



**Standard Chartered PLC**

**Standard Chartered Bank**

**Standard Chartered Bank New York Branch**

**2013 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 50bn 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 50bn. 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,” “Bank”) 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 is Wholesale Banking. Except as otherwise noted, the information in this section of the Plan relates to SCB NY and its Wholesale Banking business line.

## **C. Core Business Line**

For the purpose of the Plan, the Group has identified one Core Business Line in its US operation – Wholesale Banking. The Wholesale Banking business of SCB NY is focused on serving 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 three categories: Lending, Transaction Banking and Global Markets.

The Lending products offered by SCB NY 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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The Global Markets business is divided into Financial Markets (products include FX, Rates and Capital Markets) and 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, 2012, presented in accordance with International Financial Reporting Standards (IFRS).

	<b>USD m</b>
<b>Assets</b>	
<i>Advances and investments</i>	
Cash and balances at central banks	61,043
Loans and advances to banks	68,381
Loans and advances to customers	283,885
Investment securities held at amortised cost	3,851
	<hr/> 417,160
<i>Assets held at fair value</i>	
Investment securities held available-for-sale	95,562
Financial assets held at fair value through profit or loss	27,084
Derivative financial instruments	49,496
	<hr/> 172,142
Other assets	47,216
<b>Total assets</b>	<b>636,518</b>
<b>Liabilities</b>	
<i>Deposits and debt securities in issue</i>	
Deposits by banks	36,477
Customer accounts	377,639
Debt securities in issue	55,979
	<hr/> 470,095
<i>Liabilities held at fair value</i>	
Financial liabilities held at fair value through profit or loss	23,064
Derivative financial instruments	47,192
	<hr/> 70,256
Subordinated liabilities and other borrowed funds	18,799
Other liabilities	31,313
<b>Total liabilities</b>	<b>590,463</b>
<b>Equity</b>	<b>46,055</b>
<b>Total liabilities and shareholders' funds</b>	<b>636,518</b>

The following table summarized the capital ratios of Standard Chartered PLC as of December 31, 2012.

	<b>Ratio</b>
Core tier 1 ratio	11.7%
Tier 1 ratio	13.4%
Total capital ratio	17.4%

## 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 Wholesale Banking business in the US, SCB NY relies on the memberships held by SCB at the following payment, clearing and settlement systems:

System name	System type	Entity holding the membership
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 68 countries across the globe. The aspiration of the Group is to be the world's best international bank, leading the way in Asia, Africa and the Middle East. The Group has been operating in some of its markets for over 150 years, with approximately 90% 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 October 2, 2013 was approximately USD 56bn. The current credit ratings of SCB 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 and SCB NY are 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.

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The Group is subject to regulation by the Prudential Regulation Authority and Bank of England in the UK.

## I. Principal Officers

The following table lists the Board of Directors of Standard Chartered PLC as at December 31, 2012.

Name	Year appointed to the Board	Current title
<b>Executive Directors</b>		
John Peace	2009	Chairman
Peter Sands	2002	Group Chief Executive
Richard Meddings	2002	Group Finance Director
Steve Bertamini	2008	Group Executive Director, CEO Consumer Banking
Jaspal Bindra	2010	Group Executive Director
Mike Rees	2009	Group Executive Director, CEO Wholesale Banking
V. Shankar	2012	Group Executive Director
<b>Non-Executive Directors*</b>		
Rudy Markham	2001	Senior Independent Non-Executive Director
Richard Delbridge	2010	Non-Executive Director
Jamie Dundas	2004	Non-Executive Director
Margaret Ewing	2012	Non-Executive Director
Han Seung-soo	2010	Non-Executive Director
Val Gooding	2005	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
<b>Group Company Secretary</b>		
Annemarie Durbin	2007	Group Company Secretary

\* Please note that a number of changes have occurred to the Non-Executive Directors during 2013 and this table represents the Board of Directors as at December 31, 2012.

## 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 Recovery and Resolution Planning Project ("Group RRP Project"). The Group Finance Director is the Executive Sponsor of the Group RRP Project. A Group Recovery and Resolution Planning Project Steering Group has been set up to oversee the Group's overall recovery and resolution planning activities. This committee is also responsible for ensuring that each recovery and resolution plan of the

Group, including the US Resolution Plan, both satisfies the relevant jurisdictional regulatory requirements and maintains consistency with the overall Group recovery and resolution strategies.

In preparation of its US Resolution Plan, the Group established a Recovery and Resolution Planning Project Steering Committee in the US. This committee is responsible for overseeing the ongoing activities required to produce and maintain the US Resolution Plan. The Chief Executive Officer, Americas is the Executive Sponsor of the US Recovery and Resolution Planning Project and the Chief Financial Officer, Americas is the Accountable Executive. This committee consists of key management personnel of the Bank in the US and senior managers from the Group recovery and resolution planning 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 Recovery and Resolution Planning Project Steering Committee, SCB NY Asset and Liability Committee, Group Recovery and Resolution Planning Project Steering Group and Group Asset and Liability Committee. In addition, the Board Risk Committee of the Group reviewed certain aspects of the Plan with regards to the methodology and approach used in the creation of the Plan and consistency with the principles of the Group's Risk Appetite policy.

## **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 Standard Chartered Bank'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.