

Leading the way

in Asia, Africa and the Middle East



Delivering long-term Shareholder value

Our business

Operating income

\$15,184m

2008: \$13,968m / 2007: \$11,067m

Profit before taxation

\$5,151m

2008: \$4,568m¹ / 2007: \$4,035m

Employees

77,326

2008: 80,557⁴ / 2007: 77,162⁴

Total assets

\$437bn

2008: \$435bn / 2007: \$330bn

Normalised earnings per share²

179.8cents

2008: 174.9cents³ / 2007: 173.0cents

Nationalities

125

2008: 125 / 2007: 115

Markets⁵

71

2008: 75 / 2007: 57

¹ Restated

² Standard Chartered uses non-GAAP measures, where measures are not defined under IFRS or they have been adjusted

³ On a post-rights issue basis

⁴ Restated

⁵ The number of markets has decreased by four as a result of closing four representative offices in Europe.

Here for good

Standard Chartered will launch its new brand promise – **Here for good** – in 2010. On the back of robust and sustained performance, we will use our history, tradition, performance, and culture to significantly increase awareness and knowledge of the Bank, across our footprint and beyond, to drive business growth.

Here for good embodies all that Standard Chartered was, is and will be. It's about our commitment to our footprint – **Here for the long run**: continually leading the way in Asia, Africa and the Middle East and delivering the benefit of that knowledge and experience to our customers and clients; our commitment to responsible

conduct – **Here for progress**: consistently striving to do the right thing and maintaining a high standard of conduct; and lastly, our commitment to our customers and clients – **Here for people**: genuinely committing to long-term relationships with people and businesses.

Here for good will launch globally in major media and together with our sponsorship of Liverpool Football Club, we expect a robust return on investment; for many more people to know and understand how we deliver to our customers and clients; and for the brand to play an ever stronger role in delivering out strategic agenda.



Sustainability

Commitment to our communities

Our approach

As an international financial institution, the greatest contribution we can make to the societies in which we operate is through our direct contribution to the real economy. We believe in promoting sustainable finance to contribute to the challenges and opportunities presented by social and environmental risk. We also empower our staff to help tackle the challenges we face in our markets, from environmental degradation to ill health.

Our sustainable business priorities



Our priorities in 2010

- Support innovation by identifying and supporting microfinance institutions and models in new product areas such as micro housing, agri microfinance, micro and small enterprise finance, asset backed financing for income generation and community project financing
- Roll out our Customer Charter to Consumer Banking customers, cementing our commitment to service excellence
- Encourage employee participation in community programmes by using their two-day volunteering entitlement
- Further embed our position statements and launch a water position statement
- Build depth in local talent pools, especially in key high growth markets
- Develop an action plan until 2013 for country environment committees
- Continue to meet our commitment to invest 0.75 per cent of the previous year's pre-tax operating profit in our community programmes

This year we maintained our commitment to building a sustainable business as a bank, simultaneously creating value for our shareholders, supporting our customers and contributing to the communities in which we live and work. This has underpinned our strategy and success for over 150 years across Asia, Africa and the Middle East; and it will be the foundation for our future.

For a bank, the crisis we have just been through means that taking sustainability seriously is no longer optional. We have to prove that our business model is sustainable. We have to demonstrate that we make a positive contribution to sustainable growth and development. We have to show that awareness of sustainability issues is deeply embedded in the way we run the business. We have taken on these challenges.

Banking is vital to restoring a vibrant global economy. Banks can be powerful contributors to economic and social progress. We believe that through building a sustainable business we can deliver, broadly, three positive outcomes: contributing to the real economy; promoting sustainable finance; and leading the way in our communities. Our commitment, to our clients and customers, to our investors, to our regulators, to other stakeholders in our markets and to our staff, is to be Here for good.

Peter Sands
Group Chief Executive

For further information please visit
standardchartered.com





Access to finance: In addition to tailored products and services, we offer technical assistance to the microfinance sector



Responsible selling and marketing: Our Customer Charter promises Consumer Banking customers that they will be treated fairly and receive excellent service, appropriate financing solutions and an enduring relationship

Contributing to the real economy

As an international financial institution, the greatest impact we can make to the societies in which we operate is through our direct contribution to the real economy. By offering products and services that serve the needs of our clients and customers we can enable individuals, corporates and other financial institutions to act as agents of economic activity.

We are committed to offering products that we, and our clients and customers, fully understand. By listening and responding to the needs of our clients and customers, we ensure that our products and services are deployed effectively to facilitate healthy economic activity.

Corruption, money laundering and terrorist activity can undermine the positive benefits of financial services provision and have a potentially devastating effect on our own business performance. We make tackling financial crime a priority, to guard against the risks posed by these corrosive activities.

Access to finance

More than three billion people worldwide currently lack access to basic banking services. Many live within communities in the countries in which we operate, and their inability to raise finance has a direct impact on economic activity.

This year we fulfilled our 2006 Clinton Global Initiative pledge to provide credit and financing worth \$500 million to our microfinance partners, two years ahead of schedule. These funds have impacted the lives of more than 3.6 million people in 17 countries. In addition to tailored products and services, we also offer technical assistance to the microfinance and SME sectors, including fulfilling our Millennium Development Goal commitment in Pakistan.

We are also able to use our specialised skill set to provide advanced products and services to populations with very specific financing needs. Forecasts suggest that Islamic banking assets could reach \$1 trillion by 2010. Standard Chartered Saadiq, our Islamic banking brand, currently offers more than 50 products and this year we

assisted several central banks in the Muslim world to raise affordable finance in their local currencies through Sukuks, Shariah-compliant bonds.

Responsible selling and marketing

Treating customers fairly has moved to the top of the agenda for many financial regulators around the globe. We welcome this development and will monitor and adopt new rules and regulations as they come into force in the markets in which we operate.

In Consumer Banking, we have increased clarity around the segmentation of customers and developed products and services based on clearly identified needs. We have focused on resolving customer complaints in the shortest possible time, increasing our first time resolution rate from 40 per cent in 2008 to 46 per cent this year.

In Wholesale Banking, it is just as important that we treat our clients fairly and ensure that they are sold appropriate products for their needs. It is also central to our strategy to become the core bank for more clients. This year we recorded 9.8 complaints per 1,000 clients, down from 10.3 in 2008. We have focused on training our employees to make them aware of the features, mechanics and all potential risks of the products that they sell.

Tackling financial crime

We tackle financial crime in three ways: we minimise the risk that our products and services can be used by money launderers; we deny suspect terrorists access to our banking systems; and we build robust controls against fraud and corruption. This year we significantly enhanced the detection capability of our automated Norkom anti-money laundering system, resulting in an increase in the proportion of alerts converted to reported cases. In many cases we are reliant upon the awareness of our employees to prevent criminal financing activity. This year we prioritised the training of our staff, by rolling out a new anti-money laundering (AML) eLearning programme which has been completed by more than 42,000 staff. We have also enhanced our internal Speaking Up programme, which will be re-launched in 2010.

Highlights 2009

13

position statements implemented

53%

decrease in Consumer Banking complaints ratio

8.3million

beneficiaries of Seeing is Believing since 2003

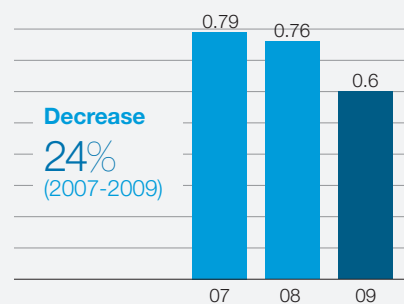
42,000

employees completed AML eLearning

3.6million

lives impacted by our Microfinance business

Air travel emissions/ Full-time employee (FTE) Tonnes CO₂/FTE/year





Promoting sustainable finance

The decisions we make around who and what we finance have a real impact on the sustainable development of our markets and the long term viability of our business. Our approach to sustainable finance includes managing the social and environmental risks associated with our lending decisions as well as seizing the opportunities presented by the growth in the renewable energy and environmental finance sector.

In 1997, we introduced an environmental and social risk policy that took into account the environmental and social impacts of lending decisions in our Wholesale Banking business. We have been a signatory to the Equator Principles since 2003 and apply them to all project finance and project advisory transactions irrespective of value. This year we implemented a series of 13 position statements to ensure that we have a consistent and cohesive approach to managing environmental and social risks across our business and financing activities. These provide guidance to all employees, including relationship managers, credit officers and portfolio managers. This year 3,302 employees completed an eLearning module in sustainable finance.

We adopt an approach of constructive engagement to manage social, environmental and governance risks associated with the projects and clients we finance, working with them to encourage progress towards international standards. This starts from the moment we establish contact with a client and continues throughout the duration of our relationship.

The renewable energy market was worth \$155 billion in 2008, five times its value in 2004. Our core markets were identified as a major growth area for the industry, with China and India listed in the top five markets. To date, we have provided more than \$3.6 billion across all segments of the renewable energy market.

Case study: Sustainable Finance

Working with our clients rather than walking away is our business philosophy. As an organisation committed to sustainable finance, we adopt an approach of constructive engagement with our clients to positively influence their environmental and social management practices.

We were the joint global coordinator, bookrunner, lead manager and sponsor for the Initial Public Offering (IPO) for China Forestry Holdings, one of the country's three largest privately held plantation forests.

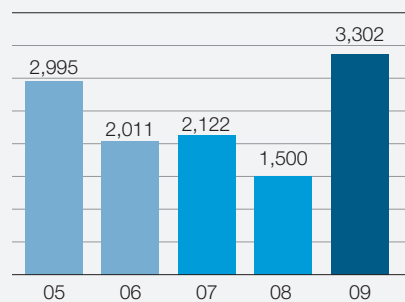
The transaction was the first IPO by a Chinese forestry operator on the Hong Kong Stock Exchange, and its proceeds will be used to acquire new forests and strengthen research and development capabilities.

We assessed the deal using the guidelines of our forestry and palm oil position statement. While China Forestry met the statement's mandatory elements, our deal team and our specialist Sustainability department worked closely to encourage the company to achieve Forest Stewardship Council's (FSC) certification.

As a company whose main business is the management and sustainable development of forestry, including the harvesting and sales of logs for the construction and manufacturing industries, China Forestry acknowledged the benefits of having FSC certification.

China Forestry, which operates forests in the Sichuan and Yunnan provinces, announced its intention to achieve FSC certification within two years of flotation, a move that was welcomed by investors. The commitment highlights the benefits of working proactively with our clients to manage environmental risk and help them meet international standards.

Number of employees trained in Sustainable Finance



13

position statements made public



Protecting the environment: Employees from our Country Environment Committee in Brunei volunteer at a local beach and promote environmental awareness in the community



Community Investment: A young boy in China removes his bandages after a cataract operation to restore his sight, funded by our Seeing is Believing programme

Leading the way in our communities

Our long heritage across our diverse geographic footprint relies upon a deep understanding of the markets in which we operate, an appreciation of the challenges they face and a commitment to working in partnership with them to overcome these challenges. Our employees across Asia, Africa and the Middle East are crucial in helping us to achieve this, both as ambassadors for our brand and agents of change. We empower our employees to help reduce our operational impacts and participate in our community programmes, through employee volunteering and champion networks. This activity is at the heart of our unique culture and is the reason why many of our people choose to work for us.

Great place to work

For more information on how we make the Bank a great place to work see www.standardchartered.com.

Protecting the environment

We are aware that our carbon footprint has an effect on the global environment. However, we believe that by encouraging behavioural changes at both the institutional and individual level, we can mitigate the environmental impact of our business operations. We have had an environmental strategy in place since 1998, which was updated in 2008 and sets targets to 2011. This is fully supported by our Group Environment Committee (GEC) that formalises our sustainability commitments and manages their delivery through our network of Country Environment Committees.

This year we were responsible for less than 350,000 tonnes of carbon dioxide as a direct result of building energy use and air travel, equating to fewer than five tonnes per full-time employee. We have also made significant steps to embed environmental considerations into our core business operations. For example, we introduced e-statements across Bangladesh, Indonesia, Pakistan, Thailand and the UAE, which led to a 20 per cent reduction in the number of customers requiring printed statements and equates to an annual saving of \$3.9 million.

Community investment

This year our three global programmes, Seeing is Believing, Living with HIV and Goal, as well as our regional programme Nets for Life, made significant progress against their respective targets.

Seeing is Believing is a public-private partnership that addresses avoidable blindness. Launched in 2003, the programme has gone from a simple staff-led initiative to raise enough money to carry out 28,000 cataract operations to a \$37 million global funding initiative reaching out to more than 30 million people. In 2008 we committed to raise a further \$20 million to provide eye care facilities to 20 million people across 20 cities by 2013. This year \$3.2 million was raised bringing total fundraising to \$5 million since launch.

We have run a workplace HIV and AIDS education programme, called Living with HIV, since 1999, which currently involves a network of more than 1,150 HIV Champions in 50 countries. Working with local communities, our HIV Champions delivered face-to-face education sessions to 630,000 people in 2008 and 2009. Since committing to educate one million people between 2007 and 2010, we have received pledges totalling 1.125 million people.

Goal, our initiative that uses sport and life skills education to transform the lives of adolescent girls around the world, was launched in India in 2006. This year we changed the lives of more than 1,600 girls in India with Goal programmes in Delhi, Mumbai and Chennai and next year we will expand to a further four countries.

We joined forces with five other donors in 2006 to launch Nets for Life and provide one million long-lasting insecticide treated nets across 15 African countries. We committed a further \$5 million in October 2008 to distribute five million more by 2013. Since the programme launched, 1.7 million nets have been distributed and over 3 million people educated on how to use them.

Highlights 2009

1.125million

people pledged to receive our HIV and AIDS education

\$3.6billion

extended to renewable energy market

68%

of senior level appointments filled with internal candidates

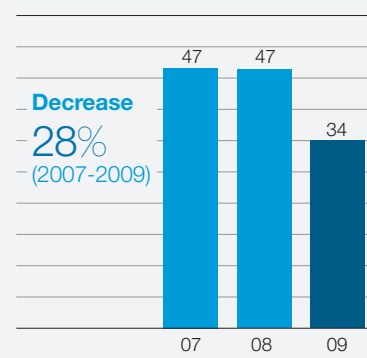
No.1

in international Sukuk league tables

75%

of Wholesale Banking complaints resolved in under 2 days

Total paper consumption/ Full-time employee (FTE) Kg/FTE/year



Awards and indices

Ability International Media Awards
News and Information- for www.vir.us

**African Business Awards:
Commonwealth Business Council**



Best Corporate
Citizen- Africa

**Asia Responsible Entrepreneur
Award (AREA)**



Community Engagement Award –
Hong Kong

**Association of Tanzania
Employers Awards**



Employer of the Year
Best in HIV/AIDS Policy at Work
Best in CSR activities
Best in Large Enterprise

**AustCham Thai Chamber of
Commerce 2009**



Thailand Business: CSR and
environmental awareness

BDjob.com 2008



Employer: Bank and
Financial Institutions –
Bangladesh

**Best in Staff Training and
Development – Uganda**

Best Practice Award



Corporate
Communications
Award – Hong Kong

Beyond Sport Award 2009 – for Goal



**Corporate Initiative Ghana:
Banking Awards**



Best Bank:
Corporate Social
Responsibility

**Corporate Responsibility Annual
Conference**

Responsible Commitment Award – China

Exnora Green Bank Award- India



**Finance Asia Country Award 2009-
Bangladesh**

FTSE4 Good



Ghana Investment Promotion Centre



Ghana Club 100 Best Company
in CSR

**Global Business Coalition on HIV/AIDS,
Tuberculosis and Malaria: Business
Excellence Award**



**Global Sports Forum Award 2010 –
for Goal**



**Global View Corporate Responsibility
Awards**

Role Model Award- Taiwan

GS Sustain

**Hong Kong Awards for Environment
Excellence: Financial Institutions 2008**



ICMAB 2008



Best Corporate Performance
Award- Bangladesh

Jersey Enterprise Award

Korea Social Contribution Awards 2009
Environment Conservation Award

**Most Generous Financial Corporations
2009- China**

**National Environmental Council of
Zambia Awards**



Green Award

**National Volunteerism and
Philanthropy Award 2009 – Singapore**



Outstanding Corporate Citizen- China

Pegasus CSR Award- India

**Presidents Social Service Awards
2008- Singapore**



Social Affairs Council- Taiwan

**The Zambian Ministry of Health
representing the Government and
Zambia Association of Chambers
of Commerce and Industry**

Business Leader in the Fight against Malaria

Contact: our.sustainability@sc.com



Seeing is Believing is our global initiative to help tackle avoidable blindness. Visit our dedicated website for more information and ways to support the programme.

www.seeingisbelieving.org.uk