

press release

FOR IMMEDIATE RELEASE

Standard Chartered acquires custody business in South Africa from Absa Bank

Expands custody and trustee services for clients in largest economy in Africa

18 April 2013 - Standard Chartered will acquire the South African custody and trustee business of Absa Bank.

This acquisition builds on the significant investment Standard Chartered has already made in its African franchise. In addition to substantial organic investment, the Group acquired First Africa (a leading African M&A advisory business) in 2009 and Barclays' Africa custody business in 2010. Last week, the Bank announced the opening of two new wholesale banking corporate offices in South Africa, in Cape Town and Durban.

Custody is a core capability that allows Wholesale Banking to deepen its core bank relationships with clients, while also generating sustainable income and liquidity in a capital efficient manner. This transaction will help achieve a step change in the Group's custody capability across Africa. Over the past two years the Group has developed a profitable custody model across 21 sub-Saharan African countries, launching custody operations in South Africa earlier this year. This acquisition will position Standard Chartered as a leading South Africa custodian.

Commenting on the news, Diana Layfield, CEO, Africa region said:

"Africa is an important strategic opportunity for the bank and for our clients, offering excellent economic growth and increasingly strong trade links with markets in Asia and the Middle East. This deal will improve the range of services we offer to clients in the region. It builds our capabilities and is in line with our strategy to support our organic growth with selective acquisitions."

Karen Fawcett, Group Head of Transaction Banking at Standard Chartered, said:

"The successful acquisition of Absa Bank's South African Custody and Trustee business will enable Standard Chartered to rapidly build on its custody capabilities across Africa. I am confident that today's announcement will strengthen our proposition, and establish us as a core bank to our clients in and investing into Africa."

Ebby Essoka, Standard Chartered's CEO South Africa, said

"This year we celebrate the 150th anniversary of our first business in South Africa and we continue to go from strength to strength. In this very exciting week for Standard Chartered in South Africa, we have announced the opening of new operations in Cape Town and Durban. And now we are adding this very successful custody business, so we can further strengthen our offering to our clients."

Standard Chartered's Africa business has delivered average annual growth of 15% for the past 5 years. In 2012, the region generated income of US\$1.6 billion, up 15%, with the Wholesale Bank generating US\$1.1 billion, up 16%. Eight markets delivered over US\$100 million of income for the year, with Kenya and Ghana joining Nigeria in delivering over US\$200 million. Ten markets delivered double digit income growth, including our largest markets (Kenya up 34%, South Africa up 28%, Ghana up 20%, Nigeria up 13%).

The Group intends to maintain this overall rate of growth for the region, aiming to double revenues from Africa over the next four to five years on a constant currency basis. To achieve this, the Group will invest more than US\$100 million in new branches over the next three years, accelerate its investment in mobile payments technology, and hire new staff. It will also invest in new areas such as Islamic banking and mortgages, to improve the service we can offer to our clients.

Today's announcement follows Standard Chartered's launch of an integrated direct and regional custody platform for its investor and intermediaries clients, testifying to the Bank's commitment to continue building out capabilities to meet clients' needs.

Notes for editors

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

Standard Chartered is a leading international banking group. 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. Standard Chartered PLC is listed on the London and Hong Kong stock exchanges as well as the Bombay and National Stock Exchanges in India.

With 1,700 offices in 68 markets, the Group offers exciting and challenging international career opportunities to over 89,000 staff. It is committed to building a sustainable business over the long term and upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity. Standard Chartered's heritage and values are expressed in its brand promise, 'Here for good'.

Standard Chartered has operated in Africa for over 150 years and the region remains a core part of the Bank's Group Strategic Intent. Standard Chartered Bank has over 170 branches in 15 African countries and over 7,000 staff. Standard Chartered Africa is a highly respected, well established "household name", with deep-rooted local knowledge and experience. The Bank also has a unique international footprint which enables it to facilitate the growth of international trade corridors between Africa and the rest of the world. With a world-class suite of products, services, distribution channels and systems, the Bank provides customers with increasingly sophisticated and pioneering banking services – unrivalled in Africa.

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