

press release

Standard Chartered shareholders approve a Rights Issue to raise KShs. 3.2 billion in capital.

Nairobi, May 24, 2012: Standard Chartered Bank shareholders have approved a Rights Issue aimed at raising KShs3.2 billion to support a growing balance sheet and anticipated business growth in the near future.

According to the Bank, the Rights Issue will raise capital to support strategy and ensure that the Bank is in a sound position to meet any impending regulatory changes that may include rises in the capital that banks will be required to hold.

37 million ordinary shares of KShs.5 each will be offered, thereby increasing the authorised share capital of Standard Chartered Bank Kenya Limited from KShs. 1,780 million to KShs.1,905 million.

The Bank's Chairman, Wilfred Kiboro said that the focus for the Bank is to be a dominant player in its chosen market segments in Kenya whilst making significant inroads as a dominant regional bank.

"The Board believes the Rights Issue safeguards the Bank's ability to pursue the attractive opportunities we see for growth, to support our customers and clients while also raising our capital ratios. We believe this approach will create clear long-term value for our shareholders, and underpin the financial strength of the Bank," said Kiboro.

Speaking during the Bank's 26th Annual General Meeting, Chief Executive Officer, and Richard Etemesi said the Right's Issue was an important milestone in the Bank's growth strategy that will give investors the opportunity to invest in the company and continue to reap handsome dividends.

“We are focused on strategic growth, investing at pace in both of our businesses. We are obsessed with the basics of banking: being well capitalized and highly liquid; managing risk proactively; keeping tight control of costs; and staying well diversified. This makes our balance sheet and earnings extraordinarily resilient,” said Etemesi.

The Bank’s shareholders approved a final dividend for the year of KShs.11.00 for every ordinary share of KShs. 5.00. This compares to KShs.13.50 per ordinary share in 2010.

Kiboro said that the Bank has had great opportunity to grow its asset book at a fast pace. To maintain this momentum and to take advantage of the demand for loans and advances the Board found it necessary to reduce the dividend payout.

“The 2011 dividend payout gives us the right balance between bolstering our capital base to enable us pursue growth as well as continue to deliver attractive returns to our investors,” he said.

Changes on the Board:

In May 2011, Harris Mule retired from the Board after seven years of dedicated service as a non-executive director.

To enhance the strength of the Board, Robin Bairstow, previously Head of Origination and Client Coverage for Standard Chartered Bank Zambia, was appointed in January 2012 as the Executive Director, Origination and Client Coverage replacing Segun Odusanya who resigned from the Board in June 2011 to pursue other interests.

Patrick Obath was also appointed to the Board as a non-executive director in January 2012. Patrick brings to the Board vast experience in change management, strategy, financial management and controls, turnarounds, governance and business risk from the oil industry where he served in various positions in Shell Corporation.

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Note to Editors:

Standard Chartered Bank in Kenya

Standard Chartered Bank Kenya Limited was established in 1911 with the first branch opened in Mombasa Treasury Square.

Today, 101 years later, Standard Chartered Bank is one of the leading Banks in Kenya, with an excellent franchise. It has a total of 34 branches spread across the country, 84 automated teller machines (ATMs) and 1,700 employees.

Standard Chartered Bank Kenya Limited has local shareholding of about 25%, comprising about 32,000 shareholders. It has remained a public quoted company on the Nairobi Securities Exchange since 1989.

Our capital, deposit base, and lending portfolio is reported in Kenya Shillings, and we offer a variety of local and foreign currency accounts, both deposit and loan, to our customers. We are also one of the leading lenders to the Kenyan agricultural sector.

Further underpinning its importance, Standard Chartered Bank Kenya Limited hosts the regional Shared Service Centre hub supporting the Bank's technology operations in Uganda, Tanzania, Zambia and Botswana and South Africa on a real time basis.

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 more than 90 per cent of its 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 70 markets, the Group offers exciting and challenging international career opportunities for nearly 87,000 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. Standard Chartered's heritage and values are expressed in its brand promise, 'Here for good'.

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