

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

SBKP ZAE000038881 (First preference shares)

SBPP ZAE000056339 (Second preference shares)

("Standard Bank Group" or "the group")

Basel III capital adequacy, leverage ratio and liquidity coverage ratio disclosure as at 31 March 2020.

In terms of the requirements under Regulation 43(1)(e)(iii) of the regulations relating to banks, 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

	March 2020 (Rm)	
	Transitional ¹	Fully loaded ²
Ordinary share capital and premium	17 984	17 984
Ordinary shareholders' reserves ³	160 809	160 809
Qualifying Common Equity Tier I non-controlling interest	7 577	7 577
Regulatory deductions against Common Equity Tier I capital	(22 513)	(24 207)
Common Equity Tier I capital	163 857	162 163
Unappropriated profit	(3 561)	(3 561)
Common Equity Tier 1 capital excl. unappropriated profit	160 296	158 602
Qualifying other equity instruments	6 536	6 536
Qualifying Tier I non-controlling interest	917	917
Tier I capital excl. unappropriated profit	167 749	166 055
Qualifying Tier II subordinated debt	22 460	22 460
General allowance for credit impairments	5 897	6 843
Tier II capital	28 357	29 303
Total regulatory capital excl. unappropriated profit	196 106	195 358

	March 2020 (Rm)	
	Transitional ¹	Fully loaded ²
Credit risk	101 029	101 029
Counterparty credit risk	6 267	6 267
Equity risk in the banking book	962	962
Market risk	11 051	11 051
Operational risk	20 477	20 477
Investments in financial entities	6 744	6 697
Total minimum regulatory capital requirement⁴	146 530	146 483

	March 2020	
	Transitional ¹	Fully loaded ²
Capital Adequacy Ratio (excl. unappropriated profit)		
Total capital adequacy ratio (%)	15.4	15.3
Tier I capital adequacy ratio (%)	13.2	13.0
Common Equity Tier I capital adequacy ratio (%)	12.6	12.5
Capital Adequacy Ratio (incl. unappropriated profit)		
Total capital adequacy ratio (%)	15.7	15.6
Tier I capital adequacy ratio (%)	13.4	13.3
Common Equity Tier I capital adequacy ratio (%)	12.9	12.7
Leverage ratio		
Tier I capital (excl. unappropriated profit) (Rm)	167 749	166 055
Tier I capital (incl. unappropriated profit) (Rm)	171 310	169 616
Total exposures (Rm)	2 206 213	2 204 471
Leverage ratio (excl. unappropriated profits, %)	7.6	7.5
Leverage ratio (incl. unappropriated profits, %)	7.8	7.7

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. In response to the COVID-19 crisis the Prudential Authority has reduced Pillar 2A buffer requirements with effect from 6 April 2020. This will reduce the minimum capital requirement to 10.5% from that date (approximately R12.7 billion reduction in total minimum regulatory capital requirements based on March 2020 results). There is currently no requirement for the countercyclical buffer add-on in South Africa or in other jurisdictions in which the group has significant exposures.

subsidiaries' capital adequacy and leverage ratio

	March 2020 (Rm)	
	Transitional ¹	Fully loaded ²
Ordinary share capital and premium	45 248	45 248
Ordinary shareholders' reserves ³	54 121	54 121
Regulatory deductions against Common Equity Tier I capital	(12 661)	(13 354)
Common Equity Tier I capital	86 708	86 015
Unappropriated profit	(7 389)	(7 389)
Common Equity Tier 1 capital excl. unappropriated profit	79 319	78 626
Qualifying other equity instruments	5 437	5 437
Tier I capital excl. unappropriated profit	84 756	84 063
Qualifying Tier II subordinated debt	20 122	20 122
General allowance for credit impairments	2 289	2 940
Tier II capital	22 411	23 062
Total regulatory capital excl. unappropriated profit	107 167	107 125

	March 2020 (Rm)	
	Transitional ¹	Fully loaded ²
Credit risk	59 522	59 522
Counterparty credit risk	4 434	4 434
Equity risk in the banking book	431	431
Market risk	6 531	6 531
Operational risk	11 500	11 500
Investments in financial entities	1 581	1 581
Total minimum regulatory capital requirement ⁴	83 999	83 999

March 2019

	Transitional ¹	Fully loaded ²
Capital Adequacy Ratio (excl. unappropriated profit)		
Total capital adequacy ratio (%)	14.7	14.7
Tier I capital adequacy ratio (%)	11.6	11.5
Common Equity Tier I capital adequacy ratio (%)	10.9	10.8
Capital Adequacy Ratio (incl. unappropriated profit)		
Total capital adequacy ratio (%)	15.7	15.7
Tier I capital adequacy ratio (%)	12.6	12.5
Common Equity Tier I capital adequacy ratio (%)	11.9	11.8
Leverage ratio		
Tier I capital (excl. unappropriated profit) (Rm)	84 756	84 063
Tier I capital (incl. unappropriated profit) (Rm)	92 145	91 452
Total exposures (Rm)	1 723 936	1 723 195
Leverage ratio (excl. unappropriated profits, %)	4.9	4.9
Leverage ratio (incl. unappropriated profits, %)	5.3	5.3

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. In response to the COVID-19 crisis the Prudential Authority has reduced Pillar 2A buffer requirements with effect from 6 April 2020. This will reduce the minimum capital requirement to 10.5% from that date (approximately R7.3 billion reduction in total minimum regulatory capital requirements based on March 2020 results). There is currently no requirement for the countercyclical buffer add-on in South Africa or in other jurisdictions in which the SBSA has significant exposures.

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 31 March 2020 Rm	SBSA Solo 31 March 2020 Rm
Total HQLA	300 508	201 712
Net cash outflows	211 787	161 290
LCR (%)	141.9	125.1
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 holdings in excess of the minimum requirement of 100% have been excluded from the aggregated HQLA figure in the case of all Africa Regions entities.
2. The above figures reflect the simple average of 91 days of daily observations over the quarter ended 31 March 2020 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 as at 31 January 2020, 29 February 2020 and 31 March 2020. The figures are based on the regulatory submissions to the South African Reserve Bank.
3. The 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 31 March 2020 Rm	SBSA Solo 31 March 2020 Rm
Available stable funding	1 259 294	851 175
Required stable funding	1 072 503	810 756
NSFR (%)	117.4	105.0
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

25 May 2020

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