

press release

Standard Chartered PLC AGM Statement

11 May 2004

The meeting will deal with the proposed Resolutions as outlined in the Notice of Annual General Meeting issued to Shareholders dated 22 March 2004 and will provide a summary of the business and final performance of the Group in 2003.

Excerpts from the speech to be made to shareholders by Bryan Sanderson, Chairman, Standard Chartered PLC at the Annual General Meeting, being held today at 12.00 noon in London.

“This is my first AGM as Chairman of Standard Chartered, so I am very pleased to report that the Group has delivered another strong set of results – in fact record profits.

I’ m going to divide my speech into three themes.

Firstly, our performance;
Secondly, how that positions us for growth;
And thirdly, the emphasis we place on Corporate Governance.

Performance

This is my top priority.

In 2003, we delivered revenue growth of 5%, and achieved a pre-tax profit of 1.54 billion US dollars, up 22% on the previous year.

Costs increased by 4%, despite significant investment in new products, new markets, and improved infrastructure. Bad debts also fell significantly, by 25%.

It is worth noting, we were the best performing UK bank in 2003 in terms of Total Shareholder Return, which is evidence of the strength and focus of our management team, as well as the performance culture that is developing throughout the Bank.

Because of these strong results, we are recommending a dividend for the full-year of 52.2 cents per share, an increase of 10.6%.

Growth

Turning to the economic outlook, the Asian economies are out-performing and gathering pace. Notwithstanding fears of over-heating, China and India are particularly strong and are having a huge impact across Asia.

Trade flows are outstripping GDP growth, benefiting our core regions. Reflecting this our revenue momentum has continued into the first few months of 2004.

The strategic intent of Standard Chartered is to lead the way in Asia, Africa, and the Middle East.

As I've outlined, this geography includes most of the world's fast-growing economies. Consequently, our primary focus is organic growth as we capture the opportunities in these markets.

We will continue to consider acquisitions but we are very disciplined in our approach. However, we do believe that there are a few places where we have opportunities to build a bigger presence; examples are China and India.

Hong Kong remains our largest market and, along with Singapore, a critical management centre. Since last year, there has been a remarkable turnaround in Hong Kong's economic fortunes, which I'm delighted to see.

Today, I am very pleased to announce that we are incorporating our local business there, with effect from 1st July. By this means we can take advantage of the closer economic integration between Hong Kong and China. This will put us in an even stronger position as we expand our China business. We are grateful for the help we have received from the Hong Kong governing authorities.

Overall, we are in very good shape. We have exciting prospects for future growth.

Increasingly we are seen as an employer of choice, which allows us to attract some of the best talent in the market.

And we have demonstrated our ability to consistently create shareholder value.

We have many opportunities and we have started the year well. We have good momentum on revenue. The credit environment has remained very benign and we are continuing to invest in our business to capture growth opportunities in these favourable conditions. We are confident that we can deliver improved performance for 2004.

Corporate governance

In my role as Chairman I will continue to make sure we get our corporate governance right. It is my strongly held view that good performance and good governance reinforce each other.

We maintain good relations with our regulators around the world, and this reflects our leadership position in our markets.

Closely allied to corporate governance is the concept of good corporate citizenship. We have a responsibility for the type of business we do, and to the communities we serve.

So in a year in which we grew our trading profit by 22%, our employees also raised sufficient funds to restore the sight of 56,000 people through our "Seeing is Believing" campaign. That is something we are really very proud of.

You will notice a few changes to our Board structure, and some new faces among us. In part these changes respond to changing corporate governance guidelines, notably the recommendations of the new Combined Code, which came into effect in January.

Let me outline these changes to you.

Lord Stewartby, who is Deputy Chairman, will retire from the Board after 14 years of distinguished service at the conclusion of this Annual General Meeting.

Sir Ralph Robins and David Moir, who have spent 15 years and 11 years respectively as Directors, will also be retiring today.

David Moir was appointed to the Board in January 1993 as an Executive Director.

I am pleased to announce that Hugh Norton will assume the role of Senior Independent Director and Rudy Markham will be appointed Chairman of Audit and Risk Committee with effect from today.

We have appointed three new Non Executive Directors during the year. They are Paul Skinner, Ruth Markland and Jamie Dundas.

Paul Skinner will be a member of the Remuneration Committee from today. He is Chairman of Rio Tinto PLC, and was formerly Group Managing Director of the Royal Dutch / Shell Group of companies and CEO of its global Oil Products business.

Ruth Markland is a member of the Audit and Risk Committee and also a member of the new Nomination Committee. She was formerly Managing Partner Asia for the international law firm Freshfields Bruckhaus Deringer. She was a partner of Freshfields for 20 years.

Jamie Dundas has been recently appointed as a Non Executive Director, and will also be a member of the Audit and Risk Committee.

His career includes high level experience as the Finance Director for the Airport Authority in Hong Kong, our largest market, and a strong background in banking. His work as Chairman of Macmillan Cancer Relief is a real asset.

I would also like to confirm that we have established a separate Nomination Committee, which is in line with best practice. This committee, which will be chaired by me, will review the size, skills and composition of the Board, as well as identifying potential candidates for Board approval.

2003 was our 150th year as a company and I would like to thank you all for your support.

Our results for 2003 take us another step closer towards achieving our aim of leading the way in Asia, Africa and the Middle East.

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Note to Editors:

Standard Chartered – leading the way in Asia, Africa and the Middle East

Standard Chartered employs 30,000 people in over 500 locations in more than 50 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas. It is one of the world's most international banks, with a management team comprising 70 nationalities.

Standard Chartered is listed on both the London Stock Exchange and the Stock Exchange of Hong Kong and is in the top 25 FTSE-100 companies, by market capitalisation.

It serves both Consumer and Wholesale Banking customers. Consumer Banking provides credit cards, personal loans, mortgages, deposit taking and wealth management services to individuals and small to medium sized enterprises. Wholesale Banking provides corporate and institutional clients with services in trade finance, cash management, lending, securities services, foreign exchange, debt capital markets and corporate finance.

Standard Chartered is well-established in growth markets and aims to be the right partner for its customers. The Bank combines deep local knowledge with global capability.

The Bank is trusted across its network for its standard of governance and its commitment to making a difference in the communities in which it operates.

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