

Pillar 3 disclosures

SMBC Bank International plc

As of 30 June 2024

Contents

- 3 1. Overview
- 4 2. Key metrics
- 5 3. Overview of risk weighted exposure amounts
- 6 4. Liquidity requirements

Document disclaimer

- The purpose of the Pillar 3 disclosures as contained within this Disclosure Document is to explain how SMBC Bank International plc (SMBC BI or the Bank) complies with certain prudential requirements and to provide information about the management of risks relating to those requirements.
- The information has been subject to internal review but has not been audited by the Bank's external auditor, KPMG.
- Although Pillar 3 disclosures are designed to provide transparent capital and liquidity disclosures by banks on a common basis, the information contained in this Disclosure Document may not be directly comparable with that made available by other banks. This may be due to several factors such as:
 - the different approaches to calculating capital allowed under the Prudential regulatory requirements.
 - the mix of corporate exposure types between banks.
 - the different risk appetites and profiles of banks; and
 - the different waivers applied for and granted by the Prudential Regulation Authority (PRA).

1. Overview

1.1 Background

From 1 January 2022, UK Pillar 3 disclosure requirements are set out under the Disclosure Part of the PRA Rulebook and are broadly aligned to the equivalent revisions that have already come into force under the EU version of CRR II.

In addition to summary capital and leverage disclosures, specific Pillar 3 templates are required to be disclosed by large institutions on a quarterly basis and these are included within this report with the following exceptions:

- Template CR8 (RWA flow statements of credit risk exposures under the IRB approach) is not applicable to SMBC BI PLC
- Template CCR7 (RWA flow statements of CCR exposures under the IMM) is not applicable to SMBC BI PLC.
- Template MR2-B (RWA flow statements of market risk exposures under the IMA) is not applicable to SMBC BI PLC.

The information presented in this Pillar 3 report is not required to be, and has not been, subject to external audit

2. Key metrics

The key metrics dashboard provides an overview of the Bank's prudential regulatory situation including its capital, leverage ratio and liquidity ratios.

Table 1: KM1 Key metrics

	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Available own funds (amounts)					
1 Common Equity Tier 1 (CET1) capital	5,469	5,477	5,077	5,084	5,077
2 Tier 1 capital	5,469	5,477	5,077	5,084	5,077
3 Total capital	5,469	5,477	5,077	5,084	5,077
Risk weighted exposure amounts					
4 Total risk weighted exposure amount	28,591	28,122	31,432	29,061	29,791
Capital ratios (as a percentage of risk weighted exposure amount)					
5 CET1 ratio (%)	19.1	19.5	16.2	17.5	17.0
6 Tier 1 ratio (%)	19.1	19.5	16.2	17.5	17.0
7 Total capital ratio (%)	19.1	19.5	16.2	17.5	17.0
Additional own funds requirements based on SREP* (as a percentage of risk weighted exposure amount)					
UK 7a Additional CET1 SREP requirements (%)	1.0	1.0	0.7	0.7	0.7
UK 7b Additional Tier 1 SREP requirements (%)	0.3	0.3	0.2	0.2	0.2
UK 7c Additional Tier 2 SREP requirements (%)	0.5	0.5	0.3	0.3	0.3
UK 7d Total SREP own funds requirements (%)	9.8	9.8	9.3	9.3	9.3
Combined buffer requirement (as a percentage of risk weighted exposure amount)					
8 Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9 Institution specific countercyclical capital buffer (%)	1.1	1.1	1.0	0.99	0.6
11 Combined buffer requirement (%)	3.5	3.6	3.5	3.5	3.1
UK11a Overall capital requirements (%)	13.4	13.4	12.8	12.8	12.4
12 CET1 available after meeting the total SREP own funds requirements (%)	9.3	9.6	6.8	8.2	7.7
Leverage ratio					
13 Total exposure measure excluding claims on central banks	36,189	37,072	42,439	37,292	36,456
14 Leverage ratio excluding claims on central banks (%)	15.1	14.8	12.0	13.6	13.9
Additional leverage ratio disclosure requirements					
14a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	15.1	14.8	12.0	13.6	13.9
14b Leverage ratio including claims on central banks (%)	9.6	9.2	8.0	8.3	8.7
14c Average leverage ratio excluding claims on central banks (%)	14.6	14.0	13.0	13.7	13.8
14d Average leverage ratio including claims on central banks (%)	9.2	9.0	8.1	18.5	8.7
14e Countercyclical leverage ratio buffer (%)	0.4	0.4	0.4	0.3	0.2
Liquidity coverage ratio					
15 Total high quality liquid assets (HQLA) (Weighted value – average)	25,342	25,071	26,810	25,074	22,986
UK16a Cash outflows – Total weighted value	19,184	19,489	20,154	19,937	18,656
UK16b Cash inflows – Total weighted value	3,329	3,380	3,183	3,700	3,355
16 Total net cash outflows (adjusted value)	15,855	16,110	16,971	16,237	15,301
17 Liquidity coverage ratio (%)	159.8	155.6	158.0	154.4	150.2

	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Net stable funding ratio					
18 Total available stable funding	23,516	23,986	23,890	23,965	23,210
19 Total required stable funding	16,735	16,912	16,939	16,870	16,613
20 NSFR ratio (%)	140.5	141.8	141.0	142.1	139.7

* Supervisory Review and Evaluation Process.

3. Own funds requirements and risk weighted exposure amounts

Table 2: OV1 Overview of risk weighted exposure amounts

This table provides a breakdown of the risk weighted exposure amounts (RWEAs) and the total own funds requirements, by exposure class and calculation approach, of SMBC BI as of 30 June 2024. Total own funds requirements are calculated as RWEAs multiplied by 8%.

		RWEAs		Total own funds requirements	
		30 June 2024	31 March 2024	30 June 2024	31 March 2024
1	Credit risk (excluding CCR)	24,198	24,153	1,944	1,970
2	Of which the standardised approach	24,198	24,153	1,944	1,970
6	Counterparty credit risk – CCR	1,825	1,759	138	139
UK 8a	of which: exposures to a CCP	0.1	0.2	0	0
UK 8b	Of which credit valuation adjustment – CVA	228	259	18	20
20	Position, foreign exchange and commodities risks (market risk)	552	195	44	37
21	Of which the standardised approach	552	195	44	37
UK 22a	Large exposures				
23	Operational risk	2,016	2,016	161	140
UK 23a	Of which basic indicator approach				
UK 23b	Of which standardised approach	2,016	2,016	161	140
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	111	117	9	5
29	Total	28,591	28,122	2,287	2,285

4. Liquidity requirements

Table 3: LIQ1 – Quantitative information of LCR

		Total unweighted value (average)				Total weighted value (average)			
UK 1a	Quarter ending on (DD Month YYYY)	30 June 2024	31 March 2024	31 Dec 2023	30 Sep 2023	30 June 2024	31 March 2024	31 Dec 2023	30 Sep 2023
UK 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High quality liquid assets									
1	Total high quality liquid assets (HQLA)					25,342	25,071	25,660	26,107
Cash outflows									
5	Unsecured wholesale funding	21,186	21,657	22,555	23,367	14,965	15,370	16,240	16,861
7	Non-operational deposits (all counterparties)	20,842	21,338	22,191	22,981	14,620	15,051	15,877	16,475
8	Unsecured debt	345	319	364	386	345	319	364	386
10	Additional requirements	1,034	1,056	1,073	1,100	1,034	1,056	1,073	1,100
11	Outflows related to derivative exposures and other collateral requirements	1,034	1,056	1,073	1,100	1,034	1,056	1,073	1,100
13	Credit and liquidity facilities	13,743	13,486	13,188	12,816	2,828	2,704	2,529	2,349
14	Other contractual funding obligations	239	362	436	485	114	124	129	124
15	Other contingent funding obligations	24,335	24,263	24,113	24,313	243	235	231	253
16	Total cash outflows	–	–	–	–	19,184	19,489	20,203	20,687
Cash inflows									
17	Secured lending (e.g., reverse repos)	1,598	1,487	1,394	1,285	0	0	0	0
18	Inflows from fully performing exposures	3,610	3,470	3,348	3,154	2,786	2,672	2,571	2,427
19	Other cash inflows	560	756	809	920	543	708	732	808
20	Total cash inflows	5,768	5,713	5,551	5,359	3,329	3,380	3,302	3,235
UK 20c	Inflows subject to 75% cap	5,768	5,713	5,551	5,359	3,329	3,380	3,302	3,235
Total adjusted value									
UK 21	Liquidity buffer					25,342	25,071	25,660	26,107
22	Total net cash outflows					15,855	16,110	16,901	17,452
23	Liquidity coverage ratio					159.8%	155.6%	151.8%	149.6%

