

# press release

FOR IMMEDIATE RELEASE

## **Standard Chartered Hits Record Profit Growth**

***Income accelerates 24 percent to USD 459 million and Profit Climbs 33 percent to USD 236 million***

**Kuala Lumpur, 18 March 2008** – Standard Chartered Bank Malaysia Berhad today announced another strong performance for the year ended 31 December 2007 with operating income increasing to USD 459 million (MYR1.6 billion) from USD371 (MYR1.4 billion) and profit before tax rising to USD236 (MYR810) million from USD 178 (MYR653) million.

Both Wholesale and Consumer Banking showed strong income momentum across all customer segments and product categories.

Mr Julian Wynter, Managing Director and Chief Executive Officer, Standard Chartered Bank Malaysia Berhad, said:

“2007 was a year of balanced growth and strong performance. For the first time ever in Malaysia, we achieved significant profit growth for the year and contributed close to six percent to the Group’s pre-tax profit. Our record income and profit performance is evidence that our organic-led strategy is truly successful.”

### **Balanced growth**

Balanced growth came from Consumer and Wholesale Banking, across all product categories. Mr Wynter said:

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“Our two engines of growth contributed equally to the Bank’s profits, with Consumer Banking contributing USD117 million and Wholesale Banking USD118 million. In Consumer Banking, we had excellent business growth from SME, Personal loans, Credit Cards and Wealth Management. Wholesale Banking had yet another strong year with significantly higher business volumes and income momentum.”

In Wholesale Banking, Client revenue went up 41 percent to USD 157.9 million from USD 112.3 million in 2006. Its income was boosted by higher fees from syndications, debt financing and corporate advisory, besides higher income from custody and securities services.

During the year, Wholesale Banking recorded rapid growth particularly in three businesses – Corporate Finance above 170 percent, foreign exchange sales at 48 percent and Transaction Banking at 35 percent.

Consumer Banking delivered an operating income growth of 24 percent, with new revenue streams such as Premium Currency Investment, e\$aver and Mortgage Optimiser added to the Bank’s breadth of product innovations. SME and personal financing experienced the fastest levels in loan growth, 17 percent and 14 percent respectively.

More investments were made last year to expand its distribution reach to 37 branches, set up seven new SME and centralise the collection division.

# press release

## **Islamic Banking**

Islamic Banking experienced exponential growth. Total assets and deposits grew 131 percent to USD 1.4 billion and 189 percent to over a billion dollars respectively. Mr Wynter said:

“We made significant inroads in our Islamic Banking last year. And we are looking forward to the banking license from Bank Negara to expand our scale and breadth of our Islamic financing capabilities in Malaysia.”

## **Strong Performance**

Pre-tax return on equity increased to 40 percent from 35 percent the previous year whilst the Bank’s cost income ratio also improved from 44 percent to 40 percent in 2007.

The Bank’s liquidity and capital position are strong. Its active management of the Capital Base has successfully produced a Risk Weighted Capital Ratio at 13.7 percent in excess of Bank Negara’s minimum Risk Weighted Capital Ratio of eight percent.

Mr Wynter added:

“Standard Chartered Bank is in great shape. We will not be complacent about the future. We will continue to invest given the opportunities we are seeing in the market but will be vigilant. Malaysia has a resilient economy and its outlook is positive. We are confident we will be able to capitalise on its opportunities and deliver another strong performance in 2008.”

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**For more information, please contact:**

Zaiton Hj-Idrus, Head, Corporate Affairs Malaysia +6 03 2781 7209  
Zaiton.Hj-Idrus@standardchartered.com

Sharon Mak, Senior Manager, Corporate Affairs Malaysia +6 03 2781 7206  
Sharon.SM.Mak@standardchartered.com

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

Standard Chartered PLC, listed on both the London Stock Exchange and the Hong Kong Stock Exchange, ranks among the top 25 companies in the FTSE-100 by market capitalisation. The London-headquartered group has operated for over 150 years in some of the world's most dynamic markets, leading the way in Asia, Africa and the Middle East. Its income and the number of employees have more than doubled over the last five years primarily as a result of organic growth and supplemented by acquisitions.

Standard Chartered aspires to be the best international bank in its markets through leading by example to be the right partner for its stakeholders. The group now employs 73,000 people, representing 115 nationalities, in more than 1,700 branches and outlets located in over 70 countries. The bank derives more than 90 per cent of its operating income and profits from Asia, Africa and the Middle East, with balanced income derived from both Wholesale and Consumer Banking.

The group is committed to building a sustainable business over the long term and is trusted worldwide for upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity. For more information, please visit: [www.standardchartered.com](http://www.standardchartered.com)

**Standard Chartered in Malaysia**

Standard Chartered Bank Malaysia Berhad, a member of the Standard Chartered Group was established in Malaysia in 1875 and locally incorporated on 1 July 1994. As Malaysia's first bank, Standard Chartered leads the way through product innovation, consistent and strong growth performance and sustainability initiatives. It provides a comprehensive range of financial products and services including retail, Islamic and wholesale banking for individuals, small and medium-sized enterprises, corporate and institutions through its network of 37 branches across Malaysia.

In 2001, Standard Chartered established one of two of its global shared service centres in Kuala Lumpur, Malaysia to provide IT support and processing services to the Bank's operations in 15 countries – the first bank in Malaysia to do so. It now houses the biggest software development company in the country, International Software Centre Malaysia (ISCM). The other global shared service centre is located in Chennai, India.

Apart from its shared service centres, the Group has also established a wholly owned subsidiary company, Price Solutions Sdn. Bhd. to promote and market Standard Chartered's financial products in Malaysia.

Standard Chartered employs more than 5,000 employees in its Malaysian operations.

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