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 September 2023

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-23	Jun-23	Mar-23	Dec-22	Sep-22
			R'million		
Available capital amounts					
Common Equity Tier 1 (CET1)	3,595	3,621	3,724	3,696	3,527
Fully loaded Expected Credit Loss (ECL) accounting model	3,595	3,621	3,724	3,696	3,527
Tier 1	3,595	3,621	3,724	3,696	3,527
Fully loaded ECL accounting model Tier 1	3,595	3,621	3,724	3,696	3,527
Total capital	3,664	3,651	3,752	3,729	3,557
Fully loaded ECL accounting model total capital	3,664	3,651	3,752	3,729	3,557
Risk-weighted assets (amounts)					
Total risk-weighted assets (RWA)	18,488	17,655	19,551	18,079	20,927
Risk-based capital ratios as a percentage of RWA					
CET 1 ratio (%)	19.44%	20.51%	19.05%	20.44%	16.86%
Fully loaded ECL accounting model CET1 (%)	19.44%	20.51%	19.05%	20.44%	16.86%
Tier 1 ratio (%)	19.44%	20.51%	19.05%	20.44%	16.86%
Fully loaded ECL accounting model Tier 1 ratio (%)	19.44%	20.51%	19.05%	20.44%	16.86%
Total capital ratio (%)	19.82%	20.68%	19.19%	20.63%	17.00%
Fully loaded ECL accounting model total capital ratio (%)	19.82%	20.68%	19.19%	20.63%	17.00%
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 (%)	11.56%	12.63%	11.17%	12.56%	8.98%
Basel III leverage ratio					
Total Basel III leverage ratio exposure measure	46,635	49,133	47,679	44,357	47,913
Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	7.71%	7.37%	7.81%	8.33%	7.36%
Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	7.71%	7.37%	7.81%	8.33%	7.36%
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA)	12,768	12,658	13,285	12,694	11,614
Total net cash outflow	6,328	6,362	5,744	5,234	4,193
LCR ratio (%)	202%	199%	231%	243%	277%
Net Stable Funding Ratio					
Total available stable funding	21,638	23,923	22,542	21,607	20,698
Total required stable funding	15,560	14,036	15,139	13,806	15,088
NSFR ratio (%)	139%	170%	149%	157%	137%

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OVERVIEW OF RWA (OV1)

	Risk-weighted assets Sep-23	Risk-weighted assets Jun-23	Minimum Capital Requirements Sep-23
		R'million	
Credit risk (excluding counterparty credit risk)	12,273	12,026	1,411
Of which standardised approach	12,273	12,026	1,411
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)	609	765	70
Of which: standardised approach for counterparty credit risk	609	765	70
Of which: Internal Model Method (IMM)	-	-	-
Of which: other CCR	-	-	-
Credit valuation adjustment (CVA)	1,888	1,269	217
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	59	63	7
Of which standardised approach	59	63	7
Of which internal model approaches	-	-	-
Capital charge for switch between trading book and banking book	-	-	-
Operational risk	3,193	3,193	367
Amounts below the thresholds for deduction (subject to 250% risk weight)	466	339	54
Floor Adjustment	-	-	-
Total	18,488	17,655	2,126

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

Counterparty credit risk and Credit valuation adjustment movements are attributable to business-as-usual activities. Amounts below the threshold for deduction are due to the increase in the deferred tax asset.

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SUMMARY OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE (LR1)

	Sep-23 R'million
Total consolidated assets as per published financial statements	**44,020**
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	
Adjustments for derivative financial instruments	780
Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	(1,718)
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	5,219
Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(919)
Other adjustments	(749)
Leverage ratio exposure measure	**46,635**

Based on quarter-end balances.

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LEVERAGE RATIO COMMON DISCLOSURE (LR2)

	Sep-23	Jun-23
	R'million	
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives and SFTs but including collateral)	38,523	39,351
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)	(374)	(373)
Total on-balance sheet exposures (excluding derivatives and SFT's (sum of rows 1 to 6)	**38,149**	**38,978**
Derivative exposures		
Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,645	1,631
Add on amounts for potential future exposure associated with all derivatives transactions	1,591	1,661
(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)	**3,236**	**3,292**
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	1,747	2,015
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,747)	(2,015)
Counterparty credit risk exposure for SFT assets	29	9
Agent transaction exposures	-	-
Total securities financing transaction exposures (sum of rows 14 to 17)	**29**	9
Other off-balance sheet exposures		
Off-balance sheet exposure at gross notional amount	25,346	24,551
(Adjustment for conversion to credit equivalent amounts)	(20,126)	(17,697)
(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)	**5,220**	**6,853**
Capital and total exposures		
Tier 1 capital [1]	**3,595**	**3,621**
Total exposures (sum of rows 7, 13, 18 and 22)	**46,635**	**49,133**
Leverage ratio		
Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	**7.71%**	**7.37%**

Based on quarter-end balances. [1]Excluding unappropriated profits.

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LIQUIDITY COVERAGE RATIO (LIQ1)

	Sep-23 Total Unweighted Value (average)	Sep-23 Total Weighted (average)
	R'million	
High-Quality Liquid Assets		
Total HQLA		**12,768**
Cash outflows		
Retail deposits and deposits from small business customers, of which:	-	-
Stable deposits	-	-
Less stable deposits	-	-
Unsecured wholesale funding, of which:	**19,266**	**10,931**
Operational deposits (all counterparties) and deposits in networks of cooperative banks	4,588	1,147
Non-operational deposits (all counterparties)	14,678	9,784
Unsecured debt	-	-
Secured wholesale funding		-
Additional requirements	**17,644**	**1,852**
Outflows related to derivative exposures and other collateral requirements	966	966
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	13,153	710
Other contractual funding obligations	-	-
Other contingent funding obligations	3,525	176
Total cash outflows		**12,783**
Cash inflows		
Secured lending (e.g. reverse repos)	-	-
Inflows from fully performing exposures	6,457	5,457
Other cash inflows	998	998
Total cash inflows	**7,455**	**6,455**
		Total adjusted value
Total HQLA		12,768
Total net cash outflows		6,328
Liquidity coverage ratio (%)		**202%**

Average of 92 days of daily observations over the quarter ended 30 September 2023.