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Standard Chartered Bank - Johannesburg Branch
Pillar 3 Disclosures
30 June 2026

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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 2026 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 2026 which can also be found directly at:

Half Year Report – <https://www.sc.com/en/uploads/sites/66/content/docs/standard-chartered-plc-hy-2026-report.pdf>

Pillar 3 report – <https://www.sc.com/en/uploads/sites/66/content/docs/standard-chartered-plc-hy-2026-pillar-3-disclosure.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 2026 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://www.sc.com/za/uploads/sites/36/content/docs/Pillar-3-Disclosure-Q2-26.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 2025, 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 10 of 2025, issued in terms of section 6(6) of the Banks Act No.94 of 1990 and Regulation 43 of the regulations relating to Banks. In line with the policy comments will only be added where significant movement/changes have been observed.

1.3 Key metrics for the Bank

The key prudential metrics (KM1), as of 30 June 2026, are disclosed in the Quarterly 30 June 2026 Pillar 3 disclosure. The revised market risk capital requirements and the reduced basic approach for Credit Valuation Adjustment (CVA) are not yet effective from a regulatory reporting perspective. Accordingly, the CVA1 and MR3 templates will be disclosed following regulatory go-live.

2. Capital

2.1 Leverage ratio

The quantitative disclosures for 30 June 2026 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 2026 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 and Overview of RWA OV1 are included in the Quarterly 30 June 2026 Pillar 3 disclosure.

Table 1: Composition of regulatory capital (CC1)

		2026-06-30	
		a	b
		Amounts ZAR'million	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	4,054	h
2	Retained earnings	207	
3	Accumulated other comprehensive income (and other reserves)	30	
4	<i>Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)</i>	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	4,291	
	Common Equity Tier 1 capital: regulatory adjustments	-	
7	Prudent valuation adjustments	(25)	
8	Goodwill (net of related tax liability)	(158)	a minus d
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	(388)	b minus e
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets	-	
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	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)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	MSR (amount above 10% threshold)	-	c minus f minus 10% threshold
21	DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	Of which: significant investments in the common stock of financials	-	

24	Of which: MSR	-	
25	Of which: DTA arising from temporary differences	-	
26	National specific regulatory adjustments	-	
27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	-	
28	Total regulatory adjustments to Common Equity Tier 1 capital	(571)	
29	Common Equity Tier 1 capital (CET1)	3,720	
	Additional Tier 1 capital: instruments	-	
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	-	i
31	Of which: classified as equity under applicable accounting standards	-	
32	Of which: classified as liabilities under applicable accounting standards	-	
33	<i>Directly issued capital instruments subject to phase-out from additional Tier 1 capital</i>	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)	-	
35	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	
36	Additional Tier 1 capital before regulatory adjustments	-	
	Additional Tier 1 capital: regulatory adjustments	-	
37	Investments in own additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in additional Tier 1 instruments	-	
39	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)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments	-	
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	Total regulatory adjustments to additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1)	3,720	
	Tier 2 capital: instruments and provisions	-	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	<i>Directly issued capital instruments subject to phase-out from Tier 2 capital</i>	-	
48	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)	-	
49	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	
50	Provisions	41	
51	Tier 2 capital before regulatory adjustments	41	
	Tier 2 capital: regulatory adjustments	-	
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	
54	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)	-	
54a	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)	-	

55	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)	-	
56	National specific regulatory adjustments	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital	41	
59	Total regulatory capital (= Tier 1 + Tier2)	3,761	
60	Total risk-weighted assets	25,769	
	Capital adequacy ratios and buffers	-	
61	Common Equity Tier 1 capital (as a percentage of risk-weighted assets)	14.4%	
62	Tier 1 capital (as a percentage of risk-weighted assets)	14.4%	
63	Total capital (as a percentage of risk-weighted assets)	14.6%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.5%	
65	Of which: capital conservation buffer requirement	2.5%	
66	Of which: bank-specific countercyclical buffer requirement	1.0%	
67	Of which: higher loss absorbency requirement	0%	
68	Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	14.4%	
	National minima (if different from Basel III)	0.0%	
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	4.5%	
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	6.0%	
71	National minimum Total capital adequacy ratio (if different from Basel III minimum)	8.0%	
	Amounts below the thresholds for deduction (before risk-weighting)	-	
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	MSR (net of related tax liability)	-	
75	DTA arising from temporary differences (net of related tax liability)	49	
	Applicable caps on the inclusion of provisions in Tier 2 capital	-	
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	41	
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	243	
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	-	
80	<i>Current cap on CET1 instruments subject to phase-out arrangements</i>	-	
81	<i>Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)</i>	-	
82	<i>Current cap on AT1 instruments subject to phase-out arrangements</i>	-	
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on Tier 2 instruments subject to phase-out arrangements</i>	-	
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	-	

Table 2: Reconciliation of regulatory capital to balance sheet (CC2)

2026-06-30			
	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Assets	ZAR'million		
Cash and balances at central banks	2,418	2,418	
Items in the course of collection from other banks	-	-	
Trading portfolio assets	-	-	
Financial assets designated at fair value	7,143	7,143	
Derivative financial instruments	1,672	1,672	
Loans and advances	26,921	26,921	
Investment securities	18,406	18,406	
Other assets	1,313	1,313	
Available for sale financial investments	-	-	
Current and deferred tax assets	126	126	
Prepayments, accrued income and other assets	-	-	
Deferred tax assets	49	49	
Goodwill and intangible assets	546	546	
Of which: goodwill	158	158	a
Of which: other intangibles (excluding MSR)	387	387	b
Of which: MSR	-	-	c
Property, plant and equipment	69	69	
Total assets	58,663	58,663	
Liabilities			
Deposits	49,845	49,845	
Items in the course of collection due to other banks	-	-	
Customer accounts	-	-	
Repurchase agreements and other similar secured borrowing	-	-	
Trading portfolio liabilities	-	-	
Financial liabilities designated at fair value	-	-	
Derivative financial instruments	1,738	1,738	
Other liabilities	1,331	1,331	
Accruals, deferred income and other liabilities	-	-	
Current and deferred tax liabilities	161	161	
Of which: deferred tax liabilities (DTL) related to goodwill	-	-	d
Of which: DTL related to intangible assets (excluding MSR)	-	-	e
Of which: DTL related to MSR	-	-	f
Subordinated liabilities	-	-	
Provisions	97	97	

Retirement benefit liabilities	-	-	
Total liabilities	53,172	53,172	
Shareholders' equity			
Paid-in share capital	4,054	4,054	
Of which: amount eligible for CET1 capital	4,054	4,054	h
Of which: amount eligible for AT1 capital	-	-	i
Retained earnings	1,407	1,407	
Accumulated other comprehensive income	30	30	
Total shareholders' equity	5,491	5,491	

3. 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 3: 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).

2026-06-30								
		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values
	ZAR'million	Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		(a+b-c)
1	Loans: Of which:	84	28,293	94	84	10	-	28,283
(a)	Sovereign (including central government and central bank)	-	-	-	-	-	-	-
(b)	Banks	-	4,994	-	-	-	-	4,994
(c)	Corporate	84	23,108	94	84	10	-	23,098
(d)	SME Corporate	-	-	-	-	-	-	-
(e)	Specialised Lending Real Estate (SL)	-	-	-	-	-	-	-
e(1)	SL: Project Finance	-	-	-	-	-	-	-
e(2)	SL: object and commodity finance	-	-	-	-	-	-	-
(f)	Of which: Purchased receivables - corporate	-	-	-	-	-	-	-
(g)	Of which: Retail residential mortgage advances	-	-	-	-	-	-	-
(h)	Of which: Retail qualifying revolving (QRRE)	-	-	-	-	-	-	-
(i)	Of which: Retail SME	-	-	-	-	-	-	-
(j)	Retail Other	-	-	-	-	-	-	-
j(1)	Of which: unsecured lending	-	-	-	-	-	-	-

(k)	Of which: Purchased receivables - retail	-	-	-	-	-	-	-
2	Debt Securities	-	18,413	31		31		18,382
3	Off-balance sheet exposures	-	45,290	-	-	-	-	45,290
4	Total	84	91,996	125	84	41		91,955

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 as well as off balance sheet items.

Table 4: Changes in the stock of general and specific credit risk adjustments (CR2)

2026-06-30			a
			ZAR'million
1	Defaulted loans and debt securities at end of the previous reporting period		85
2	Loans and debt securities that have defaulted since the last reporting period		-
3	Returned to non-defaulted status		-
4	Amounts written off		(1)
5	Other changes		-
	Defaulted loans and debt securities at end of the reporting period		
6	(1+2-3-4+5)		84

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 as well as off balance sheet items.

3.1 Credit Risk Mitigation

Table 5: 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.

2026-06-30

		a	b	c	d	e
	ZAR'million	Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans : of which	27,598	-	11,935	548	-
(a)	Sovereign (including central government and central bank)	-	-	-	-	-
(b)	Public sector entities	192	-	-	-	-
(c)	Banks	8,865	-	-	-	-
(d)	Corporate	18,050	-	11,916	548	-
(e)	SME Corporate	491	-	18	-	-
(f)	Specialised Lending:Real Estate (SL)	-	-	-	-	-
1	SL: Project finance	-	-	-	-	-
2	SL: Object and commodity finance	-	-	-	-	-
(g)	Purchased receivables - corporate	-	-	-	-	-
(h)	Retail residential mortgage advances	-	-	-	-	-
(i)	Retail qualifying revolving (QRRE)	-	-	-	-	-
(j)	Retail SME	-	-	-	-	-
(k)	Retail Other	-	-	-	-	-
1	Of which:Unsecured lending	-	-	-	-	-
(l)	Purchased receivables - retail	-	-	-	-	-
2	Debt securities	18,413	-	-	-	-
3	Of which defaulted	84	-	-	-	-
4	Total	46,011	-	11,935	548	-

Table 6: 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.

2026-06-30

		a	b	c	d	e	f
	ZAR'million	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereign (including central government and central bank)	18,413	-	18,413	-	-	
2	Multilateral development banks	-	-	-	-	-	
(a)	Securities firms and other financial institutions	-	-	-	-	-	
3	Banks: of which	1,821	9,107	1,821	3,871	1,174	21
(a)	Securities firms and other financial institutions	-	-	-	-	-	
(b)	Public Sector Entities	1	3	1	-	-	
4	Covered bonds	-	-	-	-	-	
5	Corporates (excluding corporate real estate as per line 8): of which	10,359	36,179	10,290	7,624	17,037	95
(a)	SME Corporate	-	-	-	-	-	
(b)	Securities firms and other financial institutions	-	-	-	-	-	
(c)	Specialised lending (excluding IPRRE, IPCRE and HVCRE)	-	-	-	-	-	
6	Subordinated debt, equity and other capital	-	-	-	-	-	
7	Retail: of which	-	-	-	-	-	
(a)	Retail residential mortgage advances	-	-	-	-	-	
(b)	Retail qualifying revolving (QRRE)	-	-	-	-	-	
(c)	SME retail	-	-	-	-	-	
(d)	Retail - other	-	-	-	-	-	
8	Real estate: Corporate : of which	-	-	-	-	-	
(a)	Commercial real estate	-	-	-	-	-	
(b)	Income producing real estate	-	-	-	-	-	
(c)	HVCRE including land acquisition, development and construction	-	-	-	-	-	
9	Defaulted exposures	84	-	84	-	84	100
10	Other assets	-	-	-	-	-	
11	Total	30,678	45,289	30,609	11,495	18,295	43

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

Table 7: 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.

	2026-06-30										
	Risk Weight										
	ZAR'million										
	0%	10%	20%	30%	50%	75%	85%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Standardised Exposure Class											
Sovereigns and their central Banks	18,413	-	-	-	-	-	-	-	-	-	18,413
Non-central government public sector entities	-	-	1	-	0	-	-	-	-	-	1
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Banks	3,848		91	825	40			889	-		5,692
Securities firms	-	-	-	-	-	-	-	-	-	-	-
Corporates	-	-	354	-	831	84	491	16,154	-	-	17,914
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-		-	-	84	-	-	84
Higher-risk categories	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Total	22,261	-	446	825	870	84	491	17,127	-	-	42,104

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

4. Counterparty credit risk

Counterparty Credit Risk (CCR) is the risk that a counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative or repo contract defaults prior to the maturity date of the contract, and that the Bank at the time has a claim on the counterparty.

CCR arises predominantly in the trading book, but also arises in the non-trading book when hedging with external counterparties is required.

CCR is managed within the overall credit risk appetite for corporate and financial institutions. CCR limits are set for individual counterparties, including central clearing counterparties, and for specific portfolios. Individual limits are calibrated to the credit grade and business model of the counterparties and are set on Potential Future Exposure (PFE). Portfolio limits are set to contain concentration risk across various dimensions not captured by the credit limits.

The Bank reduces its credit exposures to counterparties by entering into contractual netting agreements which result in a single amount owed by or to the counterparty. The amount is calculated by netting the Mark-To-Market (MTM) owed by the counterparty to the Bank and the counterparty on the transactions covered by the netting agreement.

The implementation of the Standardised Approach for – Counterparty Credit Risk (SA-CCR) was effective 1 January 2021.

Wrong way risk

Wrong-Way Risk (WWR) occurs when an exposure increase is coupled with a decrease in the credit quality of the obligor. Specifically, as the MTM on a derivative or repo contract increases in favour of the Bank, the driver of this MTM change also reduces the ability of the counterparty to meet its payment, margin call or collateral posting requirements.

WWR mostly arises from FX transactions and financing transactions. The Bank employs various policies and procedures to ensure that WWR exposures are recognised upfront, monitored, and where required, contained by limits on country, tenor, collateral type and counterparty.

Exposure value calculation

Exposure calculation used for risk management is based on PFE. The PFE is mostly calculated from simulation models, and from PFE add-ons for the non-simulated products.

For Capital purposes, derivatives exposures are calculated using the Standardised Approach for Counterparty Credit Risk (SA-CCR). For OTC derivatives individual transactions are measured using the sum of current replacement cost and potential future credit exposure adjusted for alpha factor as provided by the regulator. For secured-financing transactions (SFTs) supervisory volatility adjustments are applied to both collateral and exposure legs and the benefit of master netting agreements is taken into consideration.

The Bank has credit policies and procedures setting out the criteria for collateral to be recognised as a credit risk mitigant, including requirements concerning legal certainty, priority, concentration, correlation, liquidity and valuation parameters such as frequency of review and independence.

The Bank seeks to negotiate Credit Support Annexes (CSA) with counterparties when collateral is deemed a necessary or desirable mitigant to the exposure. The credit terms of a CSA are specific to each legal document and determined by the credit risk approval unit responsible for the counterparty. The nature of the collateral is specified in the legal document and is typically cash or highly liquid securities.

The MTM of all trades captured under CSAs is calculated daily. Additional collateral will be called from the counterparty if total uncollateralised MTM exposure exceeds the threshold and minimum transfer amount specified in the CSA. Additional collateral may be required from the counterparty to provide an extra buffer to the daily variation margin process.

The Bank also has policies and procedures in place setting out the criteria for guarantees to be recognised as a CRM.

Where guarantees meet regulatory criteria, the Bank treats the exposure as guarantor risk from CCR capital standpoint.

Stress testing

Stress testing is an integral part of CCR management, complementing PFE or other portfolio limits. Localised (single factor), Global (multi factor) and Topical (multi factor) scenarios are regularly applied to the CCR portfolio to identify and quantify exposures that could become a concern for the Bank.

The stressed exposures are monitored monthly at regional and global counterparty credit risk exposure forums. The relevance and severity of the stress scenarios are periodically reviewed with cross functional stakeholders.

Credit valuation adjustments

Credit Valuation Adjustment (CVA) risk represents the risk of loss arising from changes in counterparty credit spreads on derivatives and secured-financing transactions (SFTs) exposures. These exposures are subject to regulatory capital requirements under the revised framework for CVA, the objective of which is to ensure that banks hold sufficient capital protection against potential CVA losses. The Basic Approach for Credit Valuation Adjustment (BA CVA) framework captures CVA risk through the aggregation of systematic and idiosyncratic components of counterparty credit spread risk across derivatives and SFTs. The regulatory framework provides for both a reduced and a full version of the BA CVA approach, depending on whether CVA hedging activities are undertaken and are eligible for capital recognition. The Bank applies the reduced version of BA CVA approach to calculate regulatory capital requirements for CVA risk. The reduced version of BA CVA is intended to simplify implementation for institutions that do not hedge CVA risk. Full regulatory go-live is still pending. Under this approach:

- CVA hedges are not recognised for regulatory capital purposes.
- The CVA capital requirement is calculated based solely on the aggregation of the systematic and idiosyncratic components of CVA risks.

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.

2026-06-30

		Replacement cost/current market value	Potential future exposure	EEPE	Multiplier	EAD post CRM	RWA
ZAR'million							
1	SA-CCR	1,398	1,596		1.4	4,191	882
2	IMM (for derivatives and SFTs)			-	-	-	-
3	Financial collateral simple method (for SFTs)					264	230
4	Financial collateral comprehensive method (for SFTs)					-	-
5	VaR for SFTs					-	-
6	Total						1,112

Table 9: 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.

2026-06-30

	Risk Weight								
	ZAR'million								
Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	-	-	-	-	-	-	-	-	-
Non-central government public sector entities	-	-	119	-	-	73	-	-	192
Multilateral development banks	-	-	-	-	-	-	-	-	-
Banks	3,166	-	0	0	-	6	-	-	3,172
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	-	55	0	13	759	-	-	827
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	3,166	-	174	0	13	838	-	-	4,191

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

Table 10: 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.

	30.06.26					
	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'million					
Cash - domestic currency	-	-	-	-	-	-
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	11,698	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	11,698	-

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

Table 11: Credit derivatives exposures (CCR6)

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

2026-06-30

	Bought	Sold	Total
	ZAR'million		
Notionals			
Single-name credit default swaps	-	-	-
Index credit default swaps	-	-	-
Total return swaps	9,253	2,229	11,482
Credit options	-	-	-
Other credit derivatives	-	-	-
Total Notionals	9,253	2,229	11,482
Fair values			
Positive fair value (asset)	92	-	92
Negative fair value (liability)	-	189	189

5. Countercyclical capital buffer

The Bank's countercyclical capital buffer (CCyB) is calculated by applying the applicable country-specific CCyB rates to its qualifying credit exposures, based on the jurisdiction of the obligor, on a weighted average basis. Countries are included in the table if the relevant own funds requirements of that country exceed 1 per cent of the Bank's total relevant own funds requirements for CCyB calculation purposes.

Table 12: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement (CCyB1)

2026-06-30

	a	b	c	d	e
Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount
		Exposure values	RWA		
	ZAR'million				
South Africa	1.00%	-	18,326		
Sum		-	18,326		
Total		-	18,326	1.00%	258

6. Liquidity Risk

The Liquidity Coverage Ratio (LCR) **LIQ1** position on 30 June 2026 is included in the Quarterly Pillar 3 report.

Table 13: Net stable ratio funding (LIQ2)

	ZAR'million	2026-06-30				
		Unweighted value by residual maturity				Weighted Value
		No maturity	<6 months	6 months to <1 Year	≥1 year	Weighted Value
	Available stable funding (ASF) item					
1	Capital:	-	-	-	5,536	5,536
2	Regulatory capital	-	-	-	5,536	5,536
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	-	-	-	-
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	-	-	-	-
7	Wholesale funding:	-	-	-	-	-
8	Operational deposits	-	6,468	-	-	3,234
9	Other wholesale funding	-	44,010	-	-	10,413
10	Liabilities with matching interdependent assets	-	-	-	-	-

11	Other liabilities:	-	-	-	-	-
12	NSFR derivative liabilities		-	-	1,738	
13	All other liabilities and equity not included in the above categories	-	-	-	911	911
14	Total ASF					20,094
	Required stable funding (RSF) item					
15	Total NSFR high-quality liquid assets (HQLA)					1,605
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	-	-	-	-	-
18	Performing loans to financial institutions secured by Level 1 HQLA	-	10,938	-	-	1,094
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	3,561	-	1,596	2,130
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs , of which:	-	11,326	12	2,030	6,251
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:					
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties		-	-	-	-
29	NSFR derivative assets		-	-	1,672	-
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
31	All other assets not included in the above categories	-	-	-	1,977	1,977
32	Off-balance sheet items	-	-	-	44,669	2,233

33	Total RSF					15,291
34	Net Stable Funding Ratio (%)					131%

The net stable funding ratio decreased due to lower available stable funding (ASF) weighted exposures.