MOODY'S
INVESTORS SERVICE

Rating Action: Moody's takes rating actions on Standard Chartered PLC, Standard Chartered Bank and Standard Chartered Bank (Singapore) Limited following update to banks methodology

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Singapore, July 13, 2021 -- Moody's Investors Service (Moody's) has downgraded the senior unsecured debt ratings of Standard Chartered PLC (SCPLC) by one notch to A3, and upgraded the subordinated and junior subordinated debt ratings of Standard Chartered Bank (SCBUK) by one notch to Baa1 and Baa2 respectively. All other ratings and Baseline Credit Assessment (BCA) of these entities have been affirmed. Moody's has also affirmed the A1/P-1 long-term/short-term deposit and issuer rating of Standard Chartered Bank (Singapore) Limited (SCBSL).

The rating actions were driven by revisions to Moody's Advanced Loss Given Failure (Advanced LGF) framework, following the publication of Moody's updated Banks Methodology on 9 July 2021. This methodology is available at this link: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1269625

The outlooks remain stable for the entities affected by today's rating actions, reflecting their stable financial performance on a forward looking basis.

The full list of affected ratings and assessments can be found at the end of this Press Release.

RATINGS RATIONALE

Today's rating actions were driven by revisions to the Advanced LGF framework within Moody's updated banks methodology.

In particular, the rating action on SCPLC reflects Moody's view that group-wide resolutions coordinated in a unified manner will be more common following the requirement to issue internal loss absorbing capital (ILAC), leading to the transfer of losses from subsidiaries to the parent at the point of failure. For SCBUK and SCBSL the rating actions reflect the required and expected issuance of ILAC instruments.

The update further includes the consideration of all Additional Tier 1 (AT1) securities issued by these banks in Moody's Advanced LGF framework, eliminating the previous analytical distinction between those high trigger instruments that were deemed to provide equity-like absorption of losses before the point of failure and other AT1 securities.

RATINGS RATIONALE FOR INDIVIDUAL BANKS

SCPLC: DOWNGRADE OF SENIOR UNSECURED DEBT RATINGS TO A3, AFFRIMATION OF ALL OTHER RATINGS AND BCA

Moody's has downgraded the senior unsecured debt ratings of SCPLC to A3 from A2, with a stable outlook. At the same time, Moody's has affirmed SCPLC's all other ratings and BCA.

The downgrade of the senior unsecured debt ratings reflects Moody's expectation that SCPLC will be resolved in a unified manner alongside its material subsidiaries. The rating agency assesses that issuance of ILAC by its material subsidiaries to SCPLC will result in the effective transfer of losses in a resolution to SCPLC, which is designated as the single point of entry in the group's resolution plans. The inclusion of the Tangible Banking Assets of the material subsidiaries within the Advanced LGF analysis results in a reduced one notch of uplift from its BCA, reflecting the greater volume of losses the bank's liabilities will be expected to absorb following a failure.

SCPLC's improving asset quality and strong liquidity profile have driven the affirmation of its baa1 BCA, even though the removal of equity credit for high trigger AT1 instruments from the group's going concern capital means that the group has a reduced capacity to absorb unexpected losses before the point of failure.

SCPLC's subordinated and junior subordinated debt ratings have been affirmed in line with the affirmation of its

BCA.

SCBUK: UPGRADE OF SUBORDINATED AND JUNIOR SUBORDINATED DEBT RATINGS, AFFIRMATION OF ALL OTHER RATINGS AND BCA

Moody's has upgraded the subordinated and junior subordinated debt ratings of SCBUK to Baa1 and Baa2 respectively, from Baa2 and Baa3. At the same time, it has affirmed SCBUK's all other ratings, BCA and adjusted BCA.

SCBUK's subordinated and junior subordinated debt ratings were upgraded by one notch. The subordinated debt is at the same level and the junior subordinated debt is one notch lower compared to its adjusted BCA, which better captures their risk characteristics following the agency's revised view around the distribution of losses post failure. Specifically, these ratings have benefited from the adjustment of Advanced LGF notching guidance table thresholds at lower levels of subordination and volume in the liability structure.

SCBUK's improving asset quality and strong liquidity have driven the affirmation of its BCA and adjusted BCA, even though the removal of equity credit for high trigger AT1 instruments from the bank's going concern capital means that the bank has a reduced capacity to absorb unexpected losses before the point of failure.

SCBUK's senior unsecured debt rating, counterparty risk rating and counterparty risk assessment have been affirmed in line with the affirmation of its BCA and adjusted BCA.

SCBSL: AFFIRMATION OF DEPOSIT AND ISSUER RATINGS

Moody's has affirmed the A1/P-1 long-term/short-term deposit and issuer ratings of SCBSL, as well as its Counterparty Risk Ratings (CRR) and Counterparty Risk Assessments (CRA).

The affirmation of SCBSL ratings reflects the bank's strong solvency and liquidity, current and upcoming ILAC buffer, and high probability of support from the Government of Singapore (Aaa stable). While Moody's is now applying its Advanced LGF framework for SCBSL, this new approach did not result in changes in deposit and issuer ratings, CRR and CRA of SCBSL because (1) ILAC buffers offer modest protection to the more senior classes of creditors, (2) deposits and senior debt are not subject to bail-in in Singapore, and (3) the probability of government support remains unchanged for SCBSL, resulting in a two-notch rating uplift above the bank's BCA.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

SCPLC

SCPLC's BCA could be upgraded if (a) the bank's profitability were to increase significantly, (b) core equity capital is maintained at current levels, and (c) there continues to be an improvement in the quality of funding.

SCPLC's instrument ratings could be upgraded if its BCA is upgraded.

SCPLC's BCA could be downgraded if the bank's asset quality were to deteriorate materially. The BCA could also be lowered if the bank's profitability, were to fall to the 2016 levels, without the prospect of a swift recovery.

A downgrade of SCPLC's BCA would likely affect all the ratings assigned to the bank.

The expected volume of junior debt instruments and volume of senior unsecured debt, as a percentage of its tangible banking assets, is just above the level, 10%, at which the senior unsecured debt rating gets a one notch uplift from its BCA. If this ratio falls below 10% for a sustained period because of asset growth exceeding the growth of these liabilities, it will lead to a downgrade of the senior unsecured debt rating.

SCBUK

SCBUK's BCA could be upgraded if the bank's profitability and capital significantly improve from current levels.

Its adjusted BCA could be upgraded if SCPLC's BCA is upgraded. Its instrument ratings could be upgraded if its adjusted BCA is upgraded.

SCBUK's BCA could be downgraded if its asset quality were to significantly deteriorate again. We could also downgrade the BCA if its profitability falls to the 2016 levels, without the prospect of a swift recovery.

A downgrade in SCPLC's BCA would likely lead to a downgrade of SCBUK's adjusted BCA and all its ratings. In addition, we could downgrade SCBUK's bank deposit and senior unsecured ratings if the volume of junior instruments outstanding decreases significantly, reducing the amount of loss protection available to more senior instruments.

SCBSL

SCBSL's deposit and issuer ratings could be upgraded if there is an improvement in the bank's solvency and liquidity metrics.

SCBSL's credit ratings could be downgraded if the bank pursues overly aggressive loan growth, thereby increasing its risk profile, or if the bank's financial ratios deteriorate significantly.

Standard Chartered PLC is a global bank headquartered in London, with total assets of $789.1 billion at 31 December 2020.

Standard Chartered Bank is the principal operating entity of Standard Chartered PLC.

Standard Chartered Bank (Singapore) Limited is headquartered in Singapore, and is 100% owned by Standard Chartered Bank.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks Methodology published in July 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1269625 . Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

LIST OF AFFECTED RATINGS AND ASSESSMENTS

..Issuer: Standard Chartered PLC (Lead Analyst: Srikanth Vadlamani)

....Adjusted Baseline Credit Assessment, Affirmed baa1

....Baseline Credit Assessment, Affirmed baa1

....Senior Unsecured Regular Bond/Debenture (Foreign and Local Currency), Downgraded to A3 from A2, outlook stable

....Senior Unsecured Medium-Term Note Program (Foreign Currency), Downgraded to (P)A3 from (P)A2

....Subordinated Regular Bond/Debenture (Foreign and Local Currency), Affirmed Baa2

....Subordinated Medium-Term Note Program (Foreign Currency), Affirmed (P)Baa2

....Junior Subordinated Regular Bond/Debenture (Foreign and Local Currency), Affirmed Baa3

....Pref. Stock Non-cumulative Preferred Stock (Foreign and Local Currency), Affirmed Ba1(hyb)

....Outlook, Remains Stable

..Issuer: Standard Chartered Bank (Lead Analyst: Srikanth Vadlamani)

....Long-term Counterparty Risk Rating (Foreign and Local Currency), Affirmed A1

....Short-term Counterparty Risk Rating (Foreign and Local Currency), Affirmed P-1

....Long-term Bank Deposit (Foreign and Local Currency), Affirmed A1, outlook stable

....Short-term Bank Deposit (Foreign and Local Currency), Affirmed P-1

....Long-term Deposit Note/CD Program (Foreign Currency), Affirmed A1

....Short-term Deposit Note/CD Program (Foreign Currency), Affirmed P-1

....Long-term Counterparty Risk Assessment, Affirmed A1(cr)

....Short-term Counterparty Risk Assessment, Affirmed P-1(cr)

....Adjusted Baseline Credit Assessment, Affirmed baa1

....Baseline Credit Assessment, Affirmed baa2

....Senior Unsecured Regular Bond/Debenture (Foreign Currency), Affirmed A1, outlook stable

....Senior unsecured Medium-Term Note Program (Foreign Currency), Affirmed (P)A1

....Subordinateed Regular Bond/Debenture (Foreign Currency), Upgraded to Baa1 from Baa2

....Subordinated Medium-Term Note Program (Foreign Currency), Upgraded to (P)Baa1 from (P)Baa2

....Junior Subordinated Regular Bond/Debenture (Local Currency), Upgraded to Baa2 from Baa3

....Other Short Term (Foreign Currency), Affirmed (P)P-1

....Outlook, Remains Stable

..Issuer: Standard Chartered Bank (Singapore) Limited (Lead Analyst: Eugene Tarzimanov)

....Long-term Counterparty Risk Rating (Foreign and Local Currency), Affirmed Aa3

....Short-term Counterparty Risk Rating (Foreign and Local Currency), Affirmed P-1

....Long-term Bank Deposit (Foreign and Local Currency), Affirmed A1, outlook stable

....Short-term Bank Deposit (Foreign and Local Currency), Affirmed P-1

....Short-term Deposit Note/CD Program (Foreign and Local Currency), Affirmed P-1

....Long-term Counterparty Risk Assessment, Affirmed Aa3(cr)

....Short-term Counterparty Risk Assessment, Affirmed P-1(cr)

....Long-term Issuer Rating (Foreign and Local Currency), Affirmed A1, outlook stable

....Short-term Issuer Rating (Foreign and Local Currency), Affirmed P-1

....Commercial Paper (Foreign and Local Currency), Affirmed P-1

....Outlook, Remains Stable

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1288435 .

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Srikanth Vadlamani
VP - Senior Credit Officer
Financial Institutions Group
Moody's Investors Service Singapore Pte. Ltd.
50 Raffles Place #23-06
Singapore Land Tower
Singapore 48623
Singapore
JOURNALISTS: 852 3758 1350
Client Service: 852 3551 3077

Graeme Knowd
MD - Banking
Financial Institutions Group
JOURNALISTS: 852 3758 1350
Client Service: 852 3551 3077

Releasing Office:
Moody's Investors Service Singapore Pte. Ltd.
50 Raffles Place #23-06
Singapore Land Tower
Singapore 48623
Singapore
JOURNALISTS: 852 3758 1350
Client Service: 852 3551 3077

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.