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press release

South African Airways (SAA) and Standard Chartered announce landmark deal for 10 Airbus A320-200 aircraft to support SAA's regional expansion plans

Johannesburg, South Africa – 24 July 2013: Standard Chartered through its award winning Aviation Finance team, Pembroke, today announced a 12-year sale and leaseback agreement with South Africa's national carrier, South African Airways (SAA), for 10 Airbus A320-200 aircraft.

The aircraft will be delivered over the next two years, with the first two deliveries taking place in July this year (2013).

This is the first aviation finance deal in South Africa by Standard Chartered and is further demonstration of the Bank's commitment to South Africa and its strategy of leveraging its global team and world class innovative financial products to support the international expansion of South African corporates and institutions.

"We are delighted to be able to support SAA in this important transaction and to leverage our investment banking expertise to finance these aircraft, as well as to participate in this new sale and leaseback agreement," said Daniel Hanna, Co-Head of Wholesale Banking, Southern Africa. "This year we celebrate the 150th anniversary of our first business in South Africa and this deal is further testament to our long term commitment to the country and supporting South African clients. We look forward to using our full product suite to support SAA's expansion and transformation."

"We are truly grateful that Standard Chartered has agreed to be the financiers for the first 10 aircraft in our fleet renewal.. The deal will significantly enhance SAA's domestic and regional growth strategy to become the carrier of choice in Africa. The Airbus A320-200 aircraft are central to SAA's plans to provide an efficient and comprehensive regional route network," said SAA CEO, Monwabisi Kalawe.

The airline's newly appointed CEO added that the acquisition of the aircraft fits into SAA's Long Term Turnaround Strategy. *"Our Long Term Turnaround Strategy has identified some big-ticket items responsible for our high operating costs. These include high fuel costs as well as the use of fuel-inefficient aircraft. This deal provides the necessary solution by securing a new generation, fuel-efficient fleet for us," explained Kalawe.*

Kieran Corr, the Chief Executive Officer for Pembroke and Global Head of Aviation Finance for Standard Chartered, said: *“We have long-standing relationships with our clients and meeting their needs is our top priority. We are thrilled to support Africa’s largest carrier, SAA, as it expands its fleet across one of the world’s fastest growing regions. This transaction showcases the capabilities of Standard Chartered to provide tailored solutions to African carriers as they develop their fleets to meet the growing air traffic demand in Africa. This deal should contribute to intra-African trade, which was also an attractive feature of the underlying transaction.”*

Pembroke is wholly owned by Standard Chartered PLC and owns and manages a diverse portfolio of more than 90 aircraft.

This deal builds on the significant investment Standard Chartered has made in South Africa and across the continent. In the last two months, Standard Chartered announced its intention to acquire the South African custody and trustee business of Absa Bank and the opening of two new wholesale banking corporate offices in Cape Town and Durban.

Standard Chartered is the leading international bank across Africa. In 2012, South Africa was among 10 African markets that delivered double-digit income growth, up 28%. Over the past five years, Standard Chartered’s Africa business has delivered average annual growth of 15%. In 2012, the region generated income of USD1,6-billion, up 15%, with the Wholesale bank generating USD1,1-billion, up 16%.

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About SAA

South African Airways (SAA) is the leading carrier in Africa, serving 26 destinations across the continent, as well as major destinations within South Africa and internationally from its Johannesburg hub. It is a member of the largest international airline network, Star Alliance. SAA's core business is the provision of passenger airline and cargo transport services together with related services, which are provided through SAA and its four wholly owned subsidiaries: SAA Technical; Mango its low cost carrier; Air Chefs, the catering entity of SAA and South African Travel Centre (SATC). SAA is the winner of the 'Best Airline in Africa' Award in the regional category for eleven consecutive years. Mango and SAA hold the number one and number two successive spots as South Africa's most on - time airlines.

Website: www.flysaa.com

Twitter: @flysaa

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

Standard Chartered Group: 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 70 markets, the Group offers exciting and challenging international career opportunities for 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'.

In Africa the Bank has operated for over 150 years and currently covers 37 markets on the continent – 15 on a full presence basis, and an additional 22 on a transaction basis following its clients. Given its unique footprint, Standard Chartered is ideally positioned to facilitate and support valuable trade and investment corridors intra-Africa, and between Africa and the rest of the world. In October 2012, Standard Chartered reiterated its commitment to Africa by confirming the Group will be investing another **USD100 million on 110 new branches over the next 3 years**, as well as making substantial hires in both their Wholesale and Consumer Banking businesses – 900 sales staff will be added to Consumer Banking by 2015. The Group aims to maintain the 16% Compounded Average Growth Rate it has delivered over the last 5 years.

In South Africa the Bank dates back to 1862 from its previous shareholding in Standard Bank of British South Africa. Having divested in 1987, the Bank later returned as a representative office before acquiring a banking license in 2003. Today, Standard Chartered South Africa focuses on its successful Wholesale Banking strategy, offering corporates and multinationals support in cross-border capital, investment opportunities, assistance with expansion into new markets and facilitation of strategic partnerships. Standard Chartered South Africa has three operational regional centres: in Johannesburg, Cape Town and Durban. The regional centres offer expertise in: Transaction Banking; Capital Markets; Project & Export Finance (Telecoms & Infrastructure, Mining & Metals); Corporate Advisory & Finance (M&A); Private Equity; Agricultural Finance; Financial Institutions; Origination & Client Coverage; and Global Markets. **For further information please visit www.standardchartered.com. Follow Standard Chartered on www.facebook.com/standardchartered and on Twitter @StanChart.**