



press release

FOR IMMEDIATE RELEASE

Standard Chartered and China Foundation for Poverty Alleviation Sign Loan and Co-operation Agreements

First loan facility by an international bank to a Microfinance institution in China; initial facility of RMB 20 million

(18 Jan 2008, Beijing) Standard Chartered Bank (China) Limited (Standard Chartered) today signed loan and co-operation agreements with China Foundation for Poverty Alleviation (CFPA) in the Great Hall of the People, witnessed by Premier Wen Jiabao of the People's Republic of China and British Prime Minister Gordon Brown. This is the first time an international bank will provide credit loan facilities to an organisation dedicated to Microfinance projects in China.

According to the agreement, Standard Chartered will provide the initial amount of RMB20 million as credit loan facility to CFPA, who will finance the Microfinance projects aiming to provide financial support to farmers and owners of micro-enterprises in ten counties of seven provinces in China, most of which are nationally designated as "poor counties" by the Government.

Standard Chartered and CFPA will also establish a strategic partnership to cooperate on best practices sharing and technical issues. Under this agreement, Standard Chartered will bring to CFPA its global expertise in wholesale rural finance, while CFPA will share its domestic retail Microfinance execution

experience to assist Standard Chartered in launching rural finance related business in China.

Katherine Tsang, CEO and Executive Director of Standard Chartered Bank (China) Limited, said,

“We are most delighted to work with CFPA. Standard Chartered supports the Chinese government’s policy of expediting the reform of rural financial system, and is committed to actively involve in Microfinance projects. We believe our joint efforts will help enhance productivity, increase income levels and improve living standards of farmers; while supporting the government in alleviating poverty in the rural areas at the same time. This can be considered as the second microfinance project Standard Chartered has involved in China, following the one we have jointly launched with Esquel in Xinjiang last December.”

Duan Yingbi, Chairman of China Foundation for Poverty Alleviation, said,

“Our cooperation with Standard Chartered, on one hand, relieves CFPA’s loan fund shortage, expands our project scale, and helps more of the poor to increase their income. On the other hand, CFPA can learn from Standard Chartered about their international financial management knowledge, experience as well as best practices. In this way, CFPA can also improve on our microfinance management in terms of proficiency and efficiency, thus promoting a more sustainable development of our microfinance program and helping more of the poor in China.”

Peter Sands, Group Chief Executive of Standard Chartered PLC, said,

“This initiative is part of Standard Chartered’s commitment at the second Clinton Global Initiative to establish \$500 million Microfinance facility across our markets by 2011, which is estimated to benefit 4 million people currently excluded from participation in the financial sector. Standard Chartered now provides Microfinance facilities to 13 countries in Asia and

Africa, and by bringing our experience into China we endeavour to significantly contribute to the financial services industry in China's rural areas."

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For further information, please contact:

Li Qi
Project Manager of Microfinance Department
China Foundation for Poverty Alleviation
Tel: (8610) 82872688 ext. 865
Email: liqi@fupin.org.cn

Eva Chow
Head of Corporate Communications
Standard Chartered Bank (China) Limited
Tel: (8621) 3896 3198
E-mail: Eva.Chow@standardchartered.com

Note to editors:

China Foundation for Poverty Alleviation

China Foundation for Poverty Alleviation (CFPA) was established in March 1989. CFPA is a non-profit NGO that accepts Chinese and international donations.

CFPA is currently implementing several poverty reduction initiatives including microfinance, maternal and infant healthcare, financial support for impoverished college students, disaster relief and community development. As one of the largest NGOs in the field of poverty reduction, CFPA aims to:

- Help resource-deficient poor communities enhance their capacity for self-sustainability
- Upgrade basic production conditions and primary social service levels
- Mitigate social suffering while promoting social harmony

Since CFPA's establishment approximately 18 years ago, it has raised over RMB2.3 billion that has been invested in over 200 poverty alleviation programs, helping over 3.5 million poor people to lift themselves out of poverty. In recent years, each year CFPA helps approximately 300,000 to 500,000 poor people.

Under the supervision of the State Council's Poverty Alleviation Office, CFPA started its microfinance poverty alleviation program in 1996. For almost 10 years, CFPA has disbursed in total approximately RMB300 million in loans to 130,000 rural households, directly benefiting over 500,000 poor individuals. In 2007, CFPA disbursed 38,050 loans totaling approximately RMB118 million, marking the first time that the disbursements exceeded RMB100 million. As of the end of December 2007, CFPA's microfinance program covered 13 counties spread across 7 provinces. The majority of these counties are designated by the Chinese government as poverty-stricken

counties. At present, CFPA's microfinance poverty alleviation program is growing to be the largest microfinance program implemented by an NGO.

CFPA's microfinance targets the poor who have no access to formal financial institutions but have the capacity to produce and manage businesses. At the same time, CFPA not only starts off by trying to improve the poor's self-reliability through microfinance, distinguishing CFPA from other Chinese microfinance institutions.

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

Standard Chartered PLC 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 capitalisation.

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 1,400 branches (including subsidiaries, associates and joint ventures) in 56 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas.

As one of the world's most international banks, Standard Chartered employs almost 70,000 people, representing over 100 nationalities, worldwide. This diversity lies at the heart of the Bank's values and supports the Bank's growth as the world increasingly becomes one market.

With strong organic growth supported by strategic alliances and acquisitions and driven by its strengths in the balance and diversity of its business, products, geography and people, Standard Chartered is well positioned in the emerging trade corridors of Asia, Africa and the Middle East.

Standard Chartered derives over 90 per cent of profits from Asia, Africa and the Middle East. Serving both Consumer and Wholesale Banking customers worldwide, the Bank combines deep local knowledge with global capability to offer a wide range of innovative products and services as well as award-winning solutions.

Trusted across its network for its standard of governance and corporate responsibility, Standard Chartered takes a long term view of the consequences of its actions to ensure that the Bank builds a sustainable business through social inclusion, environmental protection and good governance.

Standard Chartered is also committed to all its stakeholders by living its values in its approach towards managing its people, exceeding expectations of its customers, making a difference in communities and working with regulators.

In China, the Bank set up its first branch in Shanghai in 1858, and has remained in operation throughout the past 150 years. Standard Chartered Bank (China) Limited is one of the first banks to incorporate officially in China on 1 April, 2007. This demonstrates the Bank's commitment to the China market, and its leading position as a foreign bank in the banking industry.

Standard Chartered China has one of the largest foreign bank networks – with 13 branches (*approval for the Hangzhou representative office to upgrade to a branch has recently been granted and preparation for official opening is in progress*), 23 sub-branches and 2 representative offices in China. In 2007, Standard Chartered China was named one of the "Top Ten Financial Institutions" and granted the "Best SME Services Award" by China CFO World. The Bank has also recently been granted the "China's Best Corporate Citizenship Award" by 21st Century Business Herald.

For more information on Standard Chartered, please log on to www.standardchartered.com