

Supplementary Financial Information

Average Balance Sheets and Yield

The following tables set out the average balances and yields for Standard Chartered's assets and liabilities for the years ended 31 December 2003 and 31 December 2002. For the purpose of the following table, average balances have generally been determined on the basis of daily balances, except for certain categories, for which balances have been determined less frequently. The Company does not believe that the information presented in this table would be significantly different had such balances been determined on a daily basis.

	Average non interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	2003 Gross yield %
Assets				
Cash, balances at central banks and cheques in course of collection	1,374	233	3	1.3
Treasury bills and other eligible bills	884	5,346	222	4.2
Gross loans and advances to banks	1,178	16,946	373	2.2
Gross loans and advances to customers	183	60,281	3,341	5.5
Provisions against loans and advances to banks and customers	(2,105)	(650)	–	–
Debt securities	238	24,783	851	3.4
Equity shares	296			
Premises and equipment	850			
Prepayments, accrued income and other assets	12,175			
Total average assets	15,073	106,939	4,790	4.5

	Average non interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	2002 Gross yield %
Assets				
Cash, balances at central banks and cheques in course of collection	946	184	3	1.8
Treasury bills and other eligible bills	–	5,006	256	5.1
Gross loans and advances to banks	1,072	19,821	732	3.7
Gross loans and advances to customers	625	56,977	3,536	6.2
Provisions against loans and advances to banks and customers	(2,509)	(708)	–	–
Debt securities	11	18,387	761	4.1
Equity shares	124			
Premises and equipment	949			
Prepayments, accrued income and other assets	8,094			
Total average assets	9,312	99,667	5,288	5.3

Average Balance Sheets and Yield continued

	Average non interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	2003 Rate paid %
Liabilities				
Non interest bearing current and demand accounts	7,938			
Interest bearing current and demand accounts	–	23,622	195	0.8
Savings deposits	104	4,453	68	1.5
Time deposits	254	50,386	1,018	2.0
Other deposits	142	1,847	114	6.2
Debt securities in issue	69	6,537	133	2.0
Accruals, deferred income and other liabilities	13,612	–	–	–
Subordinated liabilities:				
Undated loan capital	–	1,541	28	1.8
Dated loan capital	–	3,454	266	7.7
Minority interests	366			
Shareholders' funds	7,687			
Total average liabilities and shareholders' funds	30,172	91,840	1,822	2.0
Net yield				2.5
Net interest margin				2.8

	Average non interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	2002 Rate paid %
Liabilities				
Non interest bearing current and demand accounts	6,473			
Interest bearing current and demand accounts	–	18,339	194	1.1
Savings deposits	43	4,750	107	2.2
Time deposits	15	50,297	1,403	2.8
Other deposits	96	3,310	93	2.8
Debt securities in issue	1,930	4,151	125	3.0
Accruals, deferred income and other liabilities	6,200	–	–	–
Subordinated liabilities:				
Undated loan capital	–	1,795	61	3.4
Dated loan capital	–	3,842	242	6.3
Minority interests	118			
Shareholders' funds	7,620			
Total average liabilities and shareholders' funds	22,495	86,484	2,225	2.6
Net yield				2.7
Net interest margin				3.1

Volume and Price Variances

The following table analyses the estimated change in Standard Chartered's net interest income attributable to changes in the average volume of interest-earning assets and interest-bearing liabilities and changes in their respective interest rates for the periods presented. Volume and rate variances have been determined based on movements in average balances and average exchange rates over the period and changes in interest rates on average interest-earning assets and average interest-bearing liabilities. Variances caused by changes in both volume and rate have been allocated to changes in volume.

	2003 versus 2002		
	Increase/(decrease) in interest due to		Net
	Volume \$million	Rate \$million	increase/ (decrease) in interest \$million
Interest earning assets			
Cash and unrestricted balances at central banks	1	(1)	–
Treasury bills and other eligible bills	14	(48)	(34)
Loans and advances to banks	(63)	(296)	(359)
Loans and advances to customers	188	(383)	(195)
Debt securities and equity shares	220	(130)	90
Total interest earning assets	360	(858)	(498)
Interest bearing liabilities			
Dated subordinated loan capital	(30)	54	24
Undated subordinated loan capital	(5)	(28)	(33)
Interest bearing current and demand accounts	44	(43)	1
Savings deposits	(5)	(34)	(39)
Time deposits	2	(387)	(385)
Other deposits	(90)	111	21
Debt securities in issue	49	(41)	8
Total interest bearing liabilities	(35)	(368)	(403)

	2002 versus 2001		
	Increase/(decrease) in interest due to		Net
	Volume \$million	Rate \$million	increase/ (decrease) in interest \$million
Interest earning assets			
Cash and unrestricted balances at central banks	–	(4)	(4)
Treasury bills and other eligible bills	67	(64)	3
Loans and advances to banks	(179)	(261)	(440)
Loans and advances to customers	105	(780)	(675)
Debt securities and equity shares	190	(205)	(15)
Total interest earning assets	183	(1,314)	(1,131)
Interest bearing liabilities			
Dated subordinated loan capital	(14)	(10)	(24)
Undated subordinated loan capital	10	(27)	(17)
Interest bearing current and demand accounts	23	(250)	(227)
Savings deposits	1	(26)	(25)
Time deposits	(44)	(757)	(801)
Other deposits	(9)	(78)	(87)
Debt securities in issue	(16)	(97)	(113)
Total interest bearing liabilities	(49)	(1,245)	(1,294)

Five Year Summary

	2003 \$million	2002* \$million	2001 \$million	2000 \$million	1999 \$million
Operating profit before provisions	2,089	1,982	1,820	1,347	1,622
Provisions for bad and doubtful debts, and contingent liabilities and commitments	(536)	(712)	(731)	(470)	(801)
Amounts written off fixed asset investments	(11)	(8)	–	–	–
Operating profit	1,542	1,262	1,089	877	821
Profit before taxation	1,542	1,262	1,089	1,409	821
Profit attributable to shareholders	1,018	844	699	1,026	557
Loans and advances to banks	13,354	16,001	19,578	23,759	18,470
Loans and advances to customers	59,744	57,009	53,005	51,882	46,651
Total assets	120,282	112,953	107,535	102,435	87,786
Deposits by banks	10,924	10,850	11,688	11,103	8,999
Customer accounts	73,767	71,626	67,855	65,037	56,941
Shareholders' funds	7,715	7,270	7,538	6,508	5,594
Total capital resources ⁽¹⁾	14,296	12,974	12,959	11,117	8,783
Information per ordinary share					
Basic earnings per share	81.5c	57.6c	55.9c	92.2c	50.8c
Normalised earning per share ⁽²⁾	89.6c	74.9c	66.3c	71.1c	53.7c
Dividends per share	52.0c	47.0c	41.92c	38.105c	36.967c
Net asset value per share	603.9c	569.8c	555.3c	551.1c	496.6c
Ratios					
Post-tax return on ordinary shareholders' funds-normalised basis ⁽²⁾	15.3%	13.4%	12.0%	13.4%	11.5%
Basic cost-income ratio	56.0%	56.3%	58.9%	66.8%	57.9%
Cost-income ratio – normalised basis ⁽²⁾	53.9%	53.6%	55.8%	57.3%	57.0%
Capital ratios:					
Tier 1 capital	8.8%	8.3%	9.0%	7.2%	8.8%
Total capital	14.6%	14.2%	16.2%	14.3%	15.1%

*Comparative restated (see note 52 on page 111).

⁽¹⁾ Shareholders' funds, minority interests and subordinated loan capital.

⁽²⁾ Results on a normalised basis reflect the Group's results, excluding profits and losses of a capital nature, charges for restructuring and profits and losses on repurchase of share capital.