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STANDARD CHARTERED PLC

渣打集團有限公司

*(Incorporated as a public limited company in England and Wales with registered number 966425)
(Stock Code: 02888)*

Standard Chartered Reaches Final Settlement with U.S. Authorities

Standard Chartered PLC announces it has reached final settlements with the Office of Foreign Assets Control ("OFAC"), the Federal Reserve Bank of New York, the Department of Justice and the New York County District Attorney's Office regarding historical sanctions compliance and U.S. dollar payment practices primarily between 2001 and 2007.

The settlements are the product of an extensive internal investigation that led the Bank voluntarily to report its findings concerning past sanctions compliance to these U.S. authorities, and nearly three years of intensive cooperation with regulators and prosecutors.

Under the terms of the OFAC Settlement Agreement, the Deferred Prosecution Agreements with the Department of Justice and the District Attorney's Office, and the Cease & Desist Order and Order of Assessment of a Civil Money Penalty with the Federal Reserve, no further action will be taken against Standard Chartered by these authorities if it meets the conditions set out in the agreements.

Among the conditions is payment of a cash amount of \$327 million, which will be paid in the second half of 2012.

The payment is for past violations of sanctions laws and the lack of transparency in connection with certain former payment practices which were terminated in 2007.

OFAC found that "while SCB's omission of information affected approximately 60,000 payments related to Iran totalling \$250 billion, the vast majority of those transactions do not appear to have been violations of the Iranian Transactions Regulations". Over the entire period from 2001 to the end of 2007, it found that approximately \$24 million of transactions processed on behalf of Iranian parties and a total of \$109 million on behalf other sanctioned entities from other countries (Burma, Sudan and Libya) appeared to be in violation of sanctions laws. Over the same period, SCB New York processed \$139 trillion in US dollar payments.

The Bank ceased its Iranian USD payments business in late 2006 and in the following year stopped transacting any new business with Iranian entities, well before such actions were required by U.S. authorities.

In the more than five years since the events giving rise to today's settlements, the Bank has completed a comprehensive review and upgrade of its compliance systems and procedures. Steps taken include strengthening sanctions and customer due-diligence screening systems, the addition of New York-based sanctions-compliance and financial-crime reporting staff, the hiring of an independent consultant to assess its Bank Secrecy Act / anti-money laundering (BSA/AML) programme, and the establishment of robust BSA/AML testing, audit and quality assurances policies and procedures.

By Order of the Board
Annemarie Durbin
Group Company Secretary

Hong Kong, 11 December 2012

As at the date of this announcement, the Board of Directors of Standard Chartered PLC comprises:

Chairman:

Sir John Wilfred Peace

Executive Directors:

Mr Peter Alexander Sands; Mr Stefano Paolo Bertamini; Mr Jaspal Singh Bindra; Mr Richard Henry Meddings; Mr Alun Michael Guest Rees and Mr Viswanathan Shankar

Independent Non-Executive Directors:

Mr Richard Delbridge; Mr James Frederick Trevor Dundas; Mrs Margaret Ewing; Ms Valerie Frances Gooding, CBE; Dr Han Seung-soo, KBE; Mr Simon Jonathan Lowth; Mr Rudolph Harold Peter Markham (Senior Independent Director); Ms Ruth Markland; Mr John Gregor Hugh Paynter; Mr Paul David Skinner; Mr Oliver Henry James Stocken and Dr Lars Henrik Thunell