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 2021.

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 2021 (Rm)
Ordinary share capital and premium	18 016
Ordinary shareholders' reserves[1]	171 176
Qualifying Common Equity Tier I non-controlling interest	8 009
Regulatory deductions against Common Equity Tier I capital	(19 699)
Common Equity Tier I capital	**177 502**
Unappropriated profit	(12 180)
Common Equity Tier 1 capital excl. unappropriated profit	**165 322**
Qualifying other equity instruments	9 328
Qualifying Tier I non-controlling interest	1 265
Tier I capital excl. unappropriated profit	**175 915**
Qualifying Tier II subordinated debt	21 463
General allowance for credit impairments	6 090
Tier II capital	**27 553**
Total regulatory capital excl. unappropriated profit	**203 468**

	September 2021 (Rm)
Credit risk	111 424
Counterparty credit risk	7 553
Equity risk in the banking book	1 995
Market risk	9 167
Operational risk	20 514
Investments in financial entities	7 025
Total minimum regulatory capital requirement [2]	**157 678**

	September 2021
Capital Adequacy Ratio (excl. unappropriated profit)	
Total capital adequacy ratio (%)	15.5
Tier I capital adequacy ratio (%)	13.4
Common Equity Tier I capital adequacy ratio (%)	12.6
Capital Adequacy Ratio (incl. unappropriated profit)	
Total capital adequacy ratio (%)	16.4
Tier I capital adequacy ratio (%)	14.3
Common Equity Tier I capital adequacy ratio (%)	13.5
Leverage ratio	
Tier I capital (excl. unappropriated profit) (Rm)	175 915
Tier I capital (incl. unappropriated profit) (Rm)	188 095
Total exposures (Rm)	2 340 444
Leverage ratio (excl. unappropriated profits, %)	7.5
Leverage ratio (incl. unappropriated profits, %)	8.1

Note:
[1] Including unappropriated profits.
[2] Measured at 12% and excludes confidential bank-specific capital requirements and the Pillar 2A buffer requirement that has been 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 2021 (Rm)
Ordinary share capital and premium	49 313
Ordinary shareholders' reserves[1]	54 686
Regulatory deductions against Common Equity Tier I capital	(10 094)
Common Equity Tier I capital	**93 905**
Unappropriated profit	(8 259)
Common Equity Tier 1 capital excl. unappropriated profit	**85 646**
Qualifying other equity instruments	8 778
Tier I capital excl. unappropriated profit	**94 424**
Qualifying Tier II subordinated debt	19 124
General allowance for credit impairments	3 150
Tier II capital	**22 274**
Total regulatory capital excl. unappropriated profit	**116 698**

	September 2021 (Rm)
Credit risk	67 784
Counterparty credit risk	5 794
Equity risk in the banking book	876
Market risk	5 638
Operational risk	12 169
Investments in financial entities	1 426
Total minimum regulatory capital requirement[2]	**93 687**

	September 2021 (Rm)
Capital Adequacy Ratio (excl. unappropriated profit)	
Total capital adequacy ratio (%)	15.6
Tier I capital adequacy ratio (%)	12.6
Common Equity Tier I capital adequacy ratio (%)	11.4
Capital Adequacy Ratio (incl. unappropriated profit)	
Total capital adequacy ratio (%)	16.7
Tier I capital adequacy ratio (%)	13.7
Common Equity Tier I capital adequacy ratio (%)	12.5
Leverage ratio	
Tier I capital (excl. unappropriated profit) (Rm)	94 424
Tier I capital (incl. unappropriated profit) (Rm)	102 683
Total exposures (Rm)	1 784 612
Leverage ratio (excl. unappropriated profits, %)	5.3
Leverage ratio (incl. unappropriated profits, %)	5.7

Note:
[1] Including unappropriated profits.
[2] Measured at 12.5% and excludes any confidential bank-specific capital requirements and the Pillar 2A buffer requirement that has been 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 2021 Rm	SBSA Solo 30 September 2021 Rm
Total HQLA	330 552	199 470
Net cash outflows	226 741	174 512
LCR (%)	145.8	114.3
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 2021 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 2021, 31 August 2021 and 30 September 2021. 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.

	Standard Bank Group Consolidated 30 September 2021 Rm	SBSA Solo 30 September 2021 Rm
Available stable funding	1 371 848	930 534
Required stable funding	1 100 892	864 588
NSFR (%)	124.6	107.6
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

23 November 2021

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