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Standard Chartered Bank - Johannesburg Branch
Pillar 3 Disclosures
30 June 2025

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1. Introduction

1.1 Purpose and basis of preparation

Standard Chartered Bank - Johannesburg Branch (the Bank, SCBJ) is a Branch of Standard Chartered Bank PLC, incorporated in the United Kingdom (SCB Group). The Bank is primarily involved in the provision of wholesale banking services.

This report presents the Pillar 3 disclosures of the Bank as at 30 June 2025 and should be read in conjunction with the SCB Group Annual Half Year Reports and Accounts and Pillar 3 disclosures. Where appropriate, this document provides links to the Group reports for the period ended 30 June 2025 which can also be found directly at:

Half Year Report – <https://av.sc.com/corp-en/nr/content/docs/standard-chartered-plc-hy-2025-report.pdf>

Pillar 3 report – <https://av.sc.com/corp-en/nr/content/docs/standard-chartered-plc-hy-2025-pillar-3-disclosures.pdf>

The Pillar 3 disclosures comprise detailed information on the underlying drivers of Risk Weighted Assets (RWA), capital, leverage and liquidity ratios as of 30 June 2025 in accordance with Regulation 43 and the South African Banks Act 1990 (as amended).

The SCBJ quarterly disclosure requirements are published separately:

Quarterly Pillar 3 reports - https://av.sc.com/corp-en/nr/za/content/docs/Pillar-3-Disclosure_Q2_25_Final.pdf

The information presented in this Pillar 3 disclosure document is not required to be, and has not been, subjected to external audit. Ernst & Young Inc. has expressed a limited assurance conclusion on the Pillar 3 disclosures in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) issued by the International Auditing and Assurance Standards Board.

1.2 Bank management's responsibility statement

Bank management is responsible for the preparation and fair presentation of the disclosure requirements in respect of Regulation 43 of the Regulations relating to Banks. The Pillar 3 Disclosures document has been verified internally in accordance with the Bank's policies on disclosure and its financial reporting and governance processes.

During 2023, SCBJ approved the Prudential Authority regulatory disclosure policy addendum which is aligned to the Pillar 3 disclosure requirements set out by the Basel Committee on Banking Supervision's (BCBS) revised Pillar 3 disclosure requirements, the Prudential Authority (PA) Directive 1 of 2024, issued in terms of section 6(6) of the Banks Act No.94 of 1990 and Regulation 43 of the regulations relating to Banks.

1.3 Key metrics for the Bank

The key prudential metrics for (KM1), as of 30 June 2025, are disclosed in the Quarterly 30 June 2025 Pillar 3 disclosure.

2. Capital

2.1 Leverage ratio

The quantitative disclosures for 30 June 2025 LR1 Summary comparison of accounting assets compared to leverage ratio exposure and LR2 Leverage ratio common disclosure template is included in the Quarterly 30 June 2025 Pillar 3 disclosure.

2.2 Capital requirements

Pillar 1 and Pillar 2A CET1 requirements and the combined buffer requirement together represent the Bank's Maximum Distributable Amount threshold. The Bank will be subject to restrictions on discretionary distributions if the CET1 ratio falls below this threshold. The Bank expects to continue to operate with a prudent management buffer above this threshold in the forecast period.

The tables representing the Bank's RWA and capital requirements, Key Metrics KM1 (calculated as 11.5 per cent of RWA) and Overview of RWA OV1 are included in the Quarterly 30 June 2025 Pillar 3 disclosure.

Table 1: Composition of regulatory capital (CC1)

	30.06.25 ZAR'million(m)
Common Equity Tier 1 capital: instruments and reserves	
Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	4,054
Retained earnings	114
Accumulated other comprehensive income (and other reserves)	56
Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	-
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
Common Equity Tier 1 capital before regulatory adjustments	4,224
Common Equity Tier 1 capital: regulatory adjustments	
Prudent valuation adjustments	(47)
Goodwill (net of related tax liability)	(158)
Other intangibles other than mortgage servicing rights (net of related tax liability)	(318)
Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-
Cash flow hedge reserve	-
Shortfall of provisions to expected losses	-
Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework ²⁵)	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined benefit pension fund net assets	-
Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-
Reciprocal cross-holdings in common equity	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-
Mortgage servicing rights (amount above 10% threshold)	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
Amount exceeding the 15% threshold	-
Of which: significant investments in the common stock of financials	-
Of which: mortgage servicing rights	-
Of which: deferred tax assets arising from temporary differences	-
National specific regulatory adjustments	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
Total regulatory adjustments to Common Equity Tier 1	(523)
Common Equity Tier 1 capital (CET1)	3,701
Additional Tier 1 capital: instruments	

Directly issued qualifying additional Tier 1 instruments plus related stock surplus	-
Of which: classified as equity under applicable accounting standards	-
Of which: classified as liabilities under applicable accounting standards	-
Directly issued capital instruments subject to phase-out from additional Tier 1	-
Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
Of which: instruments issued by subsidiaries subject to phase-out	-
Additional Tier 1 capital before regulatory adjustments	-
Additional Tier 1 capital: regulatory adjustments	-
Investments in own additional Tier 1 instruments	-
Reciprocal cross-holdings in additional Tier 1 instruments	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-
National specific regulatory adjustments	-
Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-
Total regulatory adjustments to additional Tier 1 capital	-
Additional Tier 1 capital (AT1)	-
Tier 1 capital (T1 = CET1 + AT1)	3,701
Tier 2 capital: instruments and provisions	-
Directly issued qualifying Tier 2 instruments plus related stock surplus	-
Directly issued capital instruments subject to phase-out from Tier 2	-
Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-
Of which: instruments issued by subsidiaries subject to phase-out	-
Provisions	29
Tier 2 capital before regulatory adjustments	29
Tier 2 capital: regulatory adjustments	-
Investments in own Tier 2 instruments	-
Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-
Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	-
Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
National specific regulatory adjustments	-
Total regulatory adjustments to Tier 2 capital	-
Tier 2 capital (T2)	29
Total regulatory capital (TC = T1 + T2)	3,730
Total risk-weighted assets	22,195
Capital ratios and buffers	-

Common Equity Tier 1 (as a percentage of risk-weighted assets)	16.67%
Tier 1 (as a percentage of risk-weighted assets)	16.67%
Total capital (as a percentage of risk-weighted assets)	16.80%
Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%
Of which: capital conservation buffer requirement	2.50%
Of which: bank-specific countercyclical buffer requirement	-
Of which: higher loss absorbency requirement	-
Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	8.79%
National minima (if different from Basel III)	
National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	7.50%
National Tier 1 minimum ratio (if different from Basel III minimum)	9.25%
National total capital minimum ratio (if different from Basel III minimum)	11.50%
Amounts below the thresholds for deduction (before risk weighting)	
Non-significant investments in the capital and other TLAC liabilities of other financial entities	-
Significant investments in the common stock of financial entities	-
Mortgage servicing rights (net of related tax liability)	-
Deferred tax assets arising from temporary differences (net of related tax liability)	28
Applicable caps on the inclusion of provisions in Tier 2	
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)*	29
Cap on inclusion of provisions in Tier 2 under standardised approach*	188
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
Current cap on CET1 instruments subject to phase-out arrangements	-
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
Current cap on AT1 instruments subject to phase-out arrangements	-
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
Current cap on T2 instruments subject to phase-out arrangements	-
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

3.1 Standardised Approach to Credit Risk

Since 1 April 2020, the Bank has used the Standardised Approach to calculate Credit Risk capital requirements in line with the approval from our relevant regulators. The Standardised Approach measures credit risk pursuant to fixed risk-weights and is the least sophisticated of the capital requirement calculation methodologies under Basel III.

Table 2: Credit quality of exposures by exposure class and instruments (CR1)

The tables below include a breakdown of defaulted and non-defaulted exposure by exposure class. Exposure values presented in the tables are before the impact of Credit Conversion Factors (CCF) and Credit Risk Mitigants (CRM).

	30.06.25					
	Gross carrying value of			Of which ECL accounting provisions for credit losses on SA exposures		
	Defaulted exposures	Non-defaulted exposures	Allowances/Impairments	Allocated in Regulatory category specific	Allocated in regulatory category general	Net values
	ZAR'm					
Loans	395	23,798	279	270	9	23,914
Debt securities	-	17,062	13	-	13	17,049
Off-balance sheet exposures	2	38,497	7	-	7	38,492
Total	397	79,357	299	270	29	79,455

Table 3: Changes in the stock of general and specific credit risk adjustments (CR2)

	30.06.25
	Gross carrying value of defaulted exposures
	ZAR'm
Opening balance	593
Loans and debt securities that have defaulted or impaired since the last reporting period	-
Returned to non-defaulted status	(201)
Amounts written off	5
Other changes	-
Closing balance	397

The Bank applies the SCB Group Accounting definition of default:

Financial assets in default represent those that are at least 90 days past due in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit impaired.

3.2 Credit Risk Mitigation

Table 4: Credit risk mitigation techniques – overview (CR3)

The table below shows the unfunded credit protection held by the Bank, consisting of credit derivatives and guarantees, and funded credit protection, including financial collateral.

30.06.25							
	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives: secured amount
ZAR'm							
Loans	19,250	4,663	4,664	-	-	-	-
Debt securities	17,049	-	-	-	-	-	-
Total	36,299	4,663	4,664	-	-	-	-
Of which defaulted	397						

Table 5: Standardised approach – credit risk exposure and CRM effects (CR4)

The table presents exposure before and after the effect of CRM, including credit substitution and financial collateral, with a further split into on-balance sheet and off-balance sheet exposures. Off-balance sheet exposures are presented before and after the application of standardised CCFs.

30.06.25						
	Exposures before CCF and CRM ¹		Exposures post CCF and CRM		RWA and RWA density	
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density
ZAR'm						
Standardised Exposure Class						
Sovereigns and their central Banks	17,062	-	17,062	-	-	-
Non-central government public sector entities	1	-	1	-	-	20
Multilateral development banks	-	-	-	-	-	-
Banks	6,435	7,216	6,435	3,611	952	9
Securities firms	-	-	-	-	-	-
Corporates	8,576	31,281	8,577	4,841	13,207	98
Regulatory retail portfolios	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Past-due loans	395	2	-	-	79	-
Higher-risk categories	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	32,469	38,499	32,075	8,452	14,238	35

Portfolio composition changed as commercial surplus was deployed to Sovereign debt securities (with lower RWA density).

Table 6: Standardised approach – exposures by asset classes and risk weights (CR5)

The following tables set out EAD and EAD after CRM associated with each risk weight as prescribed, including credit and counterparty credit risk regulatory risk weights based on the exposure classes applied to unrated exposures.

	30.06.25									
	Risk Weight									
	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Standardised Exposure Class										
Sovereigns and their central Banks	17,062	-	-	-	-	-	-	-	-	17,062
Non-central government public sector entities	-	-	1	-	-	-	-	-	-	1
Multilateral development banks	-	-	-	-	-	-	-	-	-	-
Banks	6,669	-	2,627	-	644	-	105	-	-	10,045
Securities firms	-	-	-	-	-	-	-	-	-	-
Corporates	-	-	2	-	419	-	12,997	-	-	13,418
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	23,731	-	2,630	-	1,063	-	13,102	-	-	40,526

Total EAD post CRM and post CCF increased because of the increase in Sovereigns EAD and Corporates EAD.

4. Market Risk

Table7: Market risk under standardised approach (MR1)

The Bank applies the Standardised Approach to portfolios that attract market risk. The minimum regulatory market risk capital requirements for the trading book are presented below for the Bank.

	30.06.25	31.12.24
	Risk Weighted Assets	Risk Weighted Assets
	ZAR'm	
Outright products		
Interest rate risk	9	8
Equity risk	-	-
Foreign exchange risk	13	22
Commodity risk	-	-
Options		
Simplified approach	-	-
Delta-plus method	-	-
Scenario approach	-	-
Securitisation (specific risk) ¹	-	-
Total	22	30

Foreign Exchange and Rates Trading Desk is included for regulatory capital purposes. The decrease in Market Risk is primarily due to a lower Net Open Position in USD currency in the reporting period.

5. Counterparty credit risk

Table 8: Analysis of CCR exposure by approach (CCR1)

The below table specifies the methods used by the Bank to calculate counterparty credit risk regulatory requirements.

	30.06.25					
	Replacement cost/current market value	Potential future exposure	EEPE	Multiplier	EAD post CRM	RWA
			ZAR'm			
SA-CCR	1,374	1,570		1.4	4,122	798
IMM (for derivatives and SFTs)			-	-	-	-
Financial collateral simple method (for SFTs)					16	3
Financial collateral comprehensive method (for SFTs)					-	-
VaR for SFTs					-	-
Total						801

The overall increase in EAD and RWA is attributable to higher trading activity.

Table 9: Credit valuation adjustment (CVA) capital charge (CCR2)

Table 9 demonstrates the risk-weighted exposure amounts to central counterparties by derivative types.

	30.06.25	
	Exposure Value	RWA
	ZAR'm	
Total portfolios subject to the Advanced Method	-	-
(i) VaR component (including the 3x multiplier)	-	-
(ii) Stressed VaR component (including the 3x multiplier)	-	-
All portfolios subject to the Standardised Method	942	970
Total subject to the CVA capital charge	942	970

The increase in RWA was driven by the increase in mark-to-market on currency trades.

Table 10: Standardised approach - CCR exposures by regulatory portfolio and risk weights (CCR3)

The table depicts exposure after the effect of collateral associated with each risk weight.

	30.06.25								
	Risk Weight ZAR'm								Total credit exposure
	0%	10%	20%	50%	75%	100%	150%	Others	
Regulatory portfolio									
Standardised Exposure Class									
Sovereigns	-	-	-	-	-	-	-	-	-
Non-central government public sector entities (PSE's)	-	-	178	-	-	-	-	-	178
Multilateral development banks	-	-	-	-	-	-	-	-	-
Banks	3,138	-	-	57	-	-	-	-	3,195
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	-	20	-	-	730	-	-	749
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total Standardised	3,138	-	197	57	-	730	-	-	4,122

The overall increase in RWA was mainly attributable to higher trading activity.

Table 11: Composition of collateral for CCR exposure (CCR5)

The table outlines the credit exposure on derivative transactions after considering the benefits from legally enforceable netting agreements and collateral held. Increase due to deployment from cash surplus into sovereign debt exposures.

	30.06.25					
	Collateral used in derivative transactions				Collateral used in SFT's	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	ZAR'm					
Cash - domestic currency	20	-	20	-	-	-
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	4,556	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	20	-	20	-	4,556	-

Collateral increased due to the increase of commercial surplus to Sovereign debt securities.

Table 12: Credit derivatives exposures (CCR6)

CCR6 indicates the notional amounts of credit derivative transactions segregated between protection bought and sold within each product type.

	2025		
	Bought	Sold	Total
	ZAR'm		
Notionals			
Single-name credit default swaps	-	-	-
Index credit default swaps	-	-	-
Total return swaps	2,950	1,968	4,917
Credit options	-	-	-
Other credit derivatives	-	-	-
Total notionals	2,950	1,968	4,917
Fair values			
Positive fair value (asset)	128	-	128
Negative fair value (liability)	-	178	178

6. Liquidity Risk

The Liquidity Coverage Ratio (LCR) **LIQ1** position on 30 June 2025 is included in the Quarterly Pillar 3 report.

Table 13: Net stable ratio funding (LIQ2)

30.06.25					
	Unweighted value by residual maturity				Weighted Value
	No maturity	<6 months	6 months to <1year	year ≥1 year	
	ZAR'm				
Available stable funding (ASF) item					
Capital:	-	-	-	4,698	4,698
Regulatory capital	-	-	-	4,698	4,698
Other capital instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:	-	-	-	-	-
Stable deposits	-	-	-	-	-
Less stable deposits	-	-	-	-	-
Wholesale funding:	-	-	-	-	-
Operational deposits	-	4,962	-	-	2,481
Other wholesale funding	-	31,107	-	-	8,449
Liabilities with matching interdependent assets	-	-	-	-	-
Other liabilities:	-	-	-	-	-
NSFR derivative liabilities		-	-	1,786	
All other liabilities and equity not included in the above categories	-	-	-	6,029	6,029
Total ASF					21,657
Required stable funding (RSF) item					
Total NSFR high-quality liquid assets (HQLA)					1,039
Deposits held at other financial institutions for operational purposes	-	-	-	-	-
Performing loans and securities:					
Performing loans to financial institutions secured by Level 1 HQLA	-	4,664	-	-	466
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	4,674	-	-	701
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs , of which:	-	9,486	910	2,308	3,289
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit	-	-	-	-	-
Performing residential mortgages, of which:	-	-	-	-	-
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
Assets with matching interdependent liabilities	-	-	-	-	-
Other assets:					
Physical traded commodities, including gold	-				-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
NSFR derivative assets		-	-	1,684	1,684
NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories	-	-	-	6,717	6,717
Off-balance sheet items		-	-	38,499	1,925
Total RSF					15,821
Net Stable Funding Ratio (%)					137%

