

Setting high standards

2007 has been another excellent year as we turbo-charged growth in income and profit, bolstered capital, increased return to our shareholders, enhanced service quality to customers and improved staff engagement. Our Key Performance Indicators reflect the substantial improvement we have made on several fronts.

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Financial

	Normalised earnings per share	Operating income	Tier 1 capital ratio
Description	This Key Performance Indicator (KPI) is calculated as profit attributable to ordinary shareholders of the Group as normalised for certain one-off or irregular items, divided by the weighted average of the number of shares in issue during the year.	Operating income is calculated as the sum of the net interest income, net commission income, and net trading income.	Tier 1 capital, the components of which are summarised on page 61, is measured by the ratio of Tier 1 capital to risk-weighted assets and contingents.
Aim	To consistently deliver year-on-year growth in normalised earnings per share.	To sustain organic momentum.	To maintain Tier 1 capital ratio between 7 and 9 per cent.
Analysis	During 2007, we had growth of 16 per cent, with strong contributions from both businesses.	During 2007, operating income grew by 28 per cent compared with 2006, and underlying operating income increased by 23 per cent.	During 2007, the Group maintained a strong Tier 1 capital ratio at 9.8 per cent, which increased from 8.3 per cent at the end of 2006.
Source	This measure is reported in the Group's audited financial statements within note 13.	This measure is reported in the Group's audited financial statements.	This measure is reported in the audited Capital section of the Risk Review on page 61 of the Annual Report.
Trend	Normalised EPS 197.6cents 2006: 170.7 cents 2005: 153.7 cents 2004: 124.6 cents 2003: 90.1 cents	Operating income \$11,067m 2006: \$8,620m 2005: \$6,861m 2004: \$5,274m 2003: \$4,740m	Tier 1 capital ratio 9.8% 2006: 8.3% 2005: 7.7% 2004: 8.6% 2003: 8.6%

Non-financial

Normalised return on shareholders' equity	Wholesale Banking Service Quality Index	Consumer Banking Loyal and Positive Index	Q12 ratio of engaged to disengaged staff
Normalised return on shareholders' equity is calculated as the normalised profit attributable to ordinary shareholders as a percentage of average shareholders' equity.	This Index measures Wholesale Banking client satisfaction and engagement with Standard Chartered relative to the best competitor bank in each of the key markets where we operate. Client satisfaction studies are run annually and provide feedback on the Group and its main competitors across the Global Corporates, Local Corporates and other client segments.	This indicator gauges customer satisfaction and loyalty to the products and services provided by Consumer Banking. Key satisfaction and recommendation measures are combined to provide an index of loyalty. These measures of reported customer satisfaction and loyalty are benchmarked against those reported for main competitors in each product and service within each market.	Q12 ratio is based on the Group's annual employee engagement survey. It assesses the proportion of engaged employees in the Group to each disengaged employee. High employee engagement has been shown to be strongly related to increased business performance, through both internal and external research.
To deliver superior returns on shareholders' equity compared to the industry average.	To deliver superior service to clients, demonstrably ahead of our main competitors in our key markets.	To increase customer satisfaction with the products and services provided by Consumer Banking and to drive overall customer loyalty.	To continue to foster a culture of high employee engagement as the Group continues to grow and change.
During 2007, normalised return on shareholders' equity, declined to 15.6 per cent, reflecting an increase in non-revenue reserves.	During 2007, we expanded client satisfaction measurement in Wholesale Banking so that it now covers more than half of client revenues. Despite this expansion in coverage our Service Quality Index remains strong, at 98 per cent compared with 97 per cent in 2006.	We have seen steady growth over the last four years with a one percentage point increase thus far in 2007 results.	Employee engagement continues to increase year-on-year, despite high growth, both organically and through acquisitions.
This measure is derived from information within the Group's audited financial statements, being normalised earnings (note 13) as a percentage of average shareholders' equity (excluding preference shares).	Third party client satisfaction studies conducted by reputable and accredited third party organisations. The 2007 index is derived from surveys managed by TNS, ClientKnowledge and Greenwich Associates.	Market Probe Customer Satisfaction and Loyalty Survey (26 markets on average each year).	The Gallup Organization, Q12 Employee Engagement Survey.
Normalised return on ordinary shareholders' equity 15.6% 2006: 16.9% 2005: 18.0% 2004: 18.6% 2003: 15.7%	Wholesale Banking Service Quality Index 98% 2006: 97%* 2005: 93%# 2004: 99% 2003: 92%	Global (26 countries) – % of Loyal and Positive customers 84% 2006: 83% 2005: 80% 2004: 74%	Q12 ratio of engaged to disengaged staff 4.7:1 2006: 4.5:1 2005: 4.4:1 2004: 3.7:1 2003: 2.8:1

* In 2006, the Wholesale Banking Service Quality Index was re-calibrated to include additional satisfaction surveys covering both Global Corporate clients and Local Corporates, reflecting a larger share of client revenues.

Index data for 2005 is based on a survey conducted in Asia by Greenwich Associates covering our Global Corporate clients only.