Standard Chartered PLC

Key Rating Drivers

Internationally Diverse Franchise: Standard Chartered PLC's (SC) ratings reflect its strong franchise in key markets and diversified business model by income and geography. The Viability Rating (VR) balances prudent risk controls against exposure to some higher-risk markets, strong capital and funding and liquidity, and improved profitability and asset quality.

Ratings Reflect Consolidated Group: SC is managed as a group and is highly integrated with its main banks. SC's VR is equalised with that of its main operating company, Standard Chartered Bank (SCB), reflecting SC's role in the group and moderate common equity double leverage (end-2025: 114%). SCB's Long-Term Issuer Default Rating (IDR) is two notches above its VR to reflect the very high resolution buffers.

Diversification Benefits: SC's wide international network, spanning Asia, Africa, Europe and the US, underpins its strong corporate and investment banking (CIB) franchise, while retail and wealth management franchises are predominantly affluent-focused. SC's improved income generation in its wealth solutions business provides an additional buffer against earnings volatility and reduces reliance on interest income.

Robust Risk Controls: SC's risk profile balances its conservative risk controls against exposure to higher-risk markets, which is inherent in its international footprint, and segments. Macroeconomic risks are mitigated by tightened underwriting standards over the past decade, while appetite for new lending to vulnerable sectors is low. SC's strategic reshaping further supports its risk profile, as it pivots its retail book away from mass-market unsecured lending towards lower-risk affluent and wealth clients, while in CIB it concentrates on financial institutions and larger cross-border corporates that rely on its network.

Geopolitical Risks to Asset Quality: SC's asset quality has remained resilient, with the impaired loans ratio falling (end-1Q26: 1.9%; end-2021: 2.6%). However, we expect an uptick by end-2026, reflecting macroeconomic and geopolitical uncertainty. Higher loan impairment charges (LICs; 1Q26: 40bp, annualised; 2025: 22bp) reflected precautionary management overlay, including for the Middle East conflict. We expect LICs to be about the top end of SC's 30bp-35bp through-the-cycle range in 2026. Asset quality is supported by non-loan assets of sound quality.

Stronger Profitability: We expect the improvement in SC's operating profit to be sustained, supported by growth in fee-generating businesses, particularly in wealth solutions, global banking and global markets. SC's structural hedge should continue to support interest income in 2026, mitigating the effect of interest rates volatility on net interest margins.

Solid Capital Buffers: We expect SC's common equity Tier 1 (CET1) ratio to remain around 13.4% at end-2026 (end-1Q26: 13.4%), supported by strong profitability which should offset capital returns and risk-weighted asset (RWA) growth. We believe SC has flexibility in managing its capital ratios given its short-term asset base and diversified business model.

Sound Funding and Liquidity: SC's funding and liquidity profile is a rating strength given its strong deposit franchise in key markets, low loans/deposits ratio (end-1Q26: 56%), large liquidity buffers, and proven strong access to wholesale funding markets. Customer deposits (71% of funding) are diversified, with a high share of low-cost current and savings account (CASA) deposits. SC's liquidity coverage ratio (end-1Q26: 157%) is strong.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

We would likely downgrade the VRs of SC and SCB if risks to the group's business profile increase, improved profitability is not sustained and asset quality deteriorates materially. This may be manifested in a four-year average operating profit materially below 2% of RWAs on a sustained basis, and the impaired loans ratio deteriorating materially beyond an assumed four-year average of about 3%.

A material loosening of risk appetite that increases risks to asset quality and capital, plus a material weakening in the CET1 ratio to about 13% or below, particularly without improvements in our assessment of asset quality and earnings and profitability, would also lead to a downgrade.

SCB's IDR would be downgraded if the group's resolution debt buffer falls below 15% of RWAs. Fitch could downgrade SC's IDRs and VR by one notch if double leverage increases over 120% and if holding company liquidity, which mitigates the risk of cash flow mismatches, materially declines.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of the IDRs and VRs is unlikely in the medium term unless there are sustained material improvements in a combination of key rating factors, including a considerable improvement in SC's operating environment assessment.

A record of improved asset quality (with impaired loans falling below 2% of loans and non-loan exposures remaining sound) and strong profitability (with operating profit sustained above 2.5% of RWAs) could lead to upward ratings pressure. An upgrade would be unlikely unless the CET1 ratio increases to close to 14%, or higher, and funding and liquidity remain strong.

Other Debt and Issuer Ratings

Rating Level	Standard Chartered PLC	Standard Chartered Bank
Senior unsecured: long-term/short-term	A/F1	AA-/F1+
Subordinated (Tier 2): long-term	BBB+	BBB+
Subordinated (additional Tier 1): long-term	BBB-	
Preferred: long-term	BBB-	
Deposits: long-term/short-term		AA-/F1+

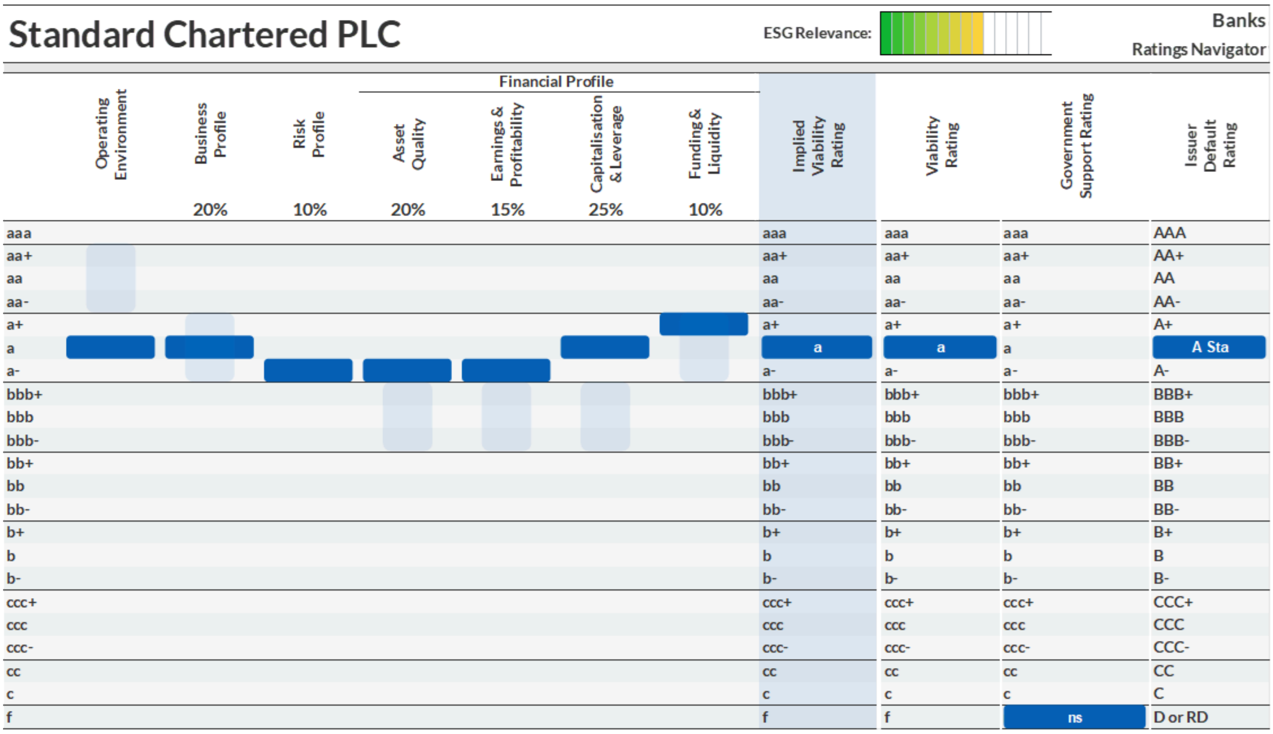
Source: Fitch Ratings

SC's senior unsecured debt ratings are aligned with its IDRs. SCB's long-term senior unsecured debt and deposit ratings are two notches above its VR due to the group's very large resolution buffer, which we expect to remain sustainably above 15% of RWAs.

Subordinated Tier 2 debt is rated two notches below its respective issuers' VRs. This is Fitch's baseline notching for loss severity for this type of debt due to the agency's expectations of poor recoveries.

SC's additional Tier 1 (AT1) instruments and preference shares are rated four notches below its VR, as we expect the group to maintain a buffer over regulatory capital requirements of at least 100bp of RWAs.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The operating environment score of 'a' is below the category-implied score of 'aa' due to the following adjustment reason: international operations (negative).

The asset quality score of 'a-' is above the category-implied score of 'bbb' due to the following adjustment reason: non-loan exposures (positive).

The earnings and profitability score of 'a-' is above the category-implied score of 'bbb' due to the following adjustment reason: historical and future metrics (positive).

The capitalisation and leverage score of 'a' is above the category-implied score of 'bbb' due to the following adjustment reason: capital flexibility and ordinary support (positive).

Company Summary and Key Qualitative Factors

Operating Environment

UK-Domiciled, International Operations

SC's operating environment assessment is based on a blended average of the markets it operates in. The 'a' score is two notches below the domestic UK banks' operating environment score, given the bank's material international operations in lower-rated markets. These include a large presence in Hong Kong (where Fitch scores the operating environment at a), China (bbb-), Korea (a+), the UAE (bbb+) and India (bb+). SC also has significant operations in Singapore (aa) and the US (aa-). The stable outlook on the score mirrors that on nearly all of SC's operating environments.

Business Profile

Network Strength Backed by Diversification

SC's principal franchise advantage lies in its global network, especially within CIB, its largest business segment, which accounted for about 60% of operating income in 2025. CIB income is led by transaction services (48% of CIB income in 2025; mainly from payments and liquidity, and trade), market activities (31%; mainly macro and credit trading) and, to a lesser extent, from banking (18%; mainly lending). SC's ability to connect multinational corporates and institutional clients through its broad cross-border platform supports its competitiveness against the major global banks. This is reinforced by a number of solid domestic positions, although many are in small markets. SC's onshore franchises in major Asia-Pacific markets, including Hong Kong, Singapore, India and South Korea, are important but remain less competitive than those of the strongest local banking groups.

Wealth and retail banking (WRB) includes SC's mortgage, deposit, wealth management and unsecured lending businesses. The subsector is an important source of stable funding for the group, supported by a deposit base that has historically been low cost. SC increasingly focuses on affluent clients, while reducing its exposure to mass-market retail in markets where it lacks a competitive advantage. The group has launched digital banks in Hong Kong (Mox Bank) and Singapore (Trust Bank), with strong client acquisition.

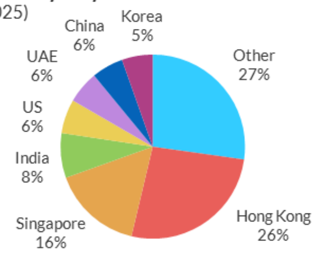
SC's share of non-net interest income (non-NII; 1Q26: 74%; 2025: 71%; not accounting for trading book funding costs and treasury FX management for NII) has increased due to a focus on, and investment in, capital-light activities. Asian markets accounted for the majority of SC's pre-tax profit (over 60%), reflecting their critical importance to SC's network. Other markets in Europe and the Americas typically generate a large amount of network business, while Africa and the Middle East add global reach and support international connectivity.

Strategy Focused on Sustaining Improved Returns, Strengthening Cost Efficiency

SC updated its strategic targets in May 2026. It now aims for a return on tangible equity of over 15% in 2028 and of about 18% in 2030, with income growth targets of 5%-7% over 2025-2028. Revenue growth and further cost efficiencies will drive execution. The targeted revenue growth is to be achieved with accelerated growth in capital-light wealth and affluent banking, and a focus within CIB towards higher-returning financial institution clients, in addition to continued leveraging of SC's cross-border network. On the cost side, SC is targeting a cost/income ratio of about 57% by 2028 (2025: 65%). This will be supported by positive income/cost jaws and a reduction of more than 15% in corporate functions headcount by 2030 through greater automation.

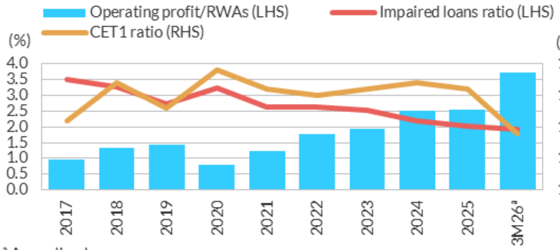
We believe sustaining momentum in SC's fee generating businesses, as well as cost-efficiency improvements, will be key to achieving these targets. We expect the group to stay within its targeted credit loss through-the-cycle range of 30bp-35bp of average loans. SC's capital targets are unchanged, with a target CET1 ratio range of 13%-14%. SC's shareholder return plans are likely to be largely offset by improved profitability.

Operating Income by Key Markets
USD20.9 billion (2025)



Source: Fitch Ratings, Fitch Solutions, SC

Performance Through the Cycle



a Annualised
Source: Fitch Ratings, Fitch Solutions, SC

Risk Profile

De-Risking Tested by Geopolitical Risks

SC has strengthened its underwriting discipline in the past decade, helping to contain the effects of high inflation, higher interest rates and geopolitical tensions. The group's lending mainly focuses on multinational corporates and financial institutions engaged in cross-border activity, with exposures that are generally higher quality than those of domestic businesses. Underwriting standards in CIB have been more conservative since 2017, with tighter limits on concentration risk, structured lending, and select underperforming or cyclical sectors. Exposure to sectors such as commercial real estate (CRE; 4% of gross loans at end-2025), oil and gas, and commodities traders, which previously generated losses, have reduced over the past five years. However, SC also banks some local SMEs (estimated to be in the low single digits as a percentage of gross loans) which are more vulnerable to economic downturn.

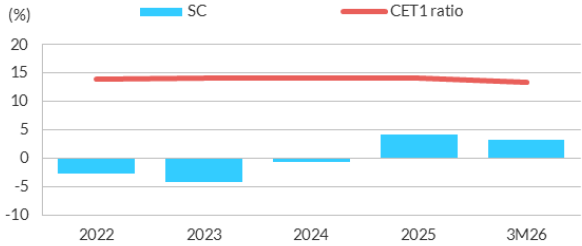
SC's Middle East exposure (about 6% of group credit exposure) is mostly to sovereign or sovereign-linked corporates and financial institutions and sits mainly in the CIB book. The bank booked a USD190 million precautionary management overlay relating to the Middle East conflict in 1Q26. The majority of this exposure is investment grade and has remained resilient through the conflict; should the ceasefire fail to hold, and the conflict become protracted, this could crystallise tail risks within the portfolio. SC has reduced its exposures to low-rated sovereigns, including Sri Lanka, Pakistan, Ghana and some other markets, in recent years, and risks are mitigated by provisions and credit insurance. Any further downgrades of low-rated sovereigns would have an easily absorbable impact on capital.

Corporate asset quality remains reasonable, with the proportion of investment grade counterparties rising steadily since 2020 (end-1Q26: 74%; end-2020: 62%). The top 20 corporate concentrations remained fairly stable in recent years (end-1Q26: 64% of Tier 1 capital; end-2022: 65%). CIB exposures are also largely short-term, giving SC flexibility to reduce borrower exposure fairly quickly if conditions deteriorate.

In WRB, unsecured retail lending has declined to 12% of loans (2014: 19%). Mortgage lending (end-2025: 28% of gross loans) is underpinned by fairly conservative loan-to-value (LTV) ratios, with an average LTV ratio of 47%. Higher LTVs are mainly in Hong Kong, although they remain a small proportion of total and have declined in 2025 as a result of higher property prices, In addition, most of SC's exposures continue to benefit from LTV limits and insurance provided by local authorities.

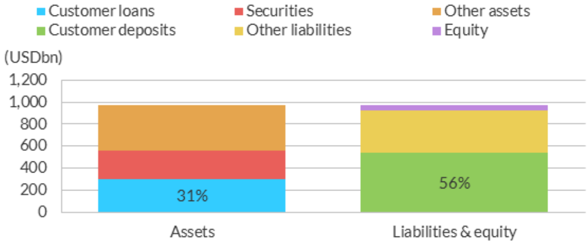
Market risk accounted for 13% of RWAs at end-1Q26, using a mix of standardised and internal ratings-based approaches. SC's traded risk exposure remains lower than at large global trading banks, reflecting its smaller-scale markets and securities businesses. The group's income sensitivity to interest rate movements is moderate and has declined, largely due to the buildup of structural hedges. At end-2025, a 100bp parallel decrease in rates was estimated to reduce NII by USD620 million (10% of 2025 NII), down from USD1.5 billion at end-2021, but in practice this could be lower due to trading book effects and other management actions.

Loan Growth



Source: Fitch Ratings, Fitch Solutions, SC

Balance Sheet
End-Mar 2026



Source: Fitch Ratings, Fitch Solutions, SC

Financial Profile

Asset Quality

Asset Quality to Deteriorate Moderately

We expect the impaired loans ratio to rise to about 2.1% by end-2026. Even so, SC's stronger asset-quality metrics in recent years, together with the ongoing balance sheet de-risking, are likely to help contain credit losses at a manageable level. The group has materially reduced higher-risk exposures, including China CRE (USD0.6 billion at end-1Q26), while exposure to vulnerable sovereigns has also declined significantly in recent years.

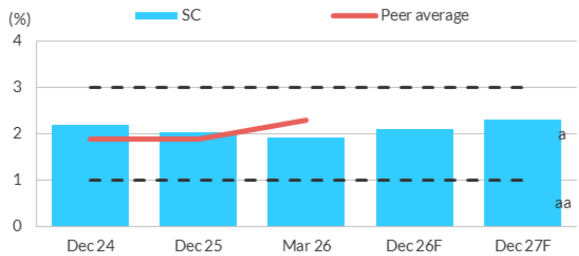
Hong Kong CRE exposure (USD1.5 billion: 0.5% of loans) has come under pressure from lower occupancy rates. However, the risk is mitigated by 88% of SC's exposures being secured, with an average LTV ratio of about 40% (all property is in Hong Kong). The portfolio is also concentrated in top-tier, internationally diversified clients. SC continues to hold modest USD45 million management overlays against Hong Kong CRE, and we believe risks in this sector are approaching a trough.

The early alert portfolio increased slightly at end-1Q26 (USD5 billion; end-2025: USD4.3 billion), mainly due to downgrades linked to geopolitical risks. Stage 2 loans (3.7% of loans) also increased, from 3.3% at end-2025, reflecting precautionary stage migration, but remain manageable and in line with historical levels.

Asset quality continues to benefit from the composition of the loan book, with secured retail lending, mostly mortgages in developed Asian markets, and loans to governments providing support. Unsecured retail exposures are relatively modest.

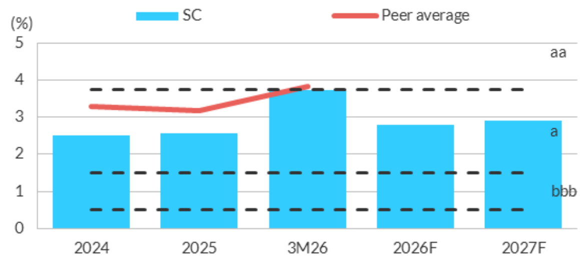
Our asset quality assessment also considers SC's non-loan exposure, as loans represent only 31% of assets. These non-loan assets are generally of sound quality with limited defaulted exposures and moderate market risk, providing headroom to absorb moderate loan-quality deterioration. Non-loan assets mostly comprise highly rated investment securities, cash, and central bank placements.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Profitability Targets Raised

SC reported a 17% year on year rise in pre-tax profit to USD2.5 billion in 1Q26, despite flat net interest margins. Performance was driven by strong growth in wealth solutions income, as well as higher income from global markets and banking, amid market volatility. The bank's operating profit/RWAs ratio comfortably exceeded 3%, but Fitch expects it to be about 2.8% for the full year, given revenue seasonality. We expect continued strong momentum in non-NII businesses and cost-saving initiatives to underpin profitability in the medium term, supporting the bank's revised higher return on tangible equity targets.

NII growth in 2026 will be challenged by falling interest rates, although the increased structural hedge is likely to cushion NII as interest rates fall. The structural hedge was USD87 billion at end-2025, with a weighted average maturity of two and a half years. The yield on that notional hedge was 3.4% in 2025 (down from 3.5% in 2024), which has helped to reduce SC's sensitivity to interest rates.

The underlying return on tangible equity rose to 17% in 1Q26, up by 220bp year on year. This extended the trend, although we expect moderation. Strategic execution on improving cost efficiency and more strong revenue growth in non-NII businesses will be vital in reaching the increased target of return on tangible equity above 15% in 2028.

SC has made good progress in its "Fit for Growth" programme which is expected to conclude by end-2026. The bank is now targeting further efficiencies initiatives including a reduction of over 15% of corporate and back-office roles by 2030. Cost efficiency remains weaker than that of most 'A' category-rated peers, and weighs on our assessment of SC's earnings and profitability.

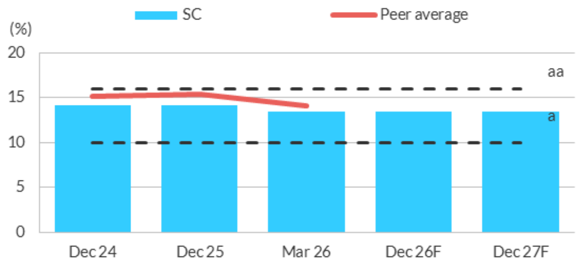
Capitalisation and Leverage

SC's CET1 ratio declined to 13.4% at end-1Q26 (end-2025: 14.1%) as RWA growth and share buybacks outpaced internal capital generation. The bank has maintained its target CET1 ratio of 13%-14%, while emphasising its appetite to operate within the full range of the target, having remained closer to the top end in recent years.

We expect SC to continue returning capital to shareholders, having reached its target to return at least USD8 billion of surplus capital by end-2026 a year early. Dividend contributions from SC's subsidiaries were very strong in 2024-2025 given improved performance across the board, with regular dividends helping SC to manage double leverage and capital planning.

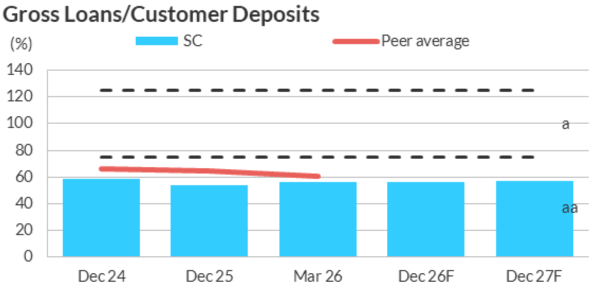
SC's capital ratios were adequately above requirements at end-1Q26, including the 10.3% CET1 ratio requirement. The UK leverage ratio of 4.6% at end-1Q26 was above the 3.7% requirement. SC's minimum requirement for own funds and eligible liabilities (MREL) ratio of 33.7% at end-1Q26 was above its 27.8% regulatory minimum, reflecting a comfortable buffer. Non-CET1 MREL is composed of senior holdco issuance (14.1% of RWAs), Tier 2 (3.2%) and AT1 (3%). SC's externally issued MREL (of about USD54 billion) is mostly downstreamed internally to its main operating subsidiaries, primarily in the UK, Hong Kong and Singapore.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Robust Deposit Franchise, Internationally Diversified

SC collects customer deposits across 54 markets, though the base remains centred on Hong Kong (34% of deposits at end-1Q26) and Singapore (19%), where the subsidiaries are designated as domestic systemically important banks. CIB clients anchor the deposit profile, with the high share of operational accounts providing stability. Similarly, within WRB, just over half of deposits (52%) are in the form of stable and low-cost CASAs.

Sizeable Liquidity Buffer

SC's about USD9 billion MREL issuance plans for 2026 mainly focus on senior holdco debt, with about USD3 billion remaining for the year at end-1Q26, which we consider manageable. Wholesale funding maturities rise moderately in 2027 (USD9 billion), although we expect this to be manageable for SC given its focus on issuing mostly senior holdco debt, with the need to refinance Tier 2 debt in 2027.

SC's liquidity coverage ratio was solid at 157% at end-1Q26 and has been broadly steady since 2021. Liquidity is further supported by a substantial stock of high-quality liquid assets (USD188 billion; of which USD71 billion is cash), high unencumbered assets, and access to contingent funding (including available facilities at the Bank of England and the Hong Kong Monetary Authority). The liquidity profile also benefits from the short tenor of the asset base, with 60% maturing in under one year.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'a' category. Peer average includes Barclays plc (VR: a), DBS Group Holdings Ltd (aa-), HSBC Holdings plc (a+). Latest data available for DBS Group Holdings Ltd is for FY25. Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 23	31 Dec 24	31 Dec 25	31 Mar 26	31 Dec 26F	31 Dec 27F
	12 months	12 months	12 months	1st quarter	12 months	12 months
	(USDm)	(USDm)	(USDm)	(USDm)	(USDm)	(USDm)
Summary income statement						
Net interest and dividend income	7,800	6,371	5,965	1,531	-	-
Net fees and commissions	2,660	3,065	3,495	1,352	-	-
Other operating income	6,461	10,402	11,169	3,005	-	-
Total operating income	16,921	19,838	20,629	5,888	22,272	23,319
Operating costs	11,709	13,090	13,369	3,142	13,636	13,909
Pre-impairment operating profit	5,212	6,748	7,260	2,746	8,635	9,410
Loan and other impairment charges	508	547	672	296	1,114	1,130
Operating profit	4,704	6,201	6,588	2,450	7,522	8,280
Other non-operating items (net)	389	-187	375	-	-	-
Tax	1,631	1,972	1,866	540	-	-
Net income	3,462	4,042	5,097	1,910	5,279	5,810
Other comprehensive income	801	-570	1,718	-408	-	-
Fitch comprehensive income	4,263	3,472	6,815	1,502	-	-
Summary balance sheet						
Assets						
Gross loans	285,361	283,360	294,962	304,627	312,660	325,166
– of which impaired	7,261	6,216	5,978	5,830	-	-
Loan loss allowances	5,170	4,904	4,061	4,078	-	-
Net loans	280,191	278,456	290,901	300,549	-	-
Interbank	45,504	42,860	43,161	42,600	-	-
Derivatives	50,434	81,472	65,782	97,658	-	-
Other securities and earning assets	315,694	326,402	360,266	364,588	-	-
Total earning assets	691,823	729,190	760,110	805,395	-	-
Cash and due from banks	69,905	63,447	77,746	71,247	-	-
Other assets	61,116	57,051	82,099	96,265	-	-
Total assets	822,844	849,688	919,955	972,907	967,091	993,543
Liabilities						
Customer deposits	486,666	486,261	549,575	542,223	560,567	571,778
Interbank and other short-term funding	98,998	91,077	99,114	34,554	-	-
Other long-term funding	69,618	70,364	75,562	173,035	-	-
Trading liabilities and derivatives	67,907	96,591	83,743	99,131	-	-
Total funding and derivatives	723,189	744,293	807,994	848,943	-	-
Other liabilities	49,054	53,866	57,112	69,279	-	-
Preference shares and hybrid capital	7,254	8,241	9,285	9,603	-	-
Total equity	43,347	43,288	45,564	45,082	-	-

Financial Statements

	31 Dec 23	31 Dec 24	31 Dec 25	31 Mar 26	31 Dec 26F	31 Dec 27F
	12 months	12 months	12 months	1st quarter	12 months	12 months
	(USDm)	(USDm)	(USDm)	(USDm)	(USDm)	(USDm)
Total liabilities and equity	822,844	849,688	919,955	972,907	967,091	993,543

Source: Fitch Ratings, Fitch Solutions, SC

Key Ratios

(%; annualised as appropriate)	31 Dec 23	31 Dec 24	31 Dec 25	31 Mar 26	31 Dec 26F	31 Dec 27F
Profitability						
Operating profit/risk-weighted assets	1.9	2.5	2.6	3.7	2.8	2.9
Net interest income/average earning assets	1.2	0.9	0.8	0.8	0.8	0.8
Non-interest expense/gross revenue	66.4	66.4	65.0	53.2	61.4	59.8
Net income/average equity	8.2	9.3	11.4	17.1	-	-
Asset quality						
Impaired loans ratio	2.5	2.2	2.0	1.9	2.1	2.3
Growth in gross loans	-4.3	-0.7	4.1	3.3	6.0	4.0
Loan loss allowances/impaired loans	71.2	78.9	67.9	69.9	71.3	70.0
Loan impairment charges/average gross loans	0.2	0.2	0.2	0.4	0.4	0.3
Capitalisation						
Common equity Tier 1 ratio	14.1	14.2	14.1	13.4	13.5	13.5
Fully loaded common equity Tier 1 ratio	14.1	14.2	14.1	13.4	-	-
Tangible common equity/tangible assets	4.5	4.4	4.3	4.0	-	-
Basel leverage ratio	4.2	4.4	4.3	4.2	-	-
Net impaired loans/common equity Tier 1	6.1	3.7	5.3	4.9	5.1	5.8
Funding and liquidity						
Gross loans/customer deposits	58.6	58.3	53.7	56.2	55.8	56.9
Liquidity coverage ratio	145.0	150.3	154.8	156.5	-	-
Customer deposits/total non-equity funding	72.2	72.5	73.4	71.4	-	-
Net stable funding ratio	138.0	135.2	138.6	138.4	-	-

Source: Fitch Ratings, Fitch Solutions, SC

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	a or a-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	AA-/ Stable
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Positive
Government propensity to support D-SIBs	
Resolution legislation	Negative
Support stance	Negative
Government propensity to support bank	
Systemic importance	Neutral
Liability structure	Negative
Ownership	Neutral

The colours indicate the influence of each support factor in our assessment.
Influence: Light blue = lower; Dark blue = moderate; Red = higher.
Source: Fitch Ratings

The Government Support Rating of 'no support' (ns) for SC and SCB reflects Fitch's view that senior creditors cannot rely on extraordinary support from the UK authorities if the banks become non-viable, given legislation and regulations that require senior creditors to participate in losses in a failure.

Subsidiaries and Affiliates

Shareholder Support	
Parent IDR	AA-
Total Adjustments (notches)	0
Shareholder Support Rating	aa-
Shareholder ability to support	
Shareholder Rating	AA-/Stable
Shareholder regulation	Equalised
Relative size	Equalised
Country risks	Equalised
Shareholder propensity to support	
Role in group	Equalised
Reputational risk	Equalised
Integration	Equalised
Support record	1 Notch
Subsidiary performance and prospects	1 Notch
Legal commitments	2+ Notches

The colours indicate the influence of each support factor in our assessment.
Influence: Light blue = lower; Dark blue = moderate; Red = higher.
Source: Fitch Ratings

Standard Chartered Bank AG

Core Subsidiary: Standard Chartered Bank AG's (SCB AG) 'AA-' support-driven Long-Term IDR, and its 'aa-' Shareholder Support Rating (SSR), are based on Fitch's view of a very high probability of support by the bank's parent, SCB, and its ultimate parent, SC. This is primarily based on SCB AG's core role as the group's European hub, offering banking services to EU-headquartered clients and the EU operations of non-European Economic Area corporate and institutional clients following the UK leaving the EU. The SSR also reflects SCB AG's high integration with the parent, its modest size relative to the group, and reputational incentives for supporting the German subsidiary. SCB AG's Short-Term IDR is at the same level as SCB's.

SCB AG's deposit ratings are at the same level as its IDRs.

Debt Buffers: We believe SC's resolution plan is likely to result in SCB AG's external senior creditors being protected by internal MREL buffers and avoiding default if the group fails. We, therefore, equalise SCB AG's Long-Term IDR with SCB's. This incorporates a two-notch uplift from SCB VR due to resolution buffers and its role as a material legal entity in the group's resolution planning. This also reflects SCB AG's deep integration within its parent's balance sheet and business model, and the EU's similar resolution regime to the UK's, which leads us to believe that the authorities would co-operate in a resolution.

Highly Integrated Subsidiary: We do not assign SCB AG a VR as its franchise, strategy and operations are intertwined with those of SCB, and we do not believe the subsidiary would have a meaningful standalone franchise without its parent's ownership.

DCR Equalised with Long-Term IDR: The Derivative Counterparty Rating (DCR) is equalised with the Long-Term IDR because we do not expect any incremental probability-of-default benefit for derivative counterparties over and above the strong support benefit already factored into the IDR.

Environmental, Social and Governance Considerations

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Business Profile	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile	2
				1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.h scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Ratings

Foreign Currency

Long-Term IDR	A
Short-Term IDR	F1
Viability Rating	a
Government Support Rating	ns
Sovereign Risk (United Kingdom)	
Long-Term Foreign-Currency IDR	AA-
Long-Term Local-Currency IDR	AA-
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores	
Environmental	2
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (May 2026)

Related Research

Fitch Takes Rating Actions on 11 UK Banking Groups Following Criteria Update (May 2026)
Fitch Affirms Standard Chartered PLC at 'A'; Outlook Stable (June 2025)
Large European Banks Quarterly Credit Monitor - March 2026
Standard Chartered Exceeds Targets on Record Incomes (February 2026)

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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