



Final Results 2002

19 February 2003

Standard
Chartered



Good progress

Sir Patrick Gillam
Chairman

Growth in our markets

GDP Growth %	2002F*	2003F*
Hong Kong	1.5	3.5
Singapore	2.2	5.2
India	5.2	5.5
UAE	2.7	5.0
Malaysia	4.0	6.0
Kenya	0.8	2.3
Thailand	3.8	3.5
China	8.0	7.5

*Standard Chartered forecasts



Performance highlights

Revenue

4,539m



3%

Trading Profit

1,262m



16%

Dividend

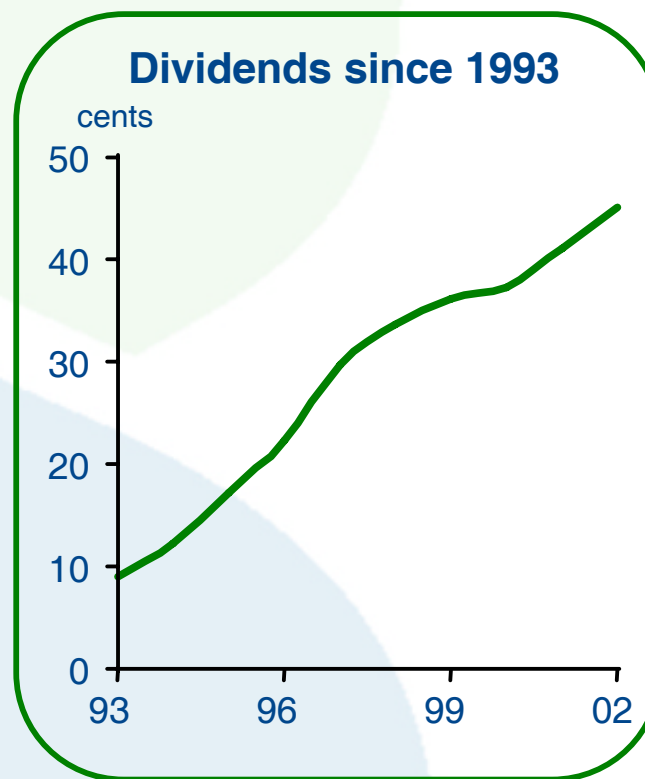
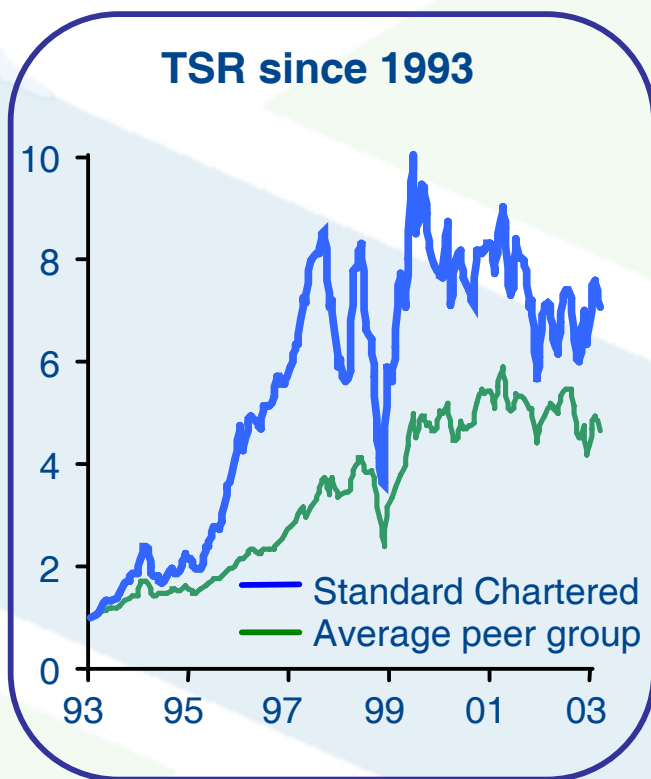
(per share)

47.0c



12.1%

Value over ten years



Our 150th anniversary



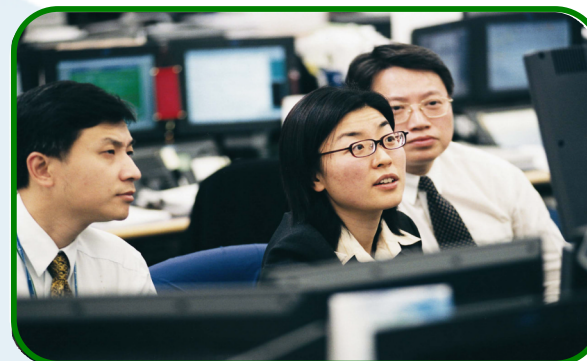
- Celebrating cultural diversity
- Launching community campaigns



150 years
with you

The road ahead

- Balanced portfolio of core markets
- Well positioned in China and India
- Growth through Consumer Banking
- Dynamism of our people
- Strong leadership and management



Good progress

Peter Sands
Group Finance Director

Group results

US\$m

2001

2002

Revenue

4,405

4,539

Cost (incl goodwill)

(2,585)

(2,557)

Profit before provisions

1,820

1,982

Debt charge

(732)

(712)

Trading profit

1,089

1,262

Change
(%)

3

-1

9

-3

16

Performance highlights

Normalised metrics

	2001	2002
Cost to income ratio	55.8%	53.6%
EPS	66.3c	74.9c
ROE	12.0%	13.4%

Management levers

- Focus on returns
- Prioritised investment
- Tight cost control
- Vigorous risk management
- Active capital management

Group results – impact of one-off items

US\$m	Latin America Strategy	Zimbabwe	Preference Share	Combined
Revenue		(64)	57	(7)
Cost	(21)	14		(7)
Goodwill	(20)			(20)
Pre-tax profit	(41)	(50)	57	(34)

Group results

US\$m

H1 2002

H2 2002

Revenue

2,285

2,254

Cost

1,176

1,225

Goodwill

68

88

Profit before provisions

1,041

941

Debt charge

407

305

Trading profit

634

628

Key actions

- Traded revenue for risk
- Accelerated investment

Results by geography

Trading profit US\$m	2001	2002
Hong Kong	506	366
Singapore	184	235
Malaysia	(24)	78
Other APR	39	105
India	119	166
MESA	190	292
Africa	116	101
Americas, UK & Group	(41)	(81)
Total	1,089	1,262

Consumer banking results

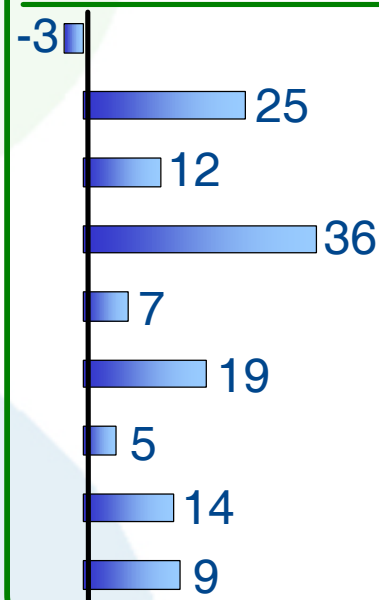
US\$m	2001	2002
Revenue	2,222	2,416
Cost (excl goodwill)	(1,254)	(1,190)
Profit before provisions	968	1,226
Debt charge	(330)	(603)
Trading profit	638	623

Consumer banking revenue

Revenue US\$m

	2001	2002
Hong Kong	1,040	1,013
Singapore	250	313
Malaysia	139	156
Other APR	210	285
India	190	204
MESA	179	213
Africa	131	137
Americas, UK & Group	83	95
Total	2,222	2,416

Change (%)



Consumer banking debt charge

US\$m

2001

2002

Rest of the world

104

169

Hong Kong

226

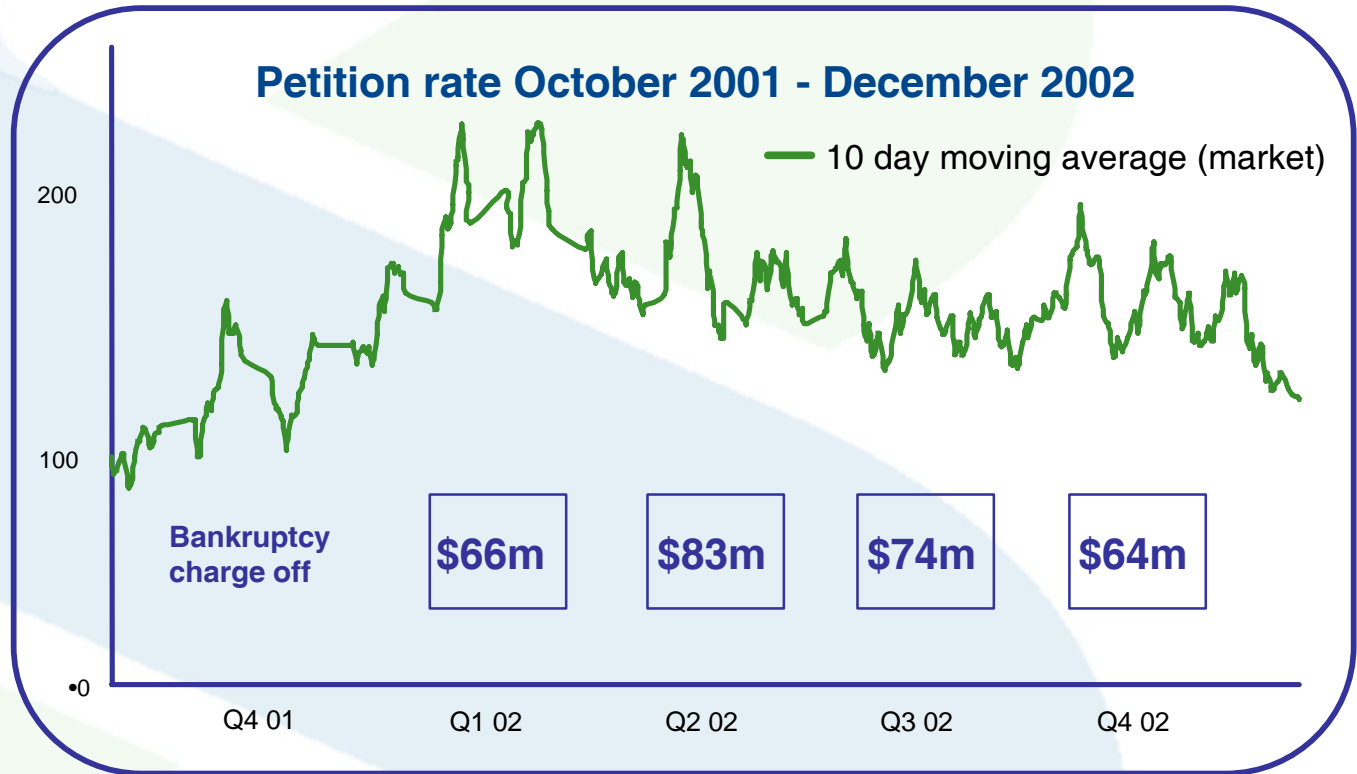
434

Total

330

603

Hong Kong bankruptcy



Wholesale banking results

US\$m	2001	2002
Revenue	2,183	2,123
Cost (excl goodwill)	(1,191)	(1,219)
Profit before provisions	992	912
Debt charge	(401)	(109)
Trading profit	591	795

Wholesale banking debt charge

US\$m	2001	2002
Malaysia	119	(9)
Argentina	35	75
Rest of the world	247	43
Total	401	109

Efficiency programme

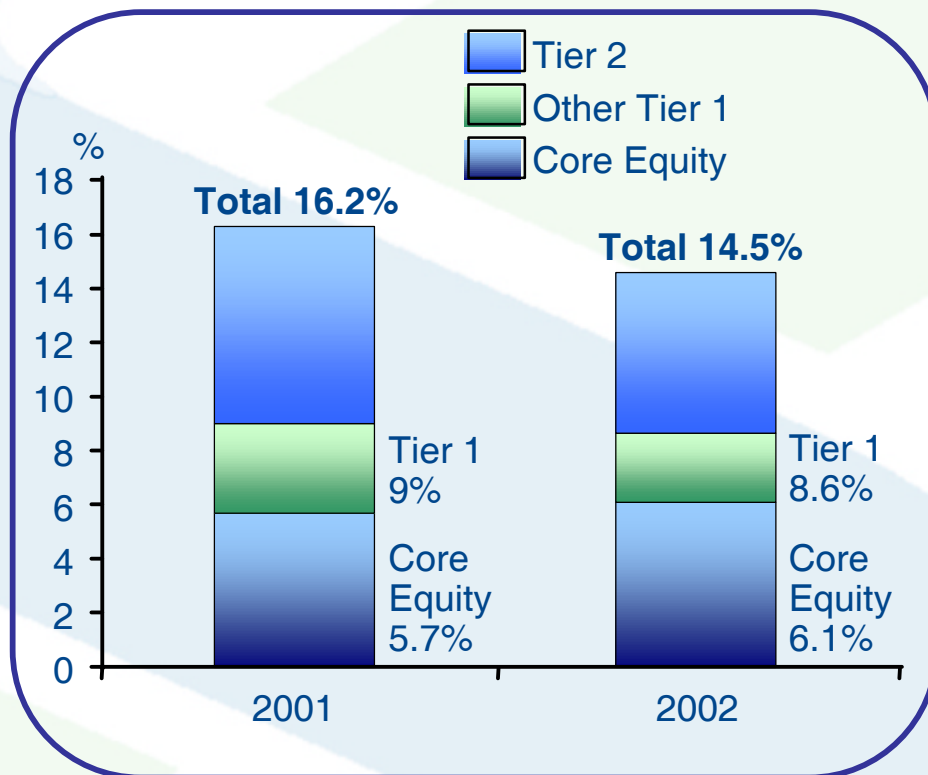
Year 2000 efficiency programme

US\$m	2002 Actual	Target
Total cost savings	265	244
Implementation spend	(110)	(114)
Net cost benefit	155	130

Focus of ongoing efficiency initiatives

- Accelerating centralisation through hubbing
- Re-engineering and standardising core processes
- Redesigning support functions
- Tightening project spend
- Controlling external spend
- Selectively outsourcing

Capital management



Key actions

- HK Listing and equity raising
- Preference shares buy back
- Subordinated debt buy back

Good progress

- Revenue growth despite challenging environment
- Cost reduction whilst accelerating investment
- Vigorous risk control
- Improved capital management



- Strong profit growth
- Reduced cost income ratio
- Improved ROE

Good progress

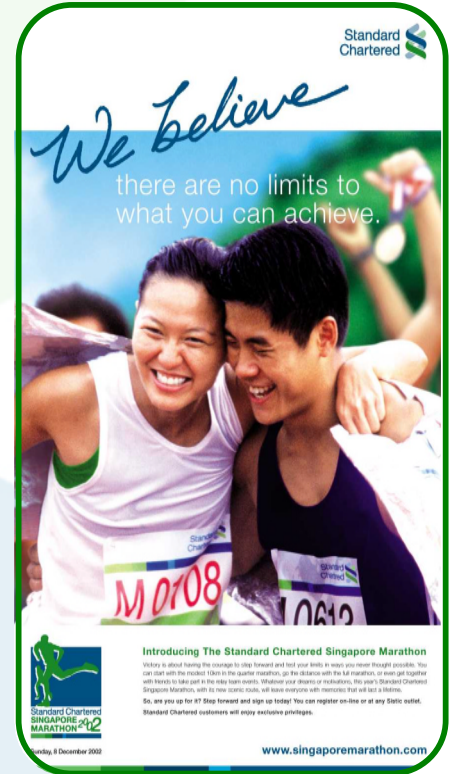
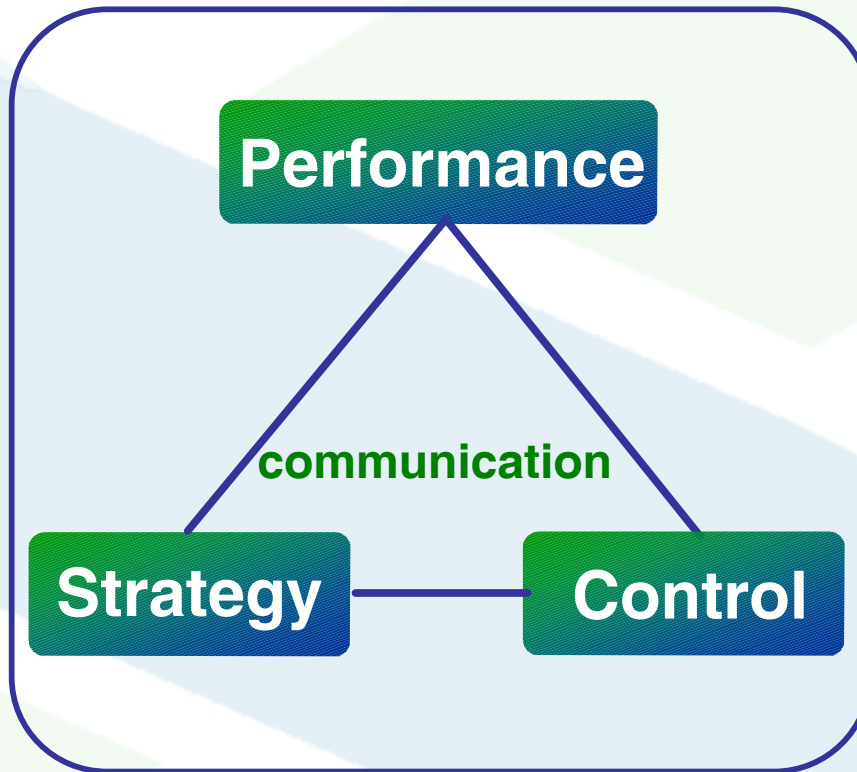
Mervyn Davies
Group Chief Executive


2002 management agenda

- Build market share in Consumer Banking
- Increase focus on value creation in Wholesale Banking
- Capture profitable growth in India and China
- Transition Thailand and Taiwan to profitability
- Deliver efficiency and flexibility in technology and operations
- Rationalise central costs
- Reduce costs in smaller countries
- Control risk
- Improve capital efficiency

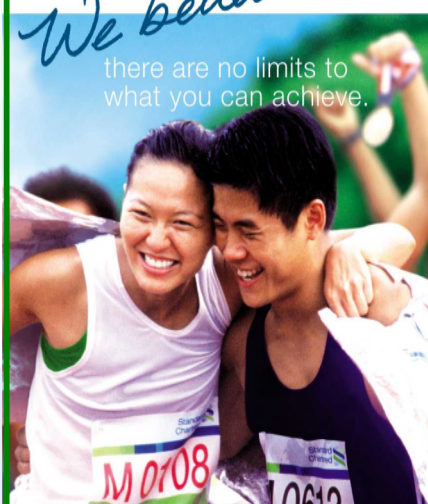



Managing our performance



Standard Chartered 

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what you can achieve.



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Introducing The Standard Chartered Singapore Marathon
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Consumer banking – strength in depth



- Winning share in multiple markets
- Investing in brand new products and sales capability
- Driving efficiencies - cost income ratio below 50%
- Tapping revenue pool



Growing
consumer
business...

Wholesale banking – good progress

- 35% increase in trading profit
- Held economic capital flat
- Traded revenue for risk reduction
- Built Global Markets product capability
- Restructured Latin America



Driving
returns

Hong Kong – a challenging year



- Pearl River Delta opportunity
- Resilience in tough operating environment
- Bankruptcies stabilising
- Reshaping our business model



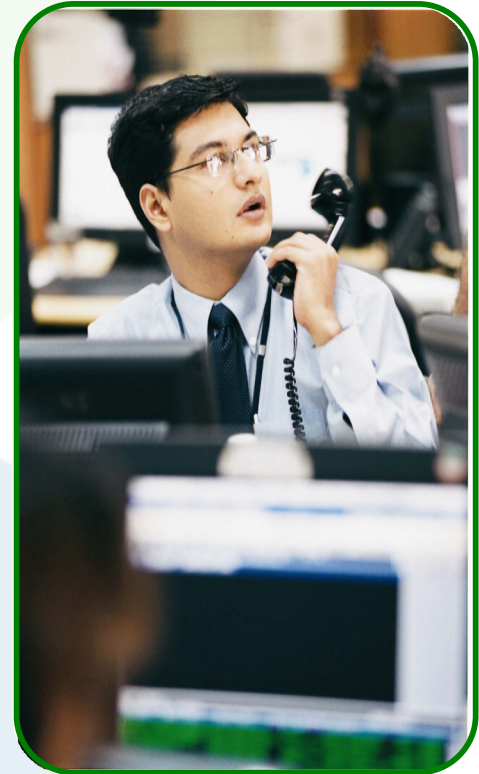
Malaysia – back on track

- New management team
- Major risk reduction in wholesale book
- Good growth in consumer banking
- Positive momentum restored



India – delivering today

- No.1 foreign bank in India
- Second most profitable MNC
- Fast growing economy
- Aggressive branch expansion plan
- Strong brand, reach and scale



MESA – outstanding growth

- Tremendous growth in profit
- Number 1 or 2 foreign bank in UAE, Bangladesh, Pakistan, Bahrain and Sri Lanka
- Strong wholesale business
- Growing consumer banking revenues

FX-Week

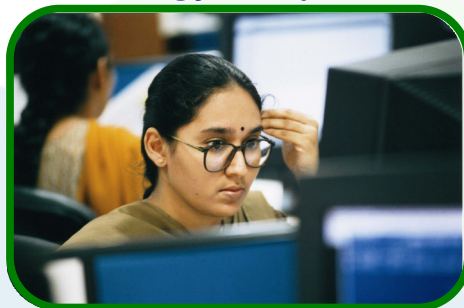
“Best Bank in emerging African/Middle Eastern currencies”



Enabling growth



Technology & Operations



Risk Management



Brand & Values



Leadership & Talent

Technology and operations

Centralisation
Standardisation
Re-engineering



- Hubs now supporting 50 countries
- 2,200 people in hubs growing by up to 50% by end 2003
- Systems development outsourcing
- New sales platforms

Risk management

Wholesale Bank

- Reduced risk in portfolio
- Limited OECD exposures
- Reduced exposure to low grade credits
- Improved debt recoveries
- Enhanced pricing for risk

Consumer Bank

- Revising score cards
- Enhanced collection and training
- Improved risk framework
- Strengthened management team
- Improved customer segmentation

Creating a stronger risk culture

Banking environment 2003

Banking environment

- Over capacity
- Regulatory intervention
- Political instability
- Turbulent markets
- Corporate failures

Our position

- Winning market share
- Close relationships
- Strong management
- Strong balance sheet
- Robust risk management

2003 management agenda

- Drive returns in wholesale banking
- Drive technology improvements
- Grow consumer banking revenue
- Accelerate India growth
- Leverage the China opportunity

The outlook

- Delivering on agenda
- Growing markets
- Improving shareholder returns

THE ~~A~~SIAN BANKER

“Best Retail Bank
in Asia”

“Best Retail Bank
in Singapore”

Building a
culture of
service
excellence



Final Results 2002

19 February 2003

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