Standard Chartered PLC

Key Rating Drivers

Internationally Diverse Franchise: Standard Chartered PLC's (SC) ratings are underpinned by its well established franchise across core markets and a business model that is diversified by both revenue stream and geography. The Viability Rating (VR) weighs the bank's sound risk controls against its presence in certain higher-risk markets, while also factoring in strong capital, funding and liquidity, and improved profitability and asset quality.

Ratings Reflect Consolidated Group: SC is the group's holding company (holdco) and is highly integrated with the main operating companies (opcos). Its VR is equalised with that of Standard Chartered Bank (SCB), reflecting SC's moderate common equity double leverage (end-2025: 114%), prudent liquidity management and fungible capital and liquidity between SC and its main opcos.

SCB's Long-Term Issuer Default Rating (IDR) is two notches above its VR to reflect Fitch Ratings' expectation that the group will maintain very large resolution debt buffers.

Diversification Benefits: SC's broad international footprint across Asia, Africa, Europe and the US underpins a strong corporate and investment banking franchise, with its Wealth and Retail Banking division largely focused on the affluent segment. Improved revenue from wealth solutions adds a further buffer against earnings volatility and reduces its reliance on net interest income.

Robust Risk Controls: SC's risk profile balances its conservative risk controls against exposure to higher-risk markets and segments, which is inherent in its international footprint. Macroeconomic risks have been 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 continues to pivot its retail book away from mass-market unsecured lending towards lower-risk affluent and wealth clients, while in corporate and investment banking it concentrates on financial institutions and larger cross-border corporates that rely on its network.

Resilient Asset Quality: SC's impaired loans ratio improved slightly to 1.8% at end-3Q26 from 2.0% at end-2025. We expect a moderate uptick by end-2027, reflecting macroeconomic and geopolitical uncertainties. Loan impairment charges remained broadly stable (9M26: 23bp, annualised; 2025: 22bp), despite precautionary management overlays, including for the Middle East conflict. Asset quality is supported by high-quality non-loan assets.

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 2027, mitigating the effect of interest-rate volatility on net interest margins.

Solid Capital Buffers: The common equity Tier 1 (CET1) ratio of 13.8% at end-3Q26 remains at the upper end of SC's 13%-14% target range. We expect CET1 ratio to remain within the target range, supported by strong profitability, which should balance 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-3Q26: 58%), large liquidity buffers and strong, proven access to wholesale funding markets. Customer deposits (71% of funding) are diversified, with a high share of low-cost current and savings account deposits. SC's liquidity coverage ratio (end-3Q26: 154%) 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 and sustained weakening in the CET1 ratio to around 13% or below, particularly without improvements in our assessment of asset quality and earnings and profitability, would also lead to a downgrade.

SCB's Long-Term IDR would be downgraded if, all else remaining equal, we expect the group's resolution debt buffer to durably fall below 15% of RWAs.

Fitch could also downgrade SC's IDRs and VR by one notch if, all else remaining equal, double leverage increases sustainably over 120%, and if holdco 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 would require an improvement of our assessment of SC's operating environment, and a record of impaired loans ratios below 2% and an operating profits/RWAs ratio above 2.5%, both on a sustained basis. An upgrade would be unlikely unless the CET1 ratio remains at or above 14% and funding and liquidity remain strong.

An upgrade of SCB's Long-Term IDR would also be contingent on the group sustainably retaining a resolution debt buffer of at least 15%.

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 Short-Term IDR of 'F1' is the lower of two options mapping to the 'A' Long-Term IDR, as our assessment of the group's funding and liquidity profile does not warrant a higher rating.

SC's long-term senior unsecured debt ratings are aligned with its VR.

SCB's long-term senior unsecured debt (including unsecured debt issued by Standard Chartered Bank New York Branch) 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. SCB's Short-Term IDR and short-term deposit rating are the only options that map to the respective long-term ratings.

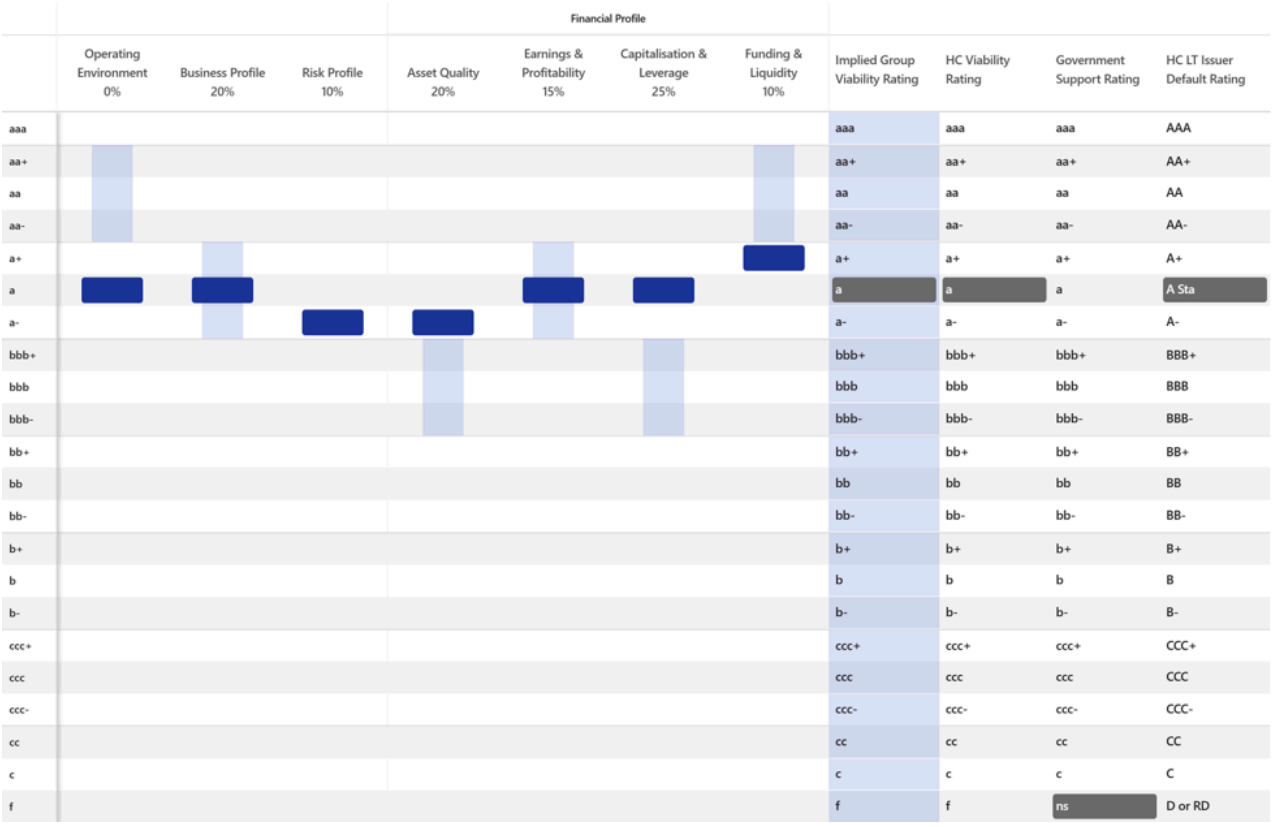
Subordinated Tier 2 debt is rated two notches below its respective issuers' VRs. This is Fitch's baseline notching for loss severity for this type of debt, due to the agency's expectations of poor recoveries.

SC's additional Tier 1 (AT1) instruments and preference shares are rated four notches below its VR – two notches each for loss severity and incremental non-performance risks – as we expect the group to maintain a buffer over regulatory capital requirements of at least 100bp of RWAs.

The deposit and senior unsecured debt ratings are primarily sensitive to changes to the VR and to the resolution debt buffer. In the absence of a VR downgrade, we would downgrade the senior unsecured debt rating if we expected the resolution debt buffer to fall sustainably below 15% of RWAs. We would also downgrade the long-term deposit ratings if we expected the resolution debt buffer to fall sustainably below 10% of RWAs.

The Tier 2, AT1 and preference shares' ratings are primarily sensitive to a change in the VR. The AT1 rating could also be downgraded if non-performance risk increases relative to the risk captured in the VR, for example, if capital buffers above mandatory coupon-omission triggers are eroded.

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.

Factor Outlook

Stable Evolving Positive Negative

VR - Adjustments to Key Rating Drivers

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

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

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

The funding and liquidity score of 'a+' is below the 'aa' category implied score due to the following adjustment reason: deposit structure (negative).

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 in which it operates. The 'a' score is two notches below domestic UK banks' operating environment score, due to SC'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 of nearly all of SC's operating environments.

Business Profile

Diversification Underpins Network Strength

SC's core franchise strength is its international network. This is most visible in the corporate and investment banking (CIB) division, which is the group's largest segment, at roughly 60% of 9M26 operating income. CIB revenue is anchored by transaction services (45% of CIB income in 9M26, chiefly payments and liquidity, and trade), followed by markets businesses (32%, largely macro and credit trading) and banking (19%, predominantly lending). The breadth of SC's cross-border platform, which links multinational corporates with institutional counterparties, allows it to compete with the larger global banks. This is reinforced by a number of solid domestic positions, although many are in small markets.

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

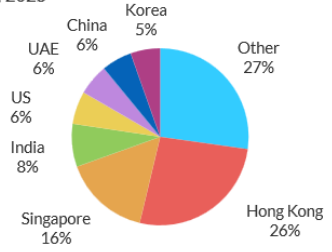
Non-net interest income (non-NII) has risen as a share of revenue (9M26: 74%; 2025: 71%; before adjusting NII for trading book funding costs and treasury FX management), reflecting deliberate investment in capital-light activities. Asia generates the bulk of group pre-tax profit (more than 60%), underlining the region's centrality to the network. Europe and the Americas are typically significant sources of network income, while Africa and the Middle East extend the group's reach and support cross-border connectivity.

Strategy Focused on Sustaining Improved Returns, Strengthening Cost Efficiency

SC is aiming for a return on tangible equity of over 15% in 2028 and of about 18% in 2030. 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 the corporate functions headcount by more than 15% by 2030 through increased automation.

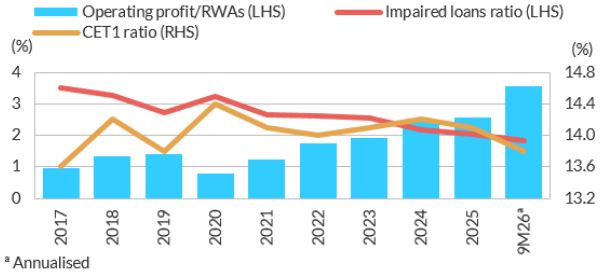
We believe sustaining momentum in SC's fee-generating businesses, as well as cost-efficiency improvements, will be key to achieving these targets. We expect the group to stay within its targeted credit loss through-the-cycle range of 30bp-35bp of average loans. SC's capital targets are unchanged, with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

Operating Income by Key Market
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

Underwriting discipline has tightened materially over the past decade, which has helped SC absorb the effects of high inflation, higher interest rates and rising geopolitical tension. Exposures to sectors that drove losses in earlier cycles, commercial real estate (CRE; 5% of gross loans at end-2025), oil and gas, and commodity traders, have been scaled back over the past five years. However, SC also banks some local SMEs (which we estimate to be in the low single digits as a percentage of gross loans). These are more vulnerable to economic downturns.

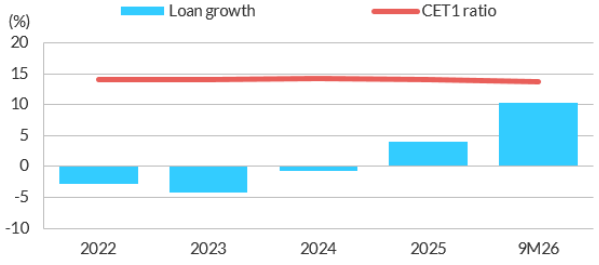
SC's Middle East exposure (about 7% of group credit exposure) is concentrated in the CIB portfolio, and largely comprises sovereign, sovereign-linked corporates and financial institution exposures. A USD268 million precautionary management overlay was booked relating to the Middle East conflict in 9M26, although the majority of exposures are investment grade and have been resilient to the effects of the conflict. Reduced 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, in Fitch's view, with the proportion of investment grade counterparties rising steadily since 2020 (end-9M26: 77%; end-2020: 62%). The largest 20 corporate concentrations have been fairly stable in recent years (end-2025: 64% of Tier 1 capital; end-2022: 65%). CIB exposures are also largely short-term, which gives SC flexibility to reduce borrower exposure fairly quickly if conditions deteriorate.

In WRB, unsecured retail lending has declined to 14% of loans (2014: 19%). Mortgage lending (end-3Q26: 28% of gross loans) is underpinned by fairly conservative loan-to-value (LTV) ratios – the average being 46%. Most of the higher LTVs are in Hong Kong, although they remain a small proportion of the total and have declined in recent years 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.

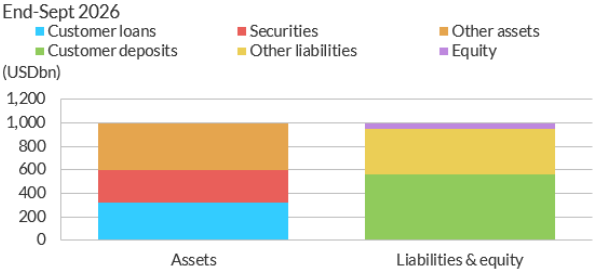
Market risk accounted for 12% of RWAs at end-3Q26, using a mix of standardised and internal ratings-based approaches. SC's traded risk exposure is lower than at large global trading banks, reflecting its smaller markets and securities businesses. The group's moderate income sensitivity to interest rate movements has declined, largely due to the buildup of structural hedges. At end-1H26, a 100bp parallel decrease in rates was estimated to reduce NII by USD630 million over the next 12 months, 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-Sept 2026



Source: Fitch Ratings, Fitch Solutions, SC

Financial Profile

Asset Quality

Asset Quality Is Resilient

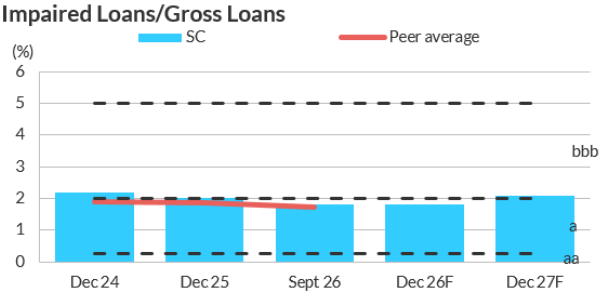
We expect asset quality to be stable, with some normalisation over the next two years, but we expect the impaired loans ratio will remain below 2.5%. SC's stronger asset-quality metrics in recent years, together with the ongoing balance sheet de-risking, are likely to help contain credit losses at a manageable level. The group has materially reduced higher-risk exposures, including China CRE, and exposure to vulnerable sovereigns has also declined significantly in recent years.

Hong Kong CRE exposure (end-3Q26: USD1.8 billion: 0.5% of loans) has come under pressure from lower occupancy rates. However, the risk is mitigated by most of SC's exposures being secured, with an average LTV ratio of below 50% (all property is in Hong Kong). The portfolio is also concentrated in top-tier, internationally diversified clients. SC continues to hold a modest USD66 million of management overlays against Hong Kong CRE, and we believe risks in this sector are approaching a trough.

The early alert portfolio increased at end-3Q26 (USD5.8 billion; end-2025: USD4.3 billion), mainly due to downgrades linked to geopolitical risks, largely driven by the conflict in the Middle East. Stage 2 loans (3.8% 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 comparatively modest.

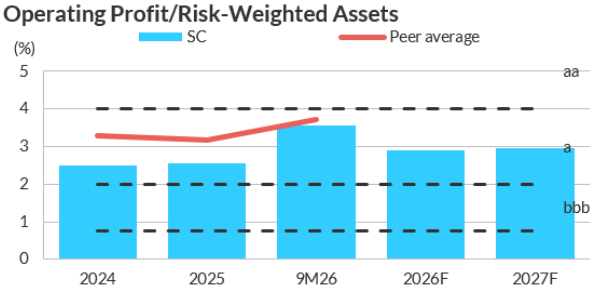
Our asset quality assessment also considers SC's non-loan exposure, as loans represent only 32% of assets. These non-loan assets are generally of high quality with limited defaulted exposures and moderate market risk, providing headroom to absorb moderate loan quality deterioration. Non-loan assets mostly 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

Profitability was solid in 9M26, with operating income up by 9% year on year to USD17.4 billion. Strong growth in wealth solutions, where income rose by 34% year on year, drove the good performance. This growth was, in turn, driven by investment products and bancassurance on strong affluent-client acquisitions and record net new money inflows. Global banking income increased by 16%, mainly reflecting higher lending and financing volumes and strong debt capital markets activity. Net interest income was fairly flat because higher loan growth was largely offset by moderating net interest margin.

Cost control remained strong, with positive income to cost jaws resulting in a cost/income ratio of 56% at end-3Q26 (end-3Q25: 59%). SC's cost of risk remained stable at 23bp in 9M26, although we expect this to increase towards SC's through-the-cycle guidance of 30bp-35bp. The operating profit/RWAs ratio comfortably exceeded 3%, and Fitch expects it to be about 3% for 2027. The ratio should remain well above its 2.2% average for 2022-2025 due to a structural improvement in group profitability. This structural improvement underpins our recent revision of SC's earnings and profitability score to 'a' from 'a-'. Profitability will continue to be supported by robust non-interest income growth. The structural hedge (end-1H26: USD119 billion nominal; 2.7 year average maturity; 3.4% yield) will continue to support interest income and smooth volatility.

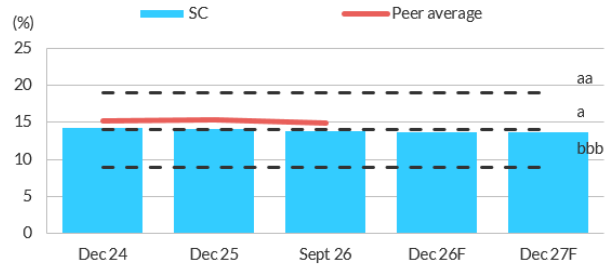
Capitalisation and Leverage

The CET1 ratio declined to 13.8% at end-3Q26 (end-2025: 14.1%) as internal capital generation was offset by shareholder returns, including a USD1 billion share buyback announced in July 2026, and RWA growth. Capital buffers are comfortable, with the CET1 ratio around 360bp above the maximum distributable amount threshold. 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 of returning at least USD8 billion of surplus capital by end-2026 a year early. This will be balanced out by strong revenue generation leading to a CET1 ratio around the mid-point of the target range in 2027, in our view. Dividend contributions from SC's subsidiaries have been very strong in recent years due to improved performance across the board, with regular dividends helping SC to manage double leverage and capital planning.

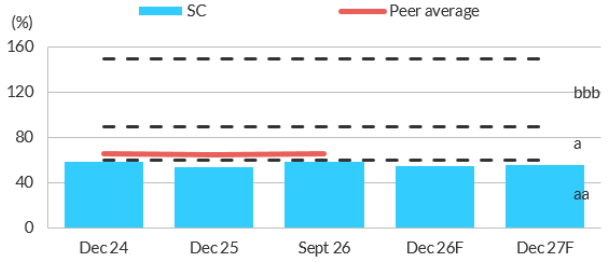
We expect the impact of Basel 3.1 to be manageable, mitigated by the planned reduction in the Pillar 2A CET1 requirement, which is set to decline by 30bp effective January 2027. The UK leverage ratio of 4.7% at end-3Q26 was above the 3.7% requirement. SC's minimum requirement for own funds and eligible liabilities (MREL) ratio (end-3Q26: 34.6%) had a comfortable buffer above its 28.4% regulatory minimum. Non-CET1 MREL is composed of senior holdco issuance (14.5% of RWAs), Tier 2 (2.8%) and AT1 (3.4%). SC's externally issued MREL (of about USD55 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 centered on Hong Kong (34% of deposits at end-3Q26) 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 (51%) are in the form of stable and low-cost current and savings accounts.

Sizeable Liquidity Buffer

SC completed the approximate USD9 billion MREL issuance programme for 2026 ahead of schedule and began pre-funding its 2027 requirements with USD11.7 billion issuance by end-3Q26. Wholesale funding maturities will 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 (end-3Q26: 154%) has been broadly steady since 2021. Liquidity is further supported by a substantial stock of high-quality liquid assets (USD183 billion; of which USD72 billion is cash), high unencumbered assets, and access to contingent funding (including available facilities at the Bank of England, the Monetary Authority of Singapore, and the Hong Kong Monetary Authority). The liquidity profile also benefits from the short tenor of the asset base, with around 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 Barclays plc are for 9M26. Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 23 12 months (USDm)	31 Dec 24 12 months (USDm)	31 Dec 25 12 months (USDm)	30 Sep 26 9 months (USDm)	31 Dec 26F 12 months (USDm)	31 Dec 27F 12 months (USDm)
Summary income statement						
Net interest and dividend income	7,800	6,371	5,965	4,475	6,324	7,108
Net fees and commissions	2,660	3,065	3,495	4,022	4,194	4,655
Other operating income	6,461	10,402	11,169	8,848	11,628	11,673
Total operating income	16,921	19,838	20,629	17,345	22,146	23,436
Operating costs	11,709	13,090	13,369	9,775	13,594	13,866
Pre-impairment operating profit	5,212	6,748	7,260	7,570	8,552	9,570
Loan and other impairment charges	508	547	672	536	736	1,151
Operating profit	4,704	6,201	6,588	7,034	7,816	8,419
Other non-operating items (net)	389	-187	375	-	-	-

Tax	1,631	1,972	1,866	1,601	-	-
Net income	3,462	4,042	5,097	5,433	5,798	6,245
Other comprehensive income	801	-570	1,718	-1,750	-	-
Fitch comprehensive income	4,263	3,472	6,815	3,683	-	-
Summary balance sheet						
Assets						
Gross loans	285,361	283,360	294,962	325,213	318,559	334,487
– of which impaired	7,261	6,216	5,978	5,923	-	-
Loan loss allowances	5,170	4,904	4,061	4,386	-	-
Net loans	280,191	278,456	290,901	320,827	-	-
Interbank	45,504	42,860	43,161	45,880	-	-
Derivatives	50,434	81,472	65,782	88,340	-	-
Other securities and earning assets	315,694	326,402	360,266	381,719	-	-
Total earning assets	691,823	729,190	760,110	836,766	-	-
Cash and due from banks	69,905	63,447	77,746	72,944	-	-
Other assets	61,116	57,051	82,099	88,904	-	-
Total assets	822,844	849,688	919,955	998,614	1,004,789	1,035,225
Liabilities						
Customer deposits	486,666	486,261	549,575	558,282	577,054	600,136
Interbank and other short-term funding	98,998	91,077	99,114	34,364	-	-
Other long-term funding	69,618	70,364	75,562	188,145	-	-
Trading liabilities and derivatives	67,907	96,591	83,743	92,384	-	-
Total funding and derivatives	723,189	744,293	807,994	873,175	-	-
Other liabilities	49,054	53,866	57,112	70,252	-	-
Preference shares and hybrid capital	7,254	8,241	9,285	10,596	-	-
Total equity	43,347	43,288	45,564	44,591	46,307	48,091
Total liabilities and equity	822,844	849,688	919,955	998,614	-	-
Exchange rate	USD1= USD1	USD1= USD1	USD1= USD1	USD1= USD1	-	-

Source: Fitch Ratings, Fitch Solutions, SC

Key Ratios

(%; annualised as appropriate)	31 Dec 23	31 Dec 24	31 Dec 25	30 Sep 26	31 Dec 26F	31 Dec 27F
Profitability						
Operating profit/risk-weighted assets	1.9	2.5	2.6	3.6	2.9	3.0
Net interest income/average earning assets	1.2	0.9	0.8	0.7	0.8	0.9
Non-interest expense/gross revenue	66.4	66.4	65.0	56.2	61.6	59.4
Net income/average equity	8.2	9.3	11.4	16.1	-	-
Asset quality						

Impaired loans ratio	2.5	2.2	2.0	1.8	1.8	2.1
Growth in gross loans	-4.3	-0.7	4.1	10.3	8.0	5.0
Loan loss allowances/impaired loans	71.2	78.9	67.9	74.1	75.6	71.6
Loan impairment charges/average gross loans	0.2	0.2	0.2	0.2	0.2	0.4
Capitalisation						
Common equity Tier 1 ratio	14.1	14.2	14.1	13.8	13.7	13.7
Fully loaded common equity Tier 1 ratio	14.1	14.2	14.1	13.8	-	-
Fitch Core Capital ratio	-	-	-	-	-	-
Tangible common equity/tangible assets	4.5	4.4	4.3	3.8	-	-
Basel leverage ratio	4.2	4.4	4.3	4.2	-	-
Net impaired loans/common equity Tier 1	6.1	3.7	5.3	4.2	3.8	5.1
Net impaired loans/Fitch Core Capital	-	-	-	-	-	-
Funding and liquidity						
Gross loans/customer deposits	58.6	58.3	53.7	58.3	55.2	55.7
Gross loans/customer deposits + covered bonds	-	-	-	-	-	-
Liquidity coverage ratio	145.0	150.3	154.8	156.6	-	-
Customer deposits/total non-equity funding	72.2	72.5	73.4	70.5	-	-
Net stable funding ratio	138.0	135.2	138.6	135.1	-	-

Source: Fitch Ratings, Fitch Solutions, SC

Support Assessment

Government Support

Sovereign		United Kingdom
Sovereign Long-Term Issuer Default Rating	•	AA-/Stable
Total adjustment (notches)		—
Typical D-SIB Government Support for sovereign's rating level		a or a-
Actual jurisdiction D-SIB Government Support		ns
Government Support Rating		ns
Government ability to support D-SIBs		
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: Dark blue = neutral; Red = higher

Source: Fitch Ratings

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

Standard Chartered Bank AG (SCB AG's) IDRs, Derivative Counterparty Rating (DCR) and deposit ratings are driven by its Shareholder Support Rating of 'aa-', which is aligned with SCB's Long-Term IDR. This reflects Fitch's view of a very high probability of support by SCB, and, ultimately, by SC, as well as Fitch's expectation that SCB AG's senior creditors will benefit from the protection of SCB's resolution debt buffers. 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 after the UK left 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 operates in the eurozone, which has a similar resolution regime to the UK, and we believe that the authorities would co-operate in a resolution. As a result, we do not expect regulatory restrictions on flows from the parent to support its subsidiary. The group has sufficient resources to ensure SCB AG's viability by recapitalising it to a level acceptable to regulators on a timely basis, given the latter's relatively small size.

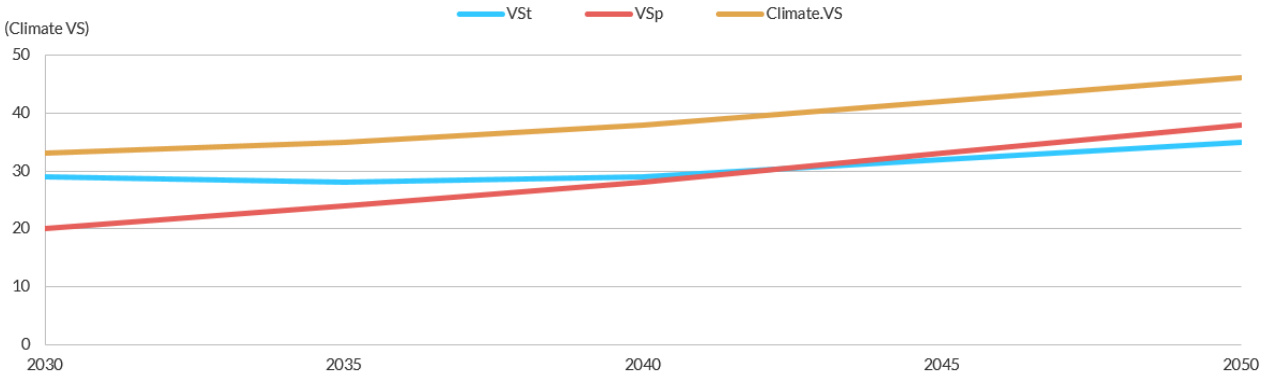
SCB AG's ratings could be downgraded if SCB's Long-Term IDR is downgraded, or if Fitch perceives a decrease in the subsidiary's strategic importance for the group. An upgrade of SCB AG's ratings would require an upgrade of SCB's ratings.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

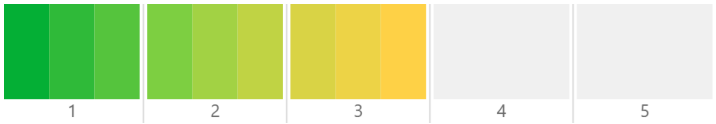
The Climate.VS for SC for 2035 is 35, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 28 and a physical risk (VSp) component signal of 24. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework.

Climate Vulnerability Signals for Standard Chartered PLC



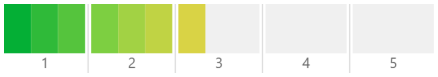
Source: Fitch Ratings

Environmental, Social and Governance Considerations



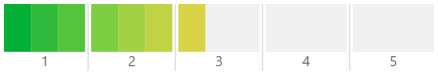
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	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
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
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



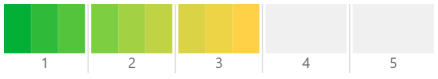
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
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
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
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
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



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
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
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile



ESG Scoring	Credit-Relevant ESG Scale	
ESG relevance scores range from '1' to '5' based on a 15-level colour 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 general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.	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 the 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 the 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 the 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

Climate Vulnerability
2035 Climate Vulnerability Signal: 35
Transition (VSt): 28
Physical (VSp): 24

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 (November 2026)
Standard Chartered's Strong 9M26 Reinforces Earnings Improvement (November 2026)
Large European Banks Quarterly Credit Monitor: September 2026

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