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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 PLC announces results of Prudential Regulation Authority stress test**

Standard Chartered PLC, together with its subsidiaries, (the "Group") along with other UK based financial institutions has been subject to the 2015 stress test conducted by the Prudential Regulation Authority ("PRA"). The test is designed to assess the capital adequacy of the UK banking system based on the banks' balance sheets as at 31 December 2014. The results of the stress test were announced earlier today.

The PRA did not require the Group to submit a revised capital plan.

The test applied a hypothetical stress scenario to the Group's balance sheet as at 31 December 2014 and compared the theoretical Common Equity Tier 1 capital ("CET1 Capital") ratio and Tier 1 Leverage Ratio positions of the Group before and after the impact of strategic management actions.

One of the key areas of focus in the 2015 scenario was stresses arising from an economic slowdown in Asia. Details of the PRA's approach to the stress test and the detailed results in relation to all participating banks are available from the PRA website (<http://www.bankofengland.co.uk/pr/Pages/default.aspx>).

#### **Result of stress test**

The Group met both the CET1 Capital ratio and the Tier 1 Leverage Ratio requirements after the impact of strategic management actions.

The results of the stress test showed that the Group had a CET1 Capital ratio of 5.1 per cent. before the impact of strategic management actions, and 5.4 per cent. after the impact of strategic management actions, compared with the threshold CET1 Capital ratio of 4.5 per cent.

The results of the stress test also showed that the Group had a Tier 1 Leverage Ratio of 2.8 per cent. before the impact of strategic management actions, and 3.0 per cent. after the impact of strategic management actions, compared with the 3 per cent. minimum Tier 1 Leverage Ratio requirement.

Standard Chartered believes that the results demonstrate the Group's resilience to a marked slowdown across the key markets in which it operates.

The PRA judged that in the hypothetical stress scenario the Group's Tier 1 Capital Ratio after strategic management actions reduced to 5.9 per cent. which was below the Tier 1 minimum capital requirement of 6 per cent. This assessment did not include the AT1 capital issued by the Group in April 2015.

A number of actions taken since 31 December 2014 have strengthened the Group's capital and leverage position:

- The Group reported an increase in its CET1 Capital ratio from 10.7 per cent. at the start of 2015 to 11.5 per cent. as at 30 June 2015<sup>1</sup>
- The Group issued US\$2 billion of AT1 securities in April 2015 and reported an increase in its Tier 1 Leverage Ratio from 4.5 per cent. at the start of 2015 to 5.0 per cent. as at 30 June 2015<sup>2</sup>
- The Group announced a fully underwritten 2 for 7 rights issue in November expected to raise GB£3.3 billion (net of expenses), or approximately US\$5.1 billion<sup>3</sup>

In addition, the Rights Issue (as at 30 June 2015) would have on a pro forma basis increased the Group's CET1 Capital ratio to approximately 13.1 per cent., Tier 1 Leverage Ratio to approximately 5.6 per cent. and Tier 1 Capital Ratio to approximately 14.5 per cent.

The Group is operating with capital levels above current minimum regulatory requirements and has a number of additional levers at its disposal to further manage capital.

Group Chief Executive, Bill Winters commented: 'We are pleased to have met the PRA stress test thresholds through a significant and prolonged stress scenario. The results of the test demonstrate our resilience to a marked slowdown across the key markets in which we operate. The test was conducted on our balance sheet as at the end of 2014. Since then we have made further significant progress in strengthening our capital position. We are operating at capital levels above current minimum regulatory requirements and have a number of additional levers at our disposal to further manage capital.'

#### **Further details**

Further information on the Group's financial performance will be available on 23 February 2016 when we issue our 2015 full year results.

*Notes:*

<sup>1</sup>As at 30 September 2015, the Group's CET1 Capital ratio was 11.4 per cent.

<sup>2</sup>As at 30 September 2015, the Group's Tier 1 Leverage Ratio was 4.8 per cent.

<sup>3</sup>Based on GB£1:US\$1.5429 being the exchange rate as at 2 November 2015.

#### **For further information, please contact:**

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By Order of the Board  
**Annemarie Durbin**  
 Group Company Secretary

Hong Kong, 1 December 2015

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

*Chairman:*  
 Sir John Wilfred Peace

*Executive Directors:*  
 Mr William Thomas Winters; Mr Andrew Nigel Halford and Mr Alun Michael Guest Rees

*Independent Non-Executive Directors:*  
 Mr Om Prakash Bhatt; Dr Kurt Michael Campbell; Dr Louis Chi-Yan Cheung; Dr Byron Elmer Grote; Dr Han Seung-soo, KBE; Mrs Christine Mary Hodgson; Ms Gay Huey Evans; Mr Naguib Kheraj (Senior Independent Director); Mr Simon Jonathan Lowth; Ms Ruth Markland; Mr Paul David Skinner, CBE; Dr Lars Henrik Thunell and Ms Jasmine Whitbread