

# Final Results 2007

**Leading the way**  
in Asia, Africa and the Middle East



# Forward looking statements

It is possible that this presentation could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Standard Chartered undertakes no obligation to revise or update any forward looking statement contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.

# **Leading the way**

in Asia, Africa and the Middle East

**Mervyn Davies**  
Chairman

# Performance highlights

Income

US\$11.07bn



28%

Operating profit before tax

US\$4.04bn



27%

Normalised EPS

197.6c



16%

Dividend (per share)

79.35c



12%

# Asian growth forecast

%	2006	2007F*	2008F*
China	11.1	11.4	9.5
India	9.6	8.7	8.1
Korea	5.0	4.8	4.5
Hong Kong	6.8	6.1	4.6
Singapore	7.9	7.7	4.5
Malaysia	5.9	6.0	4.2
Indonesia	5.5	6.3	6.0
Vietnam	8.2	8.5	7.5
Taiwan	4.9	5.3	2.7
Thailand	5.1	4.2	4.0
US	2.9	2.2	0.5
UK	2.8	3.1	1.2
Eurozone	2.9	2.6	1.5
Japan	2.4	2.1	1.2

# Capturing the opportunities





- Continued strong performance
- Breadth and scale
- Disciplined and vigilant

# **Leading the way**

in Asia, Africa and the Middle East

**Richard Meddings**  
Group Finance Director



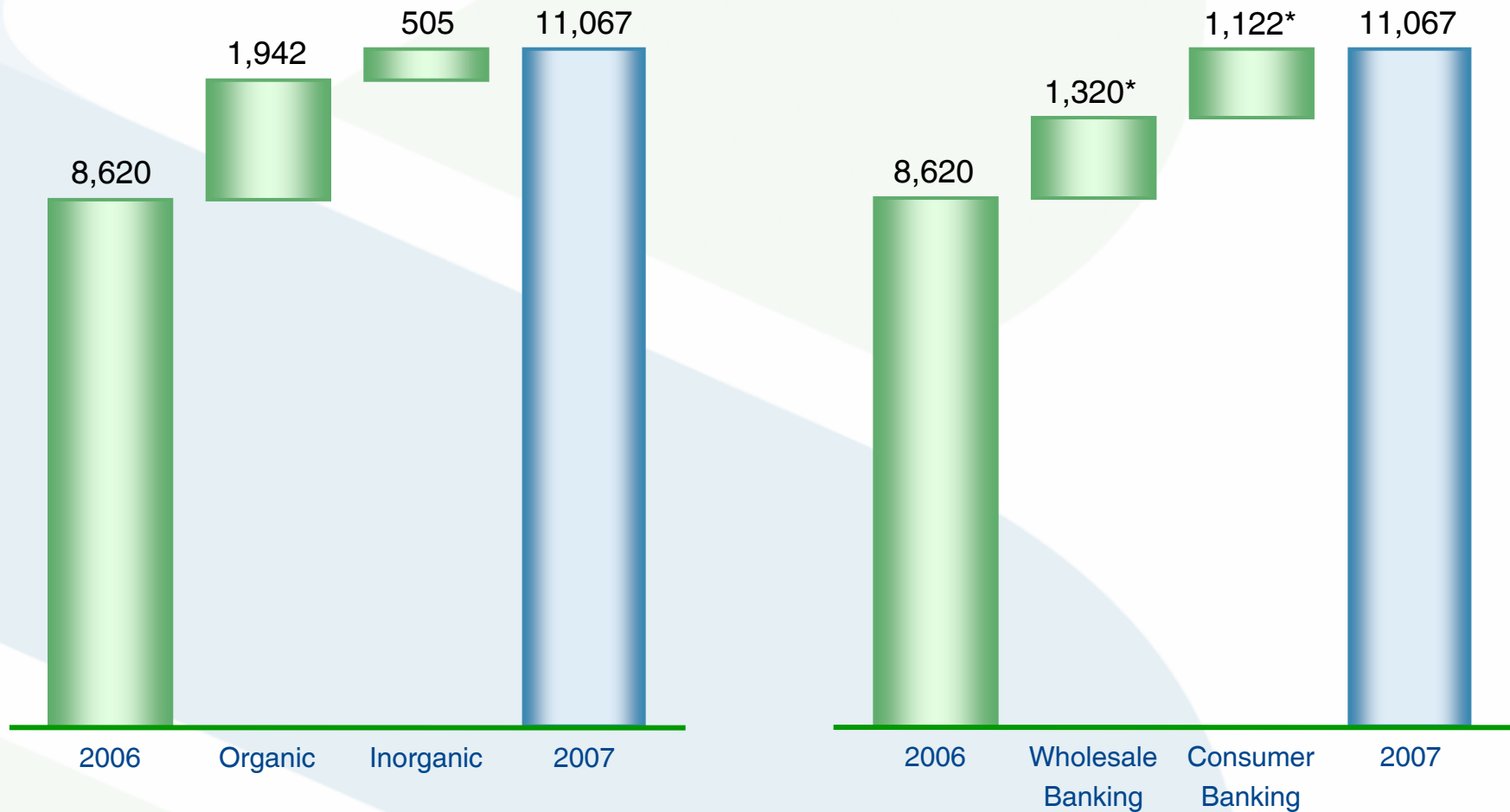
# Group performance

US\$m	2006	2007	YOY %	Underlying YOY %*
Income	8,620	11,067	28	23
Expenses	(4,796)	(6,215)	30	24
Operating profit before impairment	3,824	4,852	27	23
Loan impairment	(629)	(761)	21	(7)
Other impairment and loss from associates	(17)	(56)	229	229
<b>Profit before tax</b>	<b>3,178</b>	<b>4,035</b>	<b>27</b>	<b>27</b>
<b>Profit attributable to ordinary shareholders</b>	<b>2,253</b>	<b>2,813</b>	<b>25</b>	

\*excludes Pakistan, Hsinchu, increased stake in Permata, A Brain, Pembroke and Harrison Lovegrove

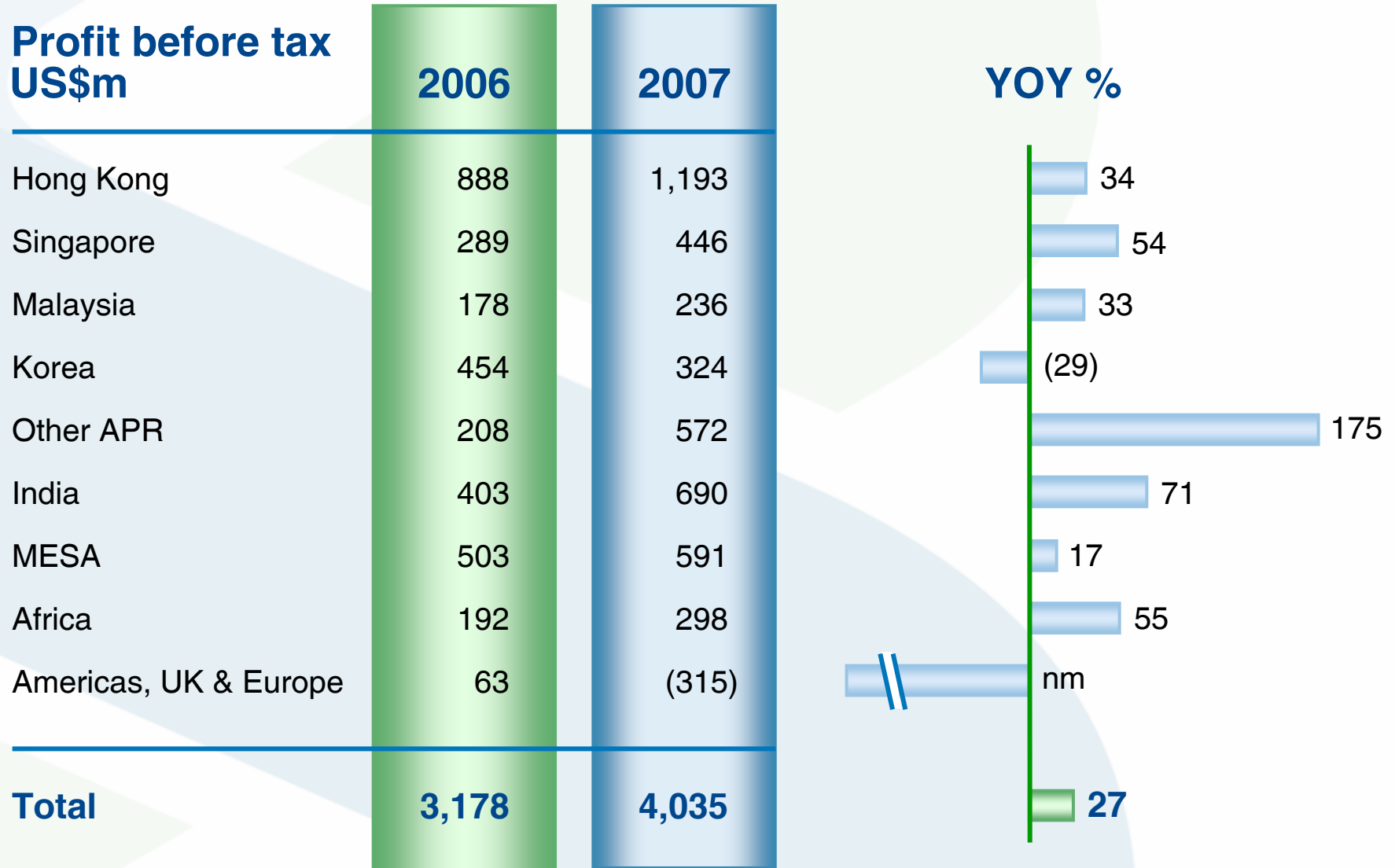
# Sources of income growth

US\$m



\*US\$5m of corporate items not allocated

# Performance by geography



## Profit before tax US\$m

	2006	2007
Hong Kong	888	1,193
Singapore	289	446
Malaysia	178	236
Korea	454	324
Other APR	208	572
India	403	690
MESA	503	591
Africa	192	298
Americas, UK & Europe	63	(315)
<b>Total</b>	<b>3,178</b>	<b>4,035</b>

## China

	2006	2007
Income	288	498
Profit	107	184
Investment	28	75

## Outlets

## Staff

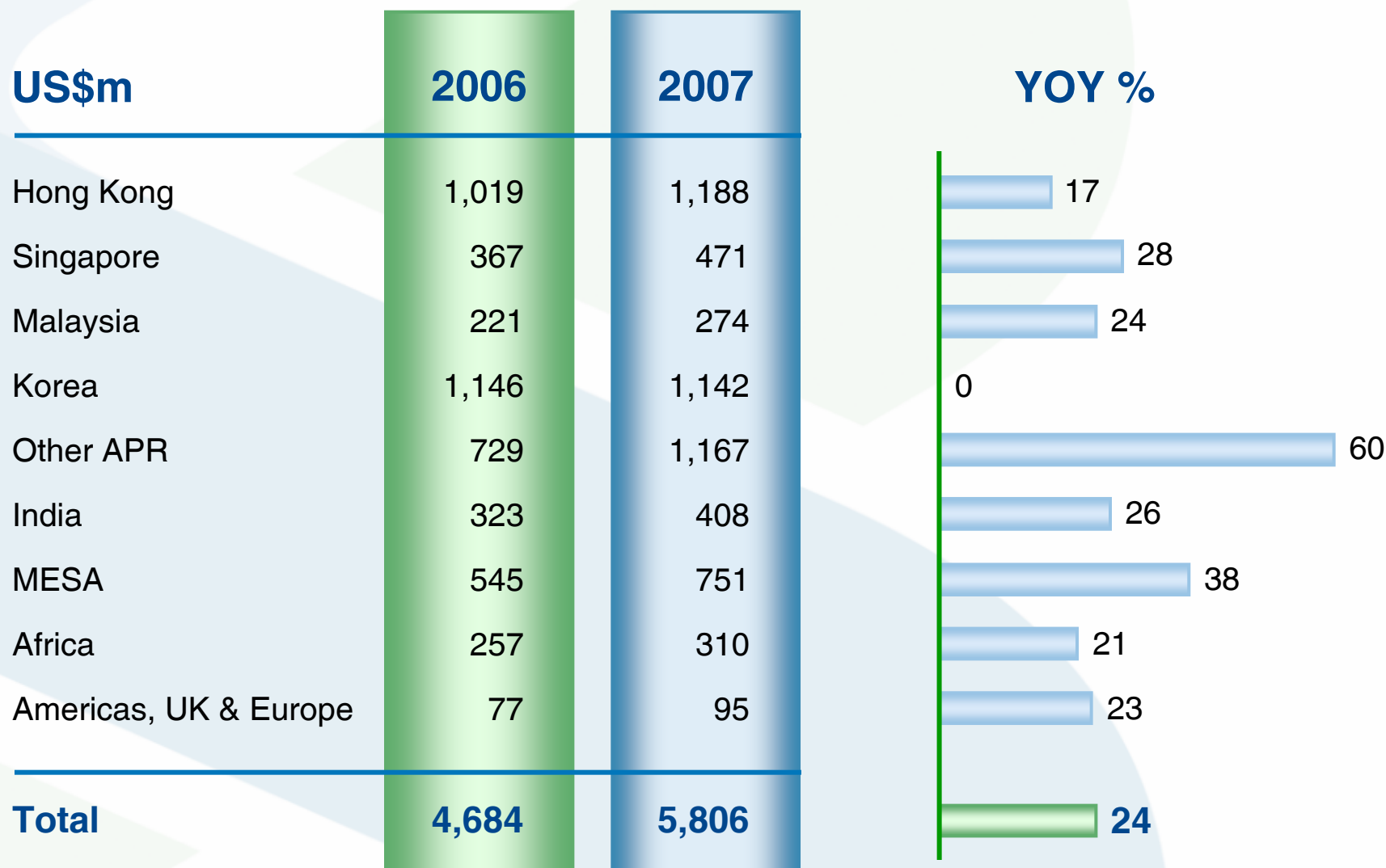
Outlets	21	38
Staff	2,100	4,300

# Consumer Banking performance

US\$m	2006	2007	YOY %	Underlying YOY %*
Income	4,684	5,806	24	15
Expenses	(2,641)	(3,393)	28	20
Operating profit before impairment	2,043	2,413	18	9
Loan impairment	(721)	(736)	2	(21)
Other impairment	(0)	(0)		
<b>Operating profit</b>	<b>1,322</b>	<b>1,677</b>	<b>27</b>	<b>25</b>

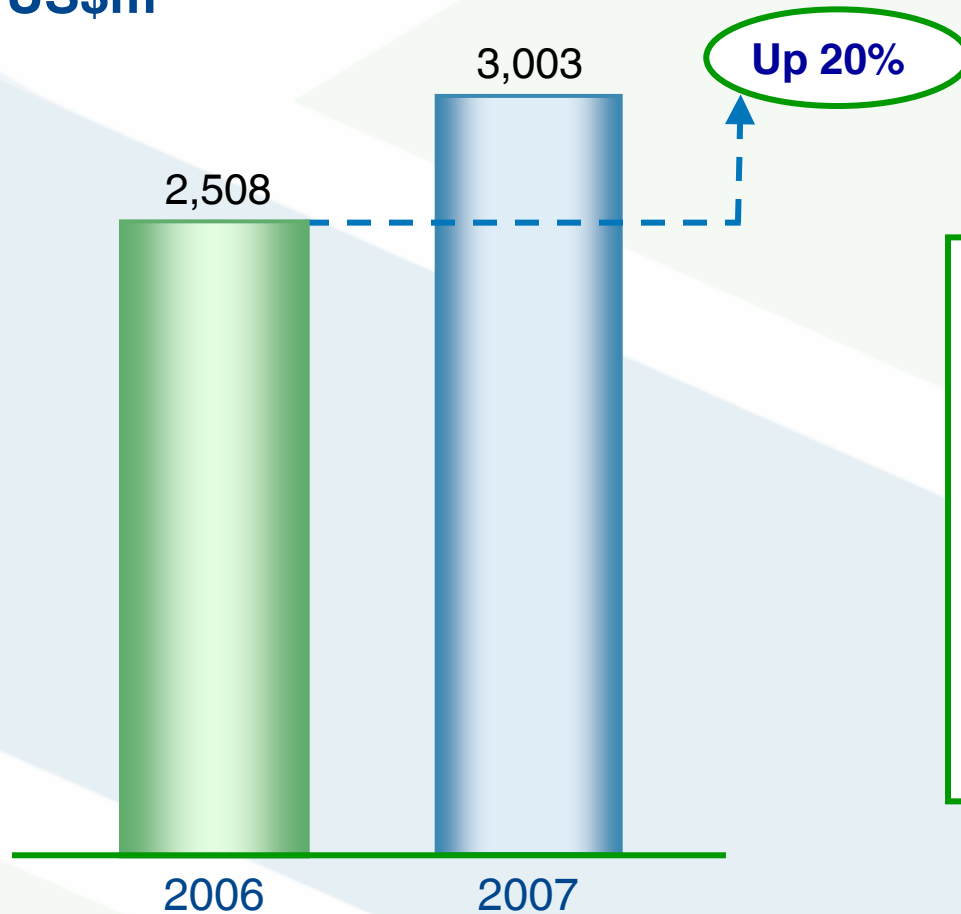
\*excludes Pakistan, Hsinchu, increased stake in Permata, A Brain, Pembroke and Harrison Lovegrove

# Consumer Banking income



# Underlying Consumer Banking expenses\*

US\$m



## Components of expense growth (%)

9 Investment for future growth

4 Regulatory/Control

7 BAU/Volume

**20**



# Consumer Banking loan impairment

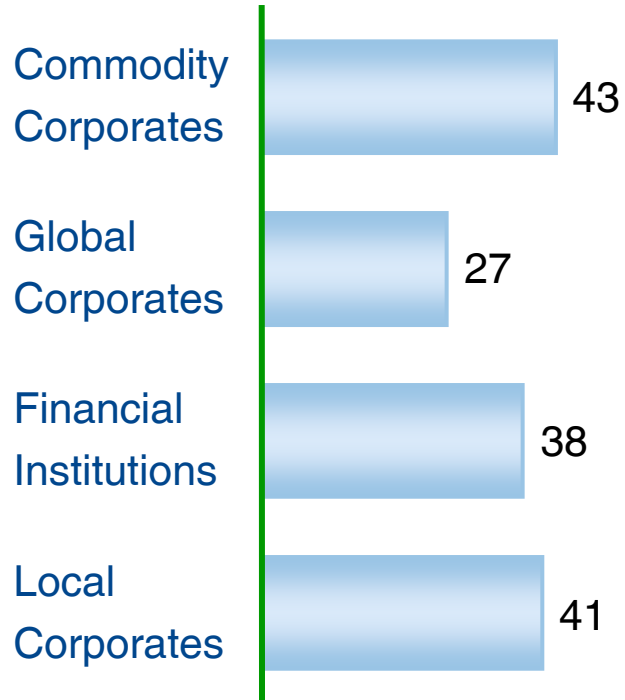
US\$m	2006	2007	YOY %
Individual impairment provision	(689)	(778)	13
Portfolio impairment provision	(32)	42	nm
<b>Total impairment charge</b>	<b>(721)</b>	<b>(736)</b>	<b>2</b>

# Wholesale Banking performance

US\$m	2006	2007	YOY %	Underlying YOY %*
Income	3,923	5,243	34	33
Expenses	(2,151)	(2,814)	31	29
Operating profit before impairment	1,772	2,429	37	38
Loan impairment	92	(25)	nm	nm
Other impairment	(15)	(57)	280	280
<b>Operating profit</b>	<b>1,849</b>	<b>2,347</b>	<b>27</b>	<b>28</b>
Risk weighted assets (US\$bn)	93.1	108.3	16	

\*excludes Pakistan, Hsinchu, increased stake in Permata, A Brain, Pembroke and Harrison Lovegrove

## Client income growth by segment (%)

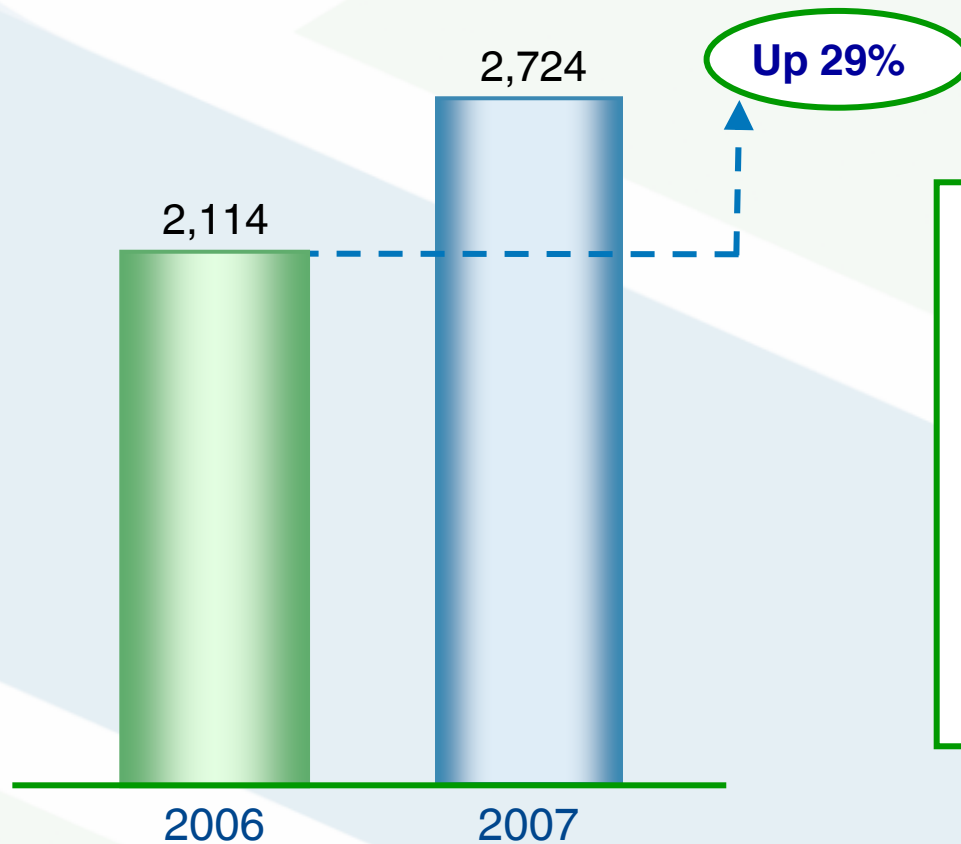


## Income growth by product (%)



# Underlying Wholesale Banking expenses\*

US\$m



## Components of expense growth (%)

5 Investment for future growth

5 Regulatory/Control

19 BAU/Volume

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**29**

# Wholesale Banking loan impairment

US\$m	2006	2007	YOY %
Specific impairment provisions	(80)	(94)	18
Recoveries	170	95	(44)
Portfolio impairment provisions	2	(26)	nm
<b>Total net release/(charge)</b>	<b>92</b>	<b>(25)</b>	<b>nm</b>
Loans and advances to customers (US\$bn)*	62.4	75.3	21

\*before portfolio impairment provision

US\$m	2006	2007	YOY %	YOY % Adjusted*
Income	1,522	1,564	3	15
Expenses	(972)	(1,146)	18	18
Loan impairment	(96)	(94)	(2)	(2)
<b>Profit before tax</b>	<b>454</b>	<b>324</b>	<b>(29)</b>	<b>13</b>

\*Adjusted for FVAs, accounting asymmetry and dormant accounts

<b>2007 Performance US\$m</b>	<b>Hsinchu</b>	<b>Pakistan</b>
Income	412	361
Expenses	(254)	(189)
Loan impairment	(109)	(94)
<b>Profit before tax</b>	<b>49</b>	<b>78</b>



# Group balance sheet - liabilities



Customer loans  
to deposits = 86%

## Deposits US\$bn

	2006	2007	YOY %
CASA	83.1	100.7	21
Time deposits	89.0	104.9	18
Other deposits	5.2	5.6	8
<b>Total</b>	<b>177.4</b>	<b>211.2</b>	<b>19</b>

# Exposure to Asset Backed Securities

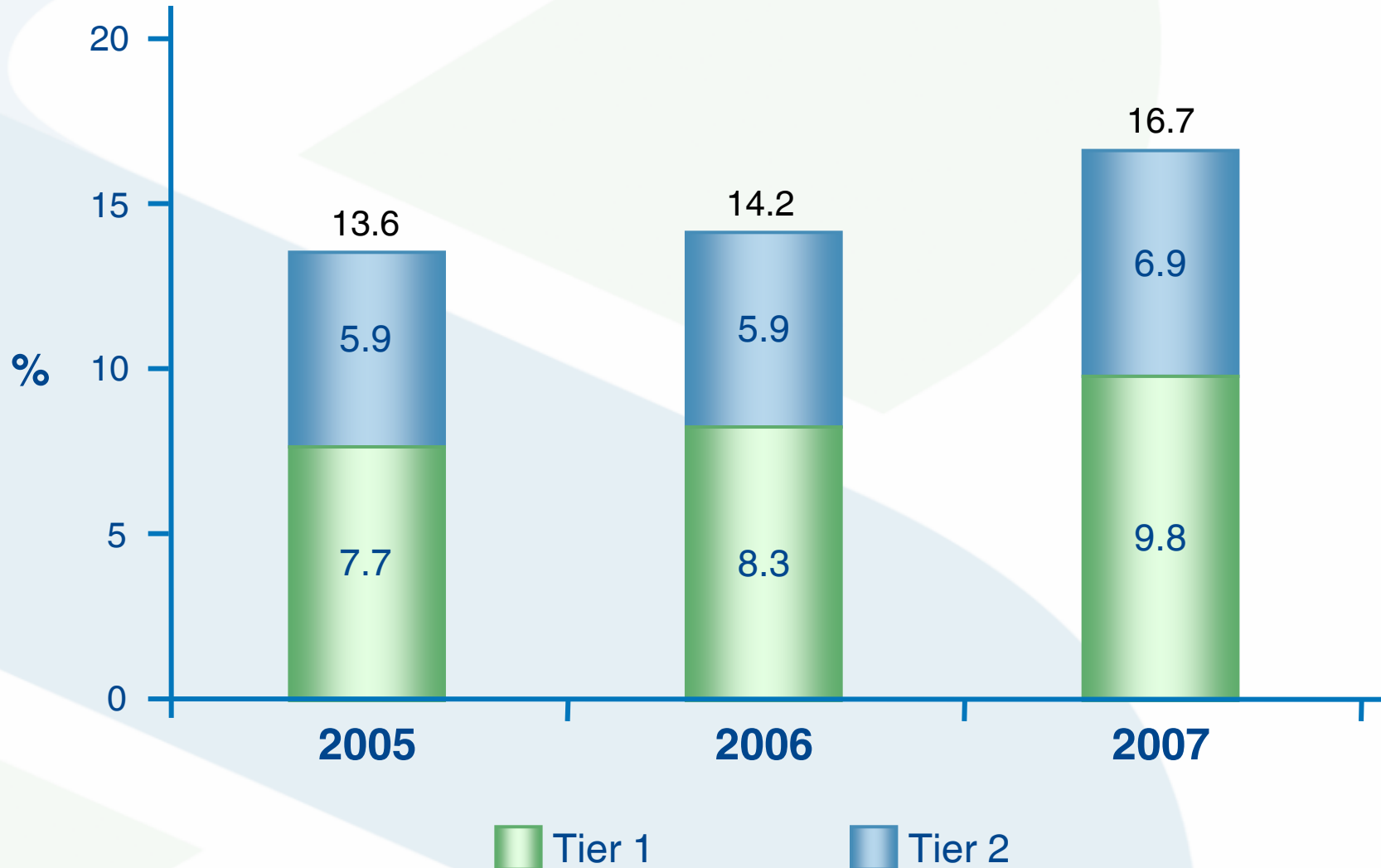
US\$ m	ASG portfolio		Ex-Whistlejacket		Group Total
	Trading (P&L)	Available for sale (Reserves)	Purchased (Reserves)	Vertical slice (Reserves)	
<b>RMBS</b>					
US Sub-prime	0	0	0	0	0
US Alt A	6	0	0	90	96
US Prime	0	0	0	2	2
UK/Other	518	83	747	477	1,825
<b>CDOs</b>					
ABS	0	122	0	169	291
Other CDOs	84	12	0	322	418
<b>CMBS</b>					
US CMBS	45	0	0	114	159
Other CMBS	640	146	0	194	980
<b>Other ABS</b>	387	583	456	659	2,085
<b>Total</b>	<b>1,680</b>	<b>946</b>	<b>1,203</b>	<b>2,027*</b>	<b>5,856</b>

\* Excludes non ABS exposure to Financial Institutions of US\$1.27bn (total assets acquired US\$3.3bn)

# Write downs of Asset Backed Securities

US\$ m	ASG portfolio		Ex-Whistlejacket	
	Trading	Available for sale	Purchased	Vertical slice
<b>2007</b>				
Reserves	-	(38)	(4)	(41)
P&L	(44)	(122)	-	(116)
<b>2008*</b>				
Reserves	-	(21)	(1)	(14)
P&L	(13)	-	-	-

\* Movements from 1 January 2008 to 31 January 2008



- Excellent momentum across multiple businesses and geographies
- Outlook more uncertain
- Well positioned to capture opportunities

# **Leading the way** in Asia, Africa and the Middle East

**Peter Sands**

Group Chief Executive



- Strongly liquid
- Well capitalised
- Risk discipline
- Dynamic cost management





# Challenges ahead

- Turmoil in financial markets
- Strains in global economy
- Political risk
- Managing rapid growth



# Emerging opportunities

- Hiring good people
- Taking in deposits
- Re-pricing and differentiation of risk
- Deepen client relationships





# 2008 agenda

- Sustain organic momentum
- Deliver on acquisitions
- Continuous improvement
- Building leadership
- Reinforce the Brand



# Consumer Banking Hong Kong





# Wholesale Banking India









# The Standard Chartered Private Bank



## The Standard Chartered Private Bank





# Korea, Pakistan and Taiwan







# Capability acquisitions



Aircraft Leasing, Financing and Management Services

Harrison Lovegrove + co





# Outlook for 2008

