

press release

Standard Chartered China Launches Monetary Conditions Index

14 July, 2011, Shanghai – Standard Chartered Bank recently launched “ Standard Chartered China Monetary Conditions Index” (“ Standard Chartered China MCI”) to accurately, timely and systematically show the current monetary conditions in China.

Standard Chartered China MCI includes real interest rates and changes in the real exchange rates. To well reflect the correlation between loan growth and economic activity, the index also includes loan growth and a dummy variable to measure whether a “ hard” loan quota is being applied to the banking system. Standard Chartered’ s Global Research team will update and announce the index in the quarterly basis.

Stephen Green, Head of research, Greater China, Standard Chartered Bank, said, “ Monetary condition is one of the most important references for macro economy. With the restructure of China’ s economy and the adjustment of monetary policy, monetary condition has an even stronger impact to the economy now. While it cannot capture everything, Standard Chartered China MCI includes the most important

variables. We hope the index can provide valuable reference for predicting and analyzing the trend of China' s macro economy. ”

The latest announced Standard Chartered China MCI shows that monetary policy is tight at present but not quite as tight as in H1 2008, and it has not been tight for very long. The index predicts weaker PMIs in the summer, but the risks of a “ hard” landing (deceleration to an annualised 5% q/q rate) are very low. A very soft landing in Q3 can be expected. (For more details, please refer to the research report from Standard Chartered Global Research: “ China – Our new Monetary Conditions Index” .)

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Note to Editors:

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

Standard Chartered PLC is a leading international bank, listed on the London, Hong Kong and Mumbai stock exchanges. It has operated for over 150 years in some of the world's most dynamic markets and earns around 90 per cent of its income and profits in Asia, Africa and the Middle East. This geographic focus and commitment to developing deep relationships with clients and customers has driven the Bank's growth in recent years.

With 1,700 offices in 70 markets, Standard Chartered offers exciting and challenging international career opportunities for its 85,000 staff. It 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. The Bank's heritage and values are expressed in its brand promise, 'Here for good'.

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 foreign banks to locally incorporate in China in 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 has one of the largest foreign bank networks in China – with 18 branches, 51 sub-branches and 1 Village Bank. Approval for the setting up of the Xian branch has been granted and preparation is in progress.

In 2010, Standard Chartered China received many awards and honors, including “First Class Award for 2010 Banker Survey” from PBoC Shanghai Headquarters, “Best CSR Company Award” from *China Business Network*, “2010 Best Debt House in China” from *The Asset*, “2010 China CFO Most Trusted Bank” from *CFO World*, “Golden Shell Award of Finance” from *21st Century Business Herald* and “100 Best Human Resource Management Companies” from *51job.com*.

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