



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 Chartered" or "the bank")

QUARTERLY REPORT ON PILLAR 3 DISCLOSURES AT 30 June 2022

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)

No transitional arrangements per Directive 5/2017 were applied prior to Q1'21. Capital ratios excludes unappropriated profits.

	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
	R'million				
Available capital amounts					
Common Equity Tier 1 (CET1)	3,680	3,729	3,786	3,797	3,808
Fully loaded Expected Credit Loss (ECL) accounting model	3,680	3,729	3,786	3,797	3,808
Tier 1	3,680	3,729	3,786	3,797	3,808
Fully loaded ECL accounting model Tier 1	3,680	3,729	3,786	3,797	3,808
Total capital	3,712	3,805	3,859	3,895	4,023
Fully loaded ECL accounting model total capital	3,712	3,805	3,859	3,895	4,023
Risk-weighted assets (amounts)					
Total risk-weighted assets (RWA)	19,352	18,522	19,319	21,408	25,467
Total risk-weighted assets (pre-floor)	19,352	18,522	19,319	21,408	25,467
Risk-based capital ratios as a percentage of RWA					
CET 1 ratio (%)	19.02%	20.14%	19.59%	17.74%	14.95%
Fully loaded ECL accounting model CET1 (%)	19.02%	20.14%	19.59%	17.74%	14.95%
CET1 ratio (%) (pre-floor ratio)	19.02%	20.14%	19.59%	17.74%	14.95%
Tier 1 ratio (%)	19.02%	20.14%	19.59%	17.74%	14.95%
Fully loaded ECL accounting model Tier 1 ratio (%)	19.02%	20.14%	19.59%	17.74%	14.95%
Tier 1 ratio (%) (pre-floor ratio)	19.02%	20.14%	19.59%	17.74%	14.95%
Total capital ratio (%)	19.18%	20.55%	19.97%	18.19%	15.80%
Fully loaded ECL accounting model total capital ratio (%)	19.18%	20.55%	19.97%	18.19%	15.80%
Total capital ratio (%) (pre-floor ratio)	19.18%	20.55%	19.97%	18.19%	15.80%
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 (%)	11.14%	12.26%	12.21%	10.36%	7.57%
Basel III leverage ratio					
Total Basel III leverage ratio exposure measure	41,496	45,929	48,918	46,662	38,474
Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	8.87%	8.12%	7.74%	8.14%	9.90%
Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	8.87%	8.12%	7.74%	8.14%	9.90%
Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	8.87%	8.12%	7.74%	8.14%	9.90%
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA)	10,535	10,194	9,806	8,237	7,514
Total net cash outflow	5,473	4,343	3,862	3,492	3,479
LCR ratio (%)	193%	235%	254%	236%	216%
Net Stable Funding Ratio					
Total available stable funding	17,298	23,173	20,301	27,583	28,082
Total required stable funding	14,117	16,715	16,773	15,231	19,268
NSFR ratio	123%	139%	121%	181%	146%



OVERVIEW OF RWA (OV1)

	Risk-weighted assets Jun-22	Risk-weighted assets Mar-22	Minimum Capital Requirements Jun-22
	R'million		
Credit risk (excluding counterparty credit risk)	13,661	12,234	1,571
Of which standardised approach	13,661	12,234	1,571
Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
Of which: Supervisory slotting approach	-	-	-
Of which Advanced internal ratings-based (A-IRB) approach	-	-	-
Counterparty credit risk (CCR)	1,746	1,842	201
Of which: standardised approach for counterparty credit risk	1,746	1,842	201
Of which: Internal Model Method (IMM)	-	-	-
Of which: other CCR	-	-	-
Credit valuation adjustment (CVA)	478	868	55
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	67	62	8
Of which standardised approach	67	62	8
Of which internal model approaches	-	-	-
Capital charge for switch between trading book and banking book	-	-	-
Operational risk	2,984	3,094	343
Amounts below the thresholds for deduction (subject to 250% risk weight)	415	422	48
Floor Adjustment	-	-	-
Total	19,352	18,522	2,226

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

Credit Valuation Adjustment movements are attributable to business-as-usual activities.



SUMMARY OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE (LR1)

	Jun-22 R'million
Total consolidated assets as per published financial statements	41,281
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
Adjustments for temporary exemption of central bank reserves (if applicable)	-
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 regular way purchases and sales of financial assets subject to trade date accounting	-
Adjustments for eligible cash pooling transactions	1,672
Adjustments for derivative financial instruments	
Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	(5,494)
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	5,659
Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(945)
Other adjustments	(676)
Leverage ratio exposure measure	41,496

Based on quarter-end balances.



LEVERAGE RATIO COMMON DISCLOSURE (LR2)

	Jun-22	Mar-22
	R'million	
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives and SFT's but including collateral)	32,442	36,373
Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
(Specific and general provisions associated with on balance sheet exposures that are deducted from Basel III Tier 1 capital)	-	-
(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(338)	(350)
Total on-balance sheet exposures (excluding derivatives and SFT's (sum of rows 1 to 6))	32,104	36,023
Derivative exposures		
Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,401	1,588
Add on amounts for potential future exposure associated with all derivatives transactions	2,332	2,014
(Exempted central counterparty (CCP) leg of client cleared trade exposures)	-	-
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 8 to 12)	3,733	3,602
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	5,494	6,062
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(5,494)	(6,062)
Counterparty credit risk exposure for SFT assets	-	-
Agent transaction exposures	-	-
Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures		
Off-balance sheet exposure at gross notional amount	25,786	27,255
(Adjustment for conversion to credit equivalent amounts)	(20,127)	(20,950)
(Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital)	-	-
Off-balance sheet items (sum of rows 19 to 21)	5,659	6,305
Capital and total exposures		
Tier 1 capital ¹	3,680	3,729
Total exposures (sum of rows 7, 13, 18 and 22)	41,496	45,929
Leverage ratio		
Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	8.87%	8.12%
Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.87%	8.12%
National minimum leverage ratio requirement	4%	4%
Applicable leverage buffers	0%	0%

Based on quarter-end balances.

¹Excluding unappropriated profits.



LIQUIDITY COVERAGE RATIO (LIQ1)

	Jun-22 Total Unweighted Value (average)	Jun-22 Total Weighted (average)
	R'million	
High-Quality Liquid Assets		
Total HQLA		10,535
Cash outflows		
Retail deposits and deposits from small business customers, of which:	-	-
Stable deposits	-	-
Less stable deposits	-	-
Unsecured wholesale funding, of which:	21,355	13,314
Operational deposits (all counterparties) and deposits in networks of cooperative banks	4,609	1,152
Non-operational deposits (all counterparties)	16,746	12,162
Unsecured debt	-	-
Secured wholesale funding		-
Additional requirements	19,436	2,165
Outflows related to derivative exposures and other collateral requirements	1,151	1,151
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	14,019	801
Other contractual funding obligations	-	-
Other contingent funding obligations	4,266	213
Total cash outflows		15,479
Cash inflows		
Secured lending (e.g. reverse repos)	-	-
Inflows from fully performing exposures	9,788	8,892
Other cash inflows	1,114	1,114
Total cash inflows	10,902	10,006
		Total adjusted value
Total HQLA		10,535
Total net cash outflows		5,472
Liquidity coverage ratio (%)		193%

Average of 91 days of daily observations over the quarter ended 30 June 2022. Increased net cash outflow reflects the elevated funding received from asset managers over the period.