

Standard Chartered Japan Submits Business Improvement Plan to Japan's Financial Services Agency

Tokyo, 15 March 2011 – Standard Chartered Bank Japan Branch ("Standard Chartered Bank Japan") today submitted to Japan's Financial Services Agency (FSA) a business improvement plan in response to the business improvement order dated 15 February, 2011.

Standard Chartered Japan would like to express its sincere apology to its clients and other parties concerned. Standard Chartered Bank Japan takes the business improvement order very seriously, and it has already embarked on the necessary measures to prevent further occurrence. Standard Chartered Bank Japan is committed to provide the highest standard of compliance and internal controls to its stakeholders.

Please refer to the appendix regarding an outline of the business improvement plan.

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Appendix: Outline of the Business Improvement Plan

The business improvement plan submitted to FSA today covers the following corrective actions.

Standard Chartered Bank Japan will establish an internal control system with regard to compliance from the perspectives stated below (including assignment of personnel and establishment of a structure).

- (1) An unequivocal statement of the management's commitment and responsibilities with respect to compliance with laws and regulations, etc.
 - Reinforce Country Management Team's commitment regarding compliance.
 - Reinforce CEO's responsibilities regarding compliance.
 - Reinforce responsibility of Legal & Compliance (L&C) and Internal Audit & Assurance regarding compliance.
- (2) Reconstruction and development of legal and compliance functions
 - Separate Assurance from L&C and increase the number of staff at L&C.
 - Review the incident reporting system and complaint handling system.
 - Tighten responses to law amendments and methods of inquiry to the regulatory authorities.
- (3) Ensure a thorough understanding of and compliance with laws and regulations by officers and employees, and foster and improve their awareness of compliance with laws and regulations
 - Revise our compliance manual and internal rules
 - Conduct continuous training.
 - Execute disciplinary committees in an appropriate manner and reflect compliance-related information into personnel evaluation.
- (4) Fundamentally re-evaluate the structure, method, etc. of audits to ensure that business operations are properly run and controlled in compliance with laws and regulations, and implement effective audits and post-audit follow-up reviews
 - Establish Internal Audit & Assurance department
 - Clarify the coverage of audits ensure its independence
 - Establish proper framework for reporting and follow-up of issues identified