Standard Bank Group Limited
(Incorporated in the Republic of South Africa)
Registration No. 1969/017128/06
JSE and A2X share code: SBK
NSX share code: SNB
ISIN: ZAE000109815
("Standard Bank Group" or "the group")

Basel III capital adequacy, leverage ratio and liquidity coverage ratio disclosure as at 30 September 2018

In terms of the requirements under Regulation 43(1)(e)(iii) of the regulations relating to banks and Directive 4/2014, Directive 11/2015 and Directive 1/2018 issued in terms of section 6(6) of the Banks Act (Act No. 94 of 1990), minimum disclosure on the capital adequacy of the group and its leverage ratio is required on a quarterly basis. This disclosure is in accordance with Pillar 3 of the Basel III accord.

Standard Bank Group capital adequacy and leverage ratio

	September 2018 (Rm)	
	Transitional(1)	**Fully loaded(2)**
Ordinary share capital and premium	17 790	17 790
Ordinary shareholders' reserves(3)	137 350	137 350
Qualifying Common Equity Tier I non-controlling interest	5 335	5 335
Regulatory deductions against Common Equity Tier I capital	(26 805)	(31 073)
Common Equity Tier I capital	**133 670**	**129 402**
Unappropriated profit	(10 578)	(10 578)
Common Equity Tier 1 capital excl. unappropriated profit	**123 092**	**118 824**
Qualifying other equity instruments	5 742	5 742
Qualifying Tier I non-controlling interest	387	387
Tier I capital excl. unappropriated profit	**129 221**	**124 953**
Qualifying Tier II subordinated debt	14 954	14 954
General allowance for credit impairments	2 545	5 383
Tier II capital	**17 499**	**20 337**
Total regulatory capital excl. unappropriated profit	**146 720**	**145 290**

September 2018 (Rm)

	Transitional(1)	Fully loaded(2)
Credit risk	79 402	79 402
Counterparty credit risk	2 856	2 856
Equity risk in the banking book	702	702
Market risk	6 892	6 892
Operational risk	17 802	17 802
Investments in financial entities	5 142	4 963
Total minimum regulatory capital requirement(4)	**112 796**	**112 617**

	September 2018 (Rm)	
	Transitional(1)	**Fully loaded(2)**
Capital Adequacy Ratio (excl. unappropriated profit)		
Total capital adequacy ratio (%)	14.5	14.4
Tier I capital adequacy ratio (%)	12.8	12.4
Common Equity Tier I capital adequacy ratio (%)	12.2	11.8
Capital Adequacy Ratio (incl. unappropriated profit)		
Total capital adequacy ratio (%)	15.6	15.4
Tier I capital adequacy ratio (%)	13.8	13.4
Common Equity Tier I capital adequacy ratio (%)	13.2	12.8
Leverage ratio		
Tier I capital (excl. unappropriated profit) (Rm)	129 221	124 953
Tier I capital (incl. unappropriated profit) (Rm)	139 799	135 531
Total exposures (Rm)	1 803 261	1 799 148
Leverage ratio (excl. unappropriated profits, %)	7.2	6.9
Leverage ratio (incl. unappropriated profits, %)	7.8	7.5

Note:
(1) Represents IFRS 9 transition impact as allowed by the SARB.
(2) Represents fully loaded Expected Credit Loss (ECL) accounting results (full IFRS 9 impact).
(3) Including unappropriated profits.
(4) Measured at 11.14% in line with Basel III transitional requirements and excludes any bank-specific capital requirements. There is currently no requirement for the countercyclical buffer add-on in South Africa.
The impact on the group’s countercyclical buffer requirement from other jurisdictions in which the group operates is insignificant (buffer requirement of 0.0136%).

The Standard Bank of South Africa Limited (SBSA) and its subsidiaries capital adequacy and leverage ratio

	September 2018 (Rm)	
	Transitional(1)	Fully loaded(2)
Ordinary share capital and premium	44 448	44 448
Ordinary shareholders' reserves(3)	48 719	48 719
Regulatory deductions against Common Equity Tier I capital	(12 996)	(15 075)
Common Equity Tier I capital	**80 171**	**78 092**
Unappropriated profit	(7 515)	(7 515)
Common Equity Tier 1 capital excl. unappropriated profit	**72 656**	**70 577**
Qualifying other equity instruments	3 544	3 544
Tier I capital excl. unappropriated profit	**76 200**	**74 121**
Qualifying Tier II subordinated debt	13 451	13 451
General allowance for credit impairments	675	2 629
Tier II capital	**14 126**	**16 080**
Total regulatory capital excl. unappropriated profit	**90 326**	**90 201**

	September 2018 (Rm)	
	Transitional(1)	Fully loaded(2)
Credit risk	50 084	50 084
Counterparty credit risk	2 424	2 424
Equity risk in the banking book	369	369
Market risk	4 378	4 378
Operational risk	10 665	10 665
Investments in financial entities	1 412	1 412
Total minimum regulatory capital requirement(4)	**69 332**	**69 332**

	September 2018 (Rm)	
	Transitional(1)	Fully loaded(2)
Capital Adequacy Ratio (excl. unappropriated profit)		
Total capital adequacy ratio (%)	14.5	14.5
Tier I capital adequacy ratio (%)	12.2	11.9
Common Equity Tier I capital adequacy ratio (%)	11.7	11.3
Capital Adequacy Ratio (incl. unappropriated profit)		
Total capital adequacy ratio (%)	15.7	15.7
Tier I capital adequacy ratio (%)	13.4	13.1
Common Equity Tier I capital adequacy ratio (%)	12.9	12.5
Leverage ratio		
Tier I capital (excl. unappropriated profit) (Rm)	76 200	74 121
Tier I capital (incl. unappropriated profit) (Rm)	83 715	81 636
Total exposures (Rm)	1 442 615	1 440 537
Leverage ratio (excl. unappropriated profits, %)	5.3	5.1
Leverage ratio (incl. unappropriated profits, %)	5.8	5.7

Note:
(1) Represents IFRS 9 transition impact as allowed by the SARB.
(2) Represents fully loaded ECL accounting results (full IFRS 9 impact).
(3) Including unappropriated profits.
(4) Measured at 11.14% in line with Basel III transitional requirements and excludes any bank-specific capital requirements. There is currently no requirement for the countercyclical buffer add-on in South Africa. The impact on the group’s countercyclical buffer requirement from other jurisdictions in which the group operates is insignificant (buffer requirement of 0.0081%).

Liquidity coverage ratio disclosure

In terms of the Basel III requirements in Directive 11/2014 issued in terms of section 6(6) of the Banks Act, (Act No. 94 of 1990), banks are directed to comply with the minimum disclosure on the liquidity coverage ratio (LCR) of the group and SBSA Solo entity on a quarterly basis. This disclosure is in accordance with Pillar 3 of the Basel III liquidity accord.

The LCR is designed to promote short-term resilience of the 30 calendar day liquidity profile, by ensuring that banks have sufficient high quality liquid assets (HQLA) to meet potential outflows in a stressed environment. The minimum regulatory requirement for 2018 is 90% and will increase by a further 10% on 1 January 2019 to reach the full 100% requirement.

	Standard Bank Group Consolidated 30 September 2018 Rm	**SBSA Solo 30 September 2018 Rm**
Total HQLA	267 148	171 934
Net cash outflows	212 966	157 473
LCR (%)	125.4	109.2
Minimum requirement (%)	90.0	90.0

Note:

1. Only banking and/or deposit taking entities are included. The group data represents a consolidation of the relevant individual net cash outflows and the individual HQLA portfolios, where surplus HQLA holding in excess of the minimum requirement of 90% have been excluded from the aggregated HQLA number in the case of all Africa Regions entities.

2. The above figures reflect the simple average of 92 days of daily observations over the previous quarter ended 30 September 2018 for SBSA including SBSA Isle of Man branch, Stanbic Bank Ghana, Stanbic Bank Uganda, Stanbic IBTC Bank Nigeria, Standard Bank Namibia, Standard Bank Isle of Man Limited and Standard Bank Jersey Limited. The remaining Africa Regions banking entities results are based on the average of the month-end data points at 31 July 2018, 31 August 2018 and 30 September 2018. The figures are based on the regulatory submissions to the South African Reserve Bank.

The information contained in this announcement has not been reviewed and reported on by the group's external auditors.

Johannesburg

27 November 2018

Lead sponsor

The Standard Bank of South Africa Limited

Independent sponsor

J P Morgan Equities South Africa Proprietary Limited

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