

# PRESS RELEASE



## Standard Chartered Bank Starts Priority Banking for Wealthy Retail Customers

Marunouchi Branch opens July 5

**Tokyo, July 5, 2005**—Standard Chartered Bank on Tuesday July 5 opened its first retail branch in Marunouchi targeting high net worth individuals, and will begin 'priority banking' asset management services for wealthy clients.

Priority Banking is a service designed for customers with deposits of upwards of 20 million yen, offered with a 5-star hotel concierge service in which a personal manager provides customers with in-depth support to individually structure their assets.

Research conducted by Standard Chartered Bank has shown that about 27% of households in Japan have savings of 20 million yen or more, amounting to around 60% of total household savings assets. However, until now appropriate services for this large customer group have not been available in Japan. Standard Chartered Bank is therefore building on the experience it has gained in providing wealth management services in other countries to deliver proprietary priority banking services in Japan that combine the advantages of private banking and consumer banking.

Main financial products to be offered in the priority banking service include foreign currency accounts and mutual funds. Standard Chartered Bank's innovative foreign currency savings products represent a comprehensive revision of the type of service previously available in Japan, with two particular advantages as outlined below.

### Two key advantages of Standard Chartered Bank's foreign currency savings accounts

#### 1. Highest foreign currency savings interest rate in Japan

Example: Annual interest rate at branch of 1.75% (1.40% after tax) for U.S. dollar-based regular savings account

#### 2. First product in Japan with zero currency exchange fees

In other markets served by Standard Chartered Bank, such as Hong Kong and Singapore, this kind of foreign currency savings product is an accepted and successful asset management tool for wealthy customers, and Standard Chartered Bank wants to introduce the same kind of service to customers in Japan.

There are a number of reasons why Standard Chartered Bank is able to offer such an innovative foreign currency savings product:

#### 1: Strategy to maximize the return of profit to customers

Despite that fact that Japanese retail customers have the world's highest level of savings deposits, by global standards this group is under serviced in Japan. Standard Chartered Bank's strategy is to change this situation.

## **2. Cost control through use of proprietary existing system**

Standard Chartered Bank has already completed development of a sophisticated banking system for use in other countries, drawing on the Bank's comprehensive IT capabilities. Adapting this system for Japan has greatly reduced investment costs, allowing savings to be passed on to customers.

## **3. Lower costs through specialized service**

Standard Chartered Bank's strategy is to minimize investment in settlement costs and focus on specialized asset management services. The resulting savings can be passed on to customers.

## **4. Lower costs through clearly defined target customers**

By specializing in specific asset management services Standard Chartered Bank can also clearly define its target customer group. Marketing and infrastructure costs are reduced to a minimum, with the savings passed on to customers.

## **5. The confidence to change standard ways of thinking through innovation**

Standard Chartered Bank is changing the hitherto standard approach to foreign exchange commissions and interest rates. With low margins, Standard Chartered Bank expects to attract customers and secure market share.

**Mark Devadason**, CEO of Standard Chartered Bank Tokyo Branch, says: "Although the concept of private banking is well known in Japan, there is a large group of wealthy individuals who don't fit the conventional profile for such services. For that reason we believe this is an excellent opportunity to offer wealthy customers new asset management services not available in mainstream retail banks. We will be tailoring our priority banking services to the Japanese market, and based on our success in other countries we are confident of creating strong appeal. "

**Joji Aonuma**, head of consumer banking for Standard Chartered Bank in Japan, says: "Standard Chartered Bank operates a comprehensive bank processing computer system that ranks alongside those of major systems companies. We developed our international 'eBBS' accounting, settlement and information system five years ago in India and the Middle East, and now use it in more than ten countries. Using this successful existing system has reduced the cost of setting up our consumer banking operations in Japan, allowing us to introduce our innovative commission-free foreign exchange service.

"Our business model is based on a solid strategy that is supported by our strong IT base in Chennai, India. Through our new services we want to show customers a revolution in consumer banking."

With the opening of the first priority banking branch in Marunouchi, Tokyo, Standard Chartered Bank expects to also be able to serve customers in Kansai, Tohoku and Central Japan given the convenient location near Tokyo Station.

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### **About Standard Chartered Bank Worldwide**

Standard Chartered Bank employs 38,000 people in 950 locations in more than 50 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas. Standard Chartered is one of the world's most international banks, with employees representing 80 nationalities.

Standard Chartered serves both Consumer and Wholesale Banking customers. Consumer Banking provides credit cards, personal loans, mortgages, deposit taking and wealth management services to individuals and small- to medium-sized enterprises. Wholesale Banking provides corporate and institutional clients with services in trade finance, cash management, lending, securities services, foreign exchange, debt capital markets and corporate finance.

Standard Chartered PLC is listed on both the London Stock Exchange and the Stock Exchange of Hong Kong and is in the top 25 FTSE-100 companies, by market capitalisation.

[www.standardchartered.com](http://www.standardchartered.com)

### **About Standard Chartered Bank in Japan and Asia**

Standard Chartered Bank opened its first agency office in Yokohama, Japan in 1880, and will be celebrating the 125<sup>th</sup> anniversary of its business in Japan on November 1, 2005. The bank employs 160 people at its offices in Sanno Park Tower, Tokyo, of which 94% are Japanese nationals. Standard Chartered continues to grow in Japan, supporting Japanese companies and banks as they invest in Asia, Africa and the Middle East through the provision of wholesale banking, custodial, treasury and trade services.

Standard Chartered is a leading bank in Asia, Africa and the Middle East, combining ongoing organic growth with an acquisition strategy that in the past 12 months has included: Permatta Bank in Indonesia, Korea First Bank in Korea, ANZ Project Finance Business across Asia and the Middle East, and Prime Credit in Hong Kong. Standard Chartered has operated in China for 150 years, and is growing in the Pearl River Delta area and enhancing its Hong Kong base while also expanding in the North by seeking alliances with local banks and via the existing Standard Chartered Bank China Network (comprising seven branches).

Standard Chartered is committed to making a difference to the communities in which it operates, and is running an active CSR programme supporting local organizations working in the area of vision and HIV Aids awareness.

*Working together to raise awareness for Seeing is Believing  
Restoring sight to one million people worldwide within two years*



### **Standard Chartered Bank in Japan**

<http://www.standardchartered.com/jp/index.html> (English)

<http://www.standardchartered.com/jp/japanese/index.html> (Japanese)