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**Standard
Chartered** 
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)*

30 November 2016

Standard Chartered PLC statement on the Bank of England 2016 stress test results

Standard Chartered PLC (the "Group") along with certain other UK based financial institutions has been subject to the 2016 stress test (the "Stress Test") conducted by the Bank of England ("BoE"). The Stress Test is designed to assess the capital adequacy of the UK banking system based on the banks' balance sheets as at 31 December 2015.

The scenario for the Stress Test was severe for the Group's business operations as it includes a synchronised global downturn with particularly severe impact on Asia, as well as a generalised downturn in emerging market economies. This scenario was applied to the Group's balance sheet as at 31 December 2015 and compared the theoretical Common Equity Tier 1 capital ("CET1 Capital") ratio and Tier 1 leverage ("Leverage") ratio low point positions of the Group before and after the impact of strategic management actions.

Stress Test results

The results of the Stress Test announced by the BoE this morning showed that the Group met both the CET1 Capital ratio and the Leverage ratio requirements after the impact of strategic management actions.

The Stress Test resulted in a hypothetical low point CET1 Capital ratio for the Group of 7.2 per cent after the impact of all strategic management actions and conversion of Additional Tier 1 ("AT1") capital compared to the CET1 Capital ratio hurdle rate of 6.1 per cent.

The Group had a hypothetical low point Leverage ratio of 4.3 per cent in the Stress Test scenario after the impact of all strategic management actions compared to the Leverage ratio hurdle rate of 3.0 per cent.

The Prudential Regulation Authority Board concluded that the Group did not meet its Tier 1 risk-weighted capital requirement including Pillar 2A but determined that in light of the steps the Group has subsequently taken to strengthen its capital position it does not require it to submit a revised capital plan.

Since 31 December 2015 these actions include:

- The Group's CET1 Capital ratio has improved 40bps to 13.0 per cent as at 30 September 2016, at the top of its 12-13 per cent target range
- The Group issued \$2 billion AT1 capital in August 2016 that, together with the increase in CET1 Capital in the period, resulted in its Tier 1 capital ratio improving around 90bps to 15.0 per cent at the end of the third quarter
- Progress reducing the Group's liquidation portfolio and other restructuring actions are expected to add around 50bps to its CET1 Capital and Tier 1 capital ratios in the fourth quarter of 2016

The Group has a strong and liquid balance sheet and the results of the Stress Test demonstrate its resilience to a severe global stress scenario.

Additional information

	Actual (end 2015)	Minimum stressed ratio before the impact of strategic management actions or AT1 conversion	Minimum stressed ratio after the impact of strategic management actions and conversion of AT1	Hurdle rate	Systemic reference point	Actual (2016 Q3)
CET1 Capital ratio (%)	12.6	5.5	7.2	6.1	6.6	13.0
Tier 1 capital ratio (%)	14.1	6.3	7.7			15.0
Total capital ratio (%)	19.5	9.4	11.0			20.5
Memo: risk-weighted assets (\$bn)	303	390	371			292
Memo: CET1 (\$bn)	38	21	27			38
Tier 1 leverage ratio (%)	5.5	4.0	4.3	3.0	3.1	5.6
Memo: leverage exposure (\$bn)	729	607	591			745

1. Further information on the Group's financial performance will be available on 24 February 2017 when its 2016 annual results are published. The Group's 2015 annual results are at <https://www.sc.com/annual-report/2015/>
2. The Stress Test scenario incorporated a synchronised global downturn in output growth, which included particularly adverse effects on growth in China and Hong Kong. Details of the BoE's approach to the Stress Test and the detailed results in relation to all participating banks are available from the BoE website: <http://www.bankofengland.co.uk/financialstability/Pages/fpc/stresstest.aspx>
3. The stress scenarios incorporated in the Stress Test are not forecasts. Rather, they are 'tail-risk' scenarios designed to be severe and broad enough to assess the resilience of UK banks to adverse shocks
4. The projections of the Group's financial performance under the hypothetical stress scenario included in this announcement are based on the methodology and calculations of the BoE. These do not represent the Group's projections, or base capital plan assumptions

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Note to Editors

Standard Chartered

We are a leading international banking group, with around 84,000 employees and a 150-year history in some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

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

Chairman:

Sir John Wilfred Peace (stepping down on 1 December 2016)

Executive Directors:

William Thomas Winters and Andrew Nigel Halford

Independent Non-Executive Directors:

Om Prakash Bhatt; Dr Kurt Michael Campbell; Dr Louis Chi-Yan Cheung; David Philbrick Conner; Dr Byron Elmer Grote; Dr Han Seung-soo, KBE; Christine Mary Hodgson; Gay Huey Evans, OBE; Naguib Kheraj (Senior Independent Director); José María Viñals Iñiguez (succeeding as Chairman on 1 December 2016) and Jasmine Mary Whitbread