

press release

For immediate release

Standard Chartered Expands Investment in Islamic Banking

MYR50 million spent on establishing Standard Chartered Saadiq Berhad and first financial centre

KUALA LUMPUR, 12 November 2008 – Standard Chartered Bank Malaysia Berhad has announced the launch of Standard Chartered Saadiq Berhad, its full-fledged Islamic Bank today on the back of rising demand for Shariah-compliant products and services in Malaysia.

The wholly-owned subsidiary, Standard Chartered Saadiq Berhad (Saadiq Berhad) plays a key strategic role in leading the Group's global thrust in the rapidly growing Islamic Finance sector.

Afaq Khan, Chief Executive Officer Standard Chartered Saadiq said:

“Islamic banking is of strategic importance to Standard Chartered Group as the industry grows from strength-to-strength. It furthers our strategic intent to be the best international bank in Asia, Africa and the Middle East.

Standard Chartered Islamic Banking has significantly grown in the last two years following the introduction of our Saadiq brand and we are on track to continue growing the business and our presence across the globe. The launch of Saadiq Berhad in Malaysia gives us the symbiotic advantage to further lead in building an Islamic financial services sector that can co-exist and compete alongside conventional banking.”

Islamic financial services are one of the fastest growing fields in the banking and finance industry. In its report, McKinsey & Co. stated that Islamic banking assets and assets under management reached US\$750 billion in 2006, and the Islamic finance sector is expected to reach US\$1 trillion by 2010.

This development augurs well for Standard Chartered which is well-placed in the three key regions of Asia, Africa and the Middle East. Particularly, the Bank has strong presence in over 50 percent of Muslim-populated nations including Saudi Arabia, United Arab Emirates, Kuwait, Pakistan, Bangladesh and Malaysia.

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

"It is not only timely but also makes perfect sense for us to expand our Islamic banking business in Malaysia. We have a long heritage in Malaysia and coupled with our international expertise and deep roots in Muslim countries, we have the unique opportunity to play an active role in the growth of the country's Islamic financial services and serve Muslim and non-Muslim customers.

We are optimistic that Saadiq Berhad and the opening of its flagship financial centre will have an enormous impact on Malaysia's Islamic banking sector. And we will remain firm on our commitment - to be the Right Partner to our customers in fulfilling their evolving demands; and to the Government in supporting their aspiration to establish Malaysia as a global hub for Islamic banking."

Emphasising the Bank's commitment, Wynter further added that Standard Chartered invested an initial sum of MYR50 million to establish Saadiq Berhad and its flagship financial centre (branch). Saadiq Berhad offers a comprehensive range of Islamic Banking products and services ranging from property and personal financing to corporate financing.

Standard Chartered is one of the few international banks which have launched a dedicated Islamic financial centre. The entry of this new breed of Islamic banking is expected to boost the competitiveness of banking and raise the level of product innovation and delivery to customers.

Azrulnizam Abd Aziz, Chief Executive Officer Standard Chartered Saadiq Berhad said:

"Increasing demand from customers, which growth has been phenomenal for the Bank in the last few years, increases the need for us to match their expectations by providing premium banking services at their convenience.

Understanding our customers has paved the way for the Bank to be in the forefront of product innovation. We currently lead the marketplace by being the first bank to devise product solutions that transcend various market segments as well as geographies, and that comply with Shariah principles.

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With the opening of our inaugural financial centre, we are confident customers will further enjoy new levels of customer experience through our 'smart' branch facilities. “

Apart from offering a full suite of Shariah-compliant products and services ranging from personal, property to corporate financing, Saadiq Berhad new financial centre boasts innovative channels of information and transaction. Some of these unique facilities include:

- i-Table: a state-of-the-art kiosk that provides a multitude of information on Saadiq products and services, transaction charges and general banking guidelines
- E-kiosk: an electronic banking facility that enables web-telebanking, e-statements and e-reward redemption
- Bio metrics authentication at teller counters which will reduce transaction time from four to two minutes (applies for low transaction facilities only)
- One swipe of MY card identification for access to Priority Banking centre

The financial centre which was built using environmental quality materials and equipment, is strategically located in the centre of Taman Tun Dr Ismail which is conveniently accessible by 400,000 affluent residents.

According to Azrulnizam, the launch of its Taman Tun Dr Ismail branch will be followed by another three centres which Saadiq Berhad plans to open in the next 12 months.

Saadiq Berhad and its inaugural financial centre was officiated by Yang Amat Berhormat Datuk Seri Abdullah Haji Ahmad Badawi, Prime Minister of Malaysia in the presence of Tan Sri Dato' Sri Dr Zeti Akhtar Aziz, Governor Bank Negara Malaysia, His Excellency Boyd McCleary, British High Commissioner, Standard Chartered Board of Directors and Senior Management as well as customers.

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

Standard Chartered PLC, listed on both London and Hong Kong stock exchanges, 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 profits 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 for its customers across its markets. The Bank derives more than 90 per cent of its operating income and profits from Asia, Africa and the Middle East, generated from its Wholesale and Consumer Banking businesses. The Group has around 1,750 branches and outlets located in over 70 countries. The extraordinary growth of its markets and businesses creates exciting and challenging international career opportunities.

Leading by example to be the right partner for its stakeholders, 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. It employs 75,000 people, nearly half of who are women. The Group's employees are of 115 nationalities, of which 60 are represented among senior management.

For more information, please visit: 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 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 a global shared service centre in Kuala Lumpur, Malaysia to provide software development, banking operations and IT support services to the Bank in up to 70 countries – the first international bank to do so in Malaysia. It now houses the biggest software development company in the country, International Software Centre Malaysia (ISCM). Standard Chartered's two other global shared service centres are in Chennai, India and Tianjin, China.

Another wholly-owned subsidiary of the Group, Price Solutions Sdn. Bhd is also located in Malaysia. The company promotes and markets Standard Chartered's financial products in Malaysia through a network of direct sales agents.

Standard Chartered Saadiq Berhad, its Islamic banking subsidiary, was established in October 2008. It offers a comprehensive range of Shariah-compliant products and services to individuals and corporates.

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