

press release

FOR IMMEDIATE RELEASE

Standard Chartered pre-tax profit jumps 68 per cent to KShs 9.3 billion

Revenue up 42 per cent to KShs 16.2 billion in the the third quarter

November 15, NAIROBI: Standard Chartered Bank today announced an excellent set of results for the third quarter of 2012 with income rising 42 per cent to KShs 16,176 million and operating profit before tax rising 68 per cent to KShs 9,238 million.

The Bank has seen substantial income growth momentum across both businesses year on year with Consumer Banking revenue growing by 29 per cent while Wholesale Banking revenue grew by 54 per cent.

Commenting on the results, the Bank's CEO Richard Etemesi said, the results demonstrate the Bank's commitment to delivering consistent and sustained performance.

"These are a great set of results and we are delivering on our promises. We are very pleased with our third quarter performance. We have continued to invest in both our businesses. Consumer Banking income momentum has continued while Wholesale Banking has also had a strong third quarter with a record performance in client income, contributing significantly to the total Wholesale Bank income," said Etemesi.

Etemesi also attributed the good performance to the benefits of sticking to a clear and consistent strategy; of investing for growth; of disciplined management of capital, liquidity, costs and risks.

"We have remained disciplined on costs and processes and innovative on products and services. Our improved technology platforms have enabled us to serve new business segments and respond to the changing business environment", Etemesi added.

The Bank's loans and advances grew by 8 per cent to KShs 101.6 billion due to growth in both consumer and corporate assets. On the other hand, customer deposits grew by 12 per cent to KShs 136.0 billion. The net bad debt charge increased from KShs 443 million in the third quarter

of 2011 to KShs 654 million in the third quarter of 2012, in line with the growth in our loans and advances portfolio.

The Bank's cost income ratio has decreased to 39 per cent in the third quarter of 2012 compared to 48 per cent in the same period in 2011.

On the outlook for the rest of the year, Etemesi said, *"both the businesses enter the last quarter with good momentum, but we remain vigilant about the global outlook and the uncertainties within the political and economic environment in Kenya. Therefore we will continue to look for opportunities and take advantage of these to build and grow our business. The Bank is in great shape, has good momentum, and is superbly positioned for the future."*

The Bank has not declared an interim dividend.

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