Limited transferring its holding of preference shares, and ordinary shares in Newco to the Company.

Accordingly, instead of receiving cash as consideration for the issue of the New Ordinary Shares, at the conclusion of the Rights Issue the Company will own the entire issued ordinary share capital and entire preference share capital of Newco whose only assets will be its cash reserves, which will represent an amount equal to the net proceeds of the Rights Issue. The Company will be able to use this amount by exercising its right of redemption over the preference shares it holds in Newco and, during any interim period prior to redemption, by procuring that Newco lends the amount to the Company (or one of the Company's subsidiaries).

Qualifying Shareholders are not party to these arrangement and so will not acquire any direct right against the Banks pursuant to these arrangements. The Company will be responsible for enforcing the obligations of the Banks thereunder.

9. Mortgages and charges

As at 21 November 2008, being the latest practicable date before publication of this document, no member of the Group has granted any material mortgages or charges over its assets.

10. United Kingdom taxation

(a) General

The following statements are intended to apply only as a general guide to the position under current UK tax law and the published practice of H.M. Revenue & Customs as at the date of this document, either of which is subject to change at any time. They are (unless a contrary intention is expressly specified) intended to apply only to Qualifying Shareholders who are resident or ordinarily resident in the UK for UK tax purposes, who hold their shares as investments and who are the beneficial owners of those shares. The statements may not apply to certain classes of Qualifying Shareholders such as, for example, dealers in securities.

Any person who is in any doubt as to his or her tax position or who may be subject to tax in any jurisdiction other than the United Kingdom should consult an appropriate professional tax adviser.

(b) Taxation of chargeable gains

For the purposes of UK taxation of chargeable gains, the issue of the New Ordinary Shares by the Company should constitute a reorganisation of the Company's share capital. Accordingly, a Qualifying Shareholder will not be treated as making a disposal of any part of his Existing Ordinary Shares by reason of taking up his rights to New Ordinary Shares. No liability to taxation on chargeable gains should arise in respect of the issue of New Ordinary Shares to the extent that a Qualifying Shareholder takes up his full entitlement to New Ordinary Shares.

For the purposes of the taxation of chargeable gains, if a Qualifying Shareholder takes up all or any of his rights to the New Ordinary Shares, his holding of Existing Ordinary Shares and his New Ordinary Shares will be treated as the same asset, acquired at the time he acquired his Existing Ordinary Shares. The subscription monies will be added to the base cost of his Existing Ordinary Shares.

In the case of individuals, trustees and personal representatives, indexation allowance is not available. In the case of a corporate Qualifying Shareholder, in calculating the chargeable gain or allowable loss arising on a subsequent disposal of New Ordinary Shares, indexation allowance will apply to the amount paid for the New Ordinary Shares only from, generally, the date the subscription monies for the New Ordinary Shares were paid.

If a Qualifying Shareholders sells or otherwise disposes of all or some of the New Ordinary Shares allotted to him, or his rights to acquire them, or if he allows all or any part of his rights to acquire New Ordinary Shares to lapse and receives a cash payment in respect of them, he may, depending on his circumstances, incur a liability to taxation on any chargeable gains realised.

However, if the proceeds resulting from a lapse or disposal of the rights to acquire New Ordinary Shares are small as compared with the market value (on the date of lapse or disposal) of the Existing Ordinary Shares in respect of which the rights arose, a Qualifying Shareholder should not be treated as making a disposal for the purposes of the taxation of chargeable gains. The proceeds will instead be deducted from the acquisition cost of the relevant Existing Ordinary Shares for the purposes of computing any chargeable gain or allowable loss on a subsequent disposal. The current practice of H.M. Revenue & Customs is to apply this treatment where either (i) the proceeds of the disposal or lapse of rights do not exceed 5 per cent. of the market value (at the date of the disposal or lapse) of the Existing Ordinary Shares in respect of which the rights arose or (ii) the amount of the proceeds is £3,000 or less, regardless of whether the 5 per cent. test is satisfied. This treatment will not apply where such proceeds are greater than the base cost of the Existing Ordinary Shares for the purposes of the taxation of chargeable gains.

A disposal by a Qualifying Shareholder within the charge to UK capital gains tax, such as an individual, trustee or personal representative, will, subject to the availability to the Qualifying Shareholder of any exemptions, reliefs and/or allowable losses, be subject to tax on any gain arising at the rate of 18 per cent., with no taper relief or indexation allowance.

An individual Qualifying Shareholder who has ceased to be resident or ordinarily resident for tax purposes in the United Kingdom for a period of less than five years of assessment and who disposes of all or part of his New Ordinary Shares during that period of temporary non-residence may be liable on his return to the UK to taxation on chargeable gains arising during the period of absence, subject to any available exemption or relief.

A Qualifying Shareholder who is not resident in the UK for tax purposes and who realises a gain in respect of any New Ordinary Shares will not normally be liable to UK tax on chargeable gains. However, a non-UK resident individual Qualifying Shareholder may be liable to UK tax on chargeable gains if, at the time of the disposal of those New Ordinary Shares, that Qualifying Shareholder carries on a trade, profession or vocation in the UK through a branch or agency and the New Ordinary Shares are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or for such branch or agency. In addition, a non-UK resident corporate Qualifying Shareholder which carries on a trade in the UK through a permanent establishment there may be liable to UK tax on chargeable gains if it disposes of New Ordinary Shares which are, at or before the time the gain accrues, used in or for the purposes of that trade or which are used or held for the purposes of the permanent establishment.

(c) Taxation of dividends

Under current UK tax law, the Company will not be required to withhold tax at source from dividend payments it makes.

(i) Individual Qualifying Shareholders tax resident in the UK

An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will be entitled to a tax credit which may be set off against his total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the "gross dividend"), which is also equal to one-ninth of the amount of the cash dividend received.

The gross dividend is treated as the top slice of the individual's income. A UK resident individual Shareholder who is liable to income tax at a rate not exceeding the basic rate will be subject to income tax on the dividend at the rate of 10 per cent. of the gross dividend so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend. If a UK resident individual Shareholder is liable to income tax at the higher rate, he will be subject to income tax on the gross dividend at 32.5 per cent. but will be able to set the tax credit off against part of this liability. The effect of that set-off of the tax credit is that such a Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received), to the extent that the gross dividend falls above the threshold for higher rate income tax.

The Government has announced proposals to introduce, with effect from 6 April 2011, a new tax rate of 45 per cent for taxable non-savings and savings income above £150,000. Dividends otherwise taxable at the new 45 per cent rate would be liable to income tax at a new rate of 37.5 per cent.

A UK resident individual Shareholder who is not liable to income tax in respect of the gross dividend will not be entitled to any payment from H.M. Revenue & Customs in respect of any part of the tax credit.

(ii) Corporate Qualifying Shareholders tax resident in the UK

A Shareholder which is within the charge to corporation tax will not normally be subject to corporation tax on any dividend received from the Company. Such a corporate Shareholder will not be entitled to any payment from H.M. Revenue & Customs in respect of the tax credit attaching to any dividend paid by the Company.

(iii) Qualifying Shareholders not tax resident in the UK

Qualifying Shareholders who are not resident in the UK for tax purposes may be liable to foreign taxation on dividends paid by the Company.

Subject to certain exceptions for individuals who are Commonwealth citizens, residents of the Isle of Man or the Channel Islands, nationals of EEA States and certain others, the right of a Qualifying Shareholder who is not resident in the UK for tax purposes to a tax credit on dividends will depend upon the existence and terms of any double tax treaty between the UK and the country in which that person is resident. There is no double taxation convention between the UK and Hong Kong.

Qualifying Shareholders who are not resident in the UK for tax purposes should consult their own tax advisers concerning their tax liabilities on dividends received from the Company and whether they are entitled to claim a repayment of any part of the tax credit and, if so, the procedure for doing so.

(d) Stamp duty and SDRT

(i) *UK Shareholders*

No stamp duty or SDRT will be payable on the issue of Provisional Allotment Letters, on the crediting of Nil Paid Rights or Fully Paid Rights to stock accounts in CREST, or on the issue in uncertificated form of New Ordinary Shares, to the extent that the New Ordinary Shares to which that issue or crediting relates will be recognised on the UK register of members. Where New Ordinary Shares represented by such documents or rights are registered in the name of the Qualifying Shareholder entitled to such shares, or where New Ordinary Shares are credited in uncertificated form to CREST, no liability to stamp duty or SDRT will generally arise.

Persons who purchase (or are treated as purchasing) rights to New Ordinary Shares represented by Provisional Allotment Letters (whether nil paid or fully paid), or Nil Paid Rights or Fully Paid Rights held in CREST, on or before the latest time for registration of renunciation will not generally be liable to pay stamp duty. However, such a purchaser will normally be liable to pay SDRT at the rate of 0.5 per cent. of the actual consideration paid.

Where such a purchase is effected through a stockbroker or other financial intermediary, that person will normally account to H.M. Revenue & Customs for the SDRT and should indicate that this has been done in any contract note issued to the purchaser. In other cases, the purchaser of the rights to the New Ordinary Shares represented by the Provisional Allotment Letters is liable to pay the SDRT and must account for it to H.M. Revenue & Customs. Any SDRT arising on the transfer of Nil Paid Rights or Fully Paid Rights held in CREST should be collected and accounted for to H.M. Revenue & Customs by Euroclear.

No stamp duty or SDRT will be payable on the registration of renunciation of Provisional Allotment Letters, whether by the original holders or their renouncees.

Where New Ordinary Shares are issued or transferred (i) to, or to a nominee or (in the case of stamp duty) agent for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depository receipts, stamp duty or SDRT will generally be payable at a higher rate of 1.5 per cent. of the consideration payable (rounded up in the case of stamp duty to the nearest £5).

Subject to an exemption for certain low value transactions, the transfer on sale of New Ordinary Shares held outside CREST after the last date for registration of renunciation will generally give rise to a liability, usually met by the purchaser, to *ad valorem* stamp duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the amount or value of consideration paid. An agreement to transfer such shares which is or becomes unconditional will generally give rise to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration paid, such SDRT generally being payable by the transferee or purchaser. The liability to SDRT will generally be cancelled or any SDRT paid refunded if the agreement is completed by a duly stamped transfer within six years of either the date of the agreement or, if the agreement was conditional, the date when the agreement became unconditional.

No stamp duty or SDRT will arise on a transfer of New Ordinary Shares into CREST provided that, in the case of SDRT, the transfer is not for money or money's worth. A transfer of New Ordinary Shares effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable, which will be collected and accounted for to H.M. Revenue & Customs by Euroclear (such SDRT generally being payable by the transferee or purchaser).

(ii) *HK Shareholders*

Instruments of transfer of New Ordinary Shares which are registered on the Hong Kong register of members will, unless they are executed in a part of the UK, be exempt from UK stamp duty.

H.M. Revenue & Customs have previously confirmed that neither UK stamp duty nor SDRT will be charged on the entry into, or subsequent settlement or clearance in, CCASS of shares registered on a Hong Kong branch register.

The above statements are intended only as a general guide to the current stamp duty and SDRT position. Transfers to certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for SDRT, be required to notify and account for it.

11. Hong Kong taxation

(a) General

This section addresses the taxation of income and capital gains of holders of Nil Paid Rights and New Ordinary Shares under the laws and practices of Hong Kong. The following summary of the tax position in Hong Kong is based on current law and practice, is subject to changes therein and does not constitute legal or tax advice. This summary provides a general outline of the material tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the New Ordinary Shares and does not deal with all possible Hong Kong tax consequences applicable to all categories of investors.

(b) Taxation on gains of sale

No tax is imposed in Hong Kong in respect of capital gains. However, trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where the trading gains are derived from or arise in Hong Kong will be chargeable to Hong Kong profits tax, which is currently charged at the rate of 16.5 per cent. on corporations and at a maximum rate of 15 per cent. on individuals. Certain categories of taxpayers whose business consists of buying and selling shares are likely to be regarded as deriving trading gains rather than capital gains (e.g. financial institutions, insurance companies and securities dealers) unless these taxpayers could prove that the investment securities are held for long term investment purposes.

Trading gains from sales of the Nil Paid Rights or New Ordinary Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of Nil Paid Rights or New Ordinary Shares effected on the Hong Kong Stock Exchange realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

(c) Stamp duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1 per cent. on the higher of the consideration for or the value of the Nil Paid Rights or the New Ordinary Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Nil Paid Rights or New Ordinary Shares (i.e. a total of 0.2 per cent. is currently payable on a typical sale and purchase transaction involving Ordinary Shares). In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer of Ordinary Shares.

(d) Estate duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application for a grant of representation in respect of holders of Ordinary Shares whose deaths occur on or after 11 February 2006.

12. General

(a) The Sponsor is regulated in the United Kingdom by the Financial Services Authority.

(b) The registrar of the Company in the UK is Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom. The registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The total costs, charges and expenses of the Rights Issue are estimated to amount to approximately £54.5 million (excluding VAT), which includes estimated total underwriting commission of approximately £47 million. These costs, charges and expenses will be paid by the Company from the proceeds of the Rights Issue.

(d) KPMG Audit Plc has given and has not withdrawn its consent to the inclusion in this document of its report in the form and context in which it appears and has authorised the contents of that report for the purposes of Prospectus Rule 5.5.3R (2)(f).

(e) KPMG Audit Plc has given and has not withdrawn its consent to the inclusion in this document of its report in the form and context in which it appears and has authorised the contents of that report for the purposes of paragraph 5(2) of Appendix 1, Part B of the Hong Kong Listing Rules.

(f) Annemarie Verna Florence Durbin is the secretary of the Company. She is a barrister and solicitor of the High Court of New Zealand as well as a solicitor of the Supreme Court of England and Wales.

(g) Simon Jeremy Glass is the qualified accountant of the Company appointed pursuant to Rule 3.24 of the Hong Kong Listing Rules. He is qualified as a chartered accountant in England and Wales.

(h) The authorised representatives of the Company are Peter Sands, c/o 1 Aldermanbury Square, London, EC2V 7SB and Julian Fong Loong Choon, c/o 32nd Floor, 4-4A Des Voeux Road, Central, Hong Kong.

(i) The financial information contained in this document which relates to the Company does not constitute statutory accounts as referred to in Section 240 of the Companies Act 1985. Statutory consolidated audited accounts of the Company, prepared under IFRS on which the auditors have given unqualified reports and which contained no statement under Section 237(2) or (3) of the Companies Act 1985, have been delivered to the Registrar of Companies in respect of the FY 2005, FY 2006 and FY 2007.

13. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on each Business Day from 26 November 2008 up to and including 17 December 2008 at the Company's principal place of business at 1 Basinghall Avenue, London EC2V 5DD, at the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY, United Kingdom and at the offices of Slaughter and May in Hong Kong at 47th Floor, Jardine House, One Connaught Place, Central, Hong Kong:

(a) this document;

(b) the Underwriting Agreement and the subscription and transfer agreement referred to in Section 8 of this Part XIII;

(c) all documents incorporated by reference into this document as set out in Part XVI of this document;

(d) the Directors' service contracts and Directors' letters of appointment;

(e) the report on the unaudited pro forma statement of net assets and net tangible assets by KPMG Audit Plc set out in Part XI of this document; and

(f) the consent letters referred to in Section 12 of this Part XIII.

Copies of the documents described above will be made available free of charge upon request.

Date: 26 November 2008

PART XIV

OPERATING AND FINANCIAL REVIEW

1. Documents incorporated by reference

The operating and financial reviews included in the following documents are incorporated by reference into this document:

(i) the Group's Annual Report and Accounts for FY 2005;

(ii) the Group's Annual Report and Accounts for FY 2006;

(iii) the Group's Annual Report and Accounts for FY 2007; and

(iv) the Group's Interim Report 2008.

2. Cross-reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

(a) the Group's Annual Report and Accounts for FY 2005

The page numbers below refer to the relevant pages of the Group's Annual Report and Accounts for FY 2005:

- Business Review – page 12; and
- Financial Review – page 22.

(b) the Group's Annual Report and Accounts for FY 2006

The page numbers below refer to the relevant pages of the Group's Annual Report and Accounts for FY 2006:

- Business Review: Performance – page 12;
- Business Review: People – page 18;
- Business Review: Sustainability – page 22; and
- Financial Review – page 26.

(c) the Group's Annual Report and Accounts for FY 2007

The page numbers below refer to the relevant pages of the Group's Annual Report and Accounts for FY 2007:

- Business Review – page 2;
- 2007 Highlights – page 2;
- Group Overview: Our Business – page 4;
- Group Overview: Performance by Geography – page 6;
- Chairman's Statement – page 8;
- Group Chief Executive's Review – page 10;
- Key Performance Indicators – page 16;
- Business Review: Performance – page 18;
- Business Review: People – page 26;
- Business Review: Sustainability – page 30;
- Financial and Risk Review – page 34;

- Financial Review - page 34;
- Risk Review – page 43; and
- Capital – page 60.

(d) the Group's Interim Report for 2008

The page numbers below refer to the relevant pages of the Group's Interim Report 2008:

- Financial Review – page 6;
- Group Summary – page 6;
- Consumer Banking – page 8;
- Wholesale Banking – page 10;
- Risk Review – page 13; and
- Capital – page 35.

PART XV

FINANCIAL INFORMATION RELATING TO THE GROUP

1. Basis of financial information

The consolidated financial statements of the Group included in the Group's Annual Reports for FY 2005, FY 2006 and FY 2007, together with the audit reports thereon are incorporated by reference into this document. In addition, the unaudited condensed consolidated financial statements of the Group contained in the Group's 2008 First Half Results are incorporated by reference into this document.

2. Cross-reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

(a) Financial statements for FY 2005 and audit report thereon

The page numbers below refer to the relevant pages of the Group's Annual Report for FY 2005:

- auditor's report – page 63;
- income statement – page 64;
- balance sheet – page 65;
- statement of recognised income and expenses – page 66;
- cash flow statement – page 67;
- Company balance sheet – page 68;
- notes to the accounts – page 69; and
- supplementary financial information – page 136.

(b) Financial statements for FY 2006 and audit report thereon

The page numbers below refer to the relevant pages of the Group's Annual Report for FY 2006:

- auditor's report – page 75;
- income statement – page 76;
- balance sheet – page 77;
- statement of recognised income and expenses – page 78;
- cash flow statement – page 79;
- Company balance sheet – page 80;
- notes to the accounts – page 81; and
- supplementary financial information – page 143.

(c) Financial statements for FY 2007 and audit report thereon

The page numbers below refer to the relevant pages of the Group's Annual Report for FY 2007:

- auditor's report – page 87;
- income statement – page 88;
- balance sheet – page 89;
- statement of recognised income and expenses – page 90;
- cash flow statement – page 91;

- Company balance sheet – page 92;
- notes to the accounts – page 93; and
- supplementary financial information – page 160.

(d) The Group's 2008 First Half Results (unaudited)

The page numbers below refer to the relevant pages of the Group's 2008 First Half Results which have not been audited by the auditors:

- condensed consolidated income statement – page 38;
- condensed consolidated balance sheet – page 39;
- condensed consolidated statement of recognised income and expenses – page 40;
- condensed consolidated cash flow statement – page 41; and
- notes to the accounts – page 42.

PART XVI

DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with the following documents which have been previously published and filed with the FSA and which shall be deemed to be incorporated in, and form part of, this document:

Information incorporated by reference into this document	**Location of Incorporation in this document**
The audited consolidated annual financial statements of the Company for FY 2005, together with the audit report thereon	Part X Part XIV Part XV
The audited consolidated annual financial statements of the Company for FY 2006, together with the audit report thereon	Section 3 of Part VII Section 5 of Part VII Part X Part XIV Part XV
The audited consolidated annual financial statements of the Company FY 2007, together with the audit report thereon	Section 3 of Part VII Section 5 of Part VII Section 1 of Part IX Section 2 of Part IX Section 3 of Part IX Section 4 of Part IX Section 5 of Part IX Section 6 of Part IX Part X Section 1 of Part XIII Part XIV Part XV
The announcements by the Company on 22 February 2008, 22 April 2008, 30 May 2008 and 16 September 2008 relating to certain changes to the Board	Section 1 of Part IX
The announcement released by the Company on 7 May 2008 containing the AGM statement and including an interim management statement for the first quarter of 2008	–
The unaudited consolidated interim financial information of the Company for the six months ended 30 June 2008	Section 5 of Part VII Part X Section 5 of Part XIII Section 6 of Part XIII Part XIV Part XV
The unaudited consolidated interim financial information of the Company for the six months ended 30 June 2007	Part X
The announcement released by the Company on 28 October 2008 containing an interim management statement for the third quarter of 2008	–
Standard Chartered PLC Memorandum and Articles of Association	Section 1 of Part XIII

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The Company will provide, without charge, to each person to whom a copy of this document has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated by reference herein. Written or oral requests for such documents should be directed to the Company at its registered office set out in Section 2 of Part XII.

Hong Kong Stock Exchange waiver

The Hong Kong Stock Exchange has granted a waiver to the Company to allow certain information that would otherwise need to be included in this document in accordance with Appendix 1, Part B of the HK Listing Rules to be incorporated by reference instead. The information relates to the requirement to disclose:

- paragraph 31(3)(a) – the latest published audited balance sheet together with the notes on the annual accounts for the last financial year;
- paragraph 34 – biographical details relating to the directors and senior managers;
- paragraph 39 – details of directors' service contracts (excluding those expiring or determinable within one year without payment of compensation (other than statutory compensation));
- paragraph 40(1) – full particulars of Directors' or Experts' interests in any assets which have been or are proposed to be acquired by, disposed of by or leased to any member of the Group; and
- paragraph 40(2) – full particulars of contracts or arrangements subsisting at the date of this document in which a Director is materially interested and which is significant in relation to the business of the Group.

The waiver has been granted on the basis that the detailed disclosure outlined above is unnecessary, unduly burdensome and its exclusion will not otherwise prejudice the interest of the investing public.

PART XVII

DEFINITIONS AND INTERPRETATION

The definitions set out below apply throughout this document, unless the context requires otherwise.

"2008 First Half Results" and/or "2008 Interim Report"	the interim results of the Company containing the unaudited interim results of the Group for 1 January 2008 to 30 June 2008;
"ABS"	asset backed securities;
"Admission"	UK Admission and HK Admission;
"Articles"	the articles of association of Standard Chartered;
"Banks"	JPMorgan Cazenove Limited, Goldman Sachs International and UBS Limited;
"Basel Committee"	the Basel Committee on Banking Supervision;
"Basel II"	the June 2004 Basel Accord of the Basel Committee;
"Board"	the board of directors of the Company from time to time;
"Business Day"	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
"Cashless Take Up"	the procedure described in Part VI of this document enabling Qualifying Shareholders to sell a sufficient number of Nil Paid Rights to raise money to take up the remainder;
"CCASS"	The Central Clearing and Settlement System established and operated by HKSCC;
"certificated" or "in certificated form"	a share or other security which is not in uncertificated form (that is, not in CREST or CCASS);
"City Code"	the UK City Code on Takeovers and Mergers;
"Closing Price"	the closing, middle market quotation in Pounds Sterling of an Existing Ordinary Share, as published in the Daily Official List;
"Combined Code"	the Combined Code on Corporate Governance of the Financial Reporting Council 2008;
"Companies Act"	the Companies Act 1985 or, where applicable, the Companies Act 2006, as such acts may be amended, modified or re-enacted from time to time;
"Companies Ordinance"	the Companies Ordinance (Cap.32 of the Laws of Hong Kong), as such ordinance may be amended, modified or re-enacted from time to time;
"Computershare Dealing Facility"	the share dealing service described in Part VI of this provided by the Receiving Agent;
"CREST member"	a person who has been admitted by Euroclear as a system-member (as defined in the Euroclear Regulations);
"CREST Shareholders"	Shareholders holding Ordinary Shares in CREST in uncertificated form;

"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor;
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member;
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the Euroclear Regulations operated by Euroclear;
"Daily Official List"	the daily official list of the London Stock Exchange;
"Dealing Day"	a day upon which dealings in domestic securities may take place on and with the authority of the London Stock Exchange;
"Director"	a director of the Company;
"Disclosure and Transparency Rules"	the disclosure and transparency rules made by the UK Listing Authority under Part VI of FSMA, as amended;
"Due Underwriting Proportions"	in the case of J.P. Morgan Securities Ltd, 22.23 per cent., in the case of Goldman Sachs International, 22.22 per cent., in the case of UBS Limited, 22.22 per cent., and, in the case of Temasek, 33.33 per cent.
"EEA States"	a state which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being;
"Enlarged Share Capital"	the issued ordinary share capital of the Company following the issue of the New Ordinary Shares pursuant to the Rights Issue;
"EU"	the European Union first established by the treaty made at Maastricht on 7 February 1992;
"Euroclear"	Euroclear UK & Ireland Limited;
"Euroclear Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms;
"Euroclear Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
"Excluded Territories"	United States, Canada, India, South Africa, Switzerland and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law;
"Existing Ordinary Shares"	the Ordinary Shares at the date of this document;
"ex-rights date"	27 November 2008;
"FSA" or "Financial Services Authority"	the Financial Services Authority of the United Kingdom;

"FSMA"	the Financial Services and Markets Act 2000, as amended;
"Fully Paid Rights"	rights to acquire New Ordinary Shares, fully paid;
"FY 2005"	the financial year of the Company ended 31 December 2005;
"FY 2006"	the financial year of the Company ended 31 December 2006;
"FY 2007"	the financial year of the Company ended 31 December 2007;
"FY 2008"	the financial year of the Company ended 31 December 2008;
"HK Admission"	admission of the New Ordinary Shares, nil paid, to trading on the Hong Kong Stock Exchange;
"HK Business Day"	a day (other than a Saturday, Sunday or a day on which either a tropical cyclone signal warning number 8 or a "block rainstorm warning" signal is hoisted in Hong Kong) upon which the Hong Kong Stock Exchange is open for dealings;
"HKSCC"	Hong Kong Securities Clearing Company Limited;
"HK Record Date"	4.30 p.m. (Hong Kong time) on 28 November 2008;
"HK Registrar"	Computershare Hong Kong Investor Services Limited;
"HK Shareholders"	Shareholders whose Ordinary Shares are registered on the Hong Kong register of members;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Hong Kong dollar" or "HK$"	the lawful currency of Hong Kong;
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"IFRS"	International Financial Reporting Standards;
"Issue Price"	390 pence per New Ordinary Share or, for HK Shareholders, HK$45.11 per New Ordinary Share (being the Hong Kong dollar equivalent of 390 pence using the HK$:£ exchange rate at the close of business on 21 November 2008 as derived from Bloomberg);
"J.P. Morgan"	J.P. Morgan Securities Ltd.;
"Listing Rules"	the listing rules made under Part VI of FSMA (as set out in the FSA Handbook), as amended from time to time;
"London Stock Exchange"	London Stock Exchange plc or its successor(s);
"MiFID"	means Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
"Money Laundering Regulations"	the Money Laundering Regulations 2007, as amended;
"MTM"	Many to Many;

"New Ordinary Shares"	the Ordinary Shares to be issued by the Company pursuant to the Rights Issue;
"Newco"	Standard Chartered Funding (Jersey) Limited;
"Nil Paid Rights"	New Ordinary Shares in nil paid form provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue;
"Official List"	the official list of the UK Listing Authority;
"Ordinary Shares"	ordinary shares of US$0.50 each in the capital of the Company;
"Pounds" or "£" or "Pounds Sterling"	the lawful currency of the United Kingdom;
"Prospectus Rules"	the prospectus rules made under Part VI of FSMA (as set out in the FSA Handbook), as amended;
"Provisional Allotment Letter"	the provisional allotment letter issued to Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders;
"Qualifying CCASS Shareholders"	Qualifying Shareholders holding Ordinary Shares on the HK register in uncertificated form;
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares on the UK register in uncertificated form;
"Qualifying Non-CCASS Shareholders"	Qualifying Shareholders holding Ordinary Shares on the HK register in certificated form;
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares on the UK register in certificated form;
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date;
"Receiving Agent"	Computershare Investor Services PLC;
"Record Date"	the UK Record Date or, for HK Shareholders, the HK Record Date;
"Registrars"	Computershare Investor Services PLC and Computershare Hong Kong Investor Services Limited;
"Regulation S"	Regulation S under the Securities Act;
"Regulatory Information Service"	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information from listed companies;
"Restricted Shareholders"	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the United Kingdom or Hong Kong;
"Rights Issue"	the offer by way of rights to Qualifying Shareholders to acquire New Ordinary Shares, on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders and Qualifying Non-CCASS Shareholders only, the Provisional Allotment Letter;
"RTGS"	real time gross settlement;
"Rule 144A"	Rule 144A under the Securities Act;

"SCB"	Standard Chartered Bank;
"SDRT"	stamp duty reserve tax;
"SEC"	United States Securities and Exchange Commission;
"Securities Act"	the US Securities Act of 1933, as amended;
"SFO"	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong);
"Shareholders"	holders of Ordinary Shares;
"Sponsor"	JPMorgan Cazenove Limited, a company incorporated in England and Wales with registered number 04153386, whose registered office is at 20 Moorgate London EC2R 6DA, United Kingdom;
"Standard Chartered" or "the Company"	Standard Chartered PLC, a company incorporated in England and Wales with registered number 00966425, whose registered office is at 1 Aldermanbury Square, London EC2V 7SB;
"Standard Chartered Group" or "the Group"	the Company together with its subsidiaries and subsidiary undertakings;
"Standard Chartered ShareCare Nominee Account"	the service provided by the Registrar whereby Computershare Company Nominees Limited holds Ordinary Shares as nominee;
"Standard Chartered Share Schemes"	the 1994 Sharesave Scheme, the 1996 International Sharesave Scheme, the 2004 UK Sharesave Scheme, the 2004 International Sharesave Scheme, the 2008 Irish Sharesave Scheme, the 1994 (No.2) Executive Share Option Scheme, the 2000 Executive Share Option Scheme, the 2001 Performance Share Plan, the 1997 Restricted Share Scheme, the 2006 Restricted Share Scheme, the 2007 Supplementary Restricted Share Scheme and the 2004 Deferred Bonus Plan;
"stock account"	an account within a member account in CREST or CCASS to which a holding of a particular share or other security in CREST or CCASS is credited;
"subsidiary"	has the meaning given in section 1159 of the Companies Act 2006;
"subsidiary undertaking"	has the meaning given in section 1162 of the Companies Act 2006;
"Temasek"	Dover Investments Pte Ltd, a wholly owned subsidiary of Temasek Holdings (Private) Limited and, in the context of ownership of Existing Ordinary Shares, "Temasek" also includes Cavanagh Investments Pte Ltd;
"Tier 1", Tier 2","Lower Tier 2", "Tier 1 Capital", "Tier 2 Capital" and "Core Tier 1"	have the meanings given to such terms from time to time in the General Prudential Sourcebook (as set out in the FSA Handbook);
"UBS Investment Bank"	UBS Limited;
"UK Admission"	admission of the New Ordinary Shares, nil paid, to the Official List and to trading on the market for listed securities of the London Stock Exchange;

"UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of FSMA;
"UK Record Date"	5.00 p.m. on 24 November 2008;
"UK Shareholders"	Shareholders whose Ordinary Shares are registered on the UK register of members;
"uncertificated" or "in uncertificated form"	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form (i) in CREST and title to which by virtue of the Euroclear Regulations, may be transferred by means of CREST and (ii) in CCASS and title to which, by virtue of the General Rules of CCASS and CCASS Operational Procedures, may be transferred by means of CCASS;
"Underwriters"	Temasek, J.P. Morgan, Goldman Sachs International and UBS Limited;
"Underwriting Agreement"	the conditional underwriting agreement dated 24 November 2008 between the Company, Temasek, J.P. Morgan, JP Morgan Cazenove Limited, Goldman Sachs International and UBS Limited described in Section 8 of Part XIII of this document;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and
"US$", "USD", "US dollars" or "$"	the lawful currency of the United States.

PART XVIII

DOCUMENTS REGISTERED WITH THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of this document, the Provisional Allotment Letter and the written consent given by KPMG Audit Plc as referred to in Section 12 of Part XIII of this document, have been registered with the registrar of companies in Hong Kong.

Park Communications 61788