



SMBC Bank International plc

Pillar 3 Disclosures
as of 31 December 2023

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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

		31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	5,077	5,084	5,077	5,083
2	Tier 1 capital	5,077	5,084	5,077	5,083
3	Total capital	5,077	5,084	5,077	5,083
Risk weighted exposure amounts					
4	Total risk weighted exposure amount	31,432	29,061	29,791	28,579
Capital ratios (as a percentage of risk weighted exposure amount)					
5	CET1 ratio (%)	16.2	17.5	17.0	17.8
6	Tier 1 ratio (%)	16.2	17.5	17.0	17.8
7	Total capital ratio (%)	16.2	17.5	17.0	17.8
Additional own funds requirements based on SREP* (as a percentage of risk weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	0.7	0.7	0.7	0.7
UK 7b	Additional Tier 1 SREP requirements (%)	0.2	0.2	0.2	0.3
UK 7c	Additional Tier 2 SREP requirements (%)	0.3	0.3	0.3	0.3
UK 7d	Total SREP own funds requirements (%)	9.3	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
9	Institution specific countercyclical capital buffer (%)	1.0	0.99	0.6	0.44
11	Combined buffer requirement (%)	3.5	3.5	3.1	2.9
UK11a	Overall capital requirements (%)	12.8	12.8	12.4	12.3
12	CET1 available after meeting the total SREP own funds requirements (%)	6.8	8.2	7.7	8.5
Leverage ratio					
13	Total exposure measure excluding claims on central banks	42,439	37,292	36,456	36,713
14	Leverage ratio excluding claims on central banks (%)	12.0	13.6	13.9	13.8
Additional leverage ratio disclosure requirements					
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	12.0	13.6	13.9	13.8
14b	Leverage ratio including claims on central banks (%)	8.0	8.3	8.7	8.2
14c	Average leverage ratio excluding claims on central banks (%)	13.0	13.7	13.8	13.4
14d	Average leverage ratio including claims on central banks (%)	8.1	8.5	8.7	8.1
14e	Countercyclical leverage ratio buffer (%)	0.4	0.3	0.2	0.2
Liquidity coverage ratio					
15	Total high quality liquid assets (HQLA) (Weighted value – average)	26,810	25,074	22,986	27,770
UK16a	Cash outflows – Total weighted value	20,154	19,937	18,656	22,064
UK16b	Cash inflows – Total weighted value	3,183	3,700	3,355	2,970
16	Total net cash outflows (adjusted value)	16,971	16,237	15,301	19,094
17	Liquidity coverage ratio (%)	158.0	154.4	150.2	145.4
Net stable funding ratio					

18	Total available stable funding	23,890	23,965	23,210	23,984
19	Total required stable funding	16,939	16,870	16,613	16,839
20	NSFR ratio (%)	141.0	142.1	139.7	142.4

* 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 at 31 December 2023. Total own funds requirements are calculated as RWEAs multiplied by 8%.

		RWEAs				Total own funds requirements			
		31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
1	Credit risk (excluding CCR)	27,625	25,262	25,587	24,625	2,210	2,021	2,047	1,970
2	Of which the standardised approach	27,625	25,262	25,587	24,625	2,210	2,021	2,047	1,970
6	Counterparty credit risk – CCR	1,685	1,672	1,618	1,742	135	134	129	139
	Of which credit valuation UK 8b adjustment – CVA	244	222	227	255	20	18	18	20
20	Position, foreign exchange and commodities risks (market risk)	376	381	613	466	30	31	49	37
21	Of which the standardised approach	376	381	613	466	30	31	49	37
	UK22a Large exposures								
23	Operational risk	1,745	1,745	1,745	1,745	140	140	140	140
	UK23a Of which basic indicator approach								
	UK23b Of which standardised approach	1,745	1,745	1,745	1,745	140	140	140	140
	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	65	59	66	65	5	5	5	5
29	Total	31,432	29,061	29,791	28,579	2,515	2,325	2,383	2,285

4. Liquidity requirements

Table 3: LIQ1 – Quantitative information of LCR

UK 1a	Quarter ending on (DD Month YYYY)	Total unweighted value (average)				Total weighted value (average)			
		31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
UK 1b	Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
High quality liquid assets									
1	Total high quality liquid assets (HQLA)					26,810	25,074	22,986	27,770
Cash outflows									
5	Unsecured wholesale funding	22,471	22,383	20,760	24,606	15,843	15,845	14,820	18,453
7	Non-operational deposits (all counterparties)	22,204	21,991	20,405	24,166	15,575	15,453	14,465	18,013
8	Unsecured debt	268	392	355	440	268	392	355	440
10	Additional requirements	1,044	1,061	1,095	1,093	1,044	1,061	1,095	1,093
11	Outflows related to derivative exposures and other collateral requirements	1,044	1,061	1,095	1,093	1,044	1,061	1,095	1,093
13	Credit and liquidity facilities	13,955	13,273	12,943	12,582	2,925	2,654	2,379	2,159
14	Other contractual funding obligations	151	466	668	457	107	126	143	1,141
15	Other contingent funding obligations	24,368	24,598	23,822	23,666	235	251	219	217
16	Total cash outflows		–	–	–	20,154	19,937	18,656	22,064
Cash inflows									
17	Secured lending (e.g., reverse repos)	1,551	1,564	1,196	1,266	–	–	–	–
18	Inflows from fully performing exposures	3,758	3,058	3,027	3,548	2,915	2,397	2,278	2,691
19	Other cash inflows	280	1,317	1,211	427	267	1,303	1,076	279
20	Total cash inflows	5,590	5,939	5,434	5,240	3,183	3,700	3,355	2,970
UK 20c	Inflows subject to 75% cap	5,590	5,939	5,434	5,240	3,183	3,700	3,355	2,970
Total adjusted value									
UK 21	Liquidity buffer					26,810	25,074	22,986	27,770
22	Total net cash outflows					16,971	16,237	15,301	19,904
23	Liquidity coverage ratio					158.0%	154.4%	150.2%	145.4%

