



**Standard Chartered PLC**

**Standard Chartered Bank**

**Standard Chartered Bank New York Branch**

**2018 US Resolution Plan**

**Section I – Public Section**

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## **A. Introduction**

The US Resolution Plan (“Plan”) of Standard Chartered PLC (“SC PLC”) was developed according to the Resolution Plan Final Rule (“Final Rule”) issued by the Board of Governors of the Federal Reserve System (“FRB”) and the Federal Deposit Insurance Corporation (“FDIC”) pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).

Section 165(d) and the Final Rule specify that any foreign banking organization that has USD 50 billion or more in global total consolidated assets is defined as a Covered Company. The Covered Company is required to submit a Plan to the FRB and FDIC on an annual basis for the rapid and orderly resolution of its US operations in the event of material financial distress or failure.

Standard Chartered PLC, a public limited company incorporated in the United Kingdom, is a bank holding company<sup>1</sup>. The global total consolidated assets of SC PLC and its subsidiaries (“the Group”) exceed USD 50 billion. As a result, the Group is a Covered Company and must file a US Resolution Plan on an annual basis, unless alternate guidance is received from the FRB and FDIC.

## **B. Material Entity**

For the purpose of the Plan, the Group has identified one Material Entity in its US operation – Standard Chartered Bank New York Branch (“SC NY”). SC NY is a New York State licensed branch of Standard Chartered Bank (“SCB”) and the headquarters of SCB’s Americas business. The Branch accepts only wholesale deposits, which are not FDIC insured.

SC NY consists of one business line, which offers Banking Services to Corporate and Institutional Clients. Except as otherwise noted, the information in this section of the Plan relates to SC NY and its Banking business.

## **C. Core Business Line**

For the purpose of the Plan, the Group has one Core Business Line in its US operation. SC NY offers Banking Services to select Financial Institutions and Corporate clients in the Americas who have trade or investment connections with the Group’s core markets in Asia, Africa and the Middle East.

The products offered by SC NY are divided into four categories: Lending, Transaction Banking, Financial Markets and Corporate Finance.

The Lending products include committed and uncommitted, bilateral and syndicated loans in a range of tenors.

The Transaction Banking offering is further divided into:

- Trade Finance – which includes Supply Chain and Distribution Finance, Letter of Credit and Standby Letter of Credit;
- Cash Management – which includes Payments, Liquidity Management and Collections; and

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<sup>1</sup> The Federal Reserve Board of Governors is responsible for regulating and supervising bank holding companies, even if the bank owned by the holding company is under the primary supervision of a different federal agency (OCC or FDIC).

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- Securities Services.

Financial Markets offers products including FX, Rates, Credit, Commodities and Capital Markets.

Corporate Finance includes Project and Export Finance, Structured Finance, Leveraged and Structures Solutions, and Mergers & Acquisitions advisory.

## D. Summary financial information

### D.1. Consolidated Balance Sheet

The following table summarizes the consolidated balance sheet of Standard Chartered PLC and its subsidiaries as at December 31, 2017, presented in accordance with International Financial Reporting Standards (IFRS).

	<b>USD M</b>
<b>Assets</b>	
Cash and balances at central banks	58,864
Financial assets held at fair value through profit or loss	27,564
Derivative financial instruments	47,031
Loans and advances to banks	57,494
Loans and advances to customers	248,707
Reverse repurchase agreements and other similar secured lending	54,275
Investment securities	117,025
Other assets	52,541
<b>Total assets</b>	<b>663,501</b>
<b>Liabilities</b>	
Deposits by banks	30,945
Customer accounts	370,509
Repurchase agreements and other similar secured borrowing	39,783
Financial liabilities held at fair value through profit or loss	16,633
Derivative financial instruments	48,101
Debt securities in issue	46,379
Other liabilities	42,168
Subordinated liabilities and other borrowed funds	17,176
<b>Total liabilities</b>	<b>611,694</b>
<b>Equity</b>	<b>51,807</b>
<b>Total liabilities and shareholders' funds</b>	<b>663,501</b>

The following table summarizes the capital ratios of Standard Chartered PLC and its subsidiaries as at December 31, 2017.

	<b>Ratio</b>
Common equity tier 1 capital %	13.6%
Tier 1 capital %	16.0%
Total capital %	21.0%

## **D.2. Funding sources**

The funding strategy of SC NY is consistent with the wholesale nature of the Group's presence in the US and the Branch endeavours to achieve a diversified funding base by both maturity and source. SC NY's external funding sources are well diversified across Corporates, Central Banks, Commercial Paper and Certificate of Deposit programs, and the interbank market.

## **E. Derivative and Hedging Activities**

### **E.1. Trading Derivatives**

The Group's derivative transactions are principally in instruments where the mark-to-market values are readily determinable by reference to independent prices and valuation quotes applied to market standard valuation models. Derivatives are carried at fair value and shown in the balance sheet as separate totals of assets and liabilities.

### **E.2. Risk Hedging Derivatives**

When managing its balance sheet risk exposures, the Group primarily uses futures, forwards, swaps and options transactions to mitigate the interest and foreign exchange risks.

## **F. Memberships in Material Payment, Clearing and Settlement Systems**

As part of conducting Banking business in the US, SC NY relies on the memberships held by the Group at the following payment, clearing and settlement systems:

<b>System name</b>	<b>System type</b>	<b>Entity holding the membership</b>
Clearing House Interbank Payments System (CHIPS)	Payment	SCB
Fedwire Funds Service System	Payment	SCB

## **G. Non-US Operations**

The Group is an international bank, with over 1,000 branches, offices and outlets in 63 markets worldwide, including some of the world's most dynamic. The aspiration of the Group is to be the world's best international bank, serving individuals and companies by driving commerce and prosperity through our unique diversity. The Group has been operating in some of its markets for over 150 years, with more than 80% of the Group's total income and profits derived from Asia, Africa and the Middle East. The Group is listed on the London, Hong Kong and Mumbai stock exchanges. The market capitalization of the Group as at December 31, 2017 was approximately USD 32 billion. The credit ratings of SCB as at December 31, 2017 are BBB+/A2/A+ by Standard & Poor's, Moody's and Fitch, respectively.

## **H. Material Supervisory Authorities**

SC NY is licensed by and subject to supervision by the New York State Department of Financial Services ("NYDFS"). SC NY is also subject to examination by and reporting to the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York. Deposits placed with SC NY are not insured by the FDIC.

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The lead regulators of the Group are the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in the UK.

## I. Board of Directors

The following table lists the Board of Directors of Standard Chartered PLC as at December 2017.

Name	Year appointed to	Current title
<b><i>Executive Directors</i></b>		
Bill Winters	2015	Group Chief Executive
Andy Halford	2014	Group Chief Financial Officer
<b><i>Non-Executive Directors</i></b>		
Jose Vinals	2016	Group Chairman
Naguib Kheraj	2014	Deputy Chairman
David Conner	2016	Independent Non-Executive Director
Christine Hodgson	2013	Senior Independent Director
Jasmine Whitbread	2015	Independent Non-Executive Director
Gay Huey Evans	2015	Independent Non-Executive Director
Om Bhatt	2013	Independent Non-Executive Director
Dr. Louis Cheung	2013	Independent Non-Executive Director
Dr. Byron Grote	2014	Independent Non-Executive Director
Dr. Han Seung-soo	2010	Independent Non-Executive Director
Dr. Ngozi Okonjo-Iweala	2017	Independent Non-Executive Director
<b><i>Group Company Secretary</i></b>		
Liz Lloyd	2016	Group Company Secretary

## J. Resolution Planning Corporate Governance Structure

The Group supports the aims of the Financial Stability Board (“FSB”) and those of the national regulators including the FRB and FDIC to ensure banking groups are resolvable. Hence, the Group is fully committed to the resolution planning process.

Group Chief Financial Officer is responsible for the oversight of Group resolution planning activities. The day-to-day oversight of resolution planning is delegated to the Treasurer. Treasury is responsible for the delivery of any Group resolution information requests and submissions, as well as ensuring that each resolution plan of the Group, including the US Resolution Plan, maintains consistency with the overall Group resolution strategies.

In preparation of the US Resolution Plan, a local Resolution Project Steering Group has been established. This committee is responsible for overseeing the ongoing activities required to produce and maintain the US Resolution Plan. The committee consists of key management personnel of SC NY and senior managers from Treasury. The Chief Executive Officer, Americas is the Executive Sponsor of the US Resolution Plan.

The Board of Standard Chartered PLC delegated the approval authority of the US Resolution Plan to the Group Chief Financial Officer and Regional Chief Executive Officer, Europe and Americas, who jointly approved the 2018 plan submission and will approve all future plans. Prior to final approval by the board delegates, the US Resolution Plan was approved by the US Resolution Project Steering Group and SC NY Asset and Liability Committee.

## **K. Material Management Information Systems**

The management information systems and operational systems of the Group tend to be global. SC NY utilizes the Group's management information systems for risk management, accounting, financial and regulatory reporting and the operational systems for its day to day operations. The systems include both internally developed systems as well as vendor systems.

A business continuity plan is in place for effective business continuity and disaster recovery planning.

## **L. Resolution Strategy Summary**

The preferred resolution strategy for the Group (including the US Material Entity and Core Business Line), under the applicable legal regimes, is to apply a bail-in at the holding company. In the event losses at a Group entity are so severe they threaten the viability of the Group, we anticipate the Bank of England, as home resolution authority, to exercise its resolution powers under the UK Banking Act 2009, as amended, to apply UK bail-in powers at the holding company level (SC PLC). The US resolution strategy, in support of the Group resolution strategy, ensures that US operations resolve in an orderly manner and that SC NY remains outside local resolution proceedings. It is assumed that SC NY would be subject to heightened supervision by NYDFS while it continues to operate throughout the resolution.

SC NY does not accept any deposits that are insured by the FDIC, and the Group believes that SC NY could be resolved in a manner that does not result in any serious adverse effects on financial stability in the US. SC NY's customers would be able to transition their business currently conducted with SC NY to other banks.