



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 September 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)

	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20
	R'million				
Available capital amounts					
Common Equity Tier 1 (CET1)	3,797	3,808	3,773	3,896	3,909
Fully loaded Expected Credit Loss (ECL) accounting model	3,797	3,808	3,773	3,896	3,909
Tier 1	3,797	3,808	3,773	3,896	3,909
Fully loaded ECL accounting model Tier 1	3,797	3,808	3,773	3,896	4,131
Total capital	3,895	4,023	4,026	4,124	4,131
Fully loaded ECL accounting model total capital	3,895	4,023	4,026	4,124	4,131
Risk-weighted assets (amounts)					
Total risk-weighted assets (RWA)	21,408	25,467	26,087	24,580	23,751
Total risk-weighted assets (pre-floor)	21,408	25,467	26,087	24,580	23,751
Risk-based capital ratios as a percentage of RWA					
CET 1 ratio (%)	17.74%	14.95%	14.46%	15.85%	16.46%
Fully loaded ECL accounting model CET1 (%)	17.74%	14.95%	14.46%	15.85%	16.46%
CET1 ratio (%) (pre-floor ratio)	17.74%	14.95%	14.46%	15.85%	16.46%
Tier 1 ratio (%)	17.74%	14.95%	14.46%	15.85%	16.46%
Fully loaded ECL accounting model Tier 1 ratio (%)	17.74%	14.95%	14.46%	15.85%	16.46%
Tier 1 ratio (%) (pre-floor ratio)	17.74%	14.95%	14.46%	15.85%	16.46%
Total capital ratio (%)	18.19%	15.80%	15.43%	16.78%	17.39%
Fully loaded ECL accounting model total capital ratio (%)	18.19%	15.80%	15.43%	16.78%	17.39%
Total capital ratio (%) (pre-floor ratio)	18.19%	15.80%	15.43%	16.78%	17.39%
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 (%)	10.36%	7.57%	7.08%	8.47%	8.58%
Basel III leverage ratio					
Total Basel III leverage ratio exposure measure	46,662	38,474	44,314	45,158	45,600
Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	8.14%	9.90%	8.51%	8.63%	8.57%
Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	8.14%	9.90%	8.51%	8.63%	8.57%
Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	8.14%	9.90%	8.51%	8.63%	8.57%
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA)	8,237	7,514	7,390	10,590	11,121
Total net cash outflow	3,492	3,479	3,352	6,235	5,653
LCR ratio (%)	236%	216%	220%	170%	197%
Net Stable Funding Ratio					
Total available stable funding	27,583	28,082	27,765	25,376	26,125
Total required stable funding	15,231	19,268	18,894	18,317	19,337
NFSR ratio	181%	146%	147%	139%	135%

No transitional arrangements per Directive 5/2017 were applied.

Distribution of corporate assets and increased investment in HQLA impacted the liquidity and capital ratios over the quarterly reporting period, reducing the RWA and decreasing the required stable funding ratio. Leverage ratio reflects increased placement with Sovereign over the comparative quarter.



OVERVIEW OF RWA (OV1)

	Risk-weighted assets Sep-21	Risk-weighted assets Jun-21	Minimum Capital Requirements Sep-21
	R'million		
Credit risk (excluding counterparty credit risk)	14,391	17,591	1,511
Of which standardised approach	14,391	17,591	1,511
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)	2,627	3,173	276
Of which: standardised approach for counterparty credit risk	2,627	3,173	276
Of which: Internal Model Method (IMM)	-	-	-
Of which: other CCR	-	-	-
Credit valuation adjustment (CVA)	1,147	1,447	120
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	141	154	15
Of which standardised approach	141	154	15
Of which internal model approaches	-	-	-
Capital charge for switch between trading book and banking book	-	-	-
Operational risk	3,102	3,102	326
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Floor Adjustment	-	-	-
Total	21,408	25,467	2,248

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

CVA was disaggregated from CCR to enhance disclosure transparency.

Reduced Credit Risk RWA is driven by distribution of corporate assets while reduced CCR RWA is driven by lower corporate demand over the comparative period.



SUMMARY OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE (LR1)

	Sep-21 R'million
Total assets	40,266
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 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	2,412
Adjustments for securities financing transactions (SFTs) (i.e. repos and similar secured lending)	(1,372)
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	6,054
Other adjustments	(698)
Leverage ratio exposure measure	46,662

Based on quarter-end balances.

LEVERAGE RATIO COMMON DISCLOSURE (LR2)

	Sep-21 R'million	Jun-21 R'million
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives and SFT's but including collateral)	35,920	31,009
Asset amounts deducted in determining tier 1 capital	(349)	(371)
Total on-balance sheet exposures (excluding derivatives and SFT's (total of items 1 and 2))	35,571	30,638
Derivative exposures		
Replacement costs associated with all derivative transactions, net of eligible cash variation margin	2,370	2,962
Add-on amounts for PFE associated with all derivative transactions	2,667	-
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)	5,037	2,962
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,372	2,413
Netted amounts of cash payables and cash receivables of gross SFT assets	(1,372)	-
CRR exposure for SFT assets	-	-
Agent transaction exposures	-	-
Total securities financing transaction exposures (sum of rows 12 to 15)	-	2,413
Other off-balance sheet exposures		
Off-balance sheet exposure at gross notional amount	27,354	29,004
Adjustment for conversion to credit equivalent amounts	(21,300)	(26,543)
Off-balance sheet items (sum of rows 17 and 18)	6,054	2,461
Capital and total exposures		
Tier 1 capital ¹	3,797	3,808
Total exposures (sum of rows 3,11,16 and 19)	46,662	38,474
Leverage ratio		
Leverage ratio (expressed as a percentage)	8.14%	9.90%

Based on quarter-end balances.

¹Excluding unappropriated profits.

Leverage ratio reflects increase is primarily placement with Sovereign over the comparative quarter.



LIQUIDITY COVERAGE RATIO (LIQ1)

	Sep-21 Total Unweighted Value (average) R'million	Sep-21 Total Weighted (average) R'million
High-Quality Liquid Assets		
Total HQLA		8,237
Cash outflows		
Retail deposits and deposits from small business customers, of which:	-	-
Stable deposits	-	0
Less stable deposits	-	0
Unsecured wholesale funding, of which:	17,003	9,853
Operational deposits (all counterparties) and deposits in networks of cooperative banks	3,933	983
Non-operational deposits (all counterparties)	13,070	8,870
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements	20,915	3,028
Outflows related to derivative exposures and other collateral requirements	2,004	2,004
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	14,373	-
Other contractual funding obligations	-	0
Other contingent funding obligations	4,538	1,023
Total cash outflows		12,881
Cash inflows		
Secured lending (e.g. reverse repos)	-	-
Inflows from fully performing exposures	8,895	7,868
Other cash inflows	1,924	1,924
Total cash inflows	10,819	9,792
		Total adjusted value
Total HQLA		8,237
Total net cash outflows		3,492
Liquidity coverage ratio (%)		236%

Simple average of 92 days of daily observations over the quarter ended 30 September 2021.



NET STABLE FUNDING RATIO (LIQ2)

	Unweighted value by residual maturity				Weighted Value
	6 months to				
	No maturity	<6 months	<1 year	≥1 year	
	R'million	R'million	R'million	R'million	
Available stable funding (ASF) item					
Capital:	-	-	-	4,186	4,186
Regulatory capital	-	-	-	4,186	4,186
Other capital instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:	-	-	-	-	-
Stable deposits	-	-	-	-	-
Less stable deposits	-	-	-	-	-
Wholesale funding:	-	-	-	-	-
Operational deposits	-	-	-	-	-
Other wholesale funding	-	21,315	-	-	8,632
Liabilities with matching interdependent assets	-	-	-	-	-
Other liabilities:	-	-	-	-	-
NSFR derivative liabilities	-	-	-	-	-
All other liabilities and equity not included in the above categories	-	-	-	14,765	14,765
Total ASF	-	-	-	-	27,583
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	-	5,401	4,500	2,750	633
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	5,616	-	-	842
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs , of which:	-	10,405	112	-	1,573
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit	-	-	-	-	-
Performing residential mortgages, of which:	-	-	-	1,127	958
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	-	130	805	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	-	-	-	9,220	9,219
Off-balance sheet items	-	-	-	27,354	1,368
Total RSF	-	-	-	-	15,231
Net Stable Funding Ratio (%)					181%

Distribution of corporate assets and increased investment in HQLA impacted the NSFR ratios over the quarterly reporting period.