

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 conservative risk controls against exposure to some higher-risk markets, strong capital and funding and liquidity, and adequate 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-2024: 111%). SCB's Long-Term IDR is one notch above its VR as we believe its senior creditors are protected by the minimum requirement for own funds and eligible liabilities (MREL) raised and downstreamed by SC.

Diversification Provides Resilience: SC's wide international network, spanning Asia, Africa, Europe and the US, underpins its strong corporate and investment banking franchise. SC's wide trade finance franchise exposes it to trade tensions, but its business and geographical diversification mitigate risks, and trade income accounted for only 6% of 1Q25 income. SC's improved income generation in its wealth solutions business provides an additional buffer against the fallout from the higher-tariff environment.

Conservative Risk Controls: SC's risk profile balances its conservative risk controls against exposure to higher-risk markets, which are 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.

Macroeconomic Risks to Asset Quality: SC's asset quality has remained resilient, with the impaired loans ratio falling in recent years (end-1Q25: 2.1%; end-2021: 2.6%). However, we forecast the impaired loans ratio to increase to just above 2.5% by end-2026, reflecting weaker macroeconomic conditions and uncertainty. We also expect loan impairment charges (LICs; 1Q25: 31bp, annualised) to increase towards the top end of SC's 30bp-35bp through-the-cycle range in 2025. Asset quality is supported by sound quality non-loan assets.

Revenue Diversification: We expect SC's operating profit to remain stronger than its recent historical average at above 2% of risk-weighted assets (RWAs) in 2025-2026 (1Q25: 3.4%), due to structurally higher interest rates, contained LICs and growth in non-net interest income-generating businesses.

Adequate Capitalisation: We expect SC's common equity Tier 1 (CET1) ratio (end-1Q25: 13.8%) to remain within its 13%-14% target, supported by strong profit generation and muted asset growth, despite high shareholder returns. Stronger profitability should help offset RWA inflation from credit migration. We believe SC has flexibility in managing its capital ratios given its short-term asset base and diversified business model.

Robust 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-1Q25: 59%), large liquidity buffer, and proven strong access to wholesale funding markets. Customer deposits (69% of funding) are diversified, with a high share of low-cost current and savings account (CASA) deposits. SC's liquidity coverage ratio (end-1Q25: 147%) is strong.

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

Highest ESG Relevance Scores

Standard Chartered PLC	
Environmental	2
Social	3
Governance	3

Applicable Criteria

[Bank Rating Criteria \(March 2025\)](#)

Related Research

[Fitch Affirms Standard Chartered PLC at 'A'; Outlook Stable \(June 2025\)](#)
[Large European Banks Resilient Amid Weaker Macroeconomic Outlook \(May 2025\)](#)
[SC's Wealth Unit and Market Volatility Boost Profits \(May 2025\)](#)

Analysts

Huseyin Sevinc
+44 20 3530 1027
huseyin.sevinc@fitchratings.com

Tania Gold
+65 6796 7224
tania.gold@fitchratings.com

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 to the level of the bank's VR, and the same level as SC's IDR, if we no longer believe that creditors would be protected in a resolution by internal MREL. 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	A+/F1
Subordinated (Tier 2): long term	BBB+	BBB+
Subordinated (additional Tier 1): long term	BBB-	
Preferred: Long-Term	BBB-	

Source: Fitch Ratings

Senior debt ratings are aligned with their respective issuers' IDRs.

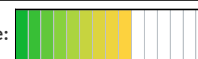
Subordinated Tier 2 debt is rated two notches below its respective issuers' VRs. This is Fitch's baseline notching for loss severity for this type of debt due to the agency's expectations of poor recoveries.

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

Standard Chartered PLC

ESG Relevance:

Banks
Ratings Navigator

	Operating Environment	Business Profile	Risk Profile	Financial Profile			Implied Viability Rating	Viability Rating	Government Support Rating	Issuer Default Rating
				Asset Quality	Earnings & Profitability	Capitalisation & Leverage				
		20%	10%	20%	15%	25%	10%			
aaa							aaa	aaa	aaa	AAA
aa+							aa+	aa+	aa+	AA+
aa							aa	aa	aa	AA
aa-							aa-	aa-	aa-	AA-
a+							a+	a+	a+	A+
a							a	a	a	A Sta
a-							a-	a-	a-	A-
bbb+							bbb+	bbb+	bbb+	BBB+
bbb							bbb	bbb	bbb	BBB
bbb-							bbb-	bbb-	bbb-	BBB-
bb+							bb+	bb+	bb+	BB+
bb							bb	bb	bb	BB
bb-							bb-	bb-	bb-	BB-
b+							b+	b+	b+	B+
b							b	b	b	B
b-							b-	b-	b-	B-
ccc+							ccc+	ccc+	ccc+	CCC+
ccc							ccc	ccc	ccc	CCC
ccc-							ccc-	ccc-	ccc-	CCC-
cc							cc	cc	cc	CC
c							c	c	c	C
f							f	f	ns	D or RD

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 'aa' due to the following adjustment: international operations (negative).

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

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

The capitalisation and leverage score of 'a' is above the category-implied 'bbb' due to the following adjustment: 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 – including a large presence in Hong Kong (where the operating environment is scored '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

Geographical Diversification Underpins Network Strength

SC's global network is its main franchise strength, and this is particularly important for the CIB business, which is the largest segment, generating about 60% of operating income in 2024. CIB generates its income from transaction services (53% of CIB income in 12 months to 1Q25; primarily from payments and liquidity, and trade), market activities (30%; mainly macro and credit trading) and, to a lesser extent, from banking (17%; mainly lending). Providing international corporates and institutions access to its extensive global network gives SC opportunity to compete with large global banks. This is complemented by some strong local franchises, despite most of them being in small markets. SC's onshore presence in the key Asia-Pacific markets of Hong Kong, Singapore, India and South Korea are significant, but these domestic franchises compare less favourably with those of leading local peers.

Wealth and Retail Banking (WRB) comprises SC's offering of mortgages, unsecured lending products, wealth management and deposits. The business provides the group with a stable and historically cheap deposit base. SC focuses on wealthier clients in retail banking, although the group is exploring ways to increase its mass market offering, mainly through digital ventures and partnerships. In recent years, the group has rolled out digital banks in Hong Kong (Mox Bank) and Singapore (Trust Bank) where client acquisition has been strong, with tough competition, but the banks are still not profitable.

SC's share of non-net interest income (non-NII; 71% in 1Q25; 68% in 2024; not accounting for trading book funding costs and treasury FX management for NII) has been growing in recent years due to the group's focus and investment in capital-light activities, despite higher NII revenue from higher interest rates. Asian markets accounted for a high majority of SC's pre-tax profit (over 70%), reflecting its 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 a global reach and support international connectivity.

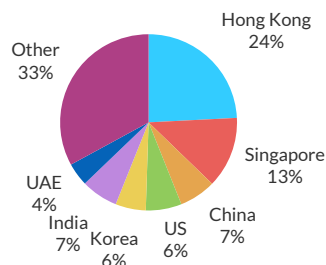
Strategy Focused on Sustaining Improved Returns, Strengthening Cost Efficiency

The group's 2024–2026 strategic objectives are primarily based on sustainably improving its returns after 10 years of de-risking. The objectives focus on the network business in CIB and affluent clients in retail and wealth. The latest strategy puts additional emphasis on building the affluent business, on sustainability-linked business, redeploying capital into higher returns business and continuing to use originate-to-distribute capabilities. It also has an emphasis on capturing growth opportunities across its footprint, similar to other global peers, and improving cost efficiency via its Fit for Growth Programme (aims to save USD1.5 billion by end-2026).

The group aims for return-on-tangible equity to approach 13% in 2026 (2024: 11.7%) and to progress thereafter. SC targets income growth of 5%–7% in 2024–2026, with reported costs to be below USD12.3 billion in 2026 (USD11.7 billion in 2024). While structurally higher interest rates are set to help SC materially in reaching these targets, we believe sustaining momentum in its wealth and markets businesses as well as cost-efficiency improvements will be key to achieving these targets. The group expects credit losses to tick up to an expected through-the-cycle range of 30bp–35bp of average loans. Tariff-related uncertainty and impacts on economic conditions increases risks to these targets. SC's plans to return at least USD8 billion to shareholders (with USD5 billion already returned) should be largely offset by improved profitability.

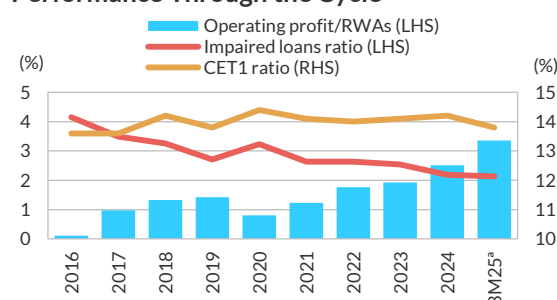
Operating Income by Key Market

USD19.7billion (2024)



Source: Fitch Ratings, SC

Performance Through the Cycle



* Annualised

Source: Fitch Ratings, Fitch Solutions, SC

Risk Profile

Cleaner Balance Sheet Faces Higher Macroeconomic Risks

SC's underwriting standards have tightened over the past 10 years, which has helped mitigate risks from high inflation, higher interest rates and geopolitical tensions. The group mainly targets multinational corporates and financial institutions with cross-border business, and exposures tend to be higher quality than that of domestic businesses. Underwriting standards in CIB have been tightened since 2017 by limiting concentration, exposure to structured lending, and certain underperforming or cyclical sectors. Exposure to sectors such as commercial real estate (CRE; 5% of gross loans at end-2024), oil & gas and commodities traders, which have incurred losses in the past, have decreased over the past five years. However, SC also banks some local small and medium-sized companies (SME lending: 3% of total loans at end-2024, largely secured), which are more vulnerable to economic downturns.

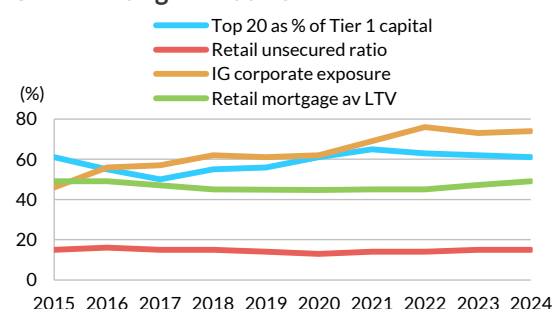
SC has actively reduced exposures to low-rated sovereigns, including Sri Lanka, Pakistan, Ghana and some other markets, and risks are mitigated by provisions and credit insurance. Any further potential downgrades to low-rated sovereigns would have an easily absorbable impact on capital.

The quality of corporate exposures remains reasonable, with the share of investment-grade counterparties increasing since 2020 (end-1Q25: 74%; end-2020: 62%). The largest 20 corporate concentrations decreased to 60% of Tier 1 capital (end-2022: 65%). Exposures in CIB are predominantly short-term, which would help the bank to exit borrowers relatively quickly, if needed. Loan growth is likely to stay muted given economic uncertainty.

The share of unsecured retail lending has been broadly stable since 2015, at about 15% of WRB loans. Mortgage lending (end-2024: 27% of gross loans) is carried out at relatively conservative loan-to-value (LTV) ratios, with an average LTV of 49% at end-2024. LTVs have increased in Hong Kong due to property price falls, although the majority of SC's exposures are protected by LTV limits and insurance provided by local authorities.

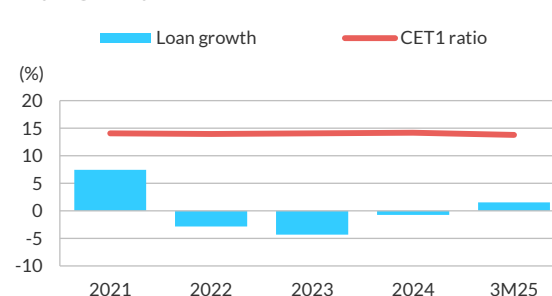
Market risk was 14% of RWAs at end-1Q25, split between standardised and internal ratings-based approaches, up from 11% at end-2024, as the group facilitated client opportunities, although we expect this to be short term. SC's exposure to traded risk is lower than global trading bank peers given its smaller markets and securities businesses. The group's income sensitivity to changes in interest rates is moderate, but has reduced, largely as SC has built up structural hedges. At end-2024, a 100bp parallel decrease in rates was estimated to reduce NII by USD550 million (9% of 2024 NII), down from USD1.5 billion at end-2021, but in practice it could be lower due to trading book effects and other management actions.

Underwriting Indicators



Source: Fitch Ratings, SC

Loan Growth



Source: Fitch Ratings, Fitch Solutions, SC

Financial Profile

Asset Quality

Asset Quality to Deteriorate from Improved Levels

We expect the impaired loans ratio to increase towards 2.6% by 2026, considering the lagged impact of higher interest rates, weaker economic growth in SC's major markets and the fallout from higher US tariffs. However, SC's improved asset-quality ratios over the past few years and the group's de-risking should help keep potential credit losses absorbable. SC has reduced its exposure to China CRE (USD2.0 billion at end-1Q25; about 70% impaired; 89% covered) by 52% since end-2021. Similarly, exposure to vulnerable sovereigns has decreased materially in recent years.

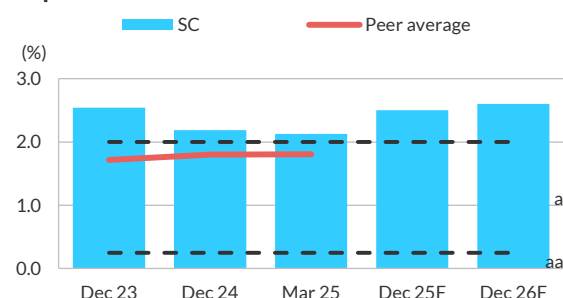
Exposure to Hong Kong CRE (USD2.2 billion: 0.8% of loans) has come under pressure from higher interest rates and lower occupancy rates. Still, 83% of SC's exposures are secured with an average LTV of about 40% (all property is in Hong Kong). SC's exposures are largely to top-tier, internationally diversified clients. SC has retained a modest USD47 million management overlay against Hong Kong CRE. Asset-quality pressure could be **partially eased by lower Hong Kong Interbank Offered Rates (HIBOR)**, if sustained, but these will not address the city's high vacancy rates on CRE unless there is a broad-based recovery in business activity.

The decrease in the early alert book at end-1Q25 (USD4.5 billion; down from end-2023: USD5.5 billion) reflected repayments in recent years but also migration to CG12. Stage 2 loans (4% of loans) increased by 8% in 1Q25 on the volatile economic environment.

Secured retail loans, mainly mortgage lending in developed Asian markets, and loans to governments, should help underpin asset quality, whereas unsecured retail exposures (7%) are fairly modest.

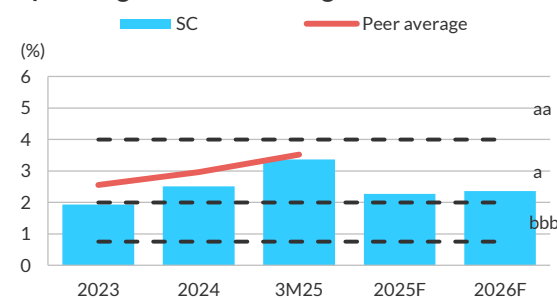
Our asset quality assessment also considers SC's non-loan exposure (given the loan book only makes up 33% of assets), which are generally of sound quality with limited defaulted exposures and moderate market risk; it also provides this factor with the headroom to absorb moderate loan-quality deterioration. Non-loan assets primarily 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

Focus on Sustaining Improved Profitability

SC pre-tax profit rose by 10% yoy to USD2.1 billion in 1Q25, driven by continuing solid growth in wealth solutions income and global markets and banking income, amid market volatility. The bank's operating profit/RWAs ratio exceeded 3%, but Fitch expects it to fall to about 2.5% for the full year given revenue seasonality. Fitch expects strong momentum in non-NII businesses and cost-saving initiatives to underpin profitability in 2025-2026 and mitigate adverse effects from higher US tariffs.

NII growth in 2025 will be challenged due to the strong performance in 2024 and falling interest rates, although the increased structural hedge should support NII as interest rates fall. The structural hedge was USD64 billion at end-2024, with a weighted average maturity of three years – SC aims to grow this further to about USD75 billion to provide further protection. The yield on that notional hedge was 3.5% in 2024 (up from 3.1% in 2023), which has helped reduce SC's sensitivity to interest rates.

The underlying return on tangible equity (16.4% in 1Q25) was up 120bp yoy, continuing the upward trend of recent years, although it will likely weaken in the coming quarters. We believe strategic execution on improving cost efficiency and continued strong revenue growth in non-NII businesses will be key in reaching a return-on-tangible

equity of 13% in 2026. The bank's operating income rose by 5% in 1Q25 yoy, supported by broad-based strong performance, with the largest nominal income increases in investment products (28%) and global markets (14%).

SC has achieved USD405 million in annualised savings in the first year of its 3-year USD1.5 billion "Fit for Growth" efficiency programme. Cost efficiency is weaker than that of most 'A' category-rated peers, and weighs on our assessment of SC's earnings and profitability. Cost savings are expected primarily from simplification, improved automation and digitisation.

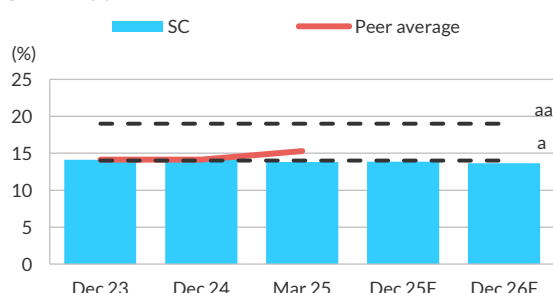
Capitalisation and Leverage

SC's CET1 ratio has remained closer to the top end of its 13%–14% target in recent years given the group's optimisation of RWAs, resilient asset quality and improved internal-capital generation. RWAs decreased by about USD25 billion in 2021–2023, reflecting SC's strategic focus on optimising RWAs, and this provided the group with a buffer to absorb some RWA inflation from asset-quality deterioration and regulatory changes.

We expect SC to continue returning capital to shareholders, in light of its target to return at least USD8 billion of surplus capital by end-2026. Dividend contributions from SC's subsidiaries were very strong in 2023–2024 given improved performance across the board, with regular dividends helping SC to manage double leverage and its capital planning. We do not expect material inorganic growth or acquisitions in the short term, given the objective of increased shareholder returns and ongoing macroeconomic pressures in key markets.

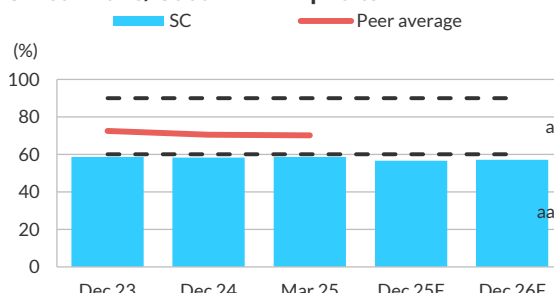
SC's capital ratios were adequately above requirements at end-1Q25, including the 10.5% CET1 ratio requirement. The UK leverage ratio (end-1Q25: 4.7%) remains adequate, although weaker than that of some UK-based peers, and is above the 3.7% requirement. SC's MREL ratio of 33.6% at end-1Q25 was above its 28.1% minimum requirement reflecting a comfortable buffer. Its non-CET1 MREL is composed of Senior HoldCo issuance (12.4% of RWAs), Tier 2 (4.3%) and AT1 (3.0%). SC's externally issued MREL (of about USD52 billion) is mainly 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

Resilient, Internationally Diversified Deposit Base

SC's customer deposit base is gathered in 53 markets, although it is mainly concentrated in Hong Kong (34% of deposits at end-1Q25) and Singapore (18%) where the subsidiaries are classified as domestic systemically important banks. Deposits are mainly gathered from CIB customers (53% of deposits), with the high share of operational accounts (44%) providing stability. Similarly, just over half of WRB deposits are in the form of stable and low-cost CASA (53%), although this share has come down from about 60% at end-1Q23 given the migration to higher-yielding term deposits. Migration of low-cost CASA deposits to higher-yielding term deposits has slowed since 4Q23.

Strong Liquidity Buffer

SC's about USD7 billion MREL issuance plans for 2025 primarily focus on Senior HoldCo debt, with about USD2 billion–USD2.5 billion remaining for the year at end-1Q25, which we view as achievable. SC issued an USD1 billion AT1 in 1Q25. Wholesale funding maturities pick up slightly in 2026 (USD8 billion) and 2027 (USD9 billion), although we expect this should be manageable for SC, given its focus on issuing primarily senior HoldCo debt over the two-year rating horizon, with the need to refinance Tier 2 debt in 2027.

SC's liquidity coverage ratio (149% at end-1Q25) remains strong and has remained broadly stable since 2021. In addition, SC's liquidity is supported by a large nominal base of high-quality liquid assets (USD180 billion; of which USD81 billion is cash), a high share of unencumbered assets, a short-term asset base and access to contingent funding

(including available facilities at the Bank of England and the Hong Kong Monetary Authority). Underpinning SC's liquidity is its short-term asset base, with 59% maturing in under one year.

Additional Notes on Charts

The forecasts in the tables and charts in this report reflect Fitch's forward view on the bank's financial metrics. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may materially differ from the guidance provided by the rated entity to the market.

To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalisations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Black dashed lines represent 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. Light-blue columns represent Fitch's forecasts.

Peer average includes HSBC Holdings plc (VR: a+), DBS Group Holdings Ltd (aa-), United Overseas Bank Limited (aa-), Citigroup Inc. (a), UBS Group AG (a), Barclays plc (a) and Lloyds Banking Group plc (a+). Latest average uses FY23 data for DBS Group Holdings Ltd, United Overseas Bank Limited. Financial year (FY) end is 31 December for all banks unless otherwise stated.

Financials

Financial Statements

	31 Dec 22 12 months (USDm)	31 Dec 23 12 months (USDm)	31 Dec 24 12 months (USDm)	31 Mar 25 1st quarter (USDm)	31 Dec 25F 12 months (USDm)	31 Dec 26F 12 months (USDm)
Summary income statement						
Net interest and dividend income	7,607	7,800	6,371	1,581	-	-
Net fees and commissions	3,113	2,660	3,065	1,137	-	-
Other operating income	5,755	6,461	10,402	2,663	-	-
Total operating income	16,475	16,921	19,838	5,381	20,310	20,810
Operating costs	11,339	11,709	13,090	3,046		
Pre-impairment operating profit	5,136	5,212	6,748	2,335		
Loan and other impairment charges	836	508	547	232	1,058	743
Operating profit	4,300	4,704	6,201	2,103	5,770	6,248
Other non-operating items (net)	-14	389	-187	0	-	-
Tax	1,384	1,631	1,972	511	-	-
Net income	2,902	3,462	4,042	1,592	3,944	4,262
Other comprehensive income	-3,778	801	-570	351	-	-
Total comprehensive income	-876	4,263	3,472	1,943	-	-
Summary balance sheet						
Assets						
Gross loans	298,155	285,361	283,360	287,707	-	-
– of which impaired	7,845	7,261	6,216	6,115	-	-
Loan loss allowances	5,460	5,170	4,904	5,024	-	-
Net loans	292,695	280,191	278,456	282,683	-	-
Interbank	39,517	45,504	42,860	44,761	-	-
Derivatives	63,717	50,434	81,472	56,139	-	-
Other securities and earning assets	297,838	315,694	326,402	348,963	-	-
Total earning assets	693,767	691,823	729,190	732,546	-	-
Cash and due from banks	58,263	69,905	63,447	70,425	-	-
Other assets	67,892	61,116	57,051	71,475	-	-
Total assets	819,922	822,844	849,688	874,446	-	-
Liabilities						
Customer deposits	473,383	486,666	486,261	490,921	-	-
Interbank and other short-term funding	107,126	98,998	91,077	35,124	-	-
Other long-term funding	59,911	69,618	70,364	174,786	-	-
Trading liabilities and derivatives	76,709	67,907	96,591	60,213	-	-
Total funding and derivatives	717,129	723,189	744,293	761,044	-	-
Other liabilities	52,616	49,054	53,866	60,934	-	-
Preference shares and hybrid capital	8,159	7,254	8,241	8,994	-	-
Total equity	42,018	43,347	43,288	43,474	-	-
Total liabilities and equity	819,922	822,844	849,688	874,446	-	-

Source: Fitch Ratings, Fitch Solutions, SC

Key Ratios

	31 Dec 22	31 Dec 23	31 Dec 24	31 Mar 25	31 Dec 25F	31 Dec 26F
Ratios (%; annualised as appropriate)						
Profitability						
Operating profit/risk-weighted assets	1.8	1.9	2.5	3.4	2.3	2.4
Net interest income/average earning assets	1.1	1.2	0.9	0.9	-	-
Non-interest expense/gross revenue	69.5	66.4	66.4	56.6	-	-
Net income/average equity	6.7	8.2	9.3	14.9	-	-
Asset quality						
Impaired loans/gross loans	2.6	2.5	2.2	2.1	2.5	2.6
Growth of gross loans	-2.8	-4.3	-0.7	1.5	-	-
Loan loss allowances/impaired loans	69.6	71.2	78.9	82.2	-	-
Loan impairment charges/average gross loans	0.3	0.2	0.2	0.3	-	-
-						
Capitalisation						
Common equity Tier 1 capital ratio	14.0	14.1	14.2	13.8	13.8	13.6
Fully loaded common equity Tier 1 capital ratio	-	14.1	14.2	13.8	-	-
Tangible common equity/tangible assets	4.4	4.5	4.4	4.3	-	-
Basel leverage ratio	4.8	4.2	4.4	4.3	-	-
Net impaired loans/common equity Tier 1	7.0	6.1	3.7	3.1	-	-
Funding and liquidity						
Gross loans/customer deposits	63.0	58.6	58.3	58.6	56.6	57.1
Liquidity coverage ratio	147.0	145.0	150.3	149.4	-	-
Customer deposits/total non-equity funding	72.2	72.2	72.5	69.2	-	-
Net stable funding ratio	-	138.0	135.2	135.9	-	-
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 weighting of each KRD in the assessment.

Higher influence Moderate influence Lower influence

The GSR of 'no support' 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	A+
Total Adjustments (notches)	0
Shareholder Support Rating	a+
Shareholder ability to support	
Shareholder Rating	A+/ 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 weighting of each KRD in the assessment.

Higher influence Moderate influence Lower influence

Standard Chartered Bank AG

Core Subsidiary: Standard Chartered Bank AG's (SCB AG) 'A+' support-driven Long-Term IDR, and its 'a+' 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 Brexit. 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.

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 have, therefore, equalised SCB AG's Long-Term IDR with SCB's. This incorporates a one-notch uplift from its own 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 authorities would co-operate in resolution.

Highly Integrated Subsidiary: We do not assign SCB AG a VR as its franchise, strategy and operations are closely 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

FitchRatings Standard Chartered PLC

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Standard Chartered PLC has 5 ESG potential rating drivers

- ➔ Standard Chartered PLC has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- ➔ Governance is minimally relevant to the rating and is not currently a driver.

Overall ESG Scale				
key driver	0	issues	5	
driver	0	issues	4	
potential driver	5	issues	3	
not a rating driver	4	issues	2	
	5	issues	1	

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	n.a.	n.a.	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 (incl. Management & governance); Risk Profile; Asset Quality	1

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

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities; SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); 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 (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	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 (incl. Management & governance); Financial Profile	1

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) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	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 (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

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>.

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