

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 MARCH 2020

Quarterly disclosures in accordance with the Basel Committee on Banking Supervision's revised pillar 3 disclosure requirements, the South African Reserve Bank (SARB) Directives 1 of 2019, issued in terms of section 6(6) of the Banks Act No. 94 of 1990 and Regulation 43(1)(e) and Regulation 43 (2) of the regulations relating to Banks.

KEY METRICS (KM1)

	Mar-20 ZAR'million
Available capital amounts	
Common Equity Tier 1 (CET1)	3,817
Fully loaded ECL accounting model	3,817
Tier 1	3,817
Fully loaded ECL accounting model Tier 1	3,817
Total capital	4,043
Total capital as IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,043
Risk-weighted assets amounts	
Total risk-weighted assets (RWA)	24,231
Total risk-weighted assets (pre-floor)	24,231
Risk-based capital ratios as a percentage of RWA	
Common Equity Tier 1 ratio (%)	15.75%
Fully loaded ECL accounting model CET1 (%)	15.75%
CET1 ratio (%) (pre-floor ratio)	15.75%
Tier 1 ratio (%)	15.75%
Fully loaded ECL accounting model Tier 1 ratio (%)	15.75%
Tier 1 ratio (%) (pre-floor ratio)	15.75%
Total capital ratio (%)	16.69%
Fully loaded ECL accounting model total capital ratio (%)	16.69%
Total capital ratio (%) (pre-floor ratio)	16.69%
Additional CET1 buffer requirements as a percentage of RWA	
Capital conservation buffer requirement (%)	2.50%
Countercyclical buffer requirement (%)	0.00%
Bank G-SIB and/or D-SIB additional requirements (%)	0.00%
Total of bank CET1 specific buffer requirements (%) (rows 8,9 and 10)	2.50%
CET1 available after meeting the bank's minimum capital requirements (%)	7.87%
Basel III leverage ratio	
Total Basel III leverage ratio exposure measure	47,563
Basel III leverage ratio (%) (row2/row13)	8.02%
Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	8.02%
Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	8.02%
Liquidity Coverage Ratio	
Total HQLA	8,358
Total net cash outflow	6,387
LCR ratio (%)	131%
Net Stable Funding Ratio	
Total available stable funding	27,555
Total required stable funding	23,061
NFSR ratio	119%

OVERVIEW OF RISK MANAGEMENT (OV1)

	Risk-weighted assets Mar-20 ZAR'million	Minimum Capital Requirements Mar-20 ZAR'million
Credit risk (excluding counterparty credit risk)	14,723	1,693
Of which standardised approach	14,723	1,693
Of which advanced IRB approach	-	-
Counterparty credit risk	5,700	656
Of which: standardised approach for counterparty credit risk	3,391	390
Of which: Internal Model Method (IMM)	-	-
Of which: other CCR	-	-
Credit valuation adjustment (CVA)	2,309	266
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	53	6
Of which standardised approach	53	6
Of which internal model approaches	-	-
Operational risk	2,886	332
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
Floor Adjustment	-	-
Other asset risk	869	100
Total	24,231	2,787

LEVERAGE RATIO

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

	Mar-20 ZAR'million
Total assets	39,024
Adjustment difference between the accounting scope of consolidation and the regulatory scope of 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	3,352
Adjustments for securities financing transactions (SFTs)	(1,802)
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	7,704
Other adjustments	(716)
Total leverage ratio exposure	47,563

Leverage Ratio Summary (LR2)

	Mar-20 ZAR'million
On-balance sheet exposures	
On-balance sheet exposures (excluding derivatives and SFT's but including collateral)	31,384
Asset amounts deducted in determining tier 1 capital	358
Total on-balance sheet exposures (excluding derivatives and SFT's (total of items 1 and 2))	31,026
Derivative exposures	
Replacement costs associated with all derivative transactions, net of eligible cash variation margin	6,658
Add-on amounts for PFE associated with all derivative transactions	2,175
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)	8,833
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
Netted amounts of cash payables and cash receivables of gross SFT assets	-
CRR exposure for SFT assets	-
Agent transaction exposures	-
Total securities financing transaction exposures (sum of rows 12 to 15)	-
Other off-balance sheet exposures	
Off-balance sheet exposure at gross notional amount	33,760
Adjustment for conversion to credit equivalent amounts	(26,056)
Off-balance sheet items (sum of rows 17 and 18)	7,704
Capital and total exposures	
Tier 1 capital	3,817
Total exposures (sum of rows 3,11,16 and 19)	47,563
Leverage ratio	
Leverage ratio (expressed as a percentage)	8.02%

LIQUIDITY RATIO

Liquidity Coverage Ratio (LIQ1)

	Mar-20 Total Unweighted Value (average) ZAR'million	Mar-20 Total Weighted (average) ZAR'million
High-Quality Liquid Assets		
Total HQLA		8,358
Cash outflows		
Retail deposits and deposits from small business customers, of which:	-	-
Stable deposits	-	-
Less stable deposits	-	-
Unsecured wholesale funding, of which:	25,871	14,258
Operational deposits (all counterparties) and deposits in networks of cooperative banks	8,982	2,245
Non-operational deposits (all counterparties)	16,889	12,013
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements	37,605	7,666
Outflows related to derivative exposures and other collateral requirements	5,938	5,938
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	-	-
Other contractual funding obligations	-	-
Other contingent funding obligations	31,667	1,728
Total cash outflows	63,476	21,924
Cash inflows		
Secured lending (e.g. reverse repos)	-	-
Inflows from fully performing exposures	11,577	10,056
Other cash inflows	5,481	5,481
Total cash inflows	17,057	15,537
		Total adjusted value
Total HQLA		8,358
Total net cash outflows		6,387
Liquidity coverage ratio (%)		131%

Net Stable Funding Ratio (NSFR) (LIQ2)

	Unweighted value by residual maturity				Weighted value
	No maturity	<6 months	6 months to <1 year	year ≥1	
	ZAR'million				
Capital:	-	-	-	4,174	4,174
Regulatory capital	-	-	-	4,174	4,174
Other capital instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:	-	-	-	-	-
Stable deposits	-	-	-	-	-
Less stable deposits	-	-	-	-	-
Wholesale funding:	-	-	-	-	-
Operational deposits	-	-	-	-	-
Other wholesale funding	-	18,928	-	-	7,459
Liabilities with matching interdependent assets	-	-	-	-	-
Other liabilities:	-	-	-	-	-
NSFR derivative liabilities	-	-	-	-	-
All other liabilities and equity not included in the above categories	-	-	-	15,922	15,922
Total ASF					27,555
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	-	4,909	2,800	0	385
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	8,822	101	503	2,543
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs , of which:					
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit	-	3,550	-	-	1,483
Performing residential mortgages, of which:					
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	352	293
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	1,550	515	1,135	1,997
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	-	-	-	14,787	14,787
Off-balance sheet items	-	-	-	-	1,571
Total RSF					23,061
Net Stable Funding Ratio (%)					119%

Capital Requirements

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

	Risk-weighted assets Rmillion	Regulatory capital requirement 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