



**Standard Chartered PLC**

**Standard Chartered Bank**

**Standard Chartered Bank New York Branch**

**2014 US Resolution Plan**

**Section I – Public Section**

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## **A. Introduction**

The US Resolution Plan (“Plan”) of Standard Chartered 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 50b 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 (“Group”), a public limited company incorporated in the United Kingdom, is a bank holding company. The global total consolidated assets of the Group exceed USD 50b. As a result, the Group is a Covered Company and must file a US Resolution Plan on an annual basis.

## **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 (“SCB NY”, “Branch”). SCB 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 insured by the FDIC.

SCB 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 SCB NY and its Banking business.

## **C. Core Business Line**

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

The products offered by SCB 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
- Securities Services.

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

Corporate Finance products include Export Finance, Project Finance, Structured Trade Finance and Structured Finance.

## D. Summary financial information

### D.1. Balance Sheet

The following table summarizes the consolidated balance sheet of Standard Chartered PLC as at December 31, 2013, presented in accordance with International Financial Reporting Standards (IFRS).

	<b>USD m</b>
<b>Assets</b>	
Cash and balances at central banks	54,534
Financial assets held at fair value through profit or loss	29,335
Derivative financial instruments	61,802
Loans and advances to banks	83,702
Loans and advances to customers	290,708
Investment securities	102,716
Other assets	51,583
<b>Total assets</b>	<b>674,380</b>
<b>Liabilities</b>	
Deposits by banks	43,517
Customer accounts	381,066
Financial liabilities held at fair value through profit or loss	23,030
Derivative financial instruments	61,236
Debt securities in issue	64,589
Other liabilities	33,704
Subordinated liabilities and other borrowed funds	20,397
<b>Total liabilities</b>	<b>627,539</b>
<b>Equity</b>	<b>46,841</b>
<b>Total liabilities and shareholders' funds</b>	<b>674,380</b>

The following table summarized the capital ratios of Standard Chartered PLC as of December 31, 2013.

	<b>Ratio</b>
Core tier 1 ratio	11.8%
Tier 1 ratio	13.1%
Total capital ratio	18.0%

### D.2. Funding sources

The funding strategy of SCB NY is consistent with the wholesale nature of SCB's presence in the US and the Branch endeavours to achieve a diversified funding base by both maturity and source. SCB 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 its Business Banking business in the US, SCB NY relies on the memberships held by SCB 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 1,700 branches, offices and outlets in around 70 countries across the globe. The aspiration of the Group is to be the world's best international bank, banking the people and companies driving investment, trade and creation of wealth across Asia, Africa and the Middle East. The Group has been operating in some of its markets for over 150 years, with approximately 88% of the Group's total income coming from the above regions. The Group is listed on the London, Hong Kong and Mumbai stock exchanges. The market capitalization of the Group as of December 31, 2013 was approximately USD 54.6b. The credit ratings of SCB as of December 31, 2013 are AA-/A1/AA- by Standard & Poor's, Moody's and Fitch respectively.

## **H. Material Supervisory Authorities**

SCB NY is licensed by and subject to supervision by the New York State Department of Financial Services. SCB 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 SCB NY are not insured by the FDIC.

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

## **I. Principal Officers**

The following table lists the Board of Directors of Standard Chartered PLC.

Name	Year appointed to the Board	Current title
<b>Executive Directors</b>		
Peter Sands	2002	Group Chief Executive
Andy Halford*	2014	Group Finance Director
Jaspal Bindra	2010	Group Executive Director & Chief Executive Officer, Asia
Mike Rees	2009	Deputy Group Chief Executive
V. Shankar	2012	Group Executive Director & Chief Executive Officer, Europe, Middle East, Africa and Americas
<b>Non-Executive Directors</b>		
John Peace	2007	Chairman
Han Seung-soo	2010	Non-Executive Director
Simon Lowth	2010	Non-Executive Director
Ruth Markland	2003	Senior Independent Non-Executive Director
John Paynter	2008	Non-Executive Director
Paul Skinner	2003	Non-Executive Director
Lars Thunell	2012	Non-Executive Director
Oliver Stocken	2004	Non-Executive Director
Kurt Campbell	2013	Non-Executive Director
Louis Cheung	2013	Non-Executive Director
Om Bhatt	2013	Non-Executive Director
Christine Hodgson	2013	Non-Executive Director
Naguib Kheraj *	2014	Non-Executive Director
Byron Grote *	2014	Non-Executive Director
<b>Group Company Secretary</b>		
Annemarie Durbin	2007	Group Company Secretary

\*Directors appointed to the Board subsequent to end of year December 31, 2013.

Note: The following directors stepped down from the Board subsequent to end of year December 31, 2013: Richard Meddings, former Group Finance Director; Steve Bertamini, former CEO Consumer Banking; Rudy Markham, former non-Executive Director; Jamie Dundas, former non-Executive Director; and Margaret Ewing, former non-Executive Director.

## J. Resolution Planning Corporate Governance Structure

The Group supports the aims of the Financial Stability Board 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. To reflect this support, the Group has established a global Group Resolution Plan Project. The Group Finance Director is the Executive Sponsor of the Group Resolution Plan Project. A Group Resolution Project Steering Group has been established to oversee the Group's overall resolution planning activities. This committee is also responsible for ensuring that each resolution plan of the Group, including the US Resolution Plan, both satisfies the relevant jurisdictional regulatory requirements and 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

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maintain the US Resolution Plan. The Chief Executive Officer, Americas is the Executive Sponsor of the US Resolution Plan Project. This committee consists of key management personnel of SCB in the US and senior managers from the Group Resolution Project team.

Two Group Executive Directors, as delegated by the Board of Standard Chartered PLC, jointly approved the US Resolution Plan. Prior to the approval, the US Resolution Plan was signed off by the US Resolution Project Steering Group, SCB NY Asset and Liability Committee, Group Resolution Project Steering Group and Group Asset and Liability Committee.

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

The management information systems and operational systems of the Group tend to be global. SCB 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 Plan is required to include strategies for the rapid and orderly resolution of the Group's US Material Entity and Core Business Line under the applicable legal regimes in the event of material financial distress or failure. In the event of its failure, SCB NY would be resolved pursuant to the New York Banking Law by the Superintendent of the New York State Department of Financial Services. The Superintendent would take possession of SCB's business and property in New York State and would have the authority to liquidate or otherwise deal with such business and property. SCB NY does not accept any deposits that are insured by the FDIC, and the Group believes that SCB NY could be resolved in a manner that does not result in any serious adverse effects on financial stability in the US. SCB NY's customers would be able to transition their business currently conducted with SCB NY to other banks.