

# press release

## For Immediate Release

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR ONTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN

## **STANDARD CHARTERED ACHIEVES OVER 51 PER CENT ACCEPTANCE FROM HSINCHU SHAREHOLDERS**

(22 October, 2006) Standard Chartered PLC (“Standard Chartered”) has announced that its subsidiary company, Standard Chartered Bank, has received tenders for more than 51 per cent of the issued share capital of Hsinchu International Bank (“Hsinchu”).

This is a milestone in the tender offer. On completion of the offer, Standard Chartered will have majority ownership of Hsinchu, Taiwan’s seventh largest private sector bank by loans and deposits as at 30 June, 2006.

The 51 per cent minimum acceptance condition has now been achieved. The offer is due to close on 31 October, 2006 and remaining shareholders have until that date to tender their shares at NTD24.50 per share. It will be the first outright acquisition of a Taiwanese bank by an international bank.

Mervyn Davies, Standard Chartered Group Chief Executive, said: “Achieving 51 per cent acceptance, well before the close of the tender offer, demonstrates widespread shareholder support. This acquisition is an outstanding opportunity to build scale in Taiwan, which is the fourth largest banking market in Asia.”

Kai Nargolwala, Standard Chartered Group Executive Director, said: “Hsinchu is a well managed bank with a strong presence in the wealthiest regions of Taiwan and over 2.5 million customer accounts. Together with Hsinchu we will be strongly positioned to capitalise on trade and investment flows between Taiwan and the rest of the Asia, particularly mainland China. We are looking forward to growing Hsinchu’s businesses and building on the strengths of its talented management team and dynamic workforce. This is a growth opportunity so we are not anticipating any job reductions as a result of this acquisition.”

The tender offer price of NTD24.50 per share represents a premium of 40 per cent to Hsinchu’s closing offer share price of NTD17.45 on 28 September, 2006

# press release

prior to the announcement of the offer. It values Hsinchu's entire issued share capital at USD1.2 billion on a fully diluted basis.

It is the intention of Standard Chartered to delist Hsinchu, subject to regulatory consent and Hsinchu corporate approval. Standard Chartered expects to combine its existing Taiwanese operations with Hsinchu by late 2007.

## **Information on Hsinchu**

Hsinchu is listed on the Taiwan Stock Exchange and has a strong presence in the three wealthiest regions of Taiwan: Taipei, Taoyuan and Hsinchu. As at 30 June, 2006, Hsinchu had total assets of approximately USD13 billion. It has more than 2.4 million consumer deposit accounts and more than 115,000 corporate and small and medium sized enterprises deposit accounts.

Hsinchu currently operates an island-wide distribution network of 83 branches. Hsinchu has a long and established operating history of over 50 years and is the seventh largest private sector bank in Taiwan, measured by loans and deposits, as of 30 June, 2006.

Hsinchu's strong branch presence in the Hsinchu region enables it to tap a local customer base that possesses the second highest average annual household income in Taiwan, according to official statistics.

## **Information on Standard Chartered**

Standard Chartered is listed on both the London Stock Exchange and the Hong Kong Stock Exchange and is consistently ranked in the top 25 among FTSE-100 companies by market capitalization.

Standard Chartered has a history of over 150 years in banking and operates in many of the world's fastest-growing markets with an extensive global network of over 1,200 branches (including subsidiaries, associates and joint ventures) in over 50 countries in the Asia Pacific region, South Asia, the Middle East, Africa, the United Kingdom and the Americas.

The acquisition marks an important step in Standard Chartered's Asia strategy by significantly enhancing Standard Chartered's presence in Taiwan, which is the fifth largest economy in Asia and is Asia's fourth largest banking market, according to Standard Chartered estimates.

# press release

Together with Standard Chartered's existing business in Taiwan, the acquisition of Hsinchu would have made Taiwan Standard Chartered's fourth largest market by income for the six months ended 30 June, 2006.

## CONTACTS

### Investors

Stephen Atkinson  
Head of investor Relations  
+44 (0) 20 7280 7245  
[Stephen.Atkinson@uk.standardchartered.com](mailto:Stephen.Atkinson@uk.standardchartered.com)

Ruth Naderer  
Head of Investor Relations, Asia Pacific  
+852 2820 3075  
[Ruth.Naderer@hk.standardchartered.com](mailto:Ruth.Naderer@hk.standardchartered.com)

### Press

Sean Farrell  
Head of Media Relations  
+44 (0) 20 7280 7163  
[Sean.Farrell@uk.standardchartered.com](mailto:Sean.Farrell@uk.standardchartered.com)

Rita Liu  
Head of Corporate Affairs, Hong Kong  
+852 28203636  
[Rita.Liu@hk.standardchartered.com](mailto:Rita.Liu@hk.standardchartered.com)

Margrit Chang  
Consultant, Corporate Affairs, Taiwan  
+886 (0) 2 2514 6629  
[Margrit.Chang@tw.standardchartered.com](mailto:Margrit.Chang@tw.standardchartered.com)

*This announcement includes "forward-looking statements". All statements other than statements of historical fact included in this announcement, including, without limitation, those regarding Standard Chartered's and Hsinchu's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Standard Chartered's or Hsinchu's, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Standard Chartered's or Hsinchu's present and future business strategies and the environments in which Standard Chartered and Hsinchu will operate in the future and such assumptions may or may not prove to be correct. There are a number of factors which could cause actual results, performance of Standard Chartered or Hsinchu, or industry results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results, performance of Standard Chartered or Hsinchu, or industry results to differ materially from those described in the forward looking statements are Standard Chartered's ability to successfully combine the business of Standard Chartered and Hsinchu and to realise expected synergies from that combination, changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. These forward-looking statements speak only as of the date of this announcement. Standard Chartered expressly disclaims any obligation (except as required by the rules of the UK Listing Authority and the London Stock Exchange or the Listing Rules of the Hong Kong Stock Exchange) or undertaking to disseminate any updates or revisions to any forward-looking statement contained*

# press release

*herein to reflect any change in Standard Chartered's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.*

*No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of Standard Chartered for the current or future financial years would necessarily match or exceed the historical published earnings per share of Standard Chartered.*