

press release

For Immediate Release

STANDARD CHARTERED TO EXPAND IN TAIWAN: SUCCESSFUL OFFER FOR HSINCHU A PLATFORM FOR GROWTH

(Taiwan, 3 November 2006) Standard Chartered Bank (“Standard Chartered”) today announced its intention to expand its business in Taiwan following its successful tender offer for Hsinchu International Bank (“Hsinchu”).

Standard Chartered plans to offer its strong international network and global product capabilities to Hsinchu’s 2.5 million customer accounts.

Kai Nargolwala, Standard Chartered’s Group Executive Director, said: “By leveraging our international network and cross-border product capability we will capture a greater share of Taiwan’s rapidly growing trade and investment flows.

“Hsinchu’s strength, in the regions where many of Taiwan’s most successful and internationally oriented companies are based, is particularly important.”

He pointed to wealth management and banking for small and medium sized businesses as other key growth areas.

“This opportunity is all about growth. To achieve our goals we will need everyone’s contribution and support. Nobody at Hsinchu or Standard Chartered will lose their jobs as a result of this acquisition,” said Mr. Nargolwala.

Wu Chih Wei, Hsinchu President, said: “Our customers will benefit from world class financial products and services and one of the strongest banking networks in Asia.

“Our people will benefit from being part of a fast growing organisation – a bank with an excellent reputation, a bank that cares deeply about its people and their development.”

Mr. Nargolwala and Mr. Wu were speaking at a press conference to mark the successful tender offer for Hsinchu; 95.4 per cent of Hsinchu shareholders accepted Standard Chartered’s offer.

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The special guest speaker at the event was Gary Tseng, Director General of the Banking Bureau of Taiwan's Financial Supervisory Commission.

A month-long tender offer for Hsinchu shares closed on October 31, 2006 in a deal that values Hsinchu's entire issued share capital at USD1.2 billion on a fully diluted basis.

This transaction represents the biggest international investment in Taiwan's banking sector, the first time a Taiwanese bank has completely joined a foreign bank, and the largest ever public tender offer in Taiwan.

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

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

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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.

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.

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