

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 2019.

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 2019 (Rm)	
	Transitional ¹	Fully loaded ²
Ordinary share capital and premium	17 984	17 984
Ordinary shareholders' reserves ³	150 295	150 295
Qualifying Common Equity Tier I non-controlling interest	5 928	5 928
Regulatory deductions against Common Equity Tier I capital	(22 223)	(25 571)
Common Equity Tier I capital	151 984	148 636
Unappropriated profit	(9 657)	(9 657)
Common Equity Tier 1 capital excl. unappropriated profit	142 327	138 979
Qualifying other equity instruments	7 666	7 666
Qualifying Tier I non-controlling interest	779	779
Tier I capital excl. unappropriated profit	150 772	147 424
Qualifying Tier II subordinated debt	22 026	22 026
General allowance for credit impairments	3 571	5 462
Tier II capital	25 597	27 488
Total regulatory capital excl. unappropriated profit	176 369	174 912

	September 2019 (Rm)	
	Transitional ¹	Fully loaded ²
Credit risk	89 035	89 035
Counterparty credit risk	4 204	4 204
Equity risk in the banking book	684	684
Market risk	8 409	8 409
Operational risk	19 263	19 263
Investments in financial entities	6 155	6 010
Total minimum regulatory capital requirement⁴	127 750	127 605

	September 2019	
	Transitional ¹	Fully loaded ²
Capital Adequacy Ratio (excl. unappropriated profit)		
Total capital adequacy ratio (%)	15.9	15.8
Tier I capital adequacy ratio (%)	13.6	13.3
Common Equity Tier I capital adequacy ratio (%)	12.8	12.6
Capital Adequacy Ratio (incl. unappropriated profit)		
Total capital adequacy ratio (%)	16.8	16.7
Tier I capital adequacy ratio (%)	14.5	14.2
Common Equity Tier I capital adequacy ratio (%)	13.7	13.4
Leverage ratio		
Tier I capital (excl. unappropriated profit) (Rm)	150 772	147 424
Tier I capital (incl. unappropriated profit) (Rm)	160 429	157 081
Total exposures (Rm)	1 969 019	1 965 651
Leverage ratio (excl. unappropriated profits, %)	7.7	7.5
Leverage ratio (incl. unappropriated profits, %)	8.1	8.0

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 11.5% 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 0.0311%).

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

	September 2019 (Rm)	
	Transitional ¹	Fully loaded ²
Ordinary share capital and premium	45 248	45 248
Ordinary shareholders' reserves ³	51 022	51 022
Regulatory deductions against Common Equity Tier I capital	(12 214)	(13 600)
Common Equity Tier I capital	84 056	82 670
Unappropriated profit	(6 826)	(6 826)
Common Equity Tier 1 capital excl. unappropriated profit	77 230	75 844
Qualifying other equity instruments	5 467	5 467
Tier I capital excl. unappropriated profit	82 697	81 311
Qualifying Tier II subordinated debt	20 600	20 600
General allowance for credit impairments	1 482	2 785
Tier II capital	22 082	23 385
Total regulatory capital excl. unappropriated profit	104 779	104 696

	September 2019 (Rm)	
	Transitional ¹	Fully loaded ²
Credit risk	55 111	55 111
Counterparty credit risk	3 249	3 249
Equity risk in the banking book	342	342
Market risk	5 443	5 443
Operational risk	11 365	11 365
Investments in financial entities	1 563	1 563
Total minimum regulatory capital requirement ⁴	77 073	77 073

September 2019
Transitional¹ Fully loaded²

Capital Adequacy Ratio (excl. unappropriated profit)

Total capital adequacy ratio (%)	15.7	15.6
Tier I capital adequacy ratio (%)	12.4	12.2
Common Equity Tier I capital adequacy ratio (%)	11.5	11.3

Capital Adequacy Ratio (incl. unappropriated profit)

Total capital adequacy ratio (%)	16.7	16.7
Tier I capital adequacy ratio (%)	13.4	13.2
Common Equity Tier I capital adequacy ratio (%)	12.6	12.4

Leverage ratio

Tier I capital (excl. unappropriated profit) (Rm)	82 697	81 311
Tier I capital (incl. unappropriated profit) (Rm)	89 523	88 137
Total exposures (Rm)	1 617 060	1 615 658
Leverage ratio (excl. unappropriated profits, %)	5.1	5.0
Leverage ratio (incl. unappropriated profits, %)	5.5	5.4

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 11.5% 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 0.0192%).

Liquidity Coverage Ratio

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) on both a Standard Bank Group consolidated as well as SBSA Solo entity level. 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.

	Standard Bank Group Consolidated 30 September 2019 Rm	SBSA Solo 30 September 2019 Rm
Total HQLA	283 257	186 558
Net cash outflows	210 710	146 204
LCR (%)	134.4	127.6
Minimum requirement (%)	100.0	100.0

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 100% 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 quarter ended 30 September 2019 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 2019, 31 August 2019 and 30 September 2019. The figures are based on the regulatory submissions to the South African Reserve Bank.
3. SBSA Solo disclosure excludes foreign branches.

Net Stable Funding Ratio

In terms of the Basel III requirements in Directive 8/2017 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 net stable funding ratio (NSFR) on both a Standard Bank Group consolidated as well as SBSA Solo entity level. This disclosure is in accordance with Pillar 3 of the Basel III liquidity accord.

The objective of the Basel III Net stable funding ratio (NSFR) is to promote funding stability and resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of assets and off-balance sheet activities.

	Standard Bank Group Consolidated 30 September 2019 Rm	SBSA Solo 30 September 2019 Rm
Available stable funding	1 163 167	826 285
Required stable funding	988 631	753 087
NSFR (%)	117.7	109.7
Minimum requirement (%)	100.0	100.0

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

Johannesburg

26 November 2019

Lead sponsor

The Standard Bank of South Africa Limited

Independent sponsor

JP Morgan Equities South Africa Proprietary Limited

Namibian sponsor

Simonis Storm Securities (Proprietary) Limited