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Standard Chartered Bank - Johannesburg Branch

(Registered as an external company in terms of the South African Companies Act 71 of 2008)
Registration number 2003/020177/10 ("Standard Charted" or "the bank")

QUARTERLY REPORT ON PILLAR 3 DISCLOSURES AT 30 June 2021
Quarterly disclosures in accordance with the Basel Committee on Banking Supervision's revised Pillar 3 disclosure requirements, the Prudential Authority (PA) Directives 1 of 2019, issued in terms of section 6(6) of the Banks Act No.94 of 1990 and Regulation 43 of the regulations relating to Banks.

KEY METRICS (KM1)

	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
			R'million		
Available capital amounts					
Common Equity Tier 1 (CET1)	3,808	3,773	3,896	3,909	3,916
Fully loaded Expected Credit Loss (ECL) accounting model	3,808	3,773	3,896	3,909	3,916
Tier 1	3,808	3,773	3,896	3,909	3,916
Fully loaded ECL accounting model Tier 1	3,808	3,773	3,896	4,131	3,916
Total capital	4,023	4,026	4,124	4,131	4,145
Fully loaded ECL accounting model total capital	4,023	4,026	4,124	4,131	4,145
Risk-weighted assets (amounts)					
Total risk-weighted assets (RWA)	25,467	26,087	24,580	23,751	24,763
Total risk-weighted assets (pre-floor)	25,467	26,087	24,580	23,751	24,763
Risk-based capital ratios as a percentage of RWA					
Common Equity Tier 1 ratio (%)	14.95%	14.46%	15.85%	16.46%	15.81%
Fully loaded ECL accounting model CET1 (%)	14.95%	14.46%	15.85%	16.46%	15.81%
CET1 ratio (%) (pre-floor ratio)	14.95%	14.46%	15.85%	16.46%	15.81%
Tier 1 ratio (%)	14.95%	14.46%	15.85%	16.46%	15.81%
Fully loaded ECL accounting model Tier 1 ratio (%)	14.95%	14.46%	15.85%	16.46%	15.81%
Tier 1 ratio (%) (pre-floor ratio)	14.95%	14.46%	15.85%	16.46%	15.81%
Total capital ratio (%)	15.80%	15.43%	16.78%	17.39%	16.74%
Fully loaded ECL accounting model total capital ratio (%)	15.80%	15.43%	16.78%	17.39%	16.74%
Total capital ratio (%) (pre-floor ratio)	15.80%	15.43%	16.78%	17.39%	16.74%
Additional CET1 buffer requirements as a percentage of RWA					
Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Bank G-SIB and/or D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Total of bank CET1 specific buffer requirements (%) (rows 8,9 and 10)	2.50%	2.50%	2.50%	2.50%	2.50%
CET1 available after meeting the bank's minimum capital requirements (%)	7.57%	7.08%	8.47%	8.58%	7.93%
Basel III leverage ratio					
Total Basel III leverage ratio exposure measure	38,474	44,314	45,158	45,600	45,422
Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	9.90%	8.51%	8.63%	8.57%	8.62%
Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	9.90%	8.51%	8.63%	8.57%	8.62%
Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	9.90%	8.51%	8.63%	8.57%	8.62%
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA)	7,514	7,390	10,590	11,121	12,534
Total net cash outflow	3,479	3,352	6,235	5,653	10,103
LCR ratio (%)	216%	220%	170%	197%	124%
Net Stable Funding Ratio					
Total available stable funding	28,082	27,765	25,376	26,125	26,849
Total required stable funding	19,268	18,894	18,317	19,337	21,561
NFSR ratio	146%	147%	139%	135%	125%

No transitional arrangements per Directive 5/2017 was applied.

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OVERVIEW OF RWA (OV1)

	Risk-weighted assets Jun-21	Risk-weighted assets Mar-21	Minimum Capital Requirements Jun-21
		R'million	
Credit risk (excluding counterparty credit risk)	17,591	17,902	1,847
Of which standardised approach	17,591	17,902	1,847
Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
Of which: Supervisory slotting approach			
Of which Advanced IRB approach	-	-	-
Counterparty credit risk	4,620	5,065	485
Of which: standardised approach for counterparty credit risk	3,173	3,420	333
Of which: Internal Model Method (IMM)	-	-	-
Of which: other CCR	-	-	-
Credit valuation adjustment (CVA)	1,447	1,645	152
Equity positions under the simple risk weight approach	-	-	-
Equity investments in funds – look-through approach	-	-	-
Equity investments in funds – mandate-based approach	-	-	-
Equity investments in funds – fall-back approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in the banking book	-	-	-
Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-
Of which: securitisation standardised approach (SEC-SA)	-	-	-
Market risk	154	53	16
Of which standardised approach	154	53	16
Of which internal model approaches	-	-	-
Capital charge for switch between trading book and bankingbook	-	-	-
Operational risk	3,102	3,067	326
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Floor Adjustment	-	-	-
Total	25,467	**26,087**	2,674

Minimum capital requirements - This includes the Basel base minimum of 8%, plus Pillar 2A capital requirement, plus any applicable Basel buffers.

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SUMMARY OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE (LR1)

	Jun-21 R'million
Total assets	**39,643**
Adjustment difference between the accounting scope of consolidation and the regulatory scope of consolidation	-
Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
Adjustments for derivative financial instruments	(474)
Adjustments for securities financing transactions (SFTs)) (i.e. repos and similar secured lending)	(2,413)
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2,461
Other adjustments	(743)
Total leverage ratio exposure	**38,474**

Based on quarter-end balances.

LEVERAGE RATIO COMMON DISCLOSURE (LR2)

	Jun-21	Mar-21
	R'million	
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives and SFT's but including collateral)	31,009	30,564
Asset amounts deducted in determining tier 1 capital	371	376
Total on-balance sheet exposures (excluding derivatives and SFT's (total of items 1 and 2)	**30,638**	**30,188**
Derivative exposures		
Replacement costs associated with all derivative transactions, net of eligible cash variation margin	2,962	3,458
Add-on amounts for PFE associated with all derivative transactions	-	2,075
Gross-up derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
Deductions from receivables assets for cash variation margin provided in derivatives transactions	-	-
Exempted CCP leg of client-cleared trade exposure		
Adjusted effective notional amount of written credit derivatives	-	-
Adjusted effective notional offsets and add-on deductions for written credit derivatives	-	-
Total derivatives exposure (sum rows 4 to 10)	**2,962**	**5,533**
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	2,413	1,329
Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
CRR exposure for SFT assets	-	-
Agent transaction exposures	-	-
Total securities financing transaction exposures (sum of rows 12 to 15)	**2,413**	1,329
Other off-balance sheet exposures		
Off-balance sheet exposure at gross notional amount	29,004	29,318
Adjustment for conversion to credit equivalent amounts	(26,543)	(22,053)
Off-balance sheet items (sum of rows 17 and 18)	**2,461**	**7,264**
Capital and total exposures		
Tier 1 capital	**3,808**	**3,773**
Total exposures (sum of rows 3,11,16 and 19)	**38,474**	**44,314**
Leverage ratio		
Leverage ratio (expressed as a percentage)	**9.90%**	**8.51%**

Based on quarter-end balances.

[1]Excluding unappropriated profits

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LIQUIDITY COVERAGE RATIO (LIQ1)

		Jun-21 Total Unweighted Value (average) R'million	Jun-21 Total Weighted (average) R'million
	High-Quality Liquid Assets		
1	Total HQLA		7,432
	Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	-	-
3	Stable deposits	-	0
4	Less stable deposits	-	0
5	Unsecured wholesale funding, of which:	15,527	8,945
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	3,475	869
7	Non-operational deposits (all counterparties)	12,053	8,076
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements	20,018	3,221
11	Outflows related to derivative exposures and other collateral requirements	2,233	2,233
12	Outflows related to loss of funding on debt products	-	-
	Credit and liquidity facilities	-	-
14	Other contractual funding obligations	-	0
15	Other contingent funding obligations	17,785	988
16	**Total cash outflows**	**35,545**	**12,166**
	Cash inflows		
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	7,632	6,670
19	Other cash inflows	2,224	2,224
20	**Total cash inflows**	**9,856**	**8,894**
			Total adjusted value
21	Total HQLA		7,432
22	Total net cash outflows		3,440
23	Liquidity coverage ratio (%)		**216%**

Simple average of 91 days of daily observations over the quarter ended 30 June 2021.

NET STABLE FUNDING RATIO (LIQ2)

	Unweighted value by residual maturity				
	No maturity R'million	<6 months R'million	6 months to <1 year R'million	≥1 year R'million	Weighted Value
Available stable funding (ASF) item					
Capital:	-	-	-	4,193	4,193
Regulatory capital	-	-	-	4,193	4,193
Other capital instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:	-	-	-	-	-
Stable deposits	-	-	-	-	-
Less stable deposits	-	-	-	-	-
Wholesale funding:	-	-	-	-	-
Operational deposits	-	-	-	-	-
Other wholesale funding		20,017			8,455
Liabilities with matching interdependent assets	-	-	-	-	-
Other liabilities:	-	-	-	-	-
NSFR derivative liabilities		-	-	-	
All other liabilities and equity not included in the above categories				15,434	15,434
Total ASF					28,082
Required stable funding (RSF) item					
Total NSFR high-quality liquid assets (HQLA)					
Deposits held at other financial institutions for operational purposes	-	-	-	-	-
Performing loans and securities:					
Performing loans to financial institutions secured by Level 1 HQLA	-	4,604	4,000	2,761	568
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	9,632	-	-	1,445
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs , of which:	-	3,577	221	-	1,552
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit	-	-	-	-	-
Performing residential mortgages, of which:	-	-	-	637	541
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	8	5
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		-	935	200	638
Assets with matching interdependent liabilities	-	-	-	-	-
Other liabilities:					
Physical traded commodities, including gold	-				-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
NSFR derivative assets		-	-	-	-
NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories	-	-	-	13,069	13,069
Off-balance sheet items		-	-	29,004	1,450
Total RSF					19,268
Net Stable Funding Ratio (%)					**146%**