

press release

FOR IMMEDIATE RELEASE

14 December 2006

**Standard Chartered Bank
launches the First QDII Investment Product**
– *[Ju Tong Tian Xia]* – UBS Global Allocation Index Linked Investment

(14 December 2006 – Shanghai) Standard Chartered Bank today launches its first Qualified Domestic Institutional Investor (QDII) product – *[Ju Tong Tian Xia]* – *UBS Global Allocation Index Linked Principal Protected Structure Investment*. This innovative product distinguishes itself from traditional QDII investment schemes by allowing domestic investor, for the first time, to truly allocate their assets globally through first-class multi-asset global fund managers and a dynamic investment strategy.

Unlike traditional QDII products which can only passively invest in overseas assets, *[Ju Tong Tian Xia]* adopts an active approach for its investment strategy through dynamically allocating the assets into cash units and risky asset units.

The risky asset units invest into the UBS Global Allocation Index, which constitutes of three carefully-chosen global asset allocation funds. The managers of those three funds invest their fund assets into major asset classes including bonds, equities and cash in North America, Asia, Europe and Emerging markets, and adjust their investment strategies actively when market climates change. This is the essence of global asset allocation, where such “all weather” dynamic allocation enables the funds to effectively achieve more consistent and stable

growth returns, and avoid the risks from investing into a single country or region. Historical data of more than 20 years shows that the UBS Global Allocation Index has maintained a stable growing momentum with an annualized return of 11-12% p.a., and approximate 6% p.a. volatility in the past years.

The cutting-edge CPPT technique is another unique feature of *[Ju Tong Tian Xia]*. The offshore product issuer, UBS AG, will actively adjust the investment weightings on the risky assets through pre-determined dynamic allocation rules to maximize potential returns from the underlying assets while preserving the capital. At the initial stage of the investment, investors of this QDII product would enjoy a 100-110% participation in the performance of the underlying asset, and could potentially participate up to 200% in the performance the underlying asset to leverage the investment returns throughout the tenor.

In addition, Standard Chartered Bank has designed an innovative CNY appreciation lock-in mechanism to this product. This unique mechanism greatly eases investors' concerns on CNY appreciation by increasing the principal protection levels up to the CNY/USD appreciation levels on an annual basis in the first 3 years of the investments.

Christine Ip, Head of Consumer Banking, Standard Chartered Bank China said, "Standard Chartered Bank is well-known in China's wealth management market for our keen market acumen and our innovative product. Standard Chartered is proud that all our investment products are well received by the market and have good return. The launching of QDII products gives our Chinese customers the opportunity to tap into the overseas capital market. Following the launching of *[Ju Tong Tian Xia]*, you will expect Standard Chartered Bank to continue grasping market opportunities and launching more innovative products and services to protect and to realise the growth of your wealth."

Product subscription period: 12 December, 2006 – 27 December, 2006

Minimum subscription: USD 10,000

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For further information please contact:

Eva Chow, Head of Corporate Communications, China

Tel: 021 3896 3198

Vivian Zhou, Corporate Affairs Manager

Tel: 021 3896 3068

Notes to the Editor:

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 over 50 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 60,000 people, representing over 90 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. Recently, Standard Chartered Bank has been named as “2005 Best Foreign Bank” by Hexun Web, and 2006”Outstanding Innovative Service Award” by China Business. It has one of the largest foreign bank networks – with eleven branches, six sub-branches and three representative offices in China. There are altogether 7 branches in China that can provide full banking services including RMB to corporate clients (namely Shanghai, Shenzhen, Beijing, Nanjing, Xiamen, Zhuhai and Tianjin).

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