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 30 September 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

	September 2020 (Rm)	
	Transitional[1]	**Fully loaded[2]**
Ordinary share capital and premium	18 015	18 015
Ordinary shareholders' reserves[3]	162 350	162 350
Qualifying Common Equity Tier I non-controlling interest	7 929	7 929
Regulatory deductions against Common Equity Tier I capital	(20 569)	(22 258)
Common Equity Tier I capital	**167 725**	**166 036**
Unappropriated profit	(8 373)	(8 373)
Common Equity Tier 1 capital excl. unappropriated profit	**159 352**	**157 663**
Qualifying other equity instruments	8 056	8 056
Qualifying Tier I non-controlling interest	1 160	1 160
Tier I capital excl. unappropriated profit	**168 568**	**166 879**
Qualifying Tier II subordinated debt	24 655	24 655
General allowance for credit impairments	5 116	6 062
Tier II capital	**29 771**	**30 717**
Total regulatory capital excl. unappropriated profit	**198 339**	**197 596**

	September 2020 (Rm)	
	Transitional[1]	Fully loaded[2]
Credit risk	107 843	107 843
Counterparty credit risk	5 992	5 992
Equity risk in the banking book	901	901
Market risk	10 264	10 264
Operational risk	20 891	20 891
Investments in financial entities	6 966	6 921
Total minimum regulatory capital requirement [4]	**152 857**	**152 812**

	September 2020	
	Transitional[1]	Fully loaded[2]
Capital Adequacy Ratio (excl. unappropriated profit)		
Total capital adequacy ratio (%)	15.6	15.5
Tier I capital adequacy ratio (%)	13.2	13.1
Common Equity Tier I capital adequacy ratio (%)	12.5	12.4
Capital Adequacy Ratio (incl. unappropriated profit)		
Total capital adequacy ratio (%)	16.2	16.2
Tier I capital adequacy ratio (%)	13.9	13.8
Common Equity Tier I capital adequacy ratio (%)	13.2	13.0
Leverage ratio		
Tier I capital (excl. unappropriated profit) (Rm)	168 568	166 879
Tier I capital (incl. unappropriated profit) (Rm)	176 941	175 252
Total exposures (Rm)	2 264 244	2 262 482
Leverage ratio (excl. unappropriated profits, %)	7.4	7.4
Leverage ratio (incl. unappropriated profits, %)	7.8	7.7

Note:
[1] Represents IFRS 9 transition impact as allowed by the South African Reserve Bank (SARB).
[2] Represents fully loaded Expected Credit Loss (ECL) accounting results (full IFRS 9 impact).
[3] Including unappropriated profits.
[4] Measured at 12.0% and excludes any confidential bank-specific capital requirements. Pillar 2A buffer requirements temporarily removed in response to the Covid-19 pandemic. 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.

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

	September 2020 (Rm)	
	Transitional[1]	**Fully loaded[2]**
Ordinary share capital and premium	49 313	49 313
Ordinary shareholders' reserves[3]	48 947	48 947
Regulatory deductions against Common Equity Tier I capital	(11 606)	(12 298)
Common Equity Tier I capital	**86 654**	**85 962**
Unappropriated profit	(2 404)	(2 404)
Common Equity Tier 1 capital excl. unappropriated profit	**84 250**	**83 558**
Qualifying other equity instruments	6 957	6 957
Tier I capital excl. unappropriated profit	**91 207**	**90 515**
Qualifying Tier II subordinated debt	22 422	22 422
General allowance for credit impairments	2 409	3 061
Tier II capital	**24 831**	**25 483**
Total regulatory capital excl. unappropriated profit	**116 038**	**115 998**

	September 2020 (Rm)	
	Transitional[1]	**Fully loaded[2]**
Credit risk	65 535	65 535
Counterparty credit risk	4 410	4 410
Equity risk in the banking book	467	467
Market risk	6 050	6 050
Operational risk	12 428	12 428
Investments in financial entities	1 732	1 732
Total minimum regulatory capital requirement [4]	**90 622**	**90 622**

	September 2020 (Rm)	
	Transitional[1]	Fully loaded[2]
Capital Adequacy Ratio (excl. unappropriated profit)		
Total capital adequacy ratio (%)	16.0	16.0
Tier I capital adequacy ratio (%)	12.6	12.5
Common Equity Tier I capital adequacy ratio (%)	11.6	11.5
Capital Adequacy Ratio (incl. unappropriated profit)		
Total capital adequacy ratio (%)	16.3	16.3
Tier I capital adequacy ratio (%)	12.9	12.8
Common Equity Tier I capital adequacy ratio (%)	12.0	11.9
Leverage ratio		
Tier I capital (excl. unappropriated profit) (Rm)	91 207	90 515
Tier I capital (incl. unappropriated profit) (Rm)	93 611	92 919
Total exposures (Rm)	1 744 725	1 744 031
Leverage ratio (excl. unappropriated profits, %)	5.2	5.2
Leverage ratio (incl. unappropriated profits, %)	5.4	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 12.5% and excludes any confidential bank-specific capital requirements. Pillar 2A buffer requirements temporarily removed in response to the Covid-19 pandemic. 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.

Liquidity Coverage Ratio (LCR)

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.

In light of the effects of Covid-19 on the South African market, the SARB has amended the minimum requirements relating to the liquidity coverage ratio (LCR) from 100% to 80% (effective 1 April 2020) to provide temporary liquidity relief to banks, in line with the intention of the Basel III LCR framework, and to promote continued provision of credit by banks. No temporary relief has been applied to the net stable funding ratio (NSFR).

	Standard Bank Group Consolidated 30 September 2020 Rm	**SBSA Solo 30 September 2020 Rm**
Total HQLA	343 507	230 410
Net cash outflows	234 733	182 317
LCR (%)	146.3	126.4
Minimum requirement (%)	80.0	80.0

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 80% 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 92 days of daily observations over the quarter ended 30 September 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 July 2020, 31 August 2020 and 30 September 2020. The figures are based on the regulatory submissions to the SARB.
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.

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	Standard Bank Group Consolidated 30 September 2020 Rm	**SBSA Solo 30 September 2020 Rm**
Available stable funding	1 330 483	896 389
Required stable funding	1 069 378	795 488
NSFR (%)	124.4	112.7
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

30 November 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