



## STANDARD CHARTERED PLC

(incorporated in England and Wales and registered as a public limited company)

### **US Dollar 8.125 per cent. Non-Cumulative Redeemable Preference Shares (to be consolidated from 27 November 2008 to form a single series with the US\$675,000,000 8.125 per cent. Non-Cumulative Redeemable Preference Shares issued by the Company on 27 May 2008)**

The US dollar 8.125 per cent. Non-Cumulative Redeemable Preference Shares (the "Preference Shares") of Standard Chartered PLC ("Standard Chartered" or the "Company") will have a nominal value of US\$5 each and will be issued at the Issue Price of US\$2,000 per Preference Share fully paid for cash and are proposed to be issued on a date (the "Issue Date") set out in an announcement which will be released by the Company on or before the Issue Date (the "Pricing Announcement"). From 27 November 2008, the Preference Shares will be consolidated to form a single series with the US\$675,000,000 8.125 per cent. Non-Cumulative Redeemable Preference Shares issued by the Company on 27 May 2008. Dividends will accrue on the paid up amount of US\$2,000 per Preference Share at 8.125 per cent. per annum (the "Dividend Rate"). The aggregate amount of the Preference Shares to be offered to the public will be determined following a process of "bookbuilding" by the Managers (as defined in "Subscription and Sale" below).

The Preference Shares will be issued fully paid for cash and will rank *pari passu* among themselves and *pari passu* with the Existing Preference Shares (as defined herein) (except, in the case of the Existing Sterling Preference Shares (as defined herein), as to certain powers of the Board (as defined herein) in relation to the payment of dividends and other distributions) and in priority to the ordinary shares in the capital of the Company (the "Ordinary Shares").

Subject to the limitations, discretions and qualifications set out herein, each Preference Share shall entitle the holder thereof to receive out of the distributable profits of the Company a non-cumulative preferential dividend. Dividends will be payable semi-annually in arrear on each of 27 May and 27 November (each a "Dividend Payment Date"), with the first dividend due on 27 November 2008, in an amount to be specified in the Pricing Announcement to those holders of Preference Shares whose names appear on the register of members of the Company on the fifteenth calendar day preceding such Dividend Payment Date. Dividends will accrue and will be payable when, as, and if, declared by the Board.

The Preference Shares will be perpetual securities and have no maturity date. Subject to the Articles (as defined herein), provisions of applicable law, to the Company receiving no objection from the Financial Services Authority of the United Kingdom ("FSA") (having given notice to the FSA) and to the Company being in compliance with its capital requirements in Applicable Banking Regulations (as defined herein) the Company may, at its option, redeem the Preference Shares in whole, but not in part, on 27 November 2013 (the "First Optional Redemption Date") or on any Dividend Payment Date thereafter, or upon the occurrence of a Regulatory Event (as defined herein) (each such date upon which Preference Shares may be redeemed being a "Redemption Date"). The amount payable on redemption will be the paid up amount of US\$2,000 per Preference Share to be redeemed, plus an amount equal to the accrued but unpaid dividend on that Preference Share in respect of the period from and including the Dividend Payment Date last preceding the Redemption Date to, but excluding, the Redemption Date, but only to the extent that any such amount was, or would have been, payable as a cash dividend. The Company, at its option, may substitute the Preference Shares in whole, but not in part, with Qualifying Non-Innovative Tier 1 Securities (as defined herein) at any time. For further information see "Description of the Preference Shares – Redemption" and "Description of the Preference Shares – Substitution".

The aggregate liquidation preference and the Issue Date will be set forth in the Pricing Announcement.

A summary of the rights attaching to the Preference Shares is set out in "Description of the Preference Shares" commencing on page 18 of this Prospectus.

#### **Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.**

The Preference Shares are expected to be assigned on issue a rating of BBB+ by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's"), Baa2 by Moody's Investors Service Limited ("Moody's") and A by Fitch Ratings Limited ("Fitch"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Application has been made to the FSA in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority") for the Preference Shares to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Preference Shares to be admitted to trading on the London Stock Exchange's Regulated Market (the "Market"). References in this Prospectus to Preference Shares being "listed" (and all related references) shall mean that such Preference Shares have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and the Council on Markets for Financial Instruments of 21 April 2004.

Any person (an "Investor") intending to acquire or acquiring any securities from any person (an "Offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 ("FSMA"), Standard Chartered may be responsible to that Investor for the Prospectus under section 90 of FSMA only if Standard Chartered has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by Standard Chartered. If the Offeror is not authorised by Standard Chartered, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.

An Investor intending to acquire or acquiring Preference Shares from an Offeror will do so, and offers and sales of the Preference Shares to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price allocations and settlement arrangements with Investors (other than Managers) in connection with the offer or sale of the Preference Shares and, accordingly, the Prospectus will not contain such information and an Investor must obtain such information from the Offeror.

Where information relating to the terms of the relevant offer required pursuant to EU Directive 2003/71/EC (the "Prospectus Directive") is not contained in this Prospectus or the Pricing Announcement, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.

LEAD MANAGER

**Standard Chartered Bank**

9 September 2008

This Prospectus comprises a prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Company, its subsidiaries and affiliates taken as a whole (the “Group”) and the Preference Shares which, according to the particular nature of the Company and the Preference Shares, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company and of the rights attaching to the Preference Shares.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of the Preference Shares in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under Article 3(2) of the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Preference Shares. Accordingly, any person making or intending to make an offer in that Relevant Member State of Preference Shares which are the subject of the offering contemplated in this Prospectus as completed by the Pricing Announcement in relation to the offer of those Preference Shares may only do so (i) in circumstances in which no obligation arises for the Company or the Managers to publish a prospectus pursuant to Article 3(2) of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by an announcement which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made on or after the date specified for such purpose in such prospectus or announcement, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of the Preference Shares in circumstances in which an obligation arises for the Company or the Managers to publish or supplement a prospectus for such offer.

The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the tenth paragraph on the first page of this document.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below).

None of the Managers has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus. No Manager accepts any liability in relation to the information contained or incorporated by reference in this Prospectus.

No person is or has been authorised by the Company to give any information or to make any representation other than as contained in this Prospectus in its entirety in connection with the offering of the Preference Shares (the “Offering”) and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or any of the Managers.

Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Offering is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Company during the life of the Preference Shares or to advise any investor in the Preference Shares of any information coming to their attention.

Neither this Prospectus nor any other information supplied in connection with the Offering (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Company or the Managers that any recipient of this Prospectus or any other

information supplied in connection with the Offering should purchase any Preference Shares. Each investor contemplating purchasing any Preference Shares should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Company. Neither this Prospectus nor any other information supplied in connection with the Offering constitutes an offer of, or an invitation by or on behalf of the Company or any of the Managers to any person to subscribe for or purchase, any Preference Shares.

The distribution of this document and the offering or sale of the Preference Shares in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Company and the Managers to inform themselves about and to observe any such restriction. The Preference Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). Subject to certain exceptions, the Preference Shares may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons. For a description of certain restrictions on offers and sales of the Preference Shares and on distribution of this document, see “Subscription and Sale”.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Preference Shares in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Preference Shares may be restricted by law in certain jurisdictions. Neither the Company nor the Managers represent that this Prospectus may be lawfully distributed, or that the Preference Shares may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Preference Shares may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Preference Shares may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of the Preference Shares.

Unless otherwise specified or the context requires, references in this Prospectus to “£” or “sterling” are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland (the “United Kingdom”), references to “€” are to the currency introduced at the start of the third stage of European Economic and Monetary Union, pursuant to the Treaty establishing the European Community, as amended from time to time; references to the “US” or the “United States” are to the United States of America; and references to “US\$”, “US dollar” or “\$” are to the lawful currency of the United States.

**In connection with the issue of the Preference Shares, the Manager or Managers (if any) named as the stabilising manager(s) in the Pricing Announcement (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Preference Shares or effect transactions with a view to supporting the market price of the Preference Shares at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Pricing Announcement relating to the offer of the Preference Shares is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Preference Shares and 60 days after the date of the allotment of the Preference Shares. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## **Documents Incorporated by Reference**

This Prospectus 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 Prospectus:

1. the audited consolidated annual financial statements of the Company for the financial years ended 31 December 2006 and 31 December 2007, together with the audit reports thereon;
2. the announcements by the Company on 22 April 2008 and 30 May 2008 relating to certain changes to the Board;
3. the announcement released by the Company on 7 May 2008 containing the AGM statement and including an interim management statement; and
4. the unaudited consolidated interim financial statements of the Company for the six months ended 30 June 2008.

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 Prospectus 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 Prospectus.

The Company will provide, without charge, to each person to whom a copy of this Prospectus 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 at the end of this Prospectus.

## Table of Contents

SUMMARY OF THE OFFERING.....	6
RISK FACTORS .....	11
DESCRIPTION OF THE PREFERENCE SHARES .....	18
USE OF PROCEEDS .....	28
THE COMPANY AND THE GROUP .....	29
SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY..	33
ISSUED SHARE CAPITAL OF THE COMPANY .....	36
DIVIDENDS .....	37
TAXATION .....	38
SUBSCRIPTION AND SALE .....	40
FORM OF PRICING ANNOUNCEMENT .....	45
GENERAL INFORMATION.....	47

## Summary of the Offering

*This summary must be read as an introduction to this Prospectus. Any decision to invest in any Preference Shares should be based on a consideration by an investor of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (each an "EEA State"), the Company may have civil liability in respect of this summary if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated. Capitalised terms used in this section have the same meaning as set out in "Description of the Preference Shares".*

<b>Issuer:</b> .....	Standard Chartered PLC.
<b>Description of Issuer:</b> .....	Standard Chartered is the ultimate holding company of the Standard Chartered group of companies (Standard Chartered, together with its subsidiaries and affiliates taken as a whole, referred to as the "Group"), an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East.
<b>Offering:</b> .....	US dollar 8.125 per cent. Non-Cumulative Redeemable Preference Shares, each with a liquidation preference of US\$2,000. The total amount of the offering will be specified in the pricing announcement ("Pricing Announcement") which will be released on or before the Issue Date.
<b>Maturity:</b> .....	The Preference Shares will be perpetual.
<b>The Preference Shares:</b> .....	<p>Non-cumulative redeemable US dollar preference shares which entitle the holder thereof to the rights specified herein, as described under "Description of the Preference Shares".</p> <p>The Preference Shares will have a nominal value of US\$5 each and will be issued at a premium of US\$1,995 fully paid for cash (so that the total paid up amount of each Preference Share will be US\$2,000). The Preference Shares will be consolidated to form a single series with the US\$675,000,000 8.125 per cent. Non-Cumulative Redeemable Preference Shares issued by the Company on 27 May 2008. From 27 November 2008, the Preference Shares will be represented by a single global share warrant to bearer and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with the Existing Preference Shares (except, in the case of the Existing Sterling Preference Shares, as to certain powers of the Board in relation to payment of dividends and other distributions) and in priority to the Ordinary Shares.</p>
<b>Use of Proceeds:</b> .....	The proceeds from the sale of the Preference Shares (less the underwriting compensation and expenses payable by the Company) will be set out in the Pricing Announcement. The proceeds will be used by the Company for the general business purposes of the Group, which may include acquisitions.
<b>Issue Date:</b> .....	The Preference Shares will be issued on the Issue Date specified in the Pricing Announcement.
<b>Dividends:</b> .....	Dividends will accrue on the Preference Shares at the Dividend Rate on the paid up amount of US\$2,000 per Preference Share and will be payable semi-annually in arrear on each Dividend Payment Date (save in respect of the period from the Issue Date to the first Dividend Payment Date), provided that the Dividend for the first Dividend Period will be an amount to be specified in the Pricing Announcement.
<b>Limitations on Payment in Respect of Dividends:</b> .....	Dividends are non-cumulative and are payable at the discretion of the Board. The Board is not permitted to pay dividends on the Preference Shares if, in its opinion, such payment would exceed available

distributable profits or would cause a breach of capital adequacy requirements applicable to the Company or any subsidiary or associated undertaking of the Company.

Notwithstanding the Board's discretion not to pay dividends as described above, dividends on the Preference Shares will be mandatorily payable on each Dividend Payment Date upon which (i) a Capital Disqualification Event has occurred and is continuing and (ii) the Company and the Group are in compliance with Applicable Banking Regulations, to the extent that payment in full can be made out of the profits of the Company available for distribution and permitted by law to be distributed at such time after the setting aside of a sum required for payment in full of all dividends payable on or before the relevant Dividend Payment Date on any Existing Preference Shares.

A "Capital Disqualification Event" shall be deemed to have occurred if: (a) the Preference Shares would not be eligible to qualify (save, where such non-qualification is only as a result of any applicable limitation on the amount of such capital) as regulatory capital resources of the Company or the Group under Applicable Banking Regulations; and (b) the FSA has confirmed to the Company that the Preference Shares would not be eligible to qualify as regulatory capital resources for the Company or the Group.

**Dividend Restriction and Redemption Restriction:.....**

If any dividend on the Preference Shares is not paid on a Dividend Payment Date (the "Relevant Dividend Payment Date") (or a sum is not set aside to provide for its payment), the Dividend Restriction and Redemption Restriction shall apply.

The Dividend Restriction means that (1) the Company shall not declare or pay a dividend on its Ordinary Shares for a one year period commencing on the Relevant Dividend Payment Date; (2) the Company shall not, and shall procure that Standard Chartered Bank shall not, declare, pay or distribute interest or a dividend or other payment on any of its then issued Tier 1 Capital (other than certain intra-group exceptions which are more particularly described in "Description of the Preference Shares") or make any payment on a Tier 1 Guarantee; and (3) the Company shall procure that no payment is made by any subsidiary of the Company on any security (howsoever named or designated) benefiting from a Tier 1 Guarantee, subject, in each case, to the exceptions described in "Description of the Preference Shares". The periods for which the restrictions set out in (2) and (3) shall apply are as follows: where the relevant Tier 1 Capital (or, in the case of a payment on a Tier 1 Guarantee, the Tier 1 Capital to which that Tier 1 Guarantee relates) pays interest, dividends or other payments (x) semi-annually or more frequently, for a period of six calendar months commencing on the Relevant Dividend Payment Date; and (y) in any other case, for a period of one year commencing on the Relevant Dividend Payment Date.

Holders of Preference Shares will have no claim in respect of non-payment of dividends.

The Redemption Restriction means that (without the written consent of a majority in nominal value of, or the sanction of a special resolution passed at a separate general meeting of, the holders of the Preference Shares) (1) the Company shall not redeem, reduce, purchase or otherwise acquire for any consideration any of its Ordinary Shares; (2) the Company shall not, and shall procure that Standard Chartered Bank shall not, redeem, purchase or otherwise acquire for consideration any of its Tier 1 Capital; and (3) the Company shall procure that no subsidiary of the Company redeems,

purchases or otherwise acquires for consideration any security benefiting from a Tier 1 Guarantee. The restrictions set out in (1), (2) and (3) shall, in each case, apply for a one year period commencing on the Relevant Dividend Payment Date.

**Redemption:** .....

The Preference Shares are perpetual securities and have no maturity date. Subject to the Articles, provisions of applicable law, to the Company receiving no objection from the FSA (having given notice to the FSA) and to the Company being in compliance with its capital requirements in the Applicable Banking Regulations, the Company may, at its option, redeem the Preference Shares in whole, or in part, on 27 November 2013 and on any Dividend Payment Date thereafter or, in whole but not in part at any time, if a Regulatory Event has occurred and is continuing (each such date upon which Preference Shares may be redeemed being a "Redemption Date"). The amount payable on redemption will be the paid up amount of US\$2,000 per Preference Share to be redeemed, plus an amount equal to the accrued but unpaid dividend on that Preference Share in respect of the period from and including the Dividend Payment Date last preceding the Redemption Date to, but excluding, the Redemption Date, but only to the extent that any such amount was, or would have been, payable as a cash dividend. For further information, see "Description of the Preference Shares – Redemption".

**Regulatory Event:** .....

A Regulatory Event is deemed to have occurred if the FSA has notified the Company that the Preference Shares are no longer eligible to qualify (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital) for inclusion in the Non-Innovative Tier 1 Capital of the Company or of the Group.

**Rights upon Liquidation:** .....

On a winding-up or other return of capital (other than a redemption, reduction or repurchase of shares), the holders of the Preference Shares will rank in the application of the assets of the Company available to shareholders (1) in priority to any payment to the holders of Ordinary Shares, (2) equally in all respects with the holders of the Existing Preference Shares and (3) in priority to or equally in all respects with the holders of any other class of shares in issue, unless a new class of shares is issued by the Company which by their terms ranks in priority to the Preference Shares. Any such issuance is subject to a vote of the holders of Preference Shares as set forth in "Description of the Preference Shares – Voting".

Subject to such ranking, in such event holders of the Preference Shares will be entitled to an amount equal to the aggregate of (1) the paid up amount of US\$2,000 per Preference Share plus (2) any dividends accrued for the then current Dividend Period to the date of the commencement of the winding-up or other return of capital, but only to the extent that any such amount was, or would have been, payable as a cash dividend plus (3) any dividends resolved to be paid on or after the date of the commencement of the winding-up or other return of capital in respect of a Dividend Period ending on or before such date.

**Substitution:** .....

Subject to the Articles, the provisions of the Companies Act and all other laws and regulations applying to the Company and to the Company receiving no objection from the FSA (having given notice to the FSA), the Company may substitute the Preferences Shares in whole, but not in part, with Qualifying Non-Innovative Tier 1 Securities at any time without any requirement for consent or approval of the holders of the Preference Shares. Qualifying Non-Innovative Tier 1 Securities are required, *inter alia*, to have terms not materially less favourable to a holder of Preference Shares and to be listed and admitted to trading on the London Stock Exchange or



another recognised stock exchange in Europe. Upon such substitution, the proceeds of redemption of the Preference Shares shall be mandatorily applied to the subscription or purchase of the Qualifying Non-Innovative Tier 1 Securities so issued. For further information, see “Description of the Preference Shares – Substitution”.

**Voting Rights:**..... Holders of Preference Shares will only be entitled to vote at general meetings of the Company where (1) the rights of holders of the Preference Shares may be varied or abrogated, or (2) the most recently payable dividend on the Preference Shares has not been paid in full.

**Selling Restrictions:** ..... There are restrictions on the sale of the Preference Shares and the distribution of this Prospectus and other offering materials in various jurisdictions. For further information, see “Subscription and Sale”.

**Ratings:**..... The Preference Shares are expected to be assigned on issue a rating of BBB+ by Standard & Poor’s, Baa2 by Moody’s and A by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Governing Law:** ..... The Preference Shares will be governed by the laws of England.

**Listing:**..... Application has been made to the UK Listing Authority for the Preference Shares to be admitted to the Official List and to the London Stock Exchange for the Preference Shares to be admitted to trading on the London Stock Exchange’s Regulated Market.

**Public Offer:**..... The terms and conditions of the Offering to the public including (among other things) the aggregate liquidation preference of the Preference Shares, the estimated total expenses of the offer and the Issue Date will be specified in the Pricing Announcement.

**Risk Factors:** ..... There are certain factors which may affect the Company’s ability to fulfil its obligations in respect of the Preference Shares. These are set out under “Risk Factors” below and include the following 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 that could adversely affect its financial condition and results of operations;
  - the Group is facing significant competition, which may have an adverse effect on its financial condition and results of operations;
  - the Group is operating in a highly regulated industry and bank regulatory restrictions and other laws and regulations could impair its operations;
  - the Group is expanding its operations and this growth may represent a risk if not managed effectively;
  - 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;
  - 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;
  - failure to manage liquidity risk may affect the Company’s ability to make payments on its obligations under the securities;
- failure to manage legal risk properly can impact the Group adversely;
- operational risks are inherent in the Group’s business;
  - country risk could result in an adverse impact on the Group’s financial condition and results of operations; and

- operating in markets with less developed judicial and dispute resolution systems could have an adverse effect on the Group's operations.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Preference Shares:

- Preference Shares may not be a suitable investment for all investors;
- dividends on the Preference Shares are subject to payment and other restrictions;
- dividends on the Preference Shares are non-cumulative;
- if the Company is wound-up or liquidated, any distribution on the Preference Shares will be subordinated to the claims of its creditors;
- holders of Preference Shares have limited voting rights;
- holders may be subject to foreign exchange risk;
- holders may be required to bear the financial risks of an investment in the Preference Shares for an indefinite period of time;
- as the Company is a holding company, Preference Shares will be effectively subordinated to all existing and future liabilities of the Company's subsidiaries (as well as of the Company);
- an active market for the Preference Shares may fail to develop;
- the Preference Shares are subject to optional redemption by the Company;
- payments of dividends in respect of, and transfers of, Preference Shares may give rise to certain United Kingdom taxes;
- there are risks associated with the holding of Preference Shares in registered form;
- there are disadvantages associated with withdrawal of underlying Preference Shares;
- if the Company does not make payments on its other preferred securities, the Company may not be permitted to pay dividends on the Preference Shares;
- there is no limitation on the Company issuing debt securities senior to the Preference Shares or shares which rank *pari passu* with the Preference Shares;
- there is a risk of withholding tax in relation to the EU Savings Directive;
- no assurance can be given that there will not be a change of law;
- as dividends on the Preference Shares will be payable at a fixed rate, subsequent changes in market interest rates may adversely affect the market value of the Preference Shares;
- credit ratings may not reflect all risks; and
- legal investment considerations may restrict certain investments.

## **Risk Factors**

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to the Preference Shares. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Company, which, in turn, could have a material adverse effect on the amount of any distribution which investors will receive in respect of the Preference Shares. In addition, each of the risks highlighted below could adversely affect the trading price of the Preference Shares or the rights of investors under the Preference Shares and, as a result, investors could lose some or all of their investment.*

*Prospective investors should note that the risks described below are not the only risks the Company faces. The Company has described only those risks relating to its operations that it considers to be material. There may be additional risks that it currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above. Capitalised terms used in this section and which have not previously been defined have the same meaning as set out in “Description of the Preference Shares”.*

### **Risks relating to the Group’s Business Operations**

***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 risk, 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.

***The Group is facing significant competition, which may have an adverse effect on its financial condition and results of operations***

The Group is subject to significant competition from many other international banks operating in the emerging markets described above, including competitors that may have greater financial and other resources, and, in certain of these markets, from local banks. 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.

***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 United Kingdom, the United States and other jurisdictions where the Group operates, as well as policies and regulations adopted by 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.

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

The Group is currently experiencing significant growth as it expands geographically and in the scope of products and services it offers, including through acquisitions. 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;
- 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.

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 in order to increase cash flow and earnings. It continues to look at potential acquisitions in a number of markets. The Group may experience some or all of the difficulties described above managing the integration of any subsequent acquisitions into its existing businesses. The failure to manage effectively its expansion could have a material adverse effect on the Group's financial condition and results of operations.

***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 this can impact the Group adversely.

***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 Company's non-US dollar denominated branches and subsidiaries. Although the Group devotes considerable resources to managing the above risks, failure to manage this can impact the Group adversely thereby affecting the Company's ability to fulfil its obligations in respect of the Preference Shares.

***Failure to manage liquidity risk may affect the Company's ability to make payments on its obligations under the securities***

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. The Group Treasury and Market Risk functions oversee the above risks and monitor and control the Group's liquidity prudently in all geographical locations and for all currencies. Exceptional market events can impact the Group adversely, thereby affecting the Company's ability to fulfil its obligations in respect of the Preference Shares.

### ***Failure to manage legal risk properly can impact the Group adversely***

The Group is subject to legal obligations in the UK and other countries around the world in which the Group 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;
- loss may arise 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 could 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.

### ***Operational risks are inherent in the Group's business***

The Group actively seeks to ensure that the risks it takes directly or indirectly as part of its business, are managed effectively within approved risk appetite. Operational risks are inherent in the Group's business and can arise from inadequate or failed processes, systems, human error, fraud or external events that interrupt normal business operations and can cause financial impact which can in some instances be very material.

The Group recognises the potential implications of operational risks and has proactively implemented policies, procedures and controls to ensure that its business and stakeholders' interests are secure. Risk management and compliance is driven through dedicated resources at the unit level, where risk originates. Additionally a separate team of operational risk resources is dedicated within each business, to provide reasonable assurance that policies, regulations and controls are being complied with appropriately. Oversight over operational risk management is provided by an established risk committee structure that exists at Group, business and country levels.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Company or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FSA.

### ***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 crossborder 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.

### ***Operating in markets with less developed judicial and dispute resolution systems 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.

### **Risks Relating to the Preference Shares**

#### ***Preference Shares may not be a suitable investment for all investors***

Each potential investor in any Preference Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Preference Shares, the merits and risks of investing in the Preference Shares and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Preference Shares and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the potential risks of an investment in the Preference Shares;
- (iv) understand thoroughly the terms of the Preference Shares and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

#### ***Dividends on the Preference Shares are subject to payment and other restrictions***

Dividends on the Preference Shares are payable in cash and will only be payable at the sole discretion of the Board. Dividends may only be paid out of the profits of the Company available for distribution and permitted by law to be distributed. Further, the Board is not permitted to pay dividends on the Preference Shares if, in its opinion, such payment would breach capital adequacy requirements applicable to the Company or any subsidiary or associated undertaking of the Company.

#### ***Dividends on the Preference Shares are non-cumulative***

The dividends on the Preference Shares are non-cumulative. Accordingly, to the extent that any dividend is on any occasion not declared and paid for any reason, holders of Preference Shares will not have a claim in respect of the dividend accrued for the relevant Dividend Period or for interest on the dividend, whether or not dividends on the Preference Shares are declared for any future Dividend Period, although the Company will be subject to the Dividend Restriction and the Redemption Restriction. For further information, see "Description of the Preference Shares – Dividends".

#### ***If the Company is wound-up or liquidated, any distribution on the Preference Shares will be subordinated to the claims of its creditors***

If the Company is wound-up or liquidated, voluntarily or involuntarily, holders of Preference Shares will not be entitled to receive any amount paid up on the Preference Shares until after the claims of all of the Company's creditors have been satisfied. If the Company does not have sufficient assets at the time of liquidation to satisfy those claims, holders of Preference Shares will not receive any amount paid up on the Preference Shares. There is no limitation on the ability of the Company to issue securities in the future that would rank equal or senior in liquidation to the Preference Shares, except as described in "Description of the Preference Shares – Variation of Rights and Further Issues".

#### ***Holders of Preference Shares have limited voting rights***

Holders of Preference Shares will have limited voting rights and generally will not be entitled to vote on any resolution to appoint, change or increase or decrease the number of Directors. See "Description of the Preference Shares".

#### ***Holders may be subject to foreign exchange risk***

Because the Preference Shares are denominated in US dollars and all payments in respect of those securities are to be made in US dollars, an investment in the Preference Shares entails

significant risks for a purchaser that conducts its business or activities in a currency other than US dollars (such different currency, the “home currency”). These include the possibility of significant changes in rates of exchange between the home currency and the US dollar and the imposition or modification of foreign exchange controls with respect to US dollars.

The Group has no control over a number of factors affecting these types of risks, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their results. In recent years, rates of exchange for certain currencies, including US dollars, have been volatile, and this volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative of fluctuations in the rate that may occur in the future. Depreciation of the US dollar against the home currency will result in a decrease in the value, expressed in the home currency, of the Preference Shares, and, in certain circumstances, could result in a loss when payments on the Preference Shares are converted into the home currency.

This description of foreign currency risks does not describe all the risks of an investment in securities denominated in a currency other than the home currency. Investors should consult their own financial and legal advisor as to the risks involved in an investment in the Preference Shares.

***Holders may be required to bear the financial risks of an investment in the Preference Shares for an indefinite period of time***

The Preference Shares do not have a fixed final redemption date and investors will have no right to call for the redemption of the Preference Shares. Although the Preference Shares may be redeemed in certain circumstances, there are limitations on the ability to do so. In particular, any redemption of the Preference Shares would be subject to the Company receiving no objection from the FSA (having given notice to the FSA). Furthermore, the Company, at its option, may substitute the Preference Shares in whole, but not in part, with Qualifying Non-Innovative Tier 1 Securities, which may have no fixed final redemption date. Therefore, investors should be aware that they may be required to bear the financial risks of an investment in the Preference Shares for an indefinite period of time.

***Holding company structure***

As a holding company, the Company’s business is operated through its subsidiaries. As a result, the Company’s right to participate in any distribution of the assets of a subsidiary, upon its dissolution, winding-up, liquidation or reorganisation or otherwise, and the ability of investors to benefit indirectly from that distribution, is subject to the prior claims of creditors of that subsidiary, except to the extent that the Company may be a creditor of that subsidiary and its claims are recognised. There are legal limitations on the extent to which some of the Company’s subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, the Company or some of its other subsidiaries. Accordingly, the Preference Shares will be effectively subordinated to all existing and future liabilities of the Company’s subsidiaries (as well as of the Company) and holders of the Preference Shares should look only to the Company’s assets for payments.

***An active market for the Preference Shares may fail to develop***

The Company has applied to list the Preference Shares on the Official List and to have the Preference Shares admitted to trading on the Market. Notwithstanding such listing, there can be no assurance that an active market for the Preference Shares will develop and, if such a market were to develop, there can be no assurance that an active market will continue. The liquidity and the market prices for the Preference Shares can be expected to vary with changes in market and economic conditions generally and in the Company’s financial condition and prospects in particular, as well as in response to other factors that generally influence the market prices of securities.

***The Preference Shares are subject to optional redemption by the Company***

The Company may, at its option, redeem the Preference Shares in whole or in part, on the First Optional Redemption Date and on any Dividend Payment Date thereafter. The amount payable on redemption will be the paid up amount of US\$2,000 per Preference Share to be redeemed, plus an amount equal to the accrued but unpaid dividend on that Preference Share in respect of the period from and including the Dividend Payment Date last preceding the Redemption Date to, but excluding, the Redemption Date, but only to the extent that any such amount was, or would have been, payable as a cash dividend.

After the First Optional Redemption Date, as the Company may elect to redeem Preference Shares, the market value of those Preference Shares generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to the First Optional Redemption Date. The Company may be expected to redeem the Preference Shares when its cost of borrowing is lower than the rate at which dividends accrue under the terms of the Preference Shares. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the Dividend Rate on the Preference Shares being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Payments of dividends in respect of, and transfers of, Preference Shares may give rise to certain United Kingdom taxes***

Payments of dividends in respect of, and transfers of, Preference Shares may give rise to certain United Kingdom tax obligations. See “United Kingdom Taxation”. While under current United Kingdom tax law the Company may make payment of dividends free of withholding tax, if the law were to change, the Company would be under no obligation to pay any additional amounts.

***Risks associated with holding Preference Shares in registered form***

Preference Shares in the form of share warrants to bearer are capable of being surrendered in exchange for Preference Shares in registered form, though such exchanges are not anticipated. Prospective investors should note that, subject to certain exceptions, a transfer of Preference Shares in registered form would attract *ad valorem* UK stamp duty, and an unconditional agreement to transfer Preference Shares in such form would attract SDRT (provided that such a charge to SDRT may be cancelled if an instrument transferring the Preference Shares is executed and is duly stamped within the applicable time limits) generally at the rate of 0.5 per cent. (rounded up, in the case of stamp duty to the nearest £5) on the amount or value of the consideration for the transfer. Furthermore, UK stamp duty, or SDRT, would, subject to certain exceptions, be generally payable at the rate of 1.5 per cent. of the value of each Preference Share in registered form on any instrument pursuant to which Preference Shares are transferred (i) to, or to a nominee or 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 depositary receipts.

***Disadvantages associated with withdrawal of underlying Preference Shares***

The Preference Shares will be represented by a share warrant to bearer in the form of the Global Preference Share. If a holder chooses to take delivery of its Preference Shares in registered form, provided the Preference Shares are not transferred (i) to, or to a nominee or 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 depositary receipts, neither UK stamp duty nor SDRT should be payable at the rate of 1.5 per cent. on the exchange. However, a subsequent transfer of (or unconditional agreement to transfer) Preference Shares in registered form is subject to 0.5 per cent. UK stamp duty or SDRT as described in the paragraph under the sub-heading “Implications of holding Preference Shares in registered form” above.

***If the Company does not make payments on its other preferred securities, the Company may not be permitted to pay dividends on the Preference Shares***

Under the terms of the Company’s Existing Dollar Preference Shares, if any dividend on the Existing Dollar Preference Shares is not paid in full on a dividend payment date (or a sum is not set aside to provide for its payment in full), the Company may not declare, pay or distribute interest, any dividend or other payment on the Preference Shares or any other Tier 1 Capital. In addition, the Company or its subsidiaries may issue other securities which contain a similar dividend restriction prohibiting the Company from declaring, paying or distributing interest, any dividend or other payment in respect of the Preference Shares.

***No limitation on issuing senior debt securities or pari passu shares***

There is no restriction on the amount of debt which the Company may incur which ranks senior to or *pari passu* with the Preference Shares. The issue of any such debt or securities may reduce the amount recoverable by holders of the Preference Shares on a winding-up or other return of capital of the Company or may increase the likelihood of a suspension of distributions in respect of the Preference Shares.



### *Change of law*

The terms of, and rights attaching to, the Preference Shares are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Preference Shares.

### *Interest rate risks*

Dividends on the Preference Shares will be payable at a fixed rate. Investment in fixed rate instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments.

### *Credit ratings may not reflect all risks*

The Preference Shares are expected to be rated by Standard & Poor's, Moody's and Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Preference Shares.

### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Preference Shares are legal investments for it, (b) the Preference Shares can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Preference Shares. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Preference Shares under any applicable risk-based capital or similar rules.

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT INTENDED TO BE A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY OF THE PREFERENCE SHARES.**

## Description of the Preference Shares

The following description of the terms and provisions of the Preference Shares does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Articles and resolutions of a duly authorised committee of the Board to be passed before the Issue Date where the terms of, and rights attaching to, the Preference Shares will be contained. For so long as any of the Preference Shares are outstanding, copies of the aforementioned documents may be obtained during normal business hours at the specified office of the Principal Paying Agent and at the registered office of the Company. The principal rights attaching to the Preference Shares are summarised below. Defined terms used in this section have the meanings given to such terms under “Additional Definitions” below.

### General

The Preference Shares will have a nominal value of US\$5 each and will be issued at a premium of US\$1,995 fully paid for cash (so that the total paid up amount of each Preference Share will be US\$2,000). The Preference Shares will rank *pari passu* among themselves and *pari passu* with the Existing Preference Shares (except, in the case of the Existing Sterling Preference Shares, as to certain powers of the Board in relation to payment of dividends and other distributions) and in priority to the Ordinary Shares.

The Company may issue additional preference shares, without the consent of the holders of the Preference Shares, which may be consolidated and form a single class with the Preference Shares.

### Dividends

- (i) Subject to the limitations, discretions and qualifications set out herein, each Preference Share shall entitle the holder thereof to receive out of the profits of the Company available for distribution and permitted by law to be distributed, in priority to the payment of any dividend to the holders of Ordinary Shares but *pari passu* among themselves and *pari passu* with the holders of the Existing Preference Shares (except to the extent that the exercise by the Board of its powers under sub-paragraph (ii)(c) results in dividends not being payable on the Preference Shares where dividends or other distributions are payable or due on any of the Existing Sterling Preference Shares under their terms of issue, in which case the Existing Sterling Preference Shares shall rank ahead of the Preference Shares as regards payment of such dividends or other distributions), a non-cumulative preferential dividend, which will accrue from the Issue Date and will be payable semi-annually in arrear on each Dividend Payment Date (save in respect of the period from the Issue Date to the first Dividend Payment Date), provided that if any Dividend Payment Date is not a business day, payment shall be postponed to the next business day without penalty or interest accruing in respect of such delay, to those holders of Preference Shares whose names appear on the register of members of the Company on the fifteenth calendar day preceding such Dividend Payment Date.

Dividends will accrue and will be payable when, as, and if, declared by the Board on the paid up amount of US\$2,000 per Preference Share at the Dividend Rate. Subject to paragraph (ii) below, dividends shall only be paid to the extent that payment can be made out of the profits of the Company available for distribution and permitted by law to be distributed. Any right to receive a dividend on the Preference Shares will be non-cumulative.

- (ii) (a) If on any Dividend Payment Date the profits of the Company available for distribution are, in the opinion of the Board, insufficient to enable payment in full to be made of the dividend which would otherwise fall to be payable on such Dividend Payment Date, then none of such dividend shall be payable.
- (b) If, in the opinion of the Board, the payment of any dividend on the Preference Shares would breach or cause a breach of the capital adequacy requirements then applicable under Applicable Banking Regulations to the Company, the Group or any subsidiary or associated undertaking of the Company, then none of such dividend shall be payable.
- (c) Without prejudice to paragraphs (ii)(a) and (b) above, if on any Dividend Payment Date the Board determines that the dividend which would otherwise be payable on such Dividend Payment Date (the “Relevant Dividend”) should not be paid, then none of the Relevant Dividend shall be payable.

- (iii) If it shall subsequently appear that any dividend on the Preference Shares which has been paid should not have been paid, then, provided the Board shall have acted in good faith, it shall not incur any liability for any loss which any holder of Preference Shares may suffer in consequence of such payment having been made.
- (iv) If a dividend on the Preference Shares is not paid for any of the reasons specified in subparagraph (ii) above, the holders of such Preference Shares shall have no claim in respect of such non-payment.
- (v) Any dividend unclaimed after a period of 12 years from the date when it became due for payment shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend or other sum payable on or in respect of a Preference Share into a separate account shall not constitute the Company a trustee in respect of it.
- (vi) If any dividend on the Preference Shares is not paid on a Dividend Payment Date (the “Relevant Dividend Payment Date”) (or a sum is not set aside to provide for its payment), the Dividend Restriction and Redemption Restriction shall apply.
- (vii) Except as described in this Prospectus, holders of Preference Shares will have no right to participate in the profits of the Company.
- (viii) If, on any Dividend Payment Date, (i) a Capital Disqualification Event (as defined below) has occurred and is continuing, and (ii) the Company and the Group are in compliance with Applicable Banking Regulations, dividends on the Preference Shares will be mandatorily payable on such Dividend Payment Date, to the extent that payment in full can be made out of the profits of the Company available for distribution and permitted by law to be distributed at such time after the setting aside of a sum required for payment in full of all dividends payable on or before the relevant Dividend Payment Date on any Existing Preference Shares.

A “Capital Disqualification Event” shall be deemed to have occurred if: (a) the Preference Shares would not be eligible to qualify (save, where such non-qualification is only as a result of any applicable limitation on the amount of such capital) as regulatory capital resources for the Company or the Group under Applicable Banking Regulations; and (b) the FSA has confirmed to the Company that the Preference Shares would not be eligible to qualify as regulatory capital resources for the Company or the Group.

### **Payment of Dividends**

Subject to the limitations, discretions, and qualifications set out herein, the Company will pay dividends on the Preference Shares out of its distributable profits in US Dollars at the Dividend Rate on the paid up amount of US\$2,000 per Preference Share in respect of all Dividend Periods from, and including, the Issue Date. Dividends will be payable semi-annually in equal instalments in arrear on the Dividend Payment Dates (save in respect of the period from the Issue Date to the first Dividend Payment Date) on the basis of 30 day months and a 360 day year. The dividend on each Preference Share during any such semi-annual Dividend Period will be US\$81.25, save that the Dividend for the first Dividend Period will be an amount to be specified in the Pricing Announcement.

In respect of any dividend payable upon a winding up of the Company, where the number of days in the period in respect of which such dividend is to be paid is fewer than or greater than a full Dividend Period, the amount of dividend accruing in respect of any such period will be calculated on the basis of 30 day months and a 360 day year.

### **Capital**

On a winding-up or other return of capital (other than a redemption, reduction or purchase by the Company of any of its issued shares), the assets of the Company available to shareholders shall be applied, in priority to any payment to the holders of Ordinary Shares, *pari passu* among themselves and *pari passu* with the holders of the Existing Preference Shares and in priority to or *pari passu* with the holders of any other class of shares in issue (other than shares which may be issued by the Company and which may by their terms rank in priority to the Preference Shares in a winding-up or other return of capital), in payment to the holders of the Preference Shares of a sum equal to the aggregate of:

- (i) an amount equal to dividends accrued thereon for the then current Dividend Period to the date of the commencement of the winding-up or other return of capital, but only to the extent that any such amount was, or would have been, payable as a cash dividend;
- (ii) an amount equal to any dividend thereon which has been resolved to be paid on or after the date of commencement of the winding-up or other return of capital but which is payable in respect of a Dividend Period ending on or before such date; and
- (iii) the amount paid up on such Preference Shares.

If, upon any return of capital or distribution of assets, the amounts available for payment are insufficient to cover the amounts payable in full on the Preference Shares and any other class of shares in issue or which may be issued by the Company which are expressed to rank equally with the Preference Shares as regards participation in assets, the holders of the Preference Shares and the holders of those other shares will share rateably in the distribution of surplus assets (if any) of the Company in proportion to the full amounts to which they are respectively entitled. The Preference Shares confer no rights to participate in the surplus assets of the Company other than as described in this Prospectus.

### **Redemption**

The Company may, subject to the Companies Act and all other laws and regulations applying to the Company, to the Articles, to the Company giving at least one month's prior written notice to, and receiving no objection from, the FSA (or such other period of notice as the FSA may from time to time require or accept and in any event provided that such notice is required to be given) and to the Company (both at the time of, and immediately following, the redemption) being in compliance with its capital requirements as provided in Applicable Banking Regulations from time to time, upon not less than 30 nor more than 60 days' notice to the holders of Preference Shares in accordance with the Articles and the Principal Paying Agent (which notice shall be irrevocable):

- (a) redeem the Preference Shares in whole or in part on the First Optional Redemption Date and on any Dividend Payment Date thereafter; or
- (b) redeem the Preference Shares in whole but not in part at any time if, immediately prior to the giving of the notice referred to above, a Regulatory Event has occurred and is continuing.

Upon the expiry of any such notice, the Company shall redeem the Preference Shares (each such date on which a Preference Share may be redeemed being a "Redemption Date").

Redemption will be effected in the manner provided in the Articles (including, in relation to a redemption of only some of the Preference Shares (as the case may be), by the drawing of lots to determine the Preference Shares to be redeemed).

There shall be paid on each Preference Share so redeemed the aggregate of:

- (i) the amount paid up on such Preference Share; and
- (ii) the dividend accrued for the period from, and including, the Dividend Payment Date last preceding the Redemption Date to, but excluding, the Redemption Date, but only to the extent that any such amount was, or would have been, payable as a cash dividend.

### **Substitution**

Subject to the Articles, the provisions of the Companies Act and all other laws and regulations applying to the Company and to the Company giving at least one month's prior written notice to, and receiving no objection from, the FSA (or such other period of notice as the FSA may from time to time require or accept and in any event provided that such notice is required to be given), the Company may substitute the Preference Shares in whole, but not in part, with Qualifying Non-Innovative Tier 1 Securities at any time (the "Substitution Date") without any requirement for consent or approval of the holders of the Preference Shares.

For the purposes of effecting any such substitution, the Company shall redeem the Preference Shares in whole, but not in part, on the Substitution Date and shall mandatorily apply the proceeds thereof to the purchase of Qualifying Non-Innovative Tier 1 Securities issued on such Substitution Date in an amount at least equal to the total number of the Preference Shares multiplied by US\$2,000 (in each case, without the need for any further action on the part of the holders of the Preference Shares).

The Company will pay any costs and expenses associated with such substitution and the issuance of the Qualifying Non-Innovative Tier 1 Securities, including, without limitation, the fees of the Registrar and Principal Paying Agent or other third party involved in the issuance thereof and the fees and expenses relating to the listing of the Qualifying Non-Innovative Tier 1 Securities. The Company will also pay any stamp duty reserve taxes, capital duties, stamp duties or similar taxes payable in the United Kingdom arising on the allotment and issue of the Qualifying Non-Innovative Tier 1 Securities. The Company will not be obliged to pay, and each holder of the Preference Shares must pay, (i) any other taxes, stamp duty reserve taxes and capital, stamp, issue and registration duties arising in connection with the relevant substitution and (ii) all, if any, taxes arising by reference to any disposal or deemed disposal of a Preference Share in connection with the relevant substitution.

To the extent that transfers of the Preference Shares are able to be effected between holders thereof free of any stamp duty, stamp duty reserve tax or similar taxes arising on such transfer immediately prior to the Substitution Date, the Company will procure that transfers of the Qualifying Non-Innovative Tier 1 Securities shall also be able to be effected between holders thereof free of any such taxes immediately following such date.

The Company must give a written notice of substitution to the holders of the Preference Shares, not less than 30 days nor more than 60 days prior to the Substitution Date. Prior to the publication of any notice of substitution pursuant to the foregoing provisions, the Company must deliver to the Principal Paying Agent a certificate, signed by two Directors, certifying that the securities to be offered in substitution for the Preference Shares are, and that an independent bank appointed by the Company for the purposes of making such assessment agrees that they are, Qualifying Non-Innovative Tier 1 Securities.

### **Voting**

- (i) The holders of Preference Shares shall not be entitled to attend or vote at any general meeting of the Company except:
  - (a) where the dividend which is (or, but for the provisions described in subparagraph (ii) under the heading “Dividends” above, would be) most recently payable on such Preference Shares shall not have been paid in full; or
  - (b) where a resolution is to be proposed at the meeting varying or abrogating any of the rights, preferences, privileges, limitations or restrictions attached to any class of shares of which such Preference Shares form part (and then only to speak and vote upon any such resolution).
- (ii) Whenever holders of Preference Shares are entitled to vote on a resolution, on a show of hands every such holder who is present in person shall have one vote and every proxy present who has been duly appointed by a holder shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote in respect of each Preference Share held by him.

The bearer of a share warrant in respect of Preference Shares shall not be entitled to attend or vote, personally or by proxy, unless the share warrant has been deposited with the Company and the Company has delivered a certificate in exchange. Subject as described above, the certificate shall entitle such person, either personally or by proxy, to attend and vote at any general meeting of the Company at which the holder is entitled to attend and vote held within three months of the date of the certificate and prior to the return of the certificate to the Company, in the same way as if the holder were the registered holder of Preference Shares specified in the certificate.

Other provisions in the Articles relating to voting rights and procedures also apply to the Preference Shares.

### **Purchases**

Subject to the provisions of the Companies Act and all other laws and regulations applying to the Company, the Company may purchase or may enter into a contract under which it will or may purchase all or any of its shares of any class, including any redeemable shares. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them, and the holders of shares of any other class or in accordance with the rights as to dividends or capital

conferred by any class of shares. No repurchase of Preference Shares will be made without the Company giving at least one month's prior written notice to, and receiving no objection from, the FSA (or such other period of notice as the FSA may from time to time require or accept and in any event provided that such notice is required to be given) and any such Preference Shares repurchased would be cancelled by the Company.

#### **Form**

The Preference Shares will be represented by a share warrant to bearer, within the meaning of the Companies Act, in the form of a single global share warrant to bearer (the "Global Preference Share") which will be deposited with and held by The Bank of New York Mellon, acting through its London branch (the "Common Depository") of One Canada Square, London E14 5AL as common depository for the Clearing Systems.

The Company may consider the Common Depository to be a single holder of Preference Shares so deposited for all purposes. See "Provisions relating to the Preference Shares while represented by the Global Preference Share".

Title to Preference Shares represented by a share warrant to bearer will pass by delivery of the relevant bearer share warrant without any written transfer and without registration. Subject to the Articles and the Companies Act, the bearer of any share warrant for the Preference Shares shall be deemed to be a member of the Company and shall be entitled to the same privileges and advantages as it would have had if the bearer's name had been included in the Company's register of members as the holder of the Preference Shares specified in the warrant. See "Provisions relating to the Preference Shares while represented by the Global Preference Share" below.

Upon the surrender by the bearer of a share warrant, together with the outstanding dividend coupons (if any) in respect thereof, to the Company for cancellation and delivery of an application in writing signed by the bearer, in any form which the Directors approve, requesting that the bearer of the share warrant should be entered as a member in the register of members in respect of the Preference Shares included in the share warrant, the bearer of a share warrant shall be entitled to have his name entered as a member in the register of members of the Company in respect of the Preference Shares included in the share warrant and shall receive a certificate in such holder's name.

However, the Company shall in no case be responsible for any loss or damage incurred by any person by reason of the Company entering in its register of members upon the surrender of a warrant the name of any person who is not the true and lawful owner of the warrant surrendered.

Title to the Preference Shares in registered and certificated form (if any) will pass by transfer and registration on the register of members of the Company in accordance with the Articles.

The Articles provide, among other matters, that transfers of the Preference Shares in certificated form must be effected by an instrument of transfer in the usual standard form or in any other form approved by the Directors. Instruments of transfer of the Preference Shares must be signed by or on behalf of the transferor.

The Directors may refuse to register a transfer of Preference Shares in certificated form unless the instrument of transfer is duly stamped and:

- (a) is in respect of Preference Shares only;
- (b) is in favour of not more than four joint transferees; and
- (c) is deposited at the registered office of the Company, or such other place as the Board may from time to time determine, accompanied by the relevant share certificate(s) and any other evidence the Directors may reasonably require to show the right of the person executing the transfer to make the transfer.

No fee is payable to the Company for transferring shares and any registration of a transfer is subject in all respects to the Articles.

#### **Provisions relating to the Preference Shares while represented by the Global Preference Share**

The Global Preference Share will initially be held by the Common Depository. Payments in respect of any amount payable by way of dividend or on redemption (if any) in respect of the Preference Shares represented by the Global Preference Share will be made to each of Euroclear and Clearstream, Luxembourg with respect to that portion of the Global Preference Share held for its account. The holder of the Preference Share shall be the only person entitled to receive payments by

way of dividend or on redemption in respect of the Preference Shares represented by the Global Preference Share. *The Global Preference Share is exchangeable in whole, but not in part, (free of charge to the holder) by the Common Depositary for definitive Preference Shares, each in the form of a share warrant to bearer representing one Preference Share with a nominal value of US\$5 and a liquidation preference of US\$2,000, and a number of such definitive Preference Shares will be transferred to each holder of a beneficial interest in the Global Preference Share corresponding to its book-entry interest in the Preference Shares represented by the Global Preference Share, if either or both of Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, within 60 days of such closure or announcement. Other than in the circumstances referred to in this paragraph, definitive Preference Shares will not be available to holders of the Preference Shares. Temporary documents of title will not be issued.* Upon presentation to the Registrar at its office in the United Kingdom, a share warrant to bearer may be exchanged for the relevant Preference Shares in registered form, in which event the holder of the share warrant to bearer will be registered as holder of the Preference Shares in the register of members of the Company and will receive a certificate made out in such holder's name. The exchange of Preference Shares represented by a share warrant to bearer (including the Global Preference Share) for Preference Shares in registered form will also be subject to applicable UK tax laws and regulations in effect at the time of the exchange. No exchange will be made unless any resulting taxes, stamp duties or other governmental charges have been paid to the Company.

Preference Shares in registered form will not be exchangeable, in whole or in part, for Preference Shares represented by a share warrant to bearer.

### **Payments**

Payments in respect of any amount payable by way of dividend or on redemption in respect of the Preference Shares in bearer form will be made against presentation and, where applicable on redemption, surrender of the relevant share warrant to bearer at the specified office of the Principal Paying Agent. Each such payment will be made, at the option of the payee, by a US dollar cheque drawn on, or by transfer to a US dollar account maintained by the payee with, a branch of a bank in New York.

In the case of payments in respect of Preference Shares in bearer form represented by a share warrant, if the due date for payment or any later date upon which the share warrant is presented for payment is not a Payment Business Day, then the holder shall not be entitled to payment at such place of the amount due until the next following Payment Business Day and shall not be entitled to any further payment in respect of such delay.

Payments in respect of any amount payable by way of dividend or on redemption in respect of the Preference Shares in registered form will be made by cheque or sent by post to the registered address of the holder, or in the case of joint holders, to any one of them, or, upon request of the holder or joint holders not later than the date specified for such purpose in the notice of redemption, by bank transfer to a US Dollar account maintained by the holder, details of which are notified by the holder in writing to the Company.

A record of each payment made on a share warrant to bearer will be made on or in relation to such share warrant to bearer by the Principal Paying Agent or the Paying Agent to which the share warrant to bearer is presented for the purposes of making such payment and such record shall be *prima facie* evidence that the payment in question has been made.

Payments in respect of amounts payable by way of dividend and on redemption on the Preference Shares will be subject in all cases to any applicable fiscal or other laws and other regulations.

### **Variation of Rights and Further Issues**

- (i) Except with the written consent of the holders of three-quarters in nominal value of the Preference Shares then in issue, or with the sanction of a special resolution passed at a separate general meeting of the holders of Preference Shares then in issue, the Board shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards participation in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such share) in priority to the Preference Shares.

- (ii) The Company shall be entitled at any time and from time to time and without any consent or sanction of the holders of the Preference Shares to create and issue further preference share capital ranking as regards participation in the profits and assets of the Company after or *pari passu* with the Preference Shares. Such creation and issue shall be deemed not to alter, vary, affect, modify or abrogate any of the rights attaching to the Preference Shares and for the avoidance of doubt such rights shall not be deemed to be varied by the alteration of any of the provisions, other than provisions as to *pari passu* ranking, set out in the Articles in respect of any unissued preference shares. Any further series of preference shares ranking, as regards participation in profits or assets, *pari passu* with the Preference Shares may, without their creation or issue being deemed to vary the special rights attaching to the Preference Shares, either carry identical rights in all respects with the Preference Shares or carry rights differing therefrom in any respect including, but without prejudice to the foregoing, in that:
- (a) the rate and/or basis of calculating dividends may differ and the dividend may be cumulative or non-cumulative;
  - (b) such shares may rank for dividends as from such date as may be provided by the terms of issue thereof and the dates for payment of dividends may differ;
  - (c) such shares may be denominated in any currency or, if permitted by law, any basket of currencies;
  - (d) a premium may be payable on return of capital or there may be no such premium;
  - (e) such shares may be redeemable at the option of the Company or may be non-redeemable;
  - (f) such shares may carry a right to additional shares by way of capitalisation of profits or reserves; and
  - (g) such shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after the Preference Shares, in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

### **Principal Paying Agent**

The Bank of New York Mellon, acting through its London branch, will act as the initial Principal Paying Agent for the Preference Shares.

The Company reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain a Principal Paying Agent.

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the holders of Preference Shares in accordance with the provisions set out under the heading “Description of Preference Shares – Notices”.

### **Notices**

Further to the provisions for giving notices to members contained in the Articles, notices to holders of Preference Shares represented by one or more share warrants to bearer will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if in the reasonable opinion of the Company such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

While the Preference Shares are represented by the Global Preference Share held by the Common Depositary for the Clearing Systems, notices to holders of Preference Shares may instead be published in accordance with the operating procedures of the Clearing Systems. Any such notice shall be deemed to have been given on the date of such publication.

In addition, for so long as any of the Preference Shares are listed on any stock exchange, such notices will be published in accordance with the requirements (if any) of such stock exchange.

### **Governing Law**

The creation and issue of the Preference Shares and the rights attached to them are governed by, and shall be construed in accordance with, English law.



## **Additional Definitions**

“*Applicable Banking Regulations*” means at any time the capital adequacy regulations, guidelines and policies then in effect of the FSA.

“*Articles*” means the Articles of Association of the Company, as in effect from time to time.

“*Board*” means the Board of Directors from time to time or any authorised committee thereof.

“*business day*” means a day (other than a Saturday or Sunday) on which banks in London and the City of New York are open for business and on which foreign exchange dealings may be conducted in such cities.

“*Companies Act*” means 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.

“*Clearing Systems*” means, initially, Euroclear and Clearstream, Luxembourg and includes any other appropriate international clearing system approved by the Company through which the Preference Shares may be traded from time to time.

“*Clearstream, Luxembourg*” means Clearstream Banking, *société anonyme*.

“*Directors*” means the directors of the Company from time to time.

“*Dividend Period*” means the period from, and including, a Dividend Payment Date (or the Issue Date) to, but excluding, the next succeeding Dividend Payment Date.

“*Dividend Restriction*” means that:

- (a) the Company shall not declare or pay a dividend on its Ordinary Shares for a one year period commencing on the Relevant Dividend Payment Date;
- (b) (i) the Company shall not, and shall procure that Standard Chartered Bank shall not, declare, pay or distribute interest, any dividend or other payment (other than interest or a dividend or other payment declared, paid or distributed by Standard Chartered Bank to the Company, any holding company of the Company or to another wholly owned subsidiary of the Company) on any of its then issued Tier 1 Capital (other than the Existing Sterling Preference Shares) or make any payment on a Tier 1 Guarantee;
- (ii) the Company shall procure that no payment is made by any subsidiary of the Company on any security (howsoever named or designated) benefiting from a Tier 1 Guarantee,

in each case, for the following periods:

- (a) where the relevant Tier 1 Capital (or, in the case of a payment on a Tier 1 Guarantee, the Tier 1 Capital to which that Tier 1 Guarantee relates) pays interest, dividends or other payments semi-annually, or more frequently, for a period of six calendar months commencing on the Relevant Dividend Payment Date; and
- (b) in any other case, for a period of one year commencing on the Relevant Dividend Payment Date,

provided that the foregoing shall not prevent the Company, Standard Chartered Bank or any subsidiary of the Company, nor oblige the Company to procure that any of them are so prevented, from:

- (1) satisfying any obligation to make an interest, dividend or other payment through an allotment and issue of shares; or
- (2) declaring, paying or distributing any interest, dividend or other payment which is funded by the proceeds of an issue of shares for such purpose; or
- (3) declaring, paying or distributing any interest, dividend or other payment in respect of any Tier 1 Capital or Tier 1 Guarantee the terms of which do not provide for the ability of the relevant issuer or guarantor (as the case may be) to defer or cancel any such payment at its discretion.

“*Euroclear*” means Euroclear Bank S.A./N.V.

“*Existing Dollar Preference Shares*” means (i) the series of 6.409% non-cumulative redeemable preference shares of US\$5 each (aggregate paid up amount of US\$750,000,000), (ii) the series of 7.014% non-cumulative redeemable preference shares of US\$5 each (aggregate paid up amount of

US\$750,000,000) and (iii) the series of 8.125% non-cumulative redeemable preference shares of US\$5 each issued on 27 May 2008 (aggregate paid up amount of US\$675,000,000 and which, from 27 November 2008, shall be consolidated with the Preference Shares to form a single series).

“*Existing Preference Shares*” means the Existing Sterling Preference Shares and the Existing Dollar Preference Shares.

“*Existing Sterling Preference Shares*” means the Company’s outstanding series of 8<sup>1</sup>/<sub>4</sub>% non-cumulative irredeemable preference shares of £1 each (aggregate paid up amount of £99,250,000) and the 7<sup>3</sup>/<sub>8</sub>% non-cumulative irredeemable preference shares of £1 each (aggregate paid up amount of £96,035,000).

“*FSA*” means the Financial Services Authority of the United Kingdom and, if any successor governmental authority succeeds to the bank regulatory functions of the Financial Services Authority in the United Kingdom, such successor governmental authority; provided, however, that if Standard Chartered Bank becomes domiciled in a jurisdiction other than the United Kingdom, then each reference herein to the FSA shall be deemed instead to refer to the governmental authority having primary regulatory authority with respect to Standard Chartered Bank’s capital adequacy in such other jurisdiction.

“*Innovative Tier 1 Capital*” has the meaning assigned to such term (i) in Section 2.2 of Chapter 2 of The General Prudential Sourcebook published by the FSA, as amended, supplemented or replaced from time to time, or (ii) in any successor Applicable Banking Regulations.

“*Loan Capital*” means (a) any debenture stock, corporation stock or funded debt, by whatever name known, issued by a body corporate or other body of persons (which includes any body whether formed or established in the United Kingdom or elsewhere); and (b) any capital raised by such a body if the capital is borrowed or has the character of borrowed money, and whether it is in the form of stock or any other form;

“*Non-Innovative Tier 1 Capital*” means Tier 1 Capital which does not comprise Innovative Tier 1 Capital.

“*Payment Business Day*” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York and, in the case of a presentation or surrender of a Preference Share, in the place of the specified office of the relevant Paying Agent to whom the same is presented or surrendered.

“*Qualifying Non-Innovative Tier 1 Securities*” means securities in the form of debt which constitutes Loan Capital or equity, issued directly or indirectly by the Company:

- (a) that have terms not materially less favourable to a holder of Preference Shares, as reasonably determined by the Company, than the terms of the Preference Shares, provided that they shall (1) include a ranking at least equal to that of the Preference Shares, (2) have at least the same dividend or distribution rate or rate of return and Dividend Payment Dates from time to time applying to the Preference Shares (which shall, in the case of equity, be a fixed rate and there shall be no other right to share in the profits of the Company), (3) have the same redemption dates as the Preference Shares, (4) comply with the then current requirements of the FSA in relation to Non-Innovative Tier 1 Capital, (5) preserve any existing rights under the Preference Shares to any accrued dividend which has not been paid in respect of the period from, and including, the Dividend Payment Date last preceding the Substitution Date to, but excluding, the Substitution Date, and (6) shall not be convertible, or carry any right of substitution into, any securities other than Qualifying Non-Innovative Tier 1 Securities; and
- (b) that are admitted to trading on the London Stock Exchange or such other stock exchange as is a recognised stock exchange in Europe.

“*Redemption Date*” has the meaning set forth under “Description of Preference Shares-Redemption”.

“*Redemption Restriction*” means that (without the written consent of a majority in nominal value of, or the sanction of a special resolution passed at a separate general meeting of, the holders of the Preference Shares) for a one year period commencing on the Relevant Dividend Payment Date:

- (a) the Company shall not redeem, reduce, purchase or otherwise acquire for any consideration any of its Ordinary Shares;

- (b) the Company shall not, and shall procure that Standard Chartered Bank shall not, redeem, purchase or otherwise acquire for consideration any of its Tier 1 Capital; and
- (c) the Company shall procure that no subsidiary of the Company redeems, purchases or otherwise acquires for consideration any security benefiting from a Tier 1 Guarantee.

“*Registrar*” means the registrar for the time being of the Preference Shares which, for so long as the Preference Shares are represented by the Global Preference Share, shall be the Company itself.

“*Regulatory Event*” is deemed to have occurred if the FSA has notified the Company that the Preference Shares are no longer eligible to qualify (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital) for inclusion in the Non-Innovative Tier 1 Capital of the Company or of the Group.

“*Relevant Dividend*” has the meaning set forth under “Description of Preference Shares – Dividends”.

“*Relevant Dividend Payment Date*” has the meaning set forth under “Description of Preference Shares – Dividends”.

“*Tier 1 Capital*” has the meaning assigned to such term (i) in Section 2.2 of Chapter 2 of The General Prudential Sourcebook published by the FSA, as amended, supplemented or replaced from time to time, or (ii) in any successor Applicable Banking Regulations.

“*Tier 1 Guarantee*” means any guarantee, indemnity or other contractual support arrangement entered into by Standard Chartered Bank or the Company in respect of the securities (regardless of name or designation) issued by a subsidiary of the Company which create Tier 1 Capital of Standard Chartered Bank or the Company.

## **Use of Proceeds**

The net proceeds of the Offering will be set out in the Pricing Announcement. The proceeds will be used by the Company for the general business purposes of the Group, which may include acquisitions.

## **The Company and the Group**

Standard Chartered, the ultimate holding company of Standard Chartered Bank (“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.

SCB was incorporated in England with limited liability by Royal Charter in 1853. SCB’s issued share capital comprises ordinary shares, all of which are owned by Standard Chartered Holdings Limited, a company incorporated in England and Wales, non-cumulative irredeemable preference shares of US\$0.01 each, all of which are owned by Standard Chartered Capital Investments LLC, a company incorporated in the United States, non-cumulative redeemable preference shares of US\$5 each, all of which are owned by Standard Chartered. SCB’s principal 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. SCB’s reference number is ZC18.

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 around 1,750 branches and outlets in over 70 countries and territories and approximately 75,000 employees.

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

### **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.

### **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.

### **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-based 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-based 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 (QFB) licence in October 1999.

The Group continues to be well positioned in a range of fast-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 to 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 Bank Permata 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 (including Nepal), 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 and fastest growing 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 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 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.

**Subsidiaries**

As at 30 June 2008, Standard Chartered's principal subsidiaries comprised SCB, Standard Chartered Bank (Hong Kong) Limited, Standard Chartered First Bank Korea Limited, Standard Chartered Bank Malaysia Berhad, Standard Chartered Bank (Thai) Public Company Limited, Standard Chartered Bank (China) Limited, Standard Chartered Bank (Taiwan) Limited, Standard Chartered Bank (Pakistan) Limited, Standard Chartered Capital Management (Jersey) LLC, Standard Chartered Receivables (UK) Limited, Standard Chartered Financial Investments Limited and Standard Chartered Debt Trading Limited.

All the above are directly or indirectly wholly owned subsidiaries of Standard Chartered, except Standard Chartered Bank (Thai) PCL, which is 99.97 per cent. owned by SCB and Standard Chartered Bank (Pakistan) Limited, which is 99 per cent. owned by SCB.

**Recent developments**

On 29 February 2008, Standard Chartered announced the completion of the acquisition of American Express Bank Limited.

On 25 February 2008, Standard Chartered completed the acquisition of Yeahreum Mutual Savings Bank (the name of which has since been changed to Standard Chartered Mutual Savings Bank Korea Co. Ltd.).

## Directors

The directors of the Company and their respective principal outside activities, where significant to the Company, are as follows:

**E M Davies CBE** *Chairman*<sup>(1)</sup>

Chairman of Fleming Family & Partners Limited and Non-executive Director of Tesco PLC

**J W Peace** *Non-executive Director and Deputy Chairman*<sup>(1)</sup>

Chairman of Experian plc and Burberry Group plc

**P A Sands** *Group Chief Executive Director and Chairman of SCB*<sup>(1)</sup>

**G R Bullock** *Group Executive Director (Africa, Middle East, Europe and the Americas) and Director of SCB*<sup>(1)</sup>

Non-executive Director of Fleming Family & Partners Limited and Spirax-Sarco Engineering plc and Chairman of Mcashback Limited

**S P Bertamini** *Group Executive Director, Consumer Banking and Director of SCB*<sup>(1)</sup>

**J F T Dundas** *Non-executive Director*<sup>(1)</sup>

Chairman of Jupiter Investment Management Holdings Limited, Non-executive Director of Drax Group plc and Chairman of Macmillan Cancer Support

**V F Gooding CBE** *Non-executive Director*<sup>(1)</sup>

Non-executive Director of J Sainsbury plc and the BBC

**R H P Markham** *Non-executive Director*<sup>(1)</sup>

Non-executive Director of Legal and General Group plc and United Parcel Service, Inc.

**R Markland** *Non-executive Director*<sup>(1)</sup>

Chairman of the Board of Trustees of the WRVS and a Non-executive Director of The Sage Group plc

**R H Meddings** *Group Finance Director and Director of SCB*<sup>(1)</sup>

Non-Executive Director of 3i Group plc

**S B Mittal** *Non-executive Director*<sup>(1)</sup>

Chairman and Chief Executive Officer of Bharti Enterprises and President of the Confederation of Indian Industry

**P D Skinner** *Non-executive Director*<sup>(1)</sup>

Chairman of Rio Tinto plc and Non-executive Director of the Tetra Laval Group and L'Air Liquide SA

**O H J Stocken** *Non-executive Director*<sup>(1)</sup>

Chairman of Home Retail Group, Deputy Chairman of 3i plc and Chairman of Oval Limited and Stanhope Group Holdings Limited

**Lord J A Turner** *Non-executive Director*<sup>(1)(2)</sup>

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### Notes:

1. The business address should be regarded for the purposes of this Prospectus as: 1 Basinghall Avenue, London EC2V 5DD, United Kingdom.
2. Lord Turner will step down as a Non-executive Director with effect from 19 September 2008.
3. There are no existing or potential conflicts of interest between any duties of the current Directors named above owed to the Company and/or their private interests and other duties.



## Selected Consolidated Financial Information of the Company

The financial information as at and for the years ended 31 December 2007 and 31 December 2006 set out on pages 33 to 35 has been extracted without material adjustment from the audited consolidated financial statements of the Company as at and for the year ended 31 December 2007 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The statutory consolidated financial statements have been placed on display at the offices of the Company at 1 Aldermanbury Square, London EC2V 7SB for the life of the issue. 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 and regulated by the Audit Inspection Unit for the Public Oversight Board and Financial Reporting Council in the United Kingdom.

### Summary Consolidated Income Statement of Standard Chartered PLC

	For the year ended 31 December	
	2007	2006
	(US\$ million except where otherwise indicated)	
Interest income .....	16,176	12,987
Interest expense .....	(9,911)	(7,659)
<b>Net interest income</b> .....	<b>6,265</b>	<b>5,328</b>
Fees and commission income .....	3,189	2,275
Fees and commission expense .....	(528)	(394)
Net trading income.....	1,261	920
Other operating income.....	880	491
	<b>4,802</b>	<b>3,292</b>
<b>Operating income</b> .....	<b>11,067</b>	<b>8,620</b>
Staff costs .....	(3,949)	(2,913)
Premises costs .....	(592)	(444)
General administrative expenses .....	(1,329)	(1,171)
Depreciation and amortisation.....	(345)	(268)
<b>Operating expenses</b> .....	<b>(6,215)</b>	<b>(4,796)</b>
<b>Operating profit before impairment losses and taxation</b> .....	<b>4,852</b>	<b>3,824</b>
Impairment losses on loans and advances and other credit risk provisions .....	(761)	(629)
Other impairment .....	(57)	(15)
Profit/(loss) from associates.....	1	(2)
<b>Profit before taxation</b> .....	<b>4,035</b>	<b>3,178</b>
Taxation .....	(1,046)	(824)
<b>Profit for the year</b> .....	<b>2,989</b>	<b>2,354</b>
Profit attributable to minority interests .....	148	76
Profit attributable to parent company shareholders .....	<b>2,841</b>	<b>2,278</b>
<b>Profit for the year</b> .....	<b>2,989</b>	<b>2,354</b>
<b>Basic earnings per ordinary share</b> .....	<b>201.1¢</b>	<b>169.0¢</b>
<b>Diluted earnings per ordinary share</b> .....	<b>198.7¢</b>	<b>167.0¢</b>

## Summary Consolidated Balance Sheet of Standard Chartered PLC

	As at 31 December	
	2007	2006
	(US\$ million)	
<b>Assets</b>		
Cash and balances at central banks .....	10,175	7,698
Financial assets held at fair value through profit or loss .....	22,958	15,715
Derivative financial instruments .....	26,204	13,154
Loans and advances to banks .....	35,365	19,724
Loans and advances to customers .....	154,266	139,300
Investment securities .....	55,274	49,497
Interests in associates .....	269	218
Goodwill and intangible assets .....	6,380	6,247
Property, plant and equipment .....	2,887	2,168
Deferred tax assets .....	559	512
Other assets .....	11,011	8,601
Prepayments and accrued income .....	3,857	3,268
<b>Total assets</b> .....	<b>329,205</b>	<b>266,102</b>
<b>Liabilities</b>		
Deposits by banks .....	25,880	26,233
Customer accounts .....	179,760	147,382
Financial liabilities held at fair value through profit or loss .....	14,250	9,969
Derivative financial instruments .....	26,270	13,703
Debt securities in issue .....	27,137	23,514
Current tax liabilities .....	185	68
Other liabilities .....	14,742	11,331
Accruals and deferred income .....	3,429	3,210
Provisions for liabilities and charges .....	38	45
Retirement benefit obligations .....	322	553
Subordinated liabilities and other borrowed funds .....	15,740	12,699
<b>Total liabilities</b> .....	<b>307,753</b>	<b>248,707</b>
<b>Equity</b>		
Share capital .....	705	692
Reserves .....	20,146	16,161
<b>Total parent company shareholders' equity</b> .....	<b>20,851</b>	<b>16,853</b>
Minority interests .....	601	542
<b>Total equity</b> .....	<b>21,452</b>	<b>17,395</b>
<b>Total equity and liabilities</b> .....	<b>329,205</b>	<b>266,102</b>

## Summary Consolidated Cash Flow Statement of Standard Chartered PLC

	For the year ended 31 December	
	2007	2006
	(US\$ million)	
<b>Cash flow from operating activities</b>		
Profit before taxation .....	4,035	3,178
Adjustment for items not involving cash flow or shown separately:		
Depreciation and amortisation .....	345	268
Gain on disposal of property, plant and equipment .....	(1)	(16)
Gain on disposal of investment securities and loan and receivable financial assets .....	(342)	(190)
Gain arising on initial recognition of Visa Inc. shares .....	(107)	—
Writedowns relating to asset backed securities .....	87	—
Movement in fair value hedges on available-for-sale assets .....	(21)	(5)
Amortisation of discounts and premiums of investment securities .....	(259)	(257)
Pension costs for defined benefit schemes .....	110	96
Impairment losses on loans and advances and other credit risk provisions	761	629
Other impairment .....	57	15
Recoveries of acquisition fair values and discount unwind .....	(164)	(158)
	466	382
Net (decrease)/increase in derivative financial instruments .....	(466)	45
Net increase in debt securities, treasury bills and equity shares held at fair value through profit or loss .....	(3,691)	(4,259)
Net increase in loans and advances to banks and customers .....	(14,983)	(11,664)
Increase in prepayments and accrued income .....	(519)	(901)
Net increase in deposits from banks, customer accounts and debt securities in issue .....	36,135	16,914
Increase in accruals and deferred income .....	289	786
Net increase/(decrease) in other accounts .....	(1,880)	4,408
	14,885	5,329
Interest expense on subordinated liabilities .....	811	643
Net return from defined benefit schemes .....	16	47
UK and overseas taxes paid .....	(1,097)	(903)
<b>Net cash from operating activities</b> .....	<b>19,116</b>	<b>8,676</b>
<b>Net cash flows from investing activities</b>		
Purchase of property, plant and equipment .....	(471)	(245)
Disposal of property, plant and equipment .....	22	40
Acquisition of investment in subsidiaries, net of cash acquired .....	(85)	(937)
Acquisition of investment securities .....	(78,292)	(71,115)
Disposal and maturity of investment securities .....	74,457	63,896
<b>Net cash used in investing activities</b> .....	<b>(4,369)</b>	<b>(8,361)</b>
<b>Net cash flows from financing activities</b>		
Issue of ordinary and preference share capital .....	861	2,070
Purchase of own shares .....	(15)	(9)
Exercise of share options through ESOP .....	39	158
Redemption of preference share capital .....	—	(328)
Interest paid on subordinated liabilities .....	(737)	(562)
Gross proceeds from issue of subordinated liabilities .....	3,051	1,591
Repayment of subordinated liabilities .....	(505)	(390)
Dividends paid to minority interests and preference shareholders .....	(148)	(80)
Dividends paid to ordinary shareholders .....	(573)	(496)
<b>Net cash from financing activities</b> .....	<b>1,973</b>	<b>1,954</b>
<b>Net increase in cash and cash equivalents</b> .....	<b>16,720</b>	<b>2,269</b>
Cash and cash equivalents at beginning of year .....	38,161	35,226
Effect of exchange rate movements on cash and cash equivalents .....	457	666
Cash and cash equivalents at end of year .....	55,338	38,161

## Issued Share Capital of the Company

As at 29 August 2008, the issued share capital of the Company consisted of:

- 1 99,250,000  $8\frac{1}{4}$  per cent. non-cumulative preference shares of £1 each with no equity voting rights.
- 2 96,035,000  $7\frac{3}{8}$  per cent. non-cumulative irredeemable preference shares of £1 each with no equity voting rights.
- 3 337,500 8.125 per cent. non-cumulative redeemable preference shares of US\$5 each with no equity voting rights.
- 4 15,000 American Depositary Shares representing 15,000 non-cumulative redeemable preference shares of US\$5 each with no equity voting rights; and
- 5 1,422,372,872 ordinary shares of US\$0.50 each with voting rights of one vote for every US\$2 nominal value.

The Company holds no shares in treasury. All of the shares listed above have been issued fully paid.

The authorised share capital of the Company is US\$2,816 million, £500 million and €1,000 million comprising 2,632,000,000 ordinary shares of US\$0.50 each, 500 million non-cumulative irredeemable preference shares of £1 each, 300 million non-cumulative redeemable preference shares of US\$5 each and 1 million non-cumulative redeemable preference shares of €1,000 each.

## Dividends

### Ordinary Shares

The dividends (in US cents) paid on each ordinary share in respect of the last five years are as follows:

	Dividend per ordinary share
	(US cents)
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

### Preference shares

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

	Total Dividend Paid (US\$ millions)			
	73 8 per cent preference shares of £1 each <sup>1</sup>	81 4 per cent preference shares of £1 each <sup>1</sup>	6.409 per cent preference shares of US\$5 each <sup>2</sup>	8.9 per cent preference shares of US\$5 each <sup>2</sup>
2007 .....	15	16	28	—
2006 .....	14	15	3	22
2005 .....	14	15	—	29
2004 .....	14	15	—	29
2003 .....	12	13	—	30

<sup>1</sup> Dividends on irredeemable preference shares are treated as interest expense and accrued accordingly.

<sup>2</sup> Dividends on redeemable preference shares are recorded in the period in which they are declared.

## **Taxation**

### ***United Kingdom Taxation***

*The following is a summary of the United Kingdom taxation treatment of the Preference Shares based on current law and practice as at the date of this Prospectus. It is not exhaustive. It relates only to the position of persons who are the absolute beneficial owners of the Preference Shares and who hold the Preference Shares as an investment. It may not apply to certain classes of holders, such as dealers in securities, insurance companies and collective investment schemes. Holders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.*

*The following does not address any tax consequences that might arise in the event of the substitution of the Preference Shares as described under “Description of the Preference Shares – Substitution”.*

### ***Taxation of dividends***

The Company will not be required to withhold tax at source when paying a dividend.

Individual holders of Preference Shares who are resident in the UK for tax purposes and who receive a dividend from the Company will generally be entitled to a tax credit (the “Tax Credit”) (which may be set off against such holder’s total income tax liability on the dividend) equal to 1/9th of the amount of the cash dividend (or 1/10th of the aggregate of the cash dividend and the Tax Credit (the “Gross Dividend”). Certain holders of Preference Shares who are not resident in the UK for tax purposes may also be entitled to the Tax Credit. These holders include Commonwealth citizens, EEA nationals and residents of the Isle of Man and the Channel Islands.

Individual holders of Preference Shares who are liable to UK income tax, other than at the higher rate, will be liable to tax on the Gross Dividend at the rate of 10 per cent. The Tax Credit will satisfy the whole of such holders’ income tax liability in respect of the dividend.

Individual holders of Preference Shares who are liable to UK income tax at the higher rate will be liable to tax on the Gross Dividend at the rate of 32.5 per cent. After taking into account the 10 per cent. Tax Credit, such individuals will be liable to pay additional UK income tax at the rate of 22.5 per cent. of the Gross Dividend. Individuals who are higher rate taxpayers will therefore pay UK income tax at an effective tax rate of 25 per cent. of the cash dividend received.

Individual holders of Preference Shares who are not liable to income tax in the UK in respect of the Gross Dividend and other UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to repayment of the Tax Credit.

Corporate holders of Preference Shares (other than dealers in securities) will not normally be liable to UK corporation tax on any dividend received from the Company.

Holders of Preference Shares who are resident outside the UK for tax purposes will not generally be able to claim repayment of any part of the Tax Credit attaching to dividends paid by the Company, although this will depend on the existence and terms of any double tax treaty between the UK and the country in which the holder of Preference Shares is resident for tax purposes.

### ***Taxation of capital gains***

The sale, or other disposal, of Preference Shares may give rise to the realisation of a gain for the purposes of UK taxation of chargeable gains.

An individual holder of Preference Shares who is resident or ordinarily resident in the UK for tax purposes and who realises such a gain may be liable to UK capital gains tax, depending on the holder’s circumstances and subject to any available exemption or relief.

A corporate holder of Preference Shares who is resident in the UK for tax purposes and who realises such a gain may be liable to UK corporation tax on chargeable gains, depending on the holder’s circumstances and subject to any available exemption or relief.

A holder of Preference Shares who is not resident in the UK for tax purposes and who carries on a trade in the UK through a branch or agency, or, in the case of a company, a permanent establishment, may be subject to UK capital gains tax or corporation tax on a disposal of Preference Shares which are used, held or acquired for the purposes of the branch, agency or permanent establishment, subject to any available exemption or relief. Special rules apply to individuals who are temporarily not resident or ordinarily resident in the UK.

In calculating any gain or loss on disposal of Preference Shares, sterling values are compared at acquisition and disposal. Accordingly, a taxable gain can arise even where the US dollar amount received on disposal is less than or the same as the amount paid for the Preference Shares.

***Taxation of shares as loan relationships***

Under certain provisions introduced by the Finance (No. 2) Act 2005, it is possible that a holder of Preference Shares subject to UK corporation tax would be taxed in relation to the Preference Shares on the basis of fair value accounting, and the positions outlined in the preceding paragraphs under the sub-headings “Taxation of dividends” and “Taxation of capital gains” would not apply. Those provisions would not apply where the holder does not hold its Preference Shares for a tax avoidance purpose.

***Stamp duty and stamp duty reserve tax (“SDRT”)***

No UK stamp duty or SDRT should be payable on the delivery of the Global Preference Share to the Common Depositary as common depositary for the Clearing Systems. No UK stamp duty or SDRT will generally be payable on the transfer of an interest in the Global Preference Share whilst the Global Preference Share is held by the Common Depositary as common depositary for the Clearing Systems.

Any subsequent transfer on sale of definitive Preference Shares in the form of share warrants to bearer will not be subject to stamp duty if transfer occurs by delivery without any written instrument of transfer. Any unconditional agreement to transfer definitive Preference Shares in the form of share warrants to bearer will not give rise to SDRT provided that (a) the Preference Shares, or a depositary receipt for them, are listed on a recognised stock exchange (which includes the London Stock Exchange) and (b) the agreement to transfer the Preference Shares is not made in contemplation of, or as part of an arrangement for, a takeover of the Company.

Subject to certain exceptions, any transfer of Preference Shares in registered form would attract *ad valorem* UK stamp duty, and an unconditional agreement to transfer Preference Shares in such form would attract SDRT (provided that such a charge to SDRT may be cancelled if an instrument transferring the Preference Shares is executed and is duly stamped within the applicable time limits) generally at the rate of 0.5 per cent. (rounded up, in the case of stamp duty, to the nearest £5) on the amount or value of the consideration for the transfer.

UK stamp duty would, subject to certain exceptions, be payable at the rate of 1.5 per cent. (rounded up to the nearest £5) of the value of each Preference Share in registered form on any instrument pursuant to which Preference Shares are transferred (i) to, or to a nominee or 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 depositary receipts. SDRT, at the same rate, could also be payable in these circumstances but no SDRT would be payable to the extent that stamp duty were paid.

## Subscription and Sale

*Capitalised terms used in this section have the same meaning as set out in “Description of the Preference Shares”.*

### Subscription Agreement

Under a Subscription Agreement expected to be dated on or about the date of the Pricing Announcement, Standard Chartered Bank (the “Lead Manager”) and any other institutions specified in the Pricing Announcement (each, a “Manager” and together with the Lead Manager, the “Managers”), will agree to subscribe or procure subscribers for the Preference Shares at the Issue Price of US\$2,000 per Preference Share. The Subscription Agreement is expected to be subject to termination in certain circumstances prior to payment to the Company.

### Public Offer

#### *General*

It is intended that Preference Shares may be offered to the public during the Offer Period (as defined below) by Offerors authorised to do so by the Company. The Company may, on or after the date of this Prospectus, make applications for one or more further certificates of approval under Article 18 of the Prospectus Directive (a “Passport”) to be issued by the FSA to the competent authority in any Member State. In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus. Offers of the Preference Shares are conditional upon their issue and the Preference Shares will be issued on the Issue Date against payment to the Company of the subscription moneys (less any amount of commission and expenses that the Company and the Managers agree should be deducted from the subscription moneys).

The Managers may offer Preference Shares to certain licensed banks, financial intermediaries and other authorised entities nominated on behalf of the Company by the Managers.

#### *Terms and Conditions of the Public Offer*

The Preference Shares may be offered by certain banks, financial intermediaries and other authorised entities to the public in certain jurisdictions, Portugal and Spain, in accordance with the following terms and conditions:

The time period, including any possible amendments during which the offer will be open (the “Offer Period”) and description of the application process:

#### **Start of the offer period:**

In respect of any jurisdiction, not earlier than the date on which all requirements necessary to enable any such offer in any such jurisdiction to be made in accordance with all applicable laws, rules and regulations in such jurisdiction which, at the date hereof, is expected to be on or about 11 September 2008.

#### **End of the offer period:**

The Issue Date or such earlier date as agreed between the Company and the Managers and specified in the Pricing Announcement.

Investors will be notified by the relevant Manager or any placers of their allocations of Preference Shares and the settlement arrangements in respect thereof as soon as practicable after the end of the Offer Period.

Conditions to which the offer is subject:

The issue of the Preference Shares is subject to certain conditions precedent customary for transactions of this type (including issue of the Preference Shares and delivery of legal opinions) to be set out in the Subscription Agreement. The Managers are entitled in certain circumstances to be



released and discharged from their obligations under the Subscription Agreement prior to the issue of the Preference Shares.

Method and time limits for paying up the Preference Shares and for delivery of the Preference Shares:

The Preference Shares will be issued on the Issue Date against payment to the Company of the subscription moneys (less any amount of commission and expenses that the Company and the Managers agree should be deducted from the subscription moneys). Investors will be notified by the relevant Manager or any placers of their allocations of Preference Shares and the settlement arrangements in respect thereof.

The various categories of potential investors to which the Preference Shares are offered:

Upon approval of this Prospectus for use in connection with public offers, such offers may be made in the relevant jurisdictions subject to the applicable laws and regulations of such jurisdictions.

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

Investors will be notified by the relevant Manager or placer of their allocations of Preference Shares.

An indication of the expected price at which the Preference Shares will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser:

The Preference Shares will be issued at the Issue Price specified herein. Any investor intending to acquire any Preference Shares from a bank, financial intermediary or other entity (other than a Manager in its capacity as such) will do so in accordance with any terms and other arrangements in place between the seller or placer and such investor, including as to price, allocations and settlement arrangements. The Company will not be a party to such arrangements with investors, and accordingly investors must obtain such information from the relevant seller or placer.

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Company or to the offeror, of the placers in the various countries where the offer takes place:

The offer will be made by licensed banks, financial intermediaries and other entities duly authorised in the relevant jurisdictions.

Name and address of any paying agents and depository agents in each country:

The name and address of the common depository and paying agent with respect to the Preference Shares is set out at the end of this Prospectus.

When the underwriting agreement has been or will be reached:

The Subscription Agreement will be dated on or around the date of the Pricing Announcement.

## **Selling Restrictions**

### ***United States***

The Preference Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("Regulation S").

Each Manager has severally agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Preference Shares (i) as part of their distribution at any time or (ii) otherwise

until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each Manager to which it sells Preference Shares during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Preference Shares within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Preference Shares are being offered and sold outside of the United States to non-US persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Preference Shares, an offer or sale of Preference Shares within the United States by a Manager that is not participating in the offering may violate the registration requirements of the Securities Act.

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Manager has severally represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Preference Shares which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Preference Shares to the public in that Relevant Member State under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Lead Manager; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Preference Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision the expression an “offer of Preference Shares to the public” in relation to any Preference Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Preference Shares to be offered so as to enable an investor to decide to purchase or subscribe the Preference Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### ***United Kingdom***

Each Manager has severally represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Preference Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Preference Shares in, from or otherwise involving the United Kingdom.

### *Hong Kong*

No person may (i) offer or sell in Hong Kong, by means of any document, any Preference Shares other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; or (ii) issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Preference Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Preference Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

**WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about the contents of this document, you should obtain independent professional advice.**

### *Singapore*

Each Manager has acknowledged that this document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). Accordingly, each Manager has represented and agreed that it has not offered or sold any Preference Shares or caused such Preference Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Preference Shares or cause such Preference Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Preference Shares, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Preference Shares are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Preference Shares pursuant to an offer made under Section 275 except:

- (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

### *General*

Save as described under the heading “European Economic Area” above, no representation has been made that any action has been or will be taken in any jurisdiction by the Company that would permit a public offering of the Preference Shares, or possession or distribution of this Prospectus, in

any country or jurisdiction where action for that purpose is required. Each Manager has agreed (to the best of its knowledge and belief) to comply with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Preference Shares or has in its possession or distributes the Prospectus or any other offering material in relation thereto, in all cases at its own expense.

## Form of Pricing Announcement

On or prior to the date of issue of the Preference Shares, the Pricing Announcement will be released by the Company confirming certain information relating to the terms of the Preference Shares and the terms of any offer. The Pricing Announcement is expected to be substantially in the following form:

[●] 2008

**THIS DOCUMENT MAY NOT BE DISTRIBUTED IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN OR TO A RESIDENT, NATIONAL OR CITIZEN OF THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN**

### STANDARD CHARTERED PLC

#### US Dollar Fixed Rate Non-cumulative Redeemable Preference Shares: Pricing Announcement

**(to be consolidated from 27 November 2008 to form a single series with the US\$675,000,000 8.125 per cent. Non-Cumulative Redeemable Preference Shares issued on 27 May 2008)**

Terms used herein shall be deemed to be defined as such for the purposes of the “*Description of the Preference Shares*” set forth in the prospectus issued by Standard Chartered PLC dated 9 September 2008 (the “Prospectus”). This announcement constitutes the Pricing Announcement referred to in the Prospectus and must be read in conjunction with the Prospectus. This announcement is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (the “Prospectus Directive”) and/or Part VI of the Financial Services and Markets Act 2000. Investors should not subscribe for any Preference Shares referred to in this announcement except on the basis of information in the Prospectus. Full information on the Company and the offer of the Preference Shares is only available on the basis of the combination of the Prospectus and this Pricing Announcement. The Prospectus is available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange.

Issue Date:	[●] 2008
Issue Price:	US\$2,000 per Preference Share
Dividend Rate:	8.125 per cent. per annum payable semi-annually, save in respect of the period from the Issue Date to the first Dividend Payment Date
Dividend Payment Dates:	27 May and 27 November in each year, commencing on 27 November 2008
Dividend:	US\$81.25 per Preference Share, save that the Dividend in respect of the first Dividend Period shall be US\$[●] per Preference Share
Aggregate liquidation preference of the Preference Shares:	US\$[●]
First Optional Redemption Date:	27 November 2013
ISIN:	XS0365481935 with effect from 27 November 2008, prior to which the ISIN shall be [●]
Common Code:	036548193 with effect from 27 November 2008, prior to which the Common Code shall be [●]
Yield per annum:	The above pricing gives a yield of 8.125 per cent. per annum. The yield is calculated as of the Issue Date and may fluctuate in the future. It is not an indication of future yield.
Estimated total expenses of the offer:	US\$[●]
Lead Manager:	Standard Chartered Bank
Stabilising Manager(s):	[●]

*Neither this announcement nor any copy of it may be taken or transmitted into the United States, Australia, Canada or Japan or to a resident, national or citizen of the United States, Australia, Canada or Japan. The offering and the distribution of this announcement and other information in connection with the offer in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase. Any purchase of Preference Shares pursuant to the offer should only be made on the basis of the information contained in the Prospectus (and any supplement or amendment thereto), available as described above.*

*The Preference Shares have not been and will not be registered under the US Securities Act of 1933 (as amended) (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States. The Preference Shares are being offered and sold outside of the United States in reliance on Regulation S of the Securities Act. In addition, until 40 days after the commencement of the offering of the Preference Shares, an offer or sale of the Preference Shares within the United States by any dealer (whether or not participating in the offer) may violate the registration requirements of the Securities Act.*

*Information in this announcement or any of the documents relating to the offer cannot be relied upon as a guide to future performance.*

## General Information

- 1 The listing of the Preference Shares on the Official List will be expressed as a percentage of their liquidation preference (exclusive of accrued dividends). It is expected that listing of the Preference Shares on the Official List and admission of the Preference Shares to trading on the Market will be granted on or about the Issue Date, subject only to the issue of the Preference Shares. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. The estimated total expenses of the offer will be set out in the Pricing Announcement.
- 2 The Company has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the issue of the Preference Shares. The Directors were authorised by the Company in general meeting on 5 May 2005 to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) up to an aggregate nominal amount of US\$1,498,358,060. The issue of the Preference Shares was authorised by a resolution of the Board passed on 12 June 2007 and by a resolution of a duly authorised committee of the Board on 1 September 2008.
- 3 There has been no significant change in the financial or trading position of the Company or Group since 30 June 2008, the date of the last interim financial information, and no material adverse change in the prospects of the Company or Group since 31 December 2007, the date of its last published audited financial statements.
- 4 Neither the Company nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past a significant effect on its financial position or profitability.
- 5 Clause 4 of the Company's Memorandum of Association provides that its objects include holding shares in other companies and carrying on every kind of banking business.
- 6 For so long as Preference Shares have not been redeemed, the following documents will be available, during usual business hours on any weekday (Saturday and public holidays excepted), for inspection at the registered office of the Company at 1 Aldermanbury Square, London EC2V 7SB:
  - (i) the Memorandum and Articles of Association of the Company;
  - (ii) the audited consolidated reports and financial statements of the Company for the financial years ended 31 December 2006 and 31 December 2007;
  - (iii) the unaudited consolidated interim financial statements of the Company for the six months ended 30 June 2008;
  - (iv) a copy of this Prospectus together with any supplemental Prospectus or further Prospectus; and
  - (v) the latest audited consolidated reports and financial statements of the Company.

This Prospectus will be published on the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com](http://www.londonstockexchange.com).

- 7 The Common Code shall be 036548193 with effect from 27 November 2008, prior to which the Common Code shall be as specified in the Pricing Announcement, and International Securities Identification Number (ISIN) for the Preference Shares shall be XS0365481935 with effect from 27 November 2008, prior to which the ISIN shall be as specified in the Pricing Announcement.
- 8 The financial statements of the Group for each of the years ended 31 December 2006 and 31 December 2007 have been audited by KPMG Audit plc, chartered accountants with the Institute of Chartered Accountants in England and Wales and regulated by the Audit Inspection Unit for the Public Oversight Board and Financial Reporting Council in the United Kingdom, whose address is Eighth Floor, 1 Canada Square, Canary Wharf, London E14 5AG, as stated in their reports thereon, and have been filed with the Registrar of Companies. The reports of KPMG Audit plc were unqualified and each contained the following statement: "To the fullest

extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed".

- 9 The yield on the Preference Shares will be 8.125 per cent. The yield may fluctuate in the future. It is not an indication of future yield.
- 10 The Preference Shares will be accepted for clearance through Euroclear and Clearstream, Luxembourg or any other relevant clearing system (which will be the entities in charge of keeping the records). The address of Euroclear is 1 Boulevard du Roi Albert 11, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.
- 11 The Preference Shares are shares in the capital of the Company, each with a nominal value of US\$5 and are issued at a premium of US\$1,995, giving a liquidation preference of US\$2,000 per Preference Share. Interests in the Preference Shares will be traded between participants in Euroclear and Clearstream, Luxembourg. Notwithstanding that the Preference Shares are shares, the Company understands that trading of the Preference Shares between participants in Euroclear and Clearstream, Luxembourg will be effected in the manner customary for debt securities.



**REGISTERED OFFICE OF THE COMPANY**

**Standard Chartered PLC**

1 Aldermanbury Square  
London EC2V 7SB  
United Kingdom

**LEAD MANAGER**

**Standard Chartered Bank**

Global Markets  
6 Battery Road #03-00  
Singapore 049909

**AUDITORS OF THE COMPANY**

**KPMG Audit plc**

Eighth Floor  
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Canary Wharf  
London E14 5AG  
United Kingdom

**COMMON DEPOSITARY AND PAYING AGENT**

**The Bank of New York Mellon (acting through its London branch)**

One Canada Square  
London E14 5AL  
United Kingdom

**LEGAL ADVISERS**

*To the Company as to English law*

**Slaughter and May**  
One Bunhill Row  
London EC1Y 8YY  
United Kingdom

*To the Managers as to English law*

**Linklaters LLP**  
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United Kingdom

