

press release

Standard Chartered Bank Releases the Result of the “China SME Confidence Index” for 2012 Q4

8 January, Beijing – According to the latest “China SME Confidence Index” (“the Index”) released by Standard Chartered Bank, the result for 2012 Q4 is 47.28^[1], an increase of 0.57 percentage from the previous quarter. Though it is a slight increase after two quarters of consecutive decline, the Index still remains at a low level.

The sixth Index released today shows that in the fourth quarter of 2012, the “Macro Economy Confidence Index” (51.19), the “Business Operation Confidence Index” (47.44) and the “Investment Confidence Index” (43.6) rose slightly over the previous quarter, while the “Financing Confidence Index” (47.2) failed to continue the upward trend of the previous term and declined by two percentage. The overall Index in Q4 began to stabilize and showed an upward trend, but it remained below the level of the same period in 2011. From the geographic perspective, the Index for North China (48.23) rebounded and came out slightly ahead of that for East, South and West China.

The Index report shows that the overall result for 2012 was slightly higher than the critical point (the average Index for 2012 was 51.44). Multiple factors including a weak international economy, domestic economic restructure and the slowdown of fixed asset investment led to continuous decline in SMEs’ confidence in the second and third quarters. In 2013, the situation of economic recovery will become more obvious. The goal of “achieving the healthy economic development and social stabilization and harmony” means the government will attach more importance to restructure and efficiency of the economy. The manufacturing and investment aspirations of SMEs are expected to be further inspired during the gradual economic recovery.

^[1] Note: The value of the “China SME Confidence Index” lies between 0 and 100. 50 is the critical point, indicating a normal state. An Index higher than 50 indicates a state of prosperity and optimism about future growth for SMEs. The closer the Index is to 100, the more robust the SME sector is. An Index at this interval indicates that the SME sector is operating at a high level. In contrast, an Index lower than 50 indicates a negative outlook for the prosperity and future of SMEs. The closer to 0 the Index is, the weaker the SME sector is. An Index ranging between 0 and 50 indicates that the SME sector is running at a low level.

Jungkiu Choi, Head of Consumer Banking, Standard Chartered Bank (China) Limited, said, “During the past 1.5 years when ‘China SME Confidence Index’ has been launched, China’s SMEs have come through many domestic and international challenges with strong vitality and admirable energy. We believe that the challenges that SMEs are facing are temporary, and Standard Chartered has full confidence in their future. This year marks the 10th anniversary for the Bank’s SME Banking in China. As an international bank committed to providing first-class financial services for SMEs, Standard Chartered will continue sparing no effort to contribute to the development of the SME sector in China.”

Launched in October 2011, the “China SME Confidence Index” is released once per quarter. The Index is comprised of four category indices including macro economy, business operation, investment and financing. Over 1,000 SMEs (70% are micro and small enterprises) from more than ten sectors participating in the research are widely distributed in 20 cities throughout China. It is the first confidence index released by a foreign bank specifically for SMEs in China. The five previously released results of the Index are 47.37 in 2011 Q3, 54.57 in 2011 Q4, 57.63 in 2012 Q1, 54.15 in 2012 Q2 and 46.71 in 2012 Q3.

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For further information, please contact:

Song Yu, Head of Wholesale Bank Communications
Corporate Affairs, China
Tel: (8620) 38158330
Email: Song.Yu@sc.com

Note to editors:

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In China, the Bank set up its first branch in Shanghai in 1858 and has remained in operation throughout the past 155 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 23 branches, 76 sub-branches and 1 Village Bank.

In 2012, Standard Chartered China received many awards and honors, including the “Best Public Welfare and Charity Contribution Award” and “Best Practice of Social Responsibility Award” from China Banking Association, “Outstanding Contribution Award” from China Bank Association Foreign Bank Working Committee, “China’s Ideal Employer among Business students - Top 20” from Universum, “The most progressive branch for SME services” from CBRC, “Best User Experience Award 2012” for Remote Banking from Internet Banking Union, “2012 China Top 10 Best Retail Banks” and “Top 10 Best Bank Wealth Management Brands” by Money Week, “Prominent Competence Bank on SME Service Award” from China Business, “Best Cash Management Award” from the Economic Observer, “Best Supply Chain Finance Award”, “Best Cross-border Trade Settlement Award” and “Best Corporate Internet Platform Award” from CFO World, “JinBei Award of 2011-2012 Best Asset Management Brand” from 21 Century Business Herald, “2012 Most Innovative Financial Service” for Unsecured Personal Loan from Manager Magazine, and etc.

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