



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 31 DECEMBER 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)

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

	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
	R'million				
Available capital amounts					
Common Equity Tier 1 (CET1)	3,696	3,527	3,680	3,729	3,786
Fully loaded Expected Credit Loss (ECL) accounting model Tier 1	3,696	3,527	3,680	3,729	3,786
Fully loaded ECL accounting model Tier 1	3,696	3,527	3,680	3,729	3,786
Total capital	3,729	3,557	3,712	3,805	3,859
Fully loaded ECL accounting model total capital	3,729	3,557	3,712	3,805	3,859
Risk-weighted assets (amounts)					
Total risk-weighted assets (RWA)	18,079	20,927	19,352	18,522	19,319
Total risk-weighted assets (pre-floor)	18,079	20,927	19,352	18,522	19,319
Risk-based capital ratios as a percentage of RWA					
CET 1 ratio (%)	20.44%	16.86%	19.02%	20.14%	19.59%
Fully loaded ECL accounting model CET1 (%)	20.44%	16.86%	19.02%	20.14%	19.59%
CET1 ratio (%) (pre-floor ratio)	20.44%	16.86%	19.02%	20.14%	19.59%
Tier 1 ratio (%)	20.44%	16.86%	19.02%	20.14%	19.59%
Fully loaded ECL accounting model Tier 1 ratio (%)	20.44%	16.86%	19.02%	20.14%	19.59%
Tier 1 ratio (%) (pre-floor ratio)	20.44%	16.86%	19.02%	20.14%	19.59%
Total capital ratio (%)	20.63%	17.00%	19.18%	20.55%	19.97%
Fully loaded ECL accounting model total capital ratio (%)	20.63%	17.00%	19.18%	20.55%	19.97%
Total capital ratio (%) (pre-floor ratio)	20.63%	17.00%	19.18%	20.55%	19.97%
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 (%)	12.56%	8.98%	11.14%	12.26%	12.21%
Basel III leverage ratio					
Total Basel III leverage ratio exposure measure	44,357	47,913	41,834	45,929	48,918
Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	8.33%	7.36%	8.80%	8.12%	7.74%
Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	8.33%	7.36%	8.80%	8.12%	7.74%
Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	8.33%	7.36%	8.80%	8.12%	7.74%
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA)	12,694	11,614	10,535	10,194	9,806
Total net cash outflow	5,234	4,193	5,473	4,343	3,862
LCR ratio (%)	243%	277%	193%	235%	254%
Net Stable Funding Ratio					
Total available stable funding	21,607	20,698	17,298	23,173	20,301
Total required stable funding	13,806	15,088	14,117	16,715	16,773
NSFR ratio	157%	137%	123%	139%	121%



OVERVIEW OF RWA (OV1)

	Risk-weighted assets Dec-22	Risk-weighted assets Sep-22	Minimum Capital Requirements Dec-22
	R'million		
Credit risk (excluding counterparty credit risk)	12,653	14,473	1,455
Of which standardised approach	12,653	14,473	1,455
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)	1,244	2,232	143
Of which: standardised approach for counterparty credit risk	1,244	2,232	143
Of which: Internal Model Method (IMM)	-	-	-
Of which: other CCR	-	-	-
Credit valuation adjustment (CVA)	552	620	63
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	98	118	11
Of which standardised approach	98	118	11
Of which internal model approaches	-	-	-
Capital charge for switch between trading book and banking book	-	-	-
Operational risk	3,144	2,984	362
Amounts below the thresholds for deduction (subject to 250% risk weight)	388	500	45
Floor Adjustment	-	-	-
Total	18,079	20,927	2,079

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

Counterparty credit risk movements are attributable to business-as-usual activities. Amounts below the threshold for deduction include movements in deferred tax assets.



SUMMARY OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE (LR1)

	Dec-22 R'million
Total consolidated assets as per published financial statements	41,595
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	945
Adjustments for derivative financial instruments	
Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	(2,038)
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	5,433
Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(880)
Other adjustments	(698)
Leverage ratio exposure measure	44,357

Based on quarter-end balances.



LEVERAGE RATIO COMMON DISCLOSURE (LR2)

	Dec-22	Sep-22
	R'million	
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives and SFT's but including collateral)	36,449	37,751
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)	(349)	(362)
Total on-balance sheet exposures (excluding derivatives and SFT's (sum of rows 1 to 6))	36,100	37,389
Derivative exposures		
Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,383	2,217
Add on amounts for potential future exposure associated with all derivatives transactions	1,441	2,335
(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)	2,824	4,552
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	2,042	1,929
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,042)	(1,929)
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	26,555	26,786
(Adjustment for conversion to credit equivalent amounts)	(21,122)	(20,813)
(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)	5,433	5,973
Capital and total exposures		
Tier 1 capital ¹	3,696	3,527
Total exposures (sum of rows 7, 13, 18 and 22)	44,357	47,913
Leverage ratio		
Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	8.33%	7.36%

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



LIQUIDITY COVERAGE RATIO (LIQ1)

	Dec-22	Dec-22
	Total Unweighted Value (average)	Total Weighted (average)
	R'million	
High-Quality Liquid Assets		
Total HQLA		12,694
Cash outflows		
Retail deposits and deposits from small business customers, of which:	-	-
Stable deposits	-	-
Less stable deposits	-	-
Unsecured wholesale funding, of which:	19,245	10,555
Operational deposits (all counterparties) and deposits in networks of cooperative banks	5,192	1,298
Non-operational deposits (all counterparties)	14,053	9,257
Unsecured debt	-	-
Secured wholesale funding		-
Additional requirements	18,965	2,216
Outflows related to derivative exposures and other collateral requirements	1,283	1,283
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	13,315	715
Other contractual funding obligations	-	-
Other contingent funding obligations	4,367	218
Total cash outflows		12,771
Cash inflows		
Secured lending (e.g. reverse repos)	-	-
Inflows from fully performing exposures	7,285	6,230
Other cash inflows	1,307	1,307
Total cash inflows	8,592	7,537
		Total adjusted value
Total HQLA		12,694
Total net cash outflows		5,234
Liquidity coverage ratio (%)		243%

Average of 92 days of daily observations over the quarter ended 31 December 2022.