

press release

For immediate release

15 December 2005

**China Construction Bank (CCB) completes first ever
Residential Mortgage Backed Securitisation (RMBS) Transaction in China:
Standard Chartered acts as financial advisor**

(Hong Kong – 15 December 2005) Standard Chartered acting as the financial advisor to China Construction Bank (CCB) for its RMB3 billion residential mortgage backed securitisation (RMBS) transaction – the first ever RMBS in China. CCB acted as the originator and arranger for the transaction. CCB is one of the largest mortgage loan originators in China and the first state-owned bank to use securitisation to manage its mortgage loan portfolio.

This RMBS transaction is a landmark transaction in many ways. It marks the first ever RMBS in China. It is one of the only two pilot securitisation transactions approved by the Chinese government. Standard Chartered has been appointed by CCB as the financial advisor to this transaction, the only foreign bank to play such a role in China to date. This transaction features three rated tranches, from national rating scale AAA to BBB, creating a variety of vehicles for investors with different risk appetites. The RMBS Notes will be traded on the China inter-bank bond market, the most liquid fixed income market in China.

Leveraging its well-established capital markets platform, superior knowledge of the international as well as local markets and strong client relationship, Standard Chartered is a pioneer for the introduction of innovative structured products in the Asia Pacific region including Hong Kong, China, Korea, Thailand, Malaysia, India and Singapore.

Speaking today, Katherine Tsang, Chief Executive Officer of Standard Chartered Bank China said, “We are extremely proud to be involved in this significant transaction with China Construction Bank. Our substantial transaction experience in asset backed securitisation, and abundant knowledge of the local market contributed to the success of our working relationship with CCB on this deal. We believe this is a most positive development not only for us, but also for the local market and the Chinese banking industry as a whole.”

Acting as the financial advisor to CCB, Standard Chartered played a key role in this significant transaction, by introducing international asset backed securitisation market practice and market standards. In addition, Standard Chartered used its expertise to assist CCB in structuring an efficient transaction, as well as providing other value added services.

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Warren Lee, Head, Asset Backed Securitisation Group in Asia of Standard Chartered said, "We expect increasing interests in asset-backed securities from Mainland China as banks and other companies are actively looking for options to further improve capital adequacy ratios, better manage assets and liabilities as well as explore alternative sources of funding. As our recent deals have shown, Standard Chartered is the bank of choice for companies conducting securitisation in various asset classes, such as RMBS, commercial mortgage backed securitisation, and asset backed securitisation - all areas where Standard Chartered has excellent expertise and a proven strong track record."

Standard Chartered Bank has the longest history in China, having its first branch set up in Shanghai in 1858. It is now one of the largest foreign banks in China with ten branches, two sub-branches (another two to be opened by end of Q1, 2006) and four representative offices. Six of these branches can provide full banking services (including RMB services) for corporate customers and foreign currency services for local citizens.

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Notes to the Editor:

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

Standard Chartered PLC is publicly listed on both the London Stock Exchange and the Stock Exchange of Hong Kong. It is one of the world's most international banks, employing over 40,000 people from 80 nationalities, and operating in over 1,200 locations in over 50 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas. Standard Chartered serves both Consumer and Wholesale Banking customers by providing a wide range of products and services. Well-

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established in growth markets, Standard Chartered combines deep local knowledge with global capability and aims to be the right partner for its customers. Standard Chartered is trusted across its network for its standard of governance and corporate responsibility as well as its commitment to making a difference in the communities in which it operates.

Standard Chartered set up its first branch in Shanghai in 1858, remaining throughout the last 150 years. Now it has ten branches, two sub-branches and four representative offices in China. The Shanghai, Shenzhen, Beijing, Nanjin, Zhuhai and Xiamen Branches can provide full banking services (including RMB) for corporate customers and foreign currency services for local citizens.

The history of Standard Chartered in Hong Kong dates back to 1859. It is currently one of the SAR's three note-issuing banks. Standard Chartered incorporated its Hong Kong business on 1 July 2004, and now operates as a licensed bank in Hong Kong under the name of Standard Chartered Bank (Hong Kong) Limited, a wholly owned subsidiary of Standard Chartered PLC.