



## Standard Chartered PLC

*(Incorporated as a public limited company in England and Wales with registered number 966425)*

## Standard Chartered Bank

*(Incorporated with limited liability in England by Royal Charter with reference number ZC18)*

## U.S.\$77,500,000,000 Debt Issuance Programme

This supplement (the “**Supplementary Prospectus**”, which definition shall include all information incorporated by reference herein) to the base prospectus dated 17 June 2020 (the “**Base Prospectus**”, which definition includes the base prospectus and all information incorporated by reference therein) as supplemented by the supplementary prospectuses dated 6 August 2020 and 30 October 2020, constitutes a supplementary prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 and any regulatory or implementing technical standards and other delegated or implementing acts adopted under that Regulation, in each case to the extent that they form part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as may be amended from time to time, including, without limitation, by virtue of the European Union (Withdrawal Agreement) Act 2020) (the “**UK Prospectus Regulation**”), and is prepared in connection with the U.S.\$77,500,000,000 Debt Issuance Programme (the “**Programme**”) established by Standard Chartered PLC (“**SCPLC**”) and Standard Chartered Bank (“**SCB**”) (each of SCPLC and SCB in such capacity an “**Issuer**” and together the “**Issuers**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplementary Prospectus.

This Supplementary Prospectus is supplemental to, updates, must be read in conjunction with, and forms part of, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuers from time to time.

This Supplementary Prospectus has been approved by the FCA, as the United Kingdom competent authority under the UK Prospectus Regulation, as a supplement to the Base Prospectus in compliance with the UK Prospectus Regulation.

The Issuers accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Issuers, the information contained in this Supplementary Prospectus is in accordance with the facts and makes no omission likely to affect its import.

### 1. Purpose of this Supplementary Prospectus

The purpose of this Supplementary Prospectus is to:

- (a) update the Base Prospectus to reflect recent developments affecting the Issuers;
- (b) update the statement in the Base Prospectus regarding the governmental, legal or arbitration proceedings to which the Group is subject; and
- (c) update certain details relating to the Directors of SCPLC.

### 2. Recent Developments

The matters described below supplement and/or update, and should be read in conjunction with, the Base Prospectus (as supplemented from time to time) including, amongst other things, the risk factors set out under the heading “*Risk Factors*” of the Base Prospectus.

#### 2.1 COVID-19

The COVID-19 pandemic, its economic fallout and increased cyber threats have impacted companies globally, resulting in significant pressure on the financial health and security of suppliers, vendors and other third parties that the Group relies upon. COVID-19 continues to impact a number of the Group’s activities and to present new and evolving risks, including to the business, results of operations and financial condition of the Issuers, market risks, model risks, cyber-security risks and financial crime risks.

The further economic impact of the COVID-19 pandemic will depend on the continuing development of the virus, the responses of the authorities and the global community and the efficacy with which vaccines are developed, approved, produced, distributed and administered, and the extent to which administered vaccines are able to reduce the spread and impact of the virus. Although recently announced vaccine developments offer the possibility of reducing the duration and easing the scale and healthcare impact of the COVID-19 pandemic, the degree to which the COVID-19 pandemic

continues to impact the Group's results will depend on future developments, which, as at the date of this Supplementary Prospectus, remain highly uncertain and cannot be predicted.

COVID-19 has exacerbated already deteriorating market conditions causing liquidity and potentially solvency issues for a number of the world's poorest countries. The combination of economic downturns, increased unemployment, capital flight, commodity price collapses, political instability resulting from the social consequences of COVID-19, and increased debt obligations for extending financial support may make it difficult for some countries to refinance their debts. The G20 Debt Service Suspension Initiative (the "DSSI") for the world's poorest nations could impact market access and medium-term lending to some sovereigns. The recent Common Framework for Debt Treatments beyond the DSSI reiterated the need for private sector creditors to participate.

Long term low or negative interest rates, in addition to the response to the economic impact as a result of COVID-19, means that developed market central banks have seen record balance sheet expansion. There is a risk this may result in asset bubbles and/or inflation in the longer term. Refinance risk may also become an increasing concern.

Credit impairment rose significantly in 2020 compared to 2019, primarily due to the deterioration in macroeconomic forecasts reflecting the impact of COVID-19 and three separate Corporate & Institutional Banking client exposures that were highlighted in Q1 2020. Although credit impairment costs are currently expected to be lower in the second half of 2020 than in the first half, such impairment costs are still expected to be significant in the second half of 2020, and future developments in the abovementioned macroeconomic conditions, including developments relating to the COVID-19 pandemic, may adversely affect the Group's credit impairment costs in the second half of 2020 or in future periods.

The onset of COVID-19 has resulted in extreme movements in macro-economic variables which are inputs of IFRS9 models, some of which are outside of the boundary conditions of expected model performance. As a result, a number of models have required the application of post model adjustments. Further information on post model adjustments for IFRS models can be found on page 80 of the HY 2020 Results.

COVID-19 has also given rise to several government support programmes which were not factored into existing models, for example the Singapore government's conditional guarantee to support the financing requirements of local enterprises and the Indian government's relief programmes for mortgages. As a result, several modifications to the input data of Singapore Wholesale Credit Internal Ratings Based ("IRB") and India Retail Credit Mortgage IRB models have also been made with the aim of appropriately reflecting these developments.

During the ongoing COVID-19 pandemic, many governments in countries where the Group operates have imposed a full or partial lockdown, meaning that a large percentage of employees are required to work remotely for prolonged periods. This remote working arrangement provides new challenges in the management of information and cyber security ("ICS") risk as the Group has moved to large-scale adoption of technology to enable work from home arrangements whilst malicious actors are maturing their capability by adapting to varying trends and new technologies to personalise attacks on organisations, for example, through ransomware. Greater difficulty associated with monitoring staff working remotely potentially exacerbates this risk.

The Group continues to monitor new and emerging financial crime risks and has established a working group to specifically focus on the impact of COVID-19. The working group focuses on recognising new trends with regards to risk indicators and sharing insights with clients and peer institutions. These risk indicators could be specific such as keywords in payment details and account activity consistent with COVID-19 frauds and scams, or generic indicators of unusual account activity not linked with COVID-19. While the Group and its financial crime compliance controls continue to adapt to incorporate new risk indicators, there is no guarantee that such adaptations will be effective in addressing all financial crime risks (including those related to COVID-19).

*See further the sections of the Base Prospectus entitled "Risk Factors – 1. Risks relating to the Group and its business operations", "Risk Factors – 2. Credit and traded risk", "Risk Factors – 5. Operational, reputational, compliance (including legal) and conduct risks" and "Risk Factors – 6. Information and cyber security risk, financial crime risk and model risk".*

## **2.2 The UK's Exit from the EU**

In relation to the UK's exit from the EU on 31 January 2020 ("**Brexit**"), the UK and the EU Commission announced on 24 December 2020 that they had reached agreement on a draft EU-UK Trade and Cooperation Agreement ("**TCA**"). The TCA covers a number of topics, including trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in EU programmes. However, the TCA does not cover financial services (other than through a general undertaking to ensure the implementation and application of internationally agreed standards in the financial services sector for regulation and supervision), leaving decisions of "equivalence" and "adequacy" to be determined by each side unilaterally in due course. The UK Parliament ratified the UK's entry into, and implementation of, the TCA on 30 December 2020 pursuant to the EU (Future Relationship) Act 2020. Although the text of the TCA has been agreed by the European Commission, it remains subject to final approvals

from the Council of the European Union and the European Parliament. To provide time for these approvals to be obtained, the TCA will apply on a provisional basis until 28 February 2021. Uncertainty regarding the final terms and permanent application of the TCA will remain until it has been ratified in the EU. More broadly, the impact of Brexit on the economic outlook of the Eurozone and the UK, and associated global implications, remain uncertain notwithstanding agreement of the TCA. This is particularly the case in relation to the financial services sector, where the extent of EU market access granted to UK financial services companies remains subject to further discussion and will rely heavily on EU determinations of equivalence in relation to the UK's regulatory regime (which cannot be assured, particularly where UK regulatory standards diverge from those of the EU).

*See further the sections of the Base Prospectus entitled "Risk Factors – 1.3 The group is exposed to geopolitical risks" and "Risk Factors – 5.5 The Group is exposed to the risks of operating in a highly regulated industry and changes to banking and financial services laws and regulations".*

### **2.3 Ongoing tensions between the U.S. and China and related impacts on Hong Kong**

Asia, led by China, remains the main driver of global economic activity levels. In particular, Greater China, North Asia and South East Asian economies remain key strategic regions for the Group. While China is currently on target to be the first large market to rebound from the COVID-19 slowdown and is currently on track for recovery, the timing and level of any recovery remains subject to significant uncertainty.

Tensions between the U.S. and China, driven by trade imbalance and geopolitical tensions, continue to rise. The situation is rapidly changing and remains fragile, particularly given the backdrop of actions taken by the U.S. and China in relation to trade tariffs imposed on respective imports since 2018, the politics evolving around the COVID-19 pandemic, and China's protest over the U.S. Senate's passing of the Hong Kong Human Rights and Democracy Act. In addition, on 14 July 2020 the U.S. President signed into law the Hong Kong Autonomy Act ("**HKAA**") and issued an Executive Order, providing authority to impose primary sanctions against non-U.S. entities and individuals determined to have undermined Hong Kong's autonomy. The HKAA also provides authority to impose secondary sanctions against non-U.S. financial institutions determined to have knowingly conducted a significant transaction for any individual or entity subject to primary sanctions under the HKAA. On 12 November 2020, President Trump issued an executive order prohibiting U.S. persons from "transacting" in publicly traded securities of "Communist Chinese military companies" ("**CCMCs**"). The new restrictions initially targeted 31 companies that had been identified by the U.S. Department of Defense as CCMCs. On 3 December 2020, the U.S. Department of Defense released the names of four further companies identified by it as CCMCs. Extended U.S.-China tensions could destabilise the world economy. There have been isolated cases where the Group's management team decided to terminate sensitive client relationships, but such circumstances remain rare.

Hong Kong remains the largest profit contributor to the Group. The combined effect of various factors, including uncertainty over U.S.-China relations and the COVID-19 pandemic, has led to a notable slowdown in Hong Kong's economy, which shrank by 9.1 per cent., 9.0 per cent. and 3.5 per cent. in Q1, Q2 and Q3 2020 year-on-year respectively. In addition, China's move to impose national security laws in Hong Kong resulted in the U.S. announcing its withdrawal of privileges granted to Hong Kong under the U.S.-Hong Kong Policy Act of 1992.

Hong Kong's standing as an international financial centre could be at risk if there is a resulting loss in confidence in the convertibility of HK\$ and the freedom of capital movement. U.S. tariffs on China and restrictions on technology transfer and investment could also become applicable to Hong Kong. Until the full impact of the actions already taken and any further actions taken by the U.S. becomes clear, it will not be possible to assess their impact on the Group, which impact could be significant.

*See further the sections of the Base Prospectus entitled "Risk Factors – 1.1 The Group is exposed to macroeconomic risks" and "Risk Factors – 1.3 The Group is exposed to geopolitical risks".*

### **3. Governmental, legal or arbitration proceedings having a significant effect on the financial position or profitability of the Group**

In January 2020, a shareholder derivative complaint was filed by the City of Philadelphia in the New York State Court against 45 current and former directors and senior officers of the Group. It is alleged that the individuals breached their duties to the Group and caused a waste of corporate assets by permitting the conduct that gave rise to the costs and losses to the Group related to legacy conduct and control issues. Each of the Issuers and Standard Chartered Holdings Limited are named as "nominal defendants" in the complaint. The case is at an early procedural stage. SCB filed a motion to dismiss the complaint on 23 December 2020.

In October 2020, a claim was filed in the English High Court by 249 shareholders against the Issuer in relation to alleged untrue and/or misleading statements and/or omissions in information published by the Issuer in its rights issue prospectuses of 2008, 2010 and 2015 and/or public statements regarding the Group's historic sanctions, money laundering and financial crime compliance issues. The claim is brought under sections 90 and 90A of the Financial

Services and Markets Act 2000. Section 90 permits shareholders to pursue a claim if they acquire shares, and suffer loss, as a result of misleading statements in, or omissions of material information from, a prospectus or listing particulars. Section 90A permits shareholders to pursue a claim if they acquire, hold or dispose of shares in reliance upon an untrue or misleading statement in, or dishonest omission of required information from published information, or if there has been a dishonest delay in publishing relevant information. The case is at an early procedural stage and, although the claim form has been filed, it has not been served yet.

Since 2014, the Group has been named as a defendant in a series of lawsuits that have been filed in the United States District Courts for the Southern and Eastern Districts of New York against a number of banks (including SCB) on behalf of plaintiffs who are, or are relatives of, victims of various terrorist attacks in Iraq. The plaintiffs in each of these lawsuits have alleged that the defendant banks aided and abetted the unlawful conduct of U.S. sanctioned parties in breach of the U.S. Anti-Terrorism Act. One lawsuit was withdrawn by the relevant plaintiffs in October 2017. The courts have also ruled in favour of the banks' motions to dismiss in five of the other lawsuits. The plaintiffs have subsequently filed an appeal against the dismissal in one such case, which is due to be heard in February 2021 with a ruling expected later in 2021. Appeals are also expected by the plaintiffs in three of the other dismissed lawsuits. The remaining four lawsuits are still at an early procedural stage, and have been stayed pending the outcomes of the appeals in the dismissed cases. It is not currently possible for the Group to predict the outcome of these lawsuits.

Save in relation to the matters described above and those in paragraph 5 of the section of the Base Prospectus entitled "*General Information*", there are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which SCPLC is aware) during a period covering at least the previous twelve months which may have, or have had in the recent past, significant effects on the financial position or profitability of SCPLC and/or the Group.

Save in relation to the matters described above and those in paragraph 5 of the section of the Base Prospectus entitled "*General Information*", there are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which SCB is aware) during a period covering at least the previous twelve months, which may have, or have had in the recent past, significant effects on the financial position or profitability of SCB and/or SCB and its subsidiaries.

*See further the sections of the Base Prospectus entitled "Risk Factors – 1.8 Regulatory and enforcement reviews, investigations and legal proceedings".*

#### **4. Change to the Board of Directors of SCPLC**

Maria Ramos has been appointed as an Independent Non-Executive Director of SCPLC with effect from 1 January 2021.

Maria's principal outside activities, where significant to SCPLC or SCB, are as follows:

*Chair of AngloGold Ashanti Limited, Non-Executive Director of Richemont SA, Member of the Group of Thirty, Member of the International Advisory Board of the Blavatnik School of Government at Oxford University and Member of the Board of Protectors of Ikamva Labantu Charitable Trust.*

#### **5. General**

This Supplementary Prospectus will be available for so long as any Notes are outstanding under the Programme at the website of SCPLC at: <https://www.sc.com/en/investors/>.

To the extent that there is any inconsistency between: (a) any statement in this Supplementary Prospectus; and (b) any other statement in or incorporated by reference into the Base Prospectus, or the supplementary prospectuses dated 6 August 2020 and 30 October 2020, prior to the date of this Supplementary Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplementary Prospectus or the supplementary prospectuses dated 6 August 2020 and 30 October 2020, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.