Standard Chartered

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 AS AT 31 DECEMBER 2019
Quarterly disclosures in accordance with the Basel Committee on Banking Supervision's revised pillar 3 disclosure requirements, the South African Reserve Bank (SARB) Directives 4 of 2014, 11 of 2015 and 1 of 2018 issued in terms of section 6(6) of the Banks Act No. 94 of 1990 and Regulation 43(1)(e)(iii) of the regulations relating to banks.

KEY METRICS (KM1)

		Dec-19 Rmillion
	Available capital amounts	
1	Common Equity Tier 1 (CET1)	3,778
1a	Fully loaded ECL accounting model	3,778
2	Tier 1	3,778
2a	Fully loaded ECL accounting model Tier 1	3,778
3	**Total capital**	3,778
3a	**Total capital as IFRS 9 or analogous ECLs transitional arrangements had not been applied**	3,778
	Risk-weighted assets amounts	
4	Total risk-weighted assets (RWA)	26,883
4a	Total risk-weighted assets (pre-floor)	26,883
	Risk-based capital ratios as a percentage of RWA	
5	Common Equity Tier 1 ratio (%)	14.05%
5a	Fully loaded ECL accounting model CET1 (%)	14.05%
5b	CET1 ratio (%) (pre-floor ratio)	14.05%
6	Tier 1 ratio (%)	14.05%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14.05%
6b	Tier 1 ratio (%) (pre-floor ratio)	14.05%
7	Total capital ratio (%)	14.05%
7a	Fully loaded ECL accounting model total capital ratio (%)	14.05%
7b	Total capital ratio (%) (pre-floor ratio)	14.05%
	Additional CET1 buffer requirements as a percentage of RWA	
8	Capital conservation buffer requirement (%)	2.50%
9	Countercyclical buffer requirement (%)	-
10	Bank G-SIB and/or D-SIB additional requirements (%)	-
11	Total of bank CET1 specific buffer requirements (%) (rows 8,9 and 10)	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	6.17%
	Basel III leverage ratio	
13	Total Basel III leverage ratio exposure measure	42,953
14	Basel III leverage ratio (%) (row2/row13)	8.80%
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	8.80%
14b	Basel III leverage ratio (%) (excluding the impact of anyapplicable temporary exemption of central bank reserves)	8.80%
	Liquidity Coverage Ratio	
15	Total HQLA	9,716
16	Total net cash outflow	4,009
17	LCR ratio (%)	242%
	Net Stable Funding Ratio	
18	Total available stable funding	23,839
19	Total required stable funding	19,129
20	NFSR ratio	125%

OVERVIEW OF RISK MANAGEMENT (OV1)

		Risk-weighted assets Dec-19 Rmillion	Minimum Capital Requirements Dec-19 Rmillion
1	**Credit risk (excluding counterparty credit risk)**	19,258	2,215
2	Of which standardised approach	-	-
3	Of which advanced IRB approach	19,258	2,215
4	**Counterparty credit risk**	3,634	418
5	Of which: standardised approach for counterparty credit risk	-	-
6	Of which: Internal Model Method (IMM)	2,244	258
7	Of which: other CCR	-	-
8	Credit valuation adjustment (CVA)	1,390	160
9	Equity positions under the simple risk weight approach	-	-
10	Equity investments in funds – look-through approach	-	-
11	Equity investments in funds – mandate-based approach	-	-
12	Equity investments in funds – fall-back approach	-	-
13	Settlement risk	-	-
14	Securitisation exposures in the banking book	-	-
15	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-
16	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-
17	Of which: securitisation standardised approach (SEC-SA)	-	-
18	**Market risk**	90	10
19	Of which standardised approach	90	10
20	Of which internal model approaches	-	-
21	**Operational risk**	2,886	332
22	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
23	Floor Adjustment	-	-
24	Other asset risk	1,014	117
25	**Total**	26,883	3,092

LEVERAGE RATIO

Summary comparison of accounting assets vs leverage ratio exposure (LR1)

		Dec-19 Rmillion
1	**Total assets**	**35,526**
2	Adjustment difference between the accounting scope of consolidation and the regulatory scope of consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	1,945
5	Adjustments for securities financing transactions (SFTs)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	6,181
7	Other adjustments	(699)
8	**Total leverage ratio exposure**	**42,953**

Leverage Ratio Summary (LR2)

		Dec-19 Rmillion
	On-balance sheet exposures	
1	On-balance sheet exposures (excluding derivatives and SFT's but including collateral)	33,128
2	Asset amounts deducted in determining tier 1 capital	350
3	**Total on-balance sheet exposures (excluding derivatives and SFT's (total of items 1 and 2)**	**32,778**
	Derivative exposures	
4	Replacement costs associated with all derivative transactions, net of eligible cash variation margin	2,049
5	Add-on amounts for PFE associated with all derivative transactions	1,945
6	Gross-up derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	Deductions from receivables assets for cash variation margin provided in derivatives transactions	-
8	Exempted CCP leg of client-cleared trade exposure	
9	Adjusted effective notional amount of written credit derivatives	-
10	Adjusted effective notional offsets and add-on deductions for written credit derivatives	-
11	**Total derivatives exposure (sum rows 4 to 10)**	**3,993**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13	Netted amounts of cash payables and cash receivables of gross SFT assets	-
14	CRR exposure for SFT assets	-
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of rows 12 to 15)**	-
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	-
18	Adjustment for conversion to credit equivalent amounts	6,181
19	**Off-balance sheet items (sum of rows 17 and 18)**	**6,181**
	Capital and total exposures	
20	**Tier 1 capital**	**3,778**
21	**Total exposures (sum of rows 3,11,16 and 19)**	**42,953**
	Leverage ratio	
22	**Leverage ratio (expressed as a percentage)**	**8.80%**

LIQUIDITY RATIO

Liquidity Coverage Ratio (LIQ1)

		Dec-19 Total Unweighted Value (average) Rmillion	Dec-19 Total Weighted (average) Rmillion
	High-Quality Liquid Assets		
1	Total HQLA		9,716
	Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	-	-
3	Stable deposits	-	-
4	Less stable deposits	-	-
5	Unsecured wholesale funding, of which:	25,096	12,611
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	9,188	2,297
7	Non-operational deposits (all counterparties)	15,908	10,314
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements	27,911	3,424
11	Outflows related to derivative exposures and other collateral requirements	2,007	2,007
12	Outflows related to loss of funding on debt products	-	-
	Credit and liquidity facilities	-	-
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	25,904	1,417
16	Total cash outflows	53,007	16,035
	Cash inflows		
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	11,927	10,299
19	Other cash inflows	2,049	2,049
20	Total cash inflows	13,975	12,347
			Total adjusted value
21	Total HQLA		9,716
22	Total net cash outflows		4,009
23	Liquidity coverage ratio (%)		**242%**

Net Stable Funding Ratio (NSFR) (LIQ2)

		Unweighted value by residual maturity				
		No maturity	<6 months	6 months to <1 year	≥1 year	Weighted Value
		Rmillion				
1	Capital:				4,128	4,128
2	Regulatory capital				4,128	4,128
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	-	-	-	-	-
9	Other wholesale funding		19,547			8,342
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	-	-	-	-
12	NSFR derivative liabilities		-	-	-	
13	All other liabilities and equity not included in the above categories				11,370	11,370
14	Total ASF					23,839
15	Total NSFR high-quality liquid assets (HQLA)					
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	-	3,652	4,800	600	453
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	6,560	523	-	1,662
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:	-	-	-	-	
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit	-	4,385	-	-	1,894
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	-	-	-	856	721
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		1,000	550	1,800	2,305
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other liabilities:					
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
29	NSFR derivative assets		-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
31	All other assets not included in the above categories	-	-	-	10,799	10,799
32	Off-balance sheet items		-	-	-	1,295
33	Total RSF					19,129
34	Net Stable Funding Ratio (%)					125%

Capital Requirements

RWA flow statements of credit risk exposures under IRB (CR8)

	Risk-weighted assets	Regulatory capital requirement
	Rmillion	Rmillion
As at 30 September 2019	17,828	2,050
Asset size	312	36
Asset quality	453	52
Model updates	-	-
Methodology and policy	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	666	77
Other	-	-
As at 31 December 2019	19,258	2,215