

2021

basel pillar 3 disclosure

for the six months ended
31 December

CONTENTS

<i>Basel Pillar 3 disclosure</i>	
01	Index of Pillar 3 disclosure
03	Overview of FirstRand
05	Overview of risk management and risk-weighted assets
09	Credit risk
41	Counterparty credit risk
55	Securitisations
60	Traded market risk
63	Interest rate risk in the banking book
64	Structural foreign exchange risk
65	Equity investment risk
69	Abbreviations and definitions



1966/010753/06 Certain entities within the FirstRand group are authorised financial services and credit providers. This report is available on the group's website: www.firstrand.co.za
Email questions to investor.relations@firstrand.co.za

INDEX OF PILLAR₃ DISCLOSURE

<i>Introduction</i>	
<i>Overview of risk management and risk weighted assets</i>	
OV1: Overview of RWA	05
<i>Credit risk</i>	
CR1: Credit quality of assets	09
CR2: Changes in stock of defaulted advances, debt securities and off-balance sheet exposures	11
CR3: Credit risk mitigation techniques	12
CR4: Standardised approach – credit risk exposure and credit risk mitigation effects	13
CR5: Standardised approach – exposures by asset classes and risk weights	15
CR6: AIRB – Credit risk exposures by portfolio and PD range	17
CR7: AIRB – Effect on RWA of credit derivatives used as credit risk mitigation techniques	37
CR8: RWA flow statements of credit risk exposures under AIRB	37
CR10: AIRB – Specialised lending	38
<i>Counterparty credit risk</i>	
CCR1: Analysis of counterparty credit risk exposure by approach	42
CCR2: CVA capital charge	43
CCR3: Standardised approach for counterparty credit risk exposures by regulatory portfolio and risk weights	43
CCR4: AIRB – Counterparty credit risk exposures by portfolio and PD scale	45
CCR5: Composition of collateral for counterparty credit risk exposure	52
CCR6: Credit derivatives exposures	53
CCR8: Exposures to central counterparties	54
<i>Securitisations</i>	
SEC1: Securitisation exposure in the banking book per portfolio	56
SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor	58
SEC4: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as investor	59

<i>Traded market risk</i>	
MR1: Market risk under standardised approach	60
MR2: RWA flow statements of market risk exposures under an IMA	60
MR3: IMA values for traded market risk	61
MR4: Comparison of VaR estimates with gains/losses	62
<i>Interest rate risk in the banking book</i>	
Projected net interest income sensitivity to interest rate movements	63
Banking book net asset value sensitivity to interest rate movements as a percentage of total capital	63
<i>Structural foreign exchange risk</i>	
Net structural foreign exposures	64
<i>Equity investment risk</i>	
Investment risk exposure, sensitivity and capital requirement	65
CR10: Equity exposures using simple risk weight method and equity investment in funds	67

The following standardised disclosures relating to capital, leverage and liquidity at 31 December 2021 have been published on the group's website: <https://www.firststrand.co.za/investors/basel-pillar-3-disclosure/>. These include:

- > KM1: Key prudential requirements
- > CC1: Composition of regulatory capital
- > CC2: Reconciliation of regulatory capital to balance sheet
- > CCA: Main features of regulatory capital instruments
- > LR1: Summary comparison of accounting assets vs leverage ratio
- > LR2: Leverage ratio common disclosure template
- > LIQ1: Liquidity coverage ratio
- > LIQ2: Net stable funding ratio



OVERVIEW OF FIRSTRAND

FirstRand's portfolio of integrated financial services businesses comprises FNB, RMB, WesBank and Aldermore. The group operates in South Africa, certain markets in sub-Saharan Africa and in the UK, and offers a universal set of transactional, lending, investment and insurance products and services. FCC represents group-wide functions.

**FNB****RMB****WesBank****Aldermore**

INTRODUCTION

This interim risk and capital management report (Pillar 3 disclosure) covers the operations of FirstRand Limited (FirstRand or the group) and complies with:

- > the Basel Committee on Banking Supervision's (BCBS's) revised Pillar 3 disclosure requirements (Pillar 3 standard), BCBS 309 published in January 2015, and the consolidated and enhanced framework, BCBS 400, published in March 2017, as well as the BCBS technical amendment on the regulatory treatment of accounting provisions, published in August 2018; and
- > Regulation 43 of the *Regulations relating to Banks* (Regulations), issued in terms of the Banks Act 94 of 1990, *Directive D1/2019 on Matters related to Pillar 3 disclosure requirement framework* and all other Pillar 3 disclosure-related directives issued by the Prudential Authority.

The *Analysis of financial results for the six months ended 31 December 2021* booklet provides an overview of the group's financial position, performance and capital adequacy position. This document is available on the group's website at https://www.firstrand.co.za/investors/financial_results/. The group's *Basel Pillar 3 disclosure for the year ended 30 June 2021* provides qualitative disclosure of the group's business activities, risk management approach, risk appetite and risk management practices for its key risks which are still relevant for the period under review. This document is available on the group's website at <https://www.firstrand.co.za/investors/pillar-3-disclosure/>.

The table references used throughout the Pillar 3 disclosure are in accordance with the Pillar 3 standard, where required.

Some differences exist between the practices, approaches, processes and policies of FirstRand Bank Limited (the bank or FRB) and its fellow FirstRand wholly owned subsidiaries. These are highlighted by reference to the appropriate entity, where necessary. There is further distinction between FRB (which includes foreign branches) and FirstRand Bank Limited South Africa (FRBSA) (which excludes foreign branches).

This report has been internally verified through the group's governance processes, in line with the group's external communication and disclosure policy, which describes the responsibilities and duties of senior management and the board in the preparation and review of the Pillar 3 disclosure, and aims to ensure that:

- > minimum disclosure requirements of the Regulations, standards and directives are met;
- > disclosed information is consistent with the manner in which the board assesses the group's risk portfolio;
- > the disclosure provides a true reflection of the group's financial condition and risk profile; and
- > the quantitative and qualitative disclosures are appropriately reviewed.

In this regard, the board and senior management have ensured that appropriate review of the relevant disclosures have taken place. The review process applied was approved by the FirstRand risk, capital management and compliance committee.

OVERVIEW OF RISK MANAGEMENT AND RISK-WEIGHTED ASSETS

OV1: OVERVIEW OF RWA

R million		FirstRand Limited				
		RWA				Minimum capital requirement*
		As at 31 Dec 2021	As at 30 Sept 2021	As at 30 Jun 2021	As at 31 Dec 2020	As at 31 Dec 2021
1.	Credit risk (excluding counterparty credit risk)**	776 397	744 049	729 530	748 544	93 168
2.	– Standardised approach	309 835	293 790	277 917	289 961	37 181
5.	– Advanced internal ratings-based (AIRB) approach	466 562	450 259	451 613	458 583	55 987
16.	Securitisation exposures in banking book	25 588	27 000	26 303	29 015	3 070
17.	– Internal ratings-based (IRB) approach	–	–	–	–	–
18.	– IRB supervisory formula approach	1 934	1 976	2 029	3 368	232
19.	– Standardised approach/simplified supervisory formula approach	23 654	25 024	24 274	25 647	2 838
Total credit risk		801 985	771 049	755 833	777 559	96 238
6.	Counterparty credit risk#	15 201	17 476	14 321	14 646	1 824
7.	– Standardised approach to counterparty credit risk (SA-CCR)	15 201	17 476	14 321	14 646	1 824
10.	Credit valuation adjustment	10 861	10 880	11 110	15 699	1 304
11.	Equity positions in banking book under market-based approach	22 155	20 709	20 722	28 126	2 659
12.	Equity investments in funds – look-through approach†	–	–	–	–	–
13.	Equity investments in funds – mandate-based approach†	7 894	8 315	8 224	–	947
14.	Equity investments in funds – fall-back approach†	–	–	–	–	–
15.	Settlement risk	–	–	–	–	–
20.	Market risk‡	31 003	28 045	30 163	30 230	3 721
21.	– Standardised approach	12 172	12 595	12 688	11 666	1 461
22.	– Internal model approach	18 831	15 450	17 475	18 564	2 260
24.	Operational risk	141 527	137 474	137 474	142 488	16 983
	– Basic indicator approach	19 478	17 998	17 998	16 846	2 337
	– Standardised approach	25 225	25 075	25 075	26 077	3 027
	– Advanced measurement approach	96 824	94 401	94 401	99 565	11 619
25.	Amounts below the thresholds for deduction (subject to 250% risk weight)	32 335	31 853	30 173	26 727	3 880
26.	Floor adjustment	20 176	21 092	21 092	12 466	2 421
	Other assets	30 069	31 638	29 804	32 748	3 608
27.	Total	1 113 206	1 078 531	1 058 916	1 080 689	133 585

* Capital requirement calculated at 12.0% of risk-weighted assets (RWA). The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, countercyclical buffer (CCyB), capital conservation and the domestic systemically important bank (D-SIB) as prescribed in the Regulations. The Pillar 2A and CCyB capital requirements were 0% at 31 December 2021.

** The group does not apply the foundation internal ratings-based and the supervisory slotting approaches (rows 3 and 4 of OV1 template).

The implementation date of SA-CCR was 1 January 2021. The group does not apply the internal model method to counterparty credit risk (row 8 of OV1 template) and there were no other counterparty credit risks (CCRs) (row 9 of OV1 template).

† The implementation date of the capital requirements for equity investment in funds was 1 January 2021. Rows 12 – 14 of the OV1 template have now been included in this table.

‡ There were no switches between trading and banking book during the period under review (row 23 of OV1 template).

Further detailed analysis of the group's credit RWA is provided in the following table.

OVERVIEW OF CREDIT RWA

<i>R million</i>	FirstRand Limited			
	As at 31 December 2021			
	RWA			Capital requirement*
	Advanced approach	Standardised approach	Total	
– Corporates, banks and sovereigns	220 659	220 333	440 992	52 919
– Small and medium-sized enterprises (SMEs)	61 763	57 125	118 888	14 267
– Residential mortgages	73 314	9 044	82 358	9 883
– Qualifying revolving retail	33 210	8 666	41 876	5 025
– Other retail	77 616	14 667	92 283	11 074
– Securitisation exposure	1 934	23 654	25 588	3 071
Total credit risk	468 496	333 489	801 985	96 238

* Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB as prescribed in the Regulations. The Pillar 2A and CCyB capital requirements were 0% at 31 December 2021.

OV1: OVERVIEW OF RWA

R million		FRB*				Minimum capital requirement**
		RWA				
		As at 31 Dec 2021	As at 30 Sept 2021	As at 30 Jun 2021	As at 31 Dec 2020	As at 31 Dec 2021
1.	Credit risk (excluding counterparty credit risk)#	514 608	503 017	502 719	514 207	61 753
2.	– Standardised approach	28 761	29 908	28 554	34 175	3 451
5.	– AIRB	485 847	473 109	474 165	480 032	58 302
16.	Securitisation exposures in banking book	6 647	6 806	7 305	10 041	798
17.	– IRB approach	–	–	–	–	–
18.	– IRB supervisory formula approach	1 934	1 976	2 029	3 368	232
19.	– Standardised approach/simplified supervisory formula approach	4 713	4 830	5 276	6 673	566
Total credit risk		521 255	509 823	510 024	524 248	62 551
6.	Counterparty credit risk†	13 193	15 409	12 233	11 936	1 583
7.	– SA-CCR	13 193	15 409	12 233	11 936	1 583
10.	Credit valuation adjustment	9 645	9 894	10 328	14 582	1 158
11.	Equity positions in banking book under market-based approach	1 694	1 633	2 888	4 011	203
12.	Equity investments in funds – look-through approach‡	–	–	–	–	–
13.	Equity investments in funds – mandate-based approach‡	395	405	497	–	47
14.	Equity investments in funds – fall-back approach‡	–	–	–	–	–
15.	Settlement risk	–	–	–	–	–
20.	Market risk^	27 732	24 340	26 586	26 711	3 328
21.	– Standardised approach	8 901	8 890	9 111	8 147	1 068
22.	– Internal model approach	18 831	15 450	17 475	18 564	2 260
24.	Operational risk	97 392	95 575	95 575	102 078	11 687
	– Basic indicator approach	–	–	–	–	–
	– Standardised approach	3 333	4 005	4 005	4 465	400
	– Advanced measurement approach	94 059	91 570	91 570	97 613	11 287
25.	Amounts below the thresholds for deduction (subject to 250% risk weight)#	12 146	12 579	11 823	9 933	1 458
26.	Floor adjustment	24 069	25 159	25 159	15 927	2 888
	Other assets	23 185	24 842	22 040	23 196	2 782
27.	Total	730 706	719 659	717 153	732 622	87 685

* Including foreign branches.

** Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB as prescribed in the Regulations. The Pillar 2A and CCyB capital requirements were 0% at 31 December 2021.

The bank does not apply the foundation internal ratings-based and the supervisory slotting approaches (rows 3 and 4 of OV1 template).

† The implementation date of SA-CCR was 1 January 2021. The bank does not apply the internal model method to counterparty credit risk (row 8 of OV1 template) and there were no other CCRs (row 9 of OV1 template).

‡ The implementation date of the capital requirements for equity investment in funds was 1 January 2021. Rows 12 – 14 of the OV1 template have now been included in this table.

^ There were no switches between trading and banking book during the period under review (row 23 of OV1 template).

Further detailed analysis of the bank's credit RWA is provided in the following table.

OVERVIEW OF CREDIT RWA

<i>R million</i>	FRB*			
	As at 31 December 2021			
	RWA			Capital requirement**
	Advanced approach	Standardised approach	Total	
– Corporates, banks and sovereigns	239 944	15 831	255 775	30 693
– SMEs	61 763	1 135	62 898	7 548
– Residential mortgages	73 314	–	73 314	8 798
– Qualifying revolving retail	33 210	7 825	41 035	4 924
– Other retail	77 616	3 970	81 586	9 790
– Securitisation exposure	1 934	4 713	6 647	798
Total credit risk	487 781	33 474	521 255	62 551

* Including foreign branches.

** Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB as prescribed in the Regulations. The Pillar 2A and CCyB capital requirements were 0% at 31 December 2021.

CREDIT RISK

CR1: CREDIT QUALITY OF ASSETS

<i>R million</i>		As at 31 December 2021						Net value
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on standardised approach exposures [†]		Of which ECL accounting provisions for credit losses on AIRB exposures	
		Defaulted exposures*	Non- defaulted exposures**		Allocated in regulatory category of specific	Allocated in regulatory category of general		
1.	Gross advances	54 478	1 301 188	50 203	5 320	5 536	39 347	1 305 463
	FNB	34 429	450 327	30 127	2 759	2 866	24 502	454 629
	– Retail	25 307	291 812	20 523	629	943	18 951	296 596
	– Commercial	5 594	110 063	5 763	100	112	5 551	109 894
	– Rest of Africa	3 528	48 452	3 841	2 030	1 811	–	48 139
	WesBank	7 923	118 161	6 044	5	16	6 023	120 040
	RMB investment banking	2 652	325 422	6 188	–	–	6 188	321 886
	RMB corporate banking	235	62 672	1 554	–	–	1 554	61 353
	Aldermore	7 895	294 431	4 358	2 196	2 162	–	297 968
	FCC (including Group Treasury)	1 344	50 175	1 932	360	492	1 080	49 587
2.	Debt investment securities[†]	–	149 271	309	–	–	–	148 962
3.	Off-balance sheet exposures	–	266 187	–	–	–	–	266 187
4.	Total	54 478	1 716 646	50 512	5 320	5 536	39 347	1 720 612

CR1: CREDIT QUALITY OF ASSETS continued

<i>R million</i>		As at 31 December 2020						Net value
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on standardised approach exposures [#]		Of which ECL accounting provisions for credit losses on AIRB exposures	
		Defaulted exposures*	Non- defaulted exposures**		Allocated in regulatory category of specific	Allocated in regulatory category of general		
1.	Gross advances	61 285	1 214 225	53 390	4 884	8 113	40 393	1 222 120
	FNB	37 023	433 508	32 800	3 376	3 272	26 152	437 731
	– Retail	26 400	286 076	21 806	816	1 180	19 810	290 670
	– Commercial	6 594	99 418	6 502	80	80	6 342	99 510
	– Rest of Africa	4 029	48 014	4 492	2 480	2 012	–	47 551
	WesBank	12 025	116 478	6 684	15	6	6 663	121 819
	RMB investment banking	3 044	289 759	5 875	–	–	5 875	286 928
	RMB corporate banking	736	56 415	1 570	–	–	1 570	55 581
	Aldermore	6 887	258 404	4 107	1 211	2 896	–	261 184
	FCC (including Group Treasury)	1 570	59 661	2 354	282	1 939	133	58 877
2.	Debt investment securities[†]	–	333 549	210	–	–	210	333 339
3.	Off-balance sheet exposures	743	190 156	–	–	–	–	190 899
4.	Total	62 028	1 737 930	53 600	4 884	8 113	40 603	1 746 358

CR1: CREDIT QUALITY OF ASSETS continued

R million		As at 30 June 2021						Net value
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on standardised approach exposures [#]		Of which ECL accounting provisions for credit losses on AIRB exposures	
		Defaulted exposures*	Non- defaulted exposures**		Allocated in regulatory category of specific	Allocated in regulatory category of general		
1.	Gross advances	60 705	1 213 347	50 618	5 021	5 299	40 298	1 223 434
	FNB	37 333	436 611	30 937	3 011	2 774	25 152	443 007
	– Retail	27 428	284 908	21 000	967	982	19 051	291 336
	– Commercial	6 378	104 743	6 310	82	127	6 101	104 811
	– Rest of Africa	3 527	46 960	3 627	1 962	1 665	–	46 860
	WesBank	10 725	116 363	6 476	6	48	6 422	120 612
	RMB investment banking	3 009	300 523	6 039	–	–	6 039	297 493
	RMB corporate banking	670	48 972	1 640	–	–	1 640	48 002
	Aldermore	7 738	260 729	3 791	1 766	2 025	–	264 676
	FCC (including Group Treasury)	1 230	50 149	1 735	238	452	1 045	49 644
2.	Debt investment securities[†]	–	346 339	258	–	–	–	346 081
3.	Off-balance sheet exposures	797	231 332	–	–	–	–	232 129
4.	Total	61 502	1 791 018	50 876	5 021	5 299	40 298	1 801 644

* Defaulted exposure is stage 3/non-performing loans (NPLs).

** Non-defaulted exposures is the sum of stage 1 and stage 2 gross advances.

ECL = expected credit loss.

† Exclude non-recourse investments.

CR2: CHANGES IN STOCK OF DEFAULTED ADVANCES, DEBT SECURITIES AND OFF-BALANCE SHEET EXPOSURES

R million		Total
1.	Defaulted credit exposures at 30 June 2021	61 502
2.	Advances defaulted	13 703
3.	Return to not defaulted status	(8 999)
4.	Amounts written off	(7 796)
5.	Payment received	(3 192)
6.	Other changes	(740)
7.	Defaulted credit exposures at 31 December 2021	54 478

CR3: CREDIT RISK MITIGATION TECHNIQUES

<i>R million</i>	As at 31 December 2021				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
		Carrying value	Secured amount	Carrying value	Secured amount
Advances	181 909	1 123 554	1 123 554	10 395	10 395
Debt securities	69 221	79 741	79 741	–	–
Total advances and debt securities	251 130	1 203 295	1 203 295	10 395	10 395
Of which defaulted	3 767	24 277	24 277	–	–

<i>R million</i>	As at 31 December 2020				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
		Carrying value	Secured amount	Carrying value	Secured amount
Advances	174 325	1 047 796	1 047 796	9 163	9 163
Debt securities	77 678	255 661	255 661	–	–
Total advances and debt securities	252 003	1 303 457	1 303 457	9 163	9 163
Of which defaulted	5 193	28 072	28 072	–	–

<i>R million</i>	As at 30 June 2021				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
		Carrying value	Secured amount	Carrying value	Secured amount
Advances	197 264	1 026 170	1 026 170	9 416	9 416
Debt securities	81 943	264 138	264 138	–	–
Total advances and debt securities	279 207	1 290 308	1 290 308	9 416	9 416
Of which defaulted	4 199	29 029	29 029	–	–

* No exposures were secured by credit derivatives during the period under review.

The following tables provide the credit risk exposures, credit risk mitigation and RWA for standardised approach exposures per asset class. RWA density is the ratio of RWA to exposures post-credit conversion factors (post-CCF) and credit risk mitigation (CRM). There were no exposures to multilateral development banks, equity, past due advances, higher-risk categories and other asset categories. Rows 3 and 10 – 13 were, therefore, excluded from these tables.

CR4: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION EFFECTS

		As at 31 December 2021					
		Exposures before CCF and CRM		Exposure post CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density %
<i>R million</i>							
	Asset classes						
1.	Sovereigns and their central banks	94 776	2 432	92 662	11	46 798	50.50
2.	Non-central government public sector entities	3 660	1 723	2 516	746	1 386	42.49
4.	Banks	23 669	1 057	23 058	510	6 472	27.46
5.	Securities firms	1 118	41	1 118	21	569	49.96
6.	Corporates	59 617	46 400	62 476	28 605	66 474	72.98
7.	Regulatory retail portfolios	126 862	14 841	126 695	2 686	95 617	73.90
8.	Secured by residential property	179 185	7 129	179 179	1 764	65 222	36.05
9.	Secured by commercial real estate	25 811	6 251	25 811	1 486	27 297	100.00
14.	Total	514 698	79 874	513 515	35 829	309 835	56.40

		As at 31 December 2020					
		Exposures before CCF and CRM		Exposure post CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density %
<i>R million</i>							
	Asset classes						
1.	Sovereigns and their central banks	94 371	17	101 555	–	33 296	32.79
2.	Non-central government public sector entities	3 312	928	2 040	–	1 293	63.38
4.	Banks	22 732	–	17 423	–	5 914	33.94
5.	Securities firms	876	38	1	–	–	–
6.	Corporates	83 300	25 081	86 044	397	85 051	98.39
7.	Regulatory retail portfolios	94 151	14 463	112 758	196	75 323	66.68
8.	Secured by residential property	170 437	5 975	168 858	774	64 128	37.80
9.	Secured by commercial real estate	23 737	1 139	23 737	1 139	24 956	100.32
14.	Total	492 916	47 641	512 416	2 506	289 961	56.31

CR4: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION EFFECTS continued

		As at 30 June 2021					
		Exposures before CCF and CRM		Exposure post CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density %
<i>R million</i>							
	Asset classes						
1.	Sovereigns and their central banks	99 005	67	97 984	23	45 717	46.65
2.	Non-central government public sector entities	3 346	1 035	2 417	203	1 246	47.56
4.	Banks	23 171	541	22 723	279	5 888	25.60
5.	Securities firms	939	37	939	19	479	50.00
6.	Corporates	61 055	29 963	62 710	18 805	70 331	86.28
7.	Regulatory retail portfolios	114 017	15 699	113 870	5 076	85 369	71.77
8.	Secured by residential property	152 695	5 443	152 688	4 710	45 767	29.08
9.	Secured by commercial real estate	22 512	525	22 512	523	23 120	100.37
14.	Total	476 740	53 310	475 843	29 638	277 917	54.98

The following tables provide a breakdown of exposures rated through the standardised approach by asset class to show the effect of credit risk mitigation. Further breakdown by risk weight per asset class is shown where the risk weights used are those prescribed in the Regulations and will differ primarily by asset class as well as credit rating. There were no exposures to multilateral development banks, equity, past due advances, higher-risk categories and other asset categories during the period under review. Rows 3 and 10 – 13 were therefore excluded from this table.

CR5: STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

R million		As at 31 December 2021									Total credit exposures amount (post CCF and post CRM)
		Risk weight									
		0%	10%	20%	35%	50%	75%	100%	150%	Others	
Asset classes											
1.	Sovereigns and their central banks	49 725	–	–	–	7 816	–	18 587	16 546	–	92 674
2.	Non-central government public sector entities	–	–	–	–	3 262	–	–	–	–	3 262
4.	Banks	–	1 224	18 633	–	2 740	–	390	580	–	23 567
5.	Securities firms	–	–	–	–	1 138	–	–	–	–	1 138
6.	Corporates	220	–	5 520	1 846	3 611	4 495	70 834	4 556	–	91 082
7.	Regulatory retail portfolios	1 407	–	–	251	19	123 939	3 403	361	–	129 380
8.	Secured by residential property	–	–	–	180 240	–	687	17	–	–	180 944
9.	Secured by commercial real estate	–	–	–	–	–	–	27 297	–	–	27 297
14.	Total	51 352	1 224	24 153	182 337	18 586	129 121	120 528	22 043	–	549 344

R million		As at 31 December 2020									Total credit exposures amount (post CCF and post CRM)
		Risk weight									
		0%	10%	20%	35%	50%	75%	100%	150%	Others	
Asset classes											
1.	Sovereigns and their central banks	58 001	–	–	–	11 615	–	18 614	13 326	–	101 556
2.	Non-central government public sector entities	–	–	–	–	2 040	–	–	–	–	2 040
4.	Banks	1 167	–	12 853	–	1 391	–	1 568	445	–	17 424
5.	Securities firms	–	–	–	–	1	–	–	–	–	1
6.	Corporates	442	–	4 276	–	3 476	846	73 733	3 668	–	86 441
7.	Regulatory retail portfolios	282	–	–	–	172	110 625	1 597	277	–	112 953
8.	Secured by residential property	94	–	–	168 100	–	1 437	–	–	–	169 631
9.	Secured by commercial real estate	–	–	–	–	–	–	24 876	–	–	24 876
14.	Total	59 986	–	17 129	168 100	18 695	112 908	120 388	17 716	–	514 922

CR5: STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS continued

R million		As at 30 June 2021									Total credit exposures amount (post CCF and post CRM)
		Risk weight									
		0%	10%	20%	35%	50%	75%	100%	150%	Others	
Asset classes											
1.	Sovereigns and their central banks	51 228	–	–	–	11 321	–	17 818	17 640	–	98 007
2.	Non-central government public sector entities	–	–	–	–	2 621	–	–	–	–	2 621
4.	Banks	2 289	1 273	16 667	–	1 112	–	940	720	–	23 001
5.	Securities firms	–	–	–	–	958	–	–	–	–	958
6.	Corporates	–	–	4 187	8 003	2 245	12 894	51 224	2 958	5	81 516
7.	Regulatory retail portfolios	1 534	–	–	15 588	137	97 983	3 343	361	–	118 946
8.	Secured by residential property	–	–	–	156 613	–	754	30	–	–	157 397
9.	Secured by commercial real estate	–	–	–	–	–	–	22 868	168	–	23 036
14.	Total	55 051	1 273	20 854	180 204	18 394	111 631	96 223	21 847	5	505 482

CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

The following tables provide the main parameters used for the calculation of capital requirements for the exposures in AIRB models split by asset class and shown within fixed regulatory probability of default (PD) ranges. These exposures are for FRBSA, where AIRB models are applied. The information in the different columns is explained as follows:

- > regulatory supplied CCF are used;
- > CRM measures are applied;
- > number of obligors corresponds to the number of counterparties in the PD band;
- > average PD and loss given default (LGD) are weighted by exposure at default (EAD);
- > average maturity is the obligor maturity in years weighted by EAD;
- > RWA density is the total RWA to EAD post CRM; and
- > provisions are only included on a total basis.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

	Total FRBSA					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
<i>PD scale</i>						
0.00 to <0.15	69 052	18 977	36.15	81 376	0.06	128 611
0.15 to <0.25	50 030	51 567	52.29	76 357	0.19	109 229
0.25 to <0.50	296 594	75 438	53.05	330 709	0.44	370 199
0.50 to <0.75	103 300	39 674	54.66	122 708	0.64	288 071
0.75 to <2.50	284 770	92 323	65.65	342 669	1.50	1 426 615
2.50 to <10	145 194	27 178	60.79	161 633	4.46	3 138 020
10 to <100	36 112	4 854	57.41	39 193	25.49	1 877 732
100 (default)	38 793	131	–	39 229	100.00	787 384
Total	1 023 845	310 141	56.57	1 193 874	5.36	8 125 861

	Total FRBSA					
	As at 31 December 2021					
	Average LGD %	Average maturity years	RWA* R million	RWA density %	Expected loss R million	Provisions R million
<i>PD scale</i>						
0.00 to <0.15	21.31	0.37	3 644	4.48	12	
0.15 to <0.25	30.19	1.28	16 634	21.78	45	
0.25 to <0.50	16.27	2.21	64 914	19.63	223	
0.50 to <0.75	24.04	2.24	38 221	31.15	192	
0.75 to <2.50	26.53	2.18	148 039	43.20	1 425	
2.50 to <10	39.26	2.08	125 352	77.55	2 988	
10 to <100	40.33	2.04	48 322	123.29	4 049	
100 (default)	48.65	3.20	19 636	50.05	18 698	
Total	26.21	2.03	464 761	38.93	27 631	34 243

* The difference between total RWA presented in the OV1: Overview of RWA and CR6 templates is due to slotting.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Total FRBSA					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	69 783	19 233	38.21	81 726	0.06	115 209
0.15 to <0.25	41 961	38 581	54.29	59 858	0.19	97 281
0.25 to <0.50	309 287	72 892	52.25	334 298	0.44	342 633
0.50 to <0.75	96 177	35 670	51.68	109 288	0.64	269 318
0.75 to <2.50	264 330	86 531	61.62	316 699	1.51	1 826 524
2.50 to <10	133 820	28 664	58.37	149 649	4.52	2 826 584
10 to <100	38 549	5 158	59.73	41 777	26.53	2 015 566
100 (default)	47 751	285	–	48 238	100.00	702 478
Total	1 001 658	287 013	55.03	1 141 533	6.41	8 195 593

PD scale	Total FRBSA					
	As at 31 December 2020					
	Average LGD %	Average maturity years	RWA* R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	24.39	0.38	4 729	5.79	14	
0.15 to <0.25	30.42	1.27	13 188	22.03	35	
0.25 to <0.50	16.22	2.08	64 683	19.35	224	
0.50 to <0.75	23.86	2.08	32 098	29.37	166	
0.75 to <2.50	27.30	2.04	138 184	43.63	1 345	
2.50 to <10	41.02	1.96	114 426	76.46	2 906	
10 to <100	39.78	2.27	49 972	119.62	4 494	
100 (default)	46.74	3.13	22 580	46.81	21 599	
Total	26.76	1.94	439 859	38.53	30 782	36 656

* The difference between total RWA presented in the OV1: Overview of RWA and CR6 templates is due to slotting.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

<i>PD scale</i>	Corporate					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	2 003	561	47.37	2 320	0.09	2
0.15 to <0.25	27 308	33 115	48.14	42 690	0.18	45
0.25 to <0.50	38 462	38 851	45.44	54 973	0.40	99
0.50 to <0.75	22 514	13 309	52.77	27 963	0.70	81
0.75 to <2.50	39 856	23 722	53.06	50 286	1.48	230
2.50 to <10	17 261	7 328	51.49	20 445	4.40	144
10 to <100	1 904	1 184	54.68	2 594	11.02	99
100 (default)	645	125	–	665	100.00	8
Total	149 953	118 195	48.98	201 936	1.53	708

<i>PD scale</i>	Corporate					
	As at 31 December 2021					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	30.00	1.07	282	12.16	1	
0.15 to <0.25	32.00	1.51	10 961	25.68	26	
0.25 to <0.50	29.31	1.74	20 899	38.02	64	
0.50 to <0.75	27.30	1.61	12 373	44.25	52	
0.75 to <2.50	29.70	2.04	34 540	68.69	229	
2.50 to <10	37.39	1.63	23 813	116.47	337	
10 to <100	35.95	1.10	3 879	149.54	98	
100 (default)	33.16	1.94	–	–	220	
Total	30.62	1.72	106 747	52.86	1 027	2 658

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

<i>PD scale</i>	Corporate					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	5 565	1 253	47.61	6 170	0.08	5
0.15 to <0.25	17 254	21 736	50.79	25 267	0.18	39
0.25 to <0.50	47 137	36 855	47.08	62 745	0.40	95
0.50 to <0.75	21 491	10 331	51.44	22 119	0.68	80
0.75 to <2.50	38 499	22 614	55.19	50 126	1.52	209
2.50 to <10	14 499	7 414	50.99	17 417	4.65	125
10 to <100	1 292	1 285	53.35	2 020	11.71	100
100 (default)	1 393	285	–	1 467	100.00	10
Total	147 130	101 773	50.36	187 331	1.99	663

<i>PD scale</i>	Corporate					
	As at 31 December 2020					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	33.49	0.85	720	11.67	2	
0.15 to <0.25	31.65	1.67	6 700	26.52	15	
0.25 to <0.50	30.67	1.80	26 165	41.70	77	
0.50 to <0.75	27.11	1.66	9 401	42.50	41	
0.75 to <2.50	29.60	1.90	34 050	67.93	234	
2.50 to <10	37.79	1.50	19 900	114.26	295	
10 to <100	37.44	1.27	3 353	165.99	91	
100 (default)	14.28	1.98	–	–	210	
Total	30.79	1.73	100 289	53.54	965	2 462

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Specialised lending					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	102	5	–	102	0.08	1
0.15 to <0.25	796	89	–	796	0.18	2
0.25 to <0.50	42 294	6 480	60.46	42 533	0.41	57
0.50 to <0.75	13 664	2 315	58.65	14 706	0.67	51
0.75 to <2.50	33 980	3 358	55.21	35 886	1.48	1 183
2.50 to <10	5 112	40	57.51	5 243	4.10	300
10 to <100	1 931	284	58.22	2 114	16.44	79
100 (default)	836	–	–	836	100.00	32
Total	98 715	12 571	58.21	102 216	2.16	1 705

PD scale	Specialised lending					
	As at 31 December 2021					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	25.00	1.00	10	9.80	–	
0.15 to <0.25	18.14	2.88	151	18.97	–	
0.25 to <0.50	17.77	2.68	11 979	28.16	31	
0.50 to <0.75	24.05	3.29	7 475	50.83	24	
0.75 to <2.50	26.10	2.53	23 296	64.92	161	
2.50 to <10	27.09	3.22	5 138	98.00	71	
10 to <100	23.71	3.91	2 790	131.98	89	
100 (default)	38.72	4.91	–	–	248	
Total	22.38	2.79	50 839	49.74	624	1 250

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Specialised lending					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	5	–	–	5	0.14	1
0.15 to <0.25	1 823	86	–	1 823	0.21	9
0.25 to <0.50	32 242	6 586	58.32	33 534	0.39	35
0.50 to <0.75	10 979	615	57.67	11 239	0.67	64
0.75 to <2.50	25 379	1 893	52.81	26 396	1.50	830
2.50 to <10	5 228	62	53.51	5 424	3.61	471
10 to <100	1 556	–	–	1 563	15.75	75
100 (default)	1 680	–	–	1 680	100.00	46
Total	78 892	9 242	56.58	81 664	3.34	1 531

PD scale	Specialised lending					
	As at 31 December 2020					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	25.53	5.00	2	40.00	–	
0.15 to <0.25	23.35	3.10	506	27.76	1	
0.25 to <0.50	17.18	2.01	7 717	23.01	23	
0.50 to <0.75	22.44	2.37	4 622	41.12	17	
0.75 to <2.50	27.04	2.31	17 552	66.49	111	
2.50 to <10	27.53	2.75	4 882	90.01	54	
10 to <100	25.23	3.81	2 186	139.86	65	
100 (default)	49.35	4.96	–	–	829	
Total	22.73	2.33	37 467	45.88	1 100	1 561

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

<i>PD scale</i>	Sovereign					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	39 620	159	58.00	39 713	0.04	7
0.15 to <0.25	–	–	–	–	–	–
0.25 to <0.50	169 407	2 877	57.48	173 660	0.48	17
0.50 to <0.75	2 170	412	48.69	2 378	0.70	40
0.75 to <2.50	224	1 836	57.50	1 044	1.35	51
2.50 to <10	3 213	316	52.88	2 880	4.86	792
10 to <100	736	1 251	52.14	1 417	23.64	8
100 (default)	24	6	–	27	100.00	1
Total	215 394	6 857	55.73	221 119	0.63	916

<i>PD scale</i>	Sovereign					
	As at 31 December 2021					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	12.98	0.28	752	1.89	2	
0.15 to <0.25	–	–	–	–	–	
0.25 to <0.50	7.56	2.35	20 267	11.67	63	
0.50 to <0.75	28.14	3.18	1 518	63.84	5	
0.75 to <2.50	24.12	1.11	492	47.13	3	
2.50 to <10	9.33	3.15	947	32.88	13	
10 to <100	45.16	1.66	3 417	241.14	143	
100 (default)	2.50	1.29	–	–	1	
Total	9.10	1.98	27 393	12.39	230	613

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

<i>PD scale</i>	Sovereign					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	23 664	147	49.22	23 737	0.04	3
0.15 to <0.25	–	–	–	–	–	–
0.25 to <0.50	175 618	3 567	55.78	179 618	0.48	16
0.50 to <0.75	711	102	3.35	764	0.60	40
0.75 to <2.50	442	59	–	468	1.83	37
2.50 to <10	2 617	1 048	54.20	2 705	4.99	670
10 to <100	854	1 402	52.14	1 619	15.91	7
100 (default)	530	–	–	535	100.00	2
Total	204 436	6 325	53.19	209 446	0.86	775

<i>PD scale</i>	Sovereign					
	As at 31 December 2020					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	13.34	0.29	485	2.04	1	
0.15 to <0.25	–	–	–	–	–	
0.25 to <0.50	7.16	2.29	19 512	10.86	60	
0.50 to <0.75	23.88	3.83	378	49.48	1	
0.75 to <2.50	21.14	1.74	235	50.21	2	
2.50 to <10	7.88	2.80	776	28.69	11	
10 to <100	32.05	2.46	2 338	–	87	
100 (default)	2.50	1.18	–	–	13	
Total	8.14	2.07	23 724	11.33	175	407

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

<i>PD scale</i>	Banks and securities firms					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	17 562	3 270	26.84	23 865	0.05	52
0.15 to <0.25	6 194	5 345	53.28	8 967	0.16	34
0.25 to <0.50	16 476	3 796	45.52	14 651	0.44	68
0.50 to <0.75	1 247	480	53.69	1 504	0.73	30
0.75 to <2.50	780	489	33.65	971	1.71	44
2.50 to <10	373	1 974	22.42	819	4.35	51
10 to <100	218	783	21.21	403	10.69	26
100 (default)	–	–	–	–	–	–
Total	42 850	16 137	40.18	51 180	0.39	305

<i>PD scale</i>	Banks and securities firms					
	As at 31 December 2021					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	28.88	0.45	1 959	8.21	4	
0.15 to <0.25	27.71	0.40	1 523	16.98	4	
0.25 to <0.50	30.59	0.89	6 108	41.69	19	
0.50 to <0.75	18.74	1.36	524	34.84	2	
0.75 to <2.50	41.82	1.27	982	101.13	7	
2.50 to <10	46.16	0.78	1 097	133.94	17	
10 to <100	47.61	0.74	794	197.02	20	
100 (default)	–	–	–	–	–	
Total	29.54	0.62	12 987	25.38	73	50

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Banks and securities firms					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	29 810	2 816	42.38	35 597	0.06	49
0.15 to <0.25	8 242	5 023	55.81	11 022	0.17	36
0.25 to <0.50	23 430	3 650	46.81	14 408	0.43	66
0.50 to <0.75	5 389	1 543	55.92	6 261	0.68	37
0.75 to <2.50	275	268	52.42	494	1.67	47
2.50 to <10	130	2 108	22.99	645	4.72	39
10 to <100	48	153	24.84	89	13.64	29
100 (default)	–	–	–	–	–	–
Total	67 324	15 561	46.47	68 516	0.29	303

PD scale	Banks and securities firms					
	As at 31 December 2020					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	28.73	0.35	2 853	8.01	6	
0.15 to <0.25	32.00	0.31	2 127	19.30	6	
0.25 to <0.50	29.65	0.93	5 787	40.17	18	
0.50 to <0.75	22.83	2.03	3 028	48.36	9	
0.75 to <2.50	43.97	1.17	550	111.34	4	
2.50 to <10	41.84	0.61	793	122.95	13	
10 to <100	45.94	0.84	173	194.38	4	
100 (default)	–	–	–	–	–	
Total	29.16	0.63	15 311	22.35	60	41

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	SME corporate					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	–	–	–	–	–	–
0.15 to <0.25	8 861	2 514	94.70	11 242	0.24	160
0.25 to <0.50	1 988	603	8.57	2 047	0.42	1 486
0.50 to <0.75	12 276	10 398	42.98	16 390	0.59	4 217
0.75 to <2.50	35 604	14 521	50.07	41 327	1.52	15 960
2.50 to <10	13 755	5 018	52.91	15 649	3.80	10 782
10 to <100	2 024	173	63.63	2 119	21.20	1 212
100 (default)	2 548	–	–	2 551	100.00	817
Total	77 056	33 227	50.97	91 325	4.77	34 634

PD scale	SME corporate					
	As at 31 December 2021					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	–	–	–	–	–	–
0.15 to <0.25	26.63	1.01	3 154	28.06	7	–
0.25 to <0.50	28.39	2.63	890	43.48	2	–
0.50 to <0.75	19.78	2.32	5 965	36.39	19	–
0.75 to <2.50	21.23	2.08	19 515	47.22	131	–
2.50 to <10	25.85	2.15	13 156	84.07	152	–
10 to <100	18.15	1.85	1 806	85.23	87	–
100 (default)	44.87	2.99	433	16.97	1 379	–
Total	23.18	2.03	44 919	49.19	1 777	2 524

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

<i>PD scale</i>	SME corporate					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	–	–	–	–	–	–
0.15 to <0.25	8 964	2 462	90.85	11 201	0.24	32
0.25 to <0.50	1 771	677	8.41	1 827	0.41	1 672
0.50 to <0.75	10 915	9 346	46.53	14 767	0.59	6 890
0.75 to <2.50	29 306	12 810	49.22	34 383	1.50	13 244
2.50 to <10	11 507	4 388	55.72	13 207	4.08	8 787
10 to <100	2 589	388	61.76	2 777	23.13	1 751
100 (default)	3 698	–	–	3 710	100.00	3 004
Total	68 750	30 071	51.99	81 872	6.75	35 380

<i>PD scale</i>	SME corporate					
	As at 31 December 2020					
	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	–	–	–	–	–	–
0.15 to <0.25	26.61	1.00	3 141	28.04	7	–
0.25 to <0.50	23.49	1.98	580	31.75	2	–
0.50 to <0.75	21.87	2.41	5 342	36.18	19	–
0.75 to <2.50	22.00	2.04	16 684	48.52	112	–
2.50 to <10	24.79	2.12	9 003	68.17	134	–
10 to <100	23.80	2.06	3 139	113.04	166	–
100 (default)	42.04	3.04	520	14.02	1 547	–
Total	24.06	2.02	38 409	46.91	1 987	1 851

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

	SME retail					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
<i>PD scale</i>						
0.00 to <0.15	44	3	110.53	47	0.08	116
0.15 to <0.25	10	49	64.04	41	0.22	1 005
0.25 to <0.50	414	162	62.73	513	0.35	3 698
0.50 to <0.75	3 535	1 124	57.68	4 147	0.58	9 972
0.75 to <2.50	25 653	11 532	62.43	34 094	1.75	345 895
2.50 to <10	24 271	4 092	51.98	27 999	4.13	2 030 070
10 to <100	3 967	323	37.32	4 212	28.92	78 338
100 (default)	4 472	–	–	4 463	100.00	88 246
Total	62 366	17 285	59.19	75 516	9.88	2 565 340

	SME retail					
	As at 31 December 2021					
	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
<i>PD scale</i>						
0.00 to <0.15	29.62		3	6.38	–	
0.15 to <0.25	81.19		15	36.59	–	
0.25 to <0.50	44.59		141	27.49	1	
0.50 to <0.75	23.99		834	20.11	6	
0.75 to <2.50	31.13		13 834	40.58	190	
2.50 to <10	37.47		16 063	57.37	452	
10 to <100	41.28		4 041	95.94	512	
100 (default)	57.38		2 808	62.92	2 575	
Total	35.32		37 739	49.97	3 736	4 501

* As per the Regulations, average maturity not applied to the SME retail RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	SME retail					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	28	13	37.33	33	0.08	112
0.15 to <0.25	3	15	90.20	17	0.22	126
0.25 to <0.50	1 078	181	62.76	1 188	0.34	5 040
0.50 to <0.75	2 620	1 250	52.87	3 257	0.58	9 882
0.75 to <2.50	26 560	13 027	63.11	36 116	1.66	750 483
2.50 to <10	21 753	2 811	47.00	24 164	4.11	1 639 554
10 to <100	5 152	622	30.97	5 458	29.42	72 368
100 (default)	6 773	–	–	6 781	100.00	93 911
Total	63 967	17 919	58.75	77 014	12.99	2 571 476

PD scale	SME retail					
	As at 31 December 2020					
	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	29.95		2	6.06	–	
0.15 to <0.25	63.93		5	29.41	–	
0.25 to <0.50	39.37		285	23.99	2	
0.50 to <0.75	23.37		626	19.22	4	
0.75 to <2.50	34.38		15 749	43.61	206	
2.50 to <10	36.29		13 397	55.44	372	
10 to <100	38.98		4 886	89.52	636	
100 (default)	50.62		3 478	51.29	3 521	
Total	36.35		38 428	49.90	4 741	6 565

* As per the Regulations, average maturity not applied to the SME retail RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

	Retail mortgages					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
<i>PD scale</i>						
0.00 to <0.15	9 107	10 123	23.86	11 523	0.09	21 250
0.15 to <0.25	6 285	6 700	44.26	9 250	0.18	12 088
0.25 to <0.50	23 705	13 198	57.78	31 331	0.38	33 810
0.50 to <0.75	41 287	6 308	54.96	44 754	0.63	44 873
0.75 to <2.50	96 113	24 088	83.78	116 293	1.36	151 461
2.50 to <10	26 516	2 117	94.52	28 517	4.44	45 534
10 to <100	8 802	241	122.45	9 097	28.59	14 866
100 (default)	12 866	–	–	13 213	100.00	21 346
Total	224 681	62 775	62.05	263 978	7.23	345 228

	Retail mortgages					
	As at 31 December 2021					
	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
<i>PD scale</i>						
0.00 to <0.15	15.55		416	3.61	2	
0.15 to <0.25	14.80		545	5.89	3	
0.25 to <0.50	14.94		3 247	10.36	18	
0.50 to <0.75	16.82		7 477	16.71	49	
0.75 to <2.50	17.05		32 504	27.95	277	
2.50 to <10	16.88		15 496	54.34	214	
10 to <100	16.66		8 376	92.07	433	
100 (default)	23.99		5 250	39.73	2 782	
Total	16.93		73 311	27.77	3 778	4 264

* As per the Regulations, average maturity not applied to the retail mortgages RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Retail mortgages					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	10 223	10 666	24.56	12 842	0.09	22 479
0.15 to <0.25	5 207	5 834	39.74	7 525	0.18	10 893
0.25 to <0.50	24 969	12 380	50.21	31 185	0.38	35 501
0.50 to <0.75	38 076	7 417	38.52	40 934	0.63	43 642
0.75 to <2.50	94 546	22 959	64.20	109 285	1.40	160 515
2.50 to <10	21 993	3 847	50.53	23 937	4.41	34 787
10 to <100	9 916	514	67.10	10 260	28.31	16 607
100 (default)	12 573	–	–	12 822	100.00	19 775
Total	217 503	63 617	48.79	248 790	7.52	344 199

PD scale	Retail mortgages					
	As at 31 December 2020					
	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	15.85		470	3.66	2	
0.15 to <0.25	15.19		453	6.02	2	
0.25 to <0.50	15.61		3 349	10.74	19	
0.50 to <0.75	17.07		6 860	16.76	44	
0.75 to <2.50	17.40		31 352	28.69	270	
2.50 to <10	17.25		13 145	54.91	182	
10 to <100	16.61		9 365	91.28	483	
100 (default)	24.82		8 940	69.72	2 631	
Total	17.31		73 934	29.72	3 633	4 271

* As per the Regulations, average maturity not applied to the retail mortgages RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

	Retail revolving					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
<i>PD scale</i>						
0.00 to <0.15	562	4 779	65.74	3 703	0.13	106 809
0.15 to <0.25	528	3 634	75.29	3 264	0.20	95 607
0.25 to <0.50	2 534	9 186	76.38	9 550	0.36	321 394
0.50 to <0.75	2 483	5 201	79.86	6 636	0.63	202 116
0.75 to <2.50	11 695	12 566	80.37	21 795	1.47	642 202
2.50 to <10	11 956	6 218	84.54	17 212	4.57	452 666
10 to <100	2 940	604	102.47	3 559	25.03	110 081
100 (default)	3 816	–	–	3 877	100.00	121 019
Total	36 514	42 188	78.27	69 596	8.57	2 051 894

	Retail revolving					
	As at 31 December 2021					
	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
<i>PD scale</i>						
0.00 to <0.15	73.39		210	5.67	3	
0.15 to <0.25	71.31		267	8.18	5	
0.25 to <0.50	70.79		1 214	12.71	24	
0.50 to <0.75	71.09		1 336	20.13	30	
0.75 to <2.50	71.31		8 330	38.22	229	
2.50 to <10	72.06		14 702	85.42	566	
10 to <100	70.57		6 221	174.80	625	
100 (default)	81.85		932	24.04	3 037	
Total	72.06		33 212	47.72	4 519	4 976

* As per the Regulations, average maturity not applied to the retail revolving RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Retail revolving					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	445	4 279	65.75	3 259	0.13	92 213
0.15 to <0.25	431	3 351	74.34	2 922	0.20	85 758
0.25 to <0.50	1 954	8 759	75.13	8 535	0.36	290 922
0.50 to <0.75	1 895	4 968	78.93	5 816	0.63	181 750
0.75 to <2.50	9 938	12 522	79.45	19 886	1.48	624 817
2.50 to <10	14 338	6 845	87.42	20 321	4.61	529 988
10 to <100	3 964	770	107.21	4 789	25.84	146 194
100 (default)	4 122	–	–	4 261	100.00	136 948
Total	37 087	41 494	78.48	69 789	9.75	2 088 590

PD scale	Retail revolving					
	As at 31 December 2020					
	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	73.33		187	5.74	3	
0.15 to <0.25	71.40		239	8.18	4	
0.25 to <0.50	70.77		1 091	12.78	22	
0.50 to <0.75	70.94		1 169	20.10	26	
0.75 to <2.50	71.03		7 594	38.19	209	
2.50 to <10	71.91		17 469	85.97	674	
10 to <100	70.32		8 317	173.67	866	
100 (default)	78.16		465	10.91	3 272	
Total	71.76		36 531	52.34	5 076	5 438

* As per the Regulations, average maturity not applied to the retail revolving RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

	Other retail					
	As at 31 December 2021					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
<i>PD scale</i>						
0.00 to <0.15	52	77	82.53	103	0.07	374
0.15 to <0.25	48	121	48.85	107	0.19	288
0.25 to <0.50	1 314	285	95.89	1 451	0.42	9 570
0.50 to <0.75	4 124	127	85.87	4 230	0.56	26 691
0.75 to <2.50	40 865	211	94.50	40 973	1.72	269 589
2.50 to <10	42 737	75	103.38	42 869	4.92	589 681
10 to <100	13 590	11	101.65	13 678	27.94	1 673 023
100 (default)	13 586	–	–	13 597	100.00	555 915
Total	116 316	907	87.44	117 008	17.32	3 125 131

	Other retail					
	As at 31 December 2021					
	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
<i>PD scale</i>						
0.00 to <0.15	47.74		12	11.65	–	
0.15 to <0.25	39.69		18	16.82	–	
0.25 to <0.50	17.29		169	11.65	1	
0.50 to <0.75	21.09		719	17.00	5	
0.75 to <2.50	27.32		14 546	35.50	198	
2.50 to <10	51.29		34 940	81.50	1 166	
10 to <100	54.03		16 998	124.27	2 042	
100 (default)	62.44		10 213	75.11	8 536	
Total	42.99		77 615	66.33	11 948	13 407

* As per the Regulations, average maturity not applied to the other retail RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Other retail					
	As at 31 December 2020					
	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre CCF R million	Average CCF %	EAD post CRM and post CCF R million	Average PD %	Number of obligors
0.00 to <0.15	43	59	84.12	83	0.07	347
0.15 to <0.25	37	74	54.59	81	0.20	388
0.25 to <0.50	1 088	237	95.32	1 258	0.42	9 286
0.50 to <0.75	4 101	98	69.75	4 131	0.56	26 933
0.75 to <2.50	39 385	379	92.04	39 545	1.73	276 342
2.50 to <10	41 755	141	99.93	41 829	4.93	612 163
10 to <100	13 178	24	101.21	13 202	29.86	1 778 435
100 (default)	16 982	–	–	16 982	100.00	448 782
Total	116 569	1 012	88.75	117 111	20.24	3 152 676

PD scale	Other retail					
	As at 31 December 2020					
	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	45.92		10	12.05	–	
0.15 to <0.25	48.65		17	20.99	–	
0.25 to <0.50	23.17		197	15.66	1	
0.50 to <0.75	20.23		672	16.27	5	
0.75 to <2.50	27.95		14 418	36.46	197	
2.50 to <10	52.70		35 061	83.82	1 171	
10 to <100	53.38		16 215	122.82	2 096	
100 (default)	58.82		9 177	54.04	9 576	
Total	43.84		75 767	64.70	13 046	14 060

* As per the Regulations, average maturity not applied to the other retail RWA calculation.

EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CREDIT RISK MITIGATION TECHNIQUES

The table below illustrates the effect of credit derivatives on the capital requirement calculation under the AIRB approach. As the group does not apply the foundation internal ratings-based approach, the rows related to this approach have been excluded from the CR7 table. Pre-credit derivatives RWA (before taking credit derivatives' mitigation effect into account) has been selected to assess the impact of credit derivatives on RWA, irrespective of how the credit risk mitigation technique feeds into the RWA calculation. No credit derivatives were applied as credit risk mitigation during the period. There were no exposures in the equity and purchased receivables portfolios during the period. Rows 14 and 16 were therefore excluded from this table.

CR7: AIRB – EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CREDIT RISK MITIGATION TECHNIQUES

<i>R million</i>		Pre-credit derivatives RWA		
		As at 31 December 2021	As at 31 December 2020	As at 30 June 2021
2.	Sovereign	27 394	23 723	26 352
4.	Banks and securities firms	12 987	15 311	12 763
6.	Corporate	108 546	119 014	99 109
8.	Specialised lending	50 838	37 466	49 711
	SME corporate	44 918	38 408	42 293
9.	Retail revolving	33 210	36 530	35 304
10.	Retail mortgages	73 314	73 936	71 017
11.	SME retail	37 739	38 428	37 783
12.	Other retail	77 616	75 766	77 281
17.	Total	466 562	458 582	451 613

CR8: RWA FLOW STATEMENT OF CREDIT RISK EXPOSURES UNDER AIRB

<i>R million</i>		RWA
1.	RWA at 30 September 2021	450 259
2.	Asset size	20 548
3.	Asset quality	(4 245)
4.	Model updates	–
5.	Methodology and policy	–
6.	Acquisitions and disposals	–
7.	Foreign exchange movements	–
8.	Other	–
9.	RWA at 31 December 2021*	466 562

* The RWA represents AIRB credit risk exposures excluding securitisation exposure per OV1 table on page 05.

CR9: Backtesting of PD per portfolio is disclosed annually, per the Pillar 3 standards and, therefore, excluded from this report.

The following table provides information relating to specialised lending exposures that are rated through the slotting approach. The exposures are split among regulatory asset classes.

CR10: AIRB – SPECIALISED LENDING

R million		As at 31 December 2021							
		Other than high-volatility commercial estate*,**							
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount			RWA	Expected losses
					Project finance	Income-producing real estate	Total		
Strong	Less than 2.5 years	–	–	50%	–	–	–	–	–
	Equal to or more than 2.5 years	–	–	70%	–	–	–	–	–
Good	Less than 2.5 years	3	–	70%	–	3	3	3	–
	Equal to or more than 2.5 years	39	–	90%	–	39	39	40	–
Satisfactory		614	–	115%	–	614	614	825	23
Weak		98	–	250%	–	98	98	262	10
Total		754	–		–	754	754	1 130	33

* There were no high-volatility commercial real estate exposures during the period. For specialised lending exposures other than high-volatility commercial real estate, there were no exposures to object finance or commodities asset classes during the period under review.

** Due to the Covid-19 nationwide lockdown, the annual review of valuations was delayed. The group is in the process of updating these valuations.

R million		As at 31 December 2020							
		Other than high-volatility commercial estate*							
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount			RWA	Expected losses
					Project finance	Income-producing real estate	Total		
Strong	Less than 2.5 years	–	–	50%	–	–	–	–	–
	Equal to or more than 2.5 years	12 573	888	70%	13 113	–	13 113	9 730	52
Good	Less than 2.5 years	1	–	70%	–	1	1	1	–
	Equal to or more than 2.5 years	5 029	177	90%	5 059	18	5 077	4 843	41
Satisfactory		1 550	–	115%	1 329	221	1 550	1 899	45
Weak		16	3	250%	2	16	18	59	2
Total		19 169	1 068		19 503	256	19 759	16 532	140

* There were no high-volatility commercial real estate exposures during the period. For specialised lending exposures other than high-volatility commercial real estate, there were no exposures to object finance or commodities asset classes during the period under review.

CR10: AIRB – SPECIALISED LENDING continued

R million		As at 30 June 2021							
		Other than high-volatility commercial estate*							
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount			RWA	Expected losses
					Project finance	Income-producing real estate	Total		
Strong	Less than 2.5 years	–	–	50%	–	–	–	–	–
	Equal to or more than 2.5 years	–	–	70%	–	–	–	–	–
Good	Less than 2.5 years	–	–	70%	–	–	–	–	–
	Equal to or more than 2.5 years	8	–	90%	–	8	8	11	–
Satisfactory		182	–	115%	–	182	182	304	8
Weak		13	–	250%	–	13	13	34	1
Total		203	–		–	203	203	350	9

* There were no high-volatility commercial real estate exposures during the period. For specialised lending exposures other than high-volatility commercial real estate, there were no exposures to object finance or commodities asset classes during the period under review.

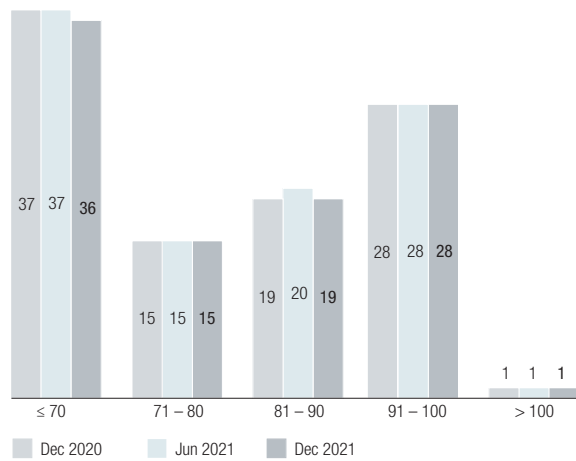
Risk analysis

FNB RESIDENTIAL MORTGAGES

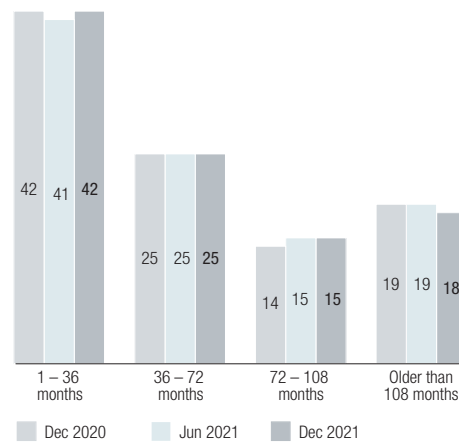
The graphs below provide loan balance-to-value ratios and age distributions of residential mortgages.

The portfolio continues to be distributed favourably from a loan-to-value (LTV) ratio perspective. The balance-to-market value and total portfolio age distributions remained largely stable over the period under review.

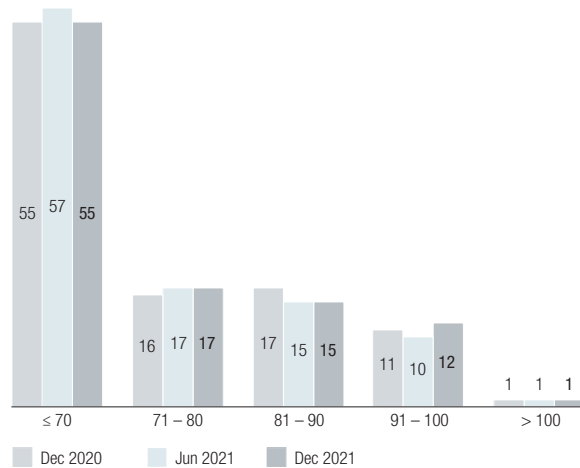
Residential mortgages balance-to-original value
%



Residential mortgages age distribution
%



Residential mortgages balance-to-market value
%



COUNTERPARTY CREDIT RISK

The *CCR1: Analysis of counterparty credit risk exposure by approach* table on the following page provides an overview of the counterparty credit risk arising from the group's derivative and structured finance transactions. The information provided in row 1 therefore corresponds to the requirements of the SA-CCR as applied by FRBSA and other group entities. EAD under SA-CCR is determined by scaling the sum of replacement cost and the potential future exposure by a factor of 1.4 (alpha). The group does not apply the internal model method or the simple approach for credit risk mitigation for derivatives and security financing transactions. Rows 2 and 3 of the CCR 1 template is therefore excluded from CCR1.

The comprehensive approach for credit risk mitigation is used to calculate the exposure for collateralised transactions other than collateralised over-the-counter (OTC) derivative transactions that are subject to SA-CCR. This approach is typically applied to securities financing and repo type of transactions.

The table below provides an explanation of the approaches used in the *CCR1: Analysis of counterparty credit risk exposure by approach* table on the next page.

<i>Replacement cost</i>	The replacement cost for trades that are not subject to margining requirements is the loss that would occur if a counterparty were to default and was immediately closed out of its transactions. For margined trades, the replacement cost is the loss that would occur if a counterparty were to default at present or at a future date, assuming that the close-out and replacement of transactions occur simultaneously.
<i>Potential future exposure</i>	The potential increase in the exposure between the present and the end of the margin period of risk. An add-on factor is applied to the replacement cost to determine the potential future exposure over the remaining life of the contract.
<i>Effective expected positive exposure (EEPE)</i>	The weighted average of the effective expected exposure over the first year, or, if all the contracts in the netting set mature before one year, over the time period of the longest-maturity contract in the netting set, where the weights represent the proportion of an individual expected exposure over the entire time interval.
<i>EAD post CRM</i>	Refers to the amount relevant to the calculated capital requirement over applying credit risk mitigation techniques, credit valuation adjustments and specific wrong-way adjustments.

CCR1 provides a comprehensive view of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method. The exposures reported exclude credit value adjustment (CVA) charges and exposures cleared through central counterparties.

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK EXPOSURE BY APPROACH FOR FRB

		As at 31 December 2021				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post CRM	RWA
<i>R million</i>						
1.	Standardised approach (for derivatives)*	23 386	14 339	1.4	52 816	13 034
4.	Comprehensive approach for credit risk mitigation for security financing transactions**				5 042	1 955
6.	Total#	23 386	14 339		57 858	14 989

		As at 31 December 2020				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post CRM	RWA
<i>R million</i>						
1.	SA-CCR (for derivatives)*	9 629	20 808	1.4	42 612	11 759
4.	Comprehensive approach for credit risk mitigation for security financing transactions**				7 480	2 705
6.	Total#	9 629	20 808		50 092	14 464

		As at 30 June 2021				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post CRM	RWA
<i>R million</i>						
1.	SA-CCR (for derivatives)*	12 432	12 402	1.4	34 767	12 338
4.	Comprehensive approach for credit risk mitigation for security financing transactions**				5 686	1 711
6.	Total#	12 432	12 402		40 453	14 049

* EEPE is not calculated under SA-CCR (for derivatives).

** Replacement cost, potential future exposure, EEPE and alpha used for computing regulatory EAD are not calculated under the comprehensive approach for credit mitigation for security financing transactions.

Replacement cost, potential future exposure, EEPE and alpha used for computing regulatory EAD, EAD post CRM and RWA are not inputs into the value-at-risk (VaR) model calculation for security financing transactions. Row 5 is therefore excluded from these tables.

The changes in counterparty exposure numbers period-on-period are attributable to methodology change from the standardised method (SM-CCR) to SA-CCR. Some of the key drivers in the EAD change from SM-CCR to SA-CCR include the recognition of collateral in replacement cost and instrument maturity under SA-CCR, previously the risk factor was the same with or without collateral. Under SA-CCR there is generally less exposure and capital for negative mark-to-market (liabilities) and overcollateralised exposures, and more capital allocated for positive mark-to-market (assets). There are also standardised sensitivity approximations instead of internally calculated market risk sensitivities. In addition to methodology changes, counterparty credit risk portfolio exposures increased due to trading volumes and increased net cash placed with a counterparty under the International Swaps and Derivatives Association credit support annexes, new interest rate swaps and a large equity total return swap trade.

The table below provides the EAD post-CRM and RWA amounts for portfolios subject to the standardised CVA capital charge. As the group does not apply the advanced approach for CVA charge, rows 1 and 2 are excluded from CCR2. The decrease in CVA RWA was mainly driven by decreased exposure in currency transactions, interest rate swaps and contracts for difference largely against banks, corporates, securities firms and public sector clients.

CCR2: CVA CAPITAL CHARGE

<i>R million</i>		As at 31 December 2021		As at 31 December 2020		As at 30 June 2021	
		EAD post CRM	RWA*	EAD post CRM	RWA*	EAD post CRM	RWA*
3.	All portfolios subject to the standardised CVA capital charge	52 816	10 861	42 612	15 699	34 767	11 110
4.	Total subject to the CVA capital charge	52 816	10 861	42 612	15 699	34 767	11 110

* CVA RWA includes rest of Africa and foreign subsidiaries.

CCR3: STANDARDISED APPROACH OF COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS*

<i>R million</i>		As at 31 December 2021					
		Risk weight**					
		0%	20%	50%	100%	150%	Total credit exposure
Asset classes#							
	Sovereigns	–	–	–	556	–	556
	Non-central government public sector entities	–	–	5	–	–	5
	Multilateral development banks	–	5	–	–	–	5
	Banks	2 021	–	–	12	139	2 172
	Securities firms	–	–	–	–	–	–
	Corporates	–	–	–	223	88	311
	Total	2 021	5	5	791	227	3 049

* These exposures are for the subsidiaries in the rest of Africa and foreign branches.

** There were no exposures in the 10%, 35% and 75% risk weight buckets at 31 December 2021.

There were no exposures in the securities firms, regulatory retail portfolios and other asset classes as at 31 December 2021.

<i>R million</i>		As at 31 December 2020					
		Risk weight**					
		0%	20%	50%	100%	150%	Total credit exposure
Asset classes#							
	Sovereigns	–	–	–	942	–	942
	Non-central government public sector entities	–	–	25	–	–	25
	Banks	1 259	3	80	35	–	1 377
	Securities firms	–	–	39	–	–	39
	Corporates	–	–	5	331	65	401
	Regulatory retail portfolios	–	–	–	–	3	3
	Total	1 259	3	148	1 309	68	2 787

* These exposures are for the subsidiaries in the rest of Africa and foreign branches.

** There were no exposures in the 10%, 35% and 75% risk weight buckets at 31 December 2020.

There were no exposures in the multilateral development banks and other asset classes as at 31 December 2020.

CCR3: STANDARDISED APPROACH OF COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS* continued

<i>R million</i>	As at 30 June 2021					
	Risk weight**					
	0%	20%	50%	100%	150%	Total credit exposure
Asset classes#						
Sovereigns	–	–	–	735	–	735
Non-central government public sector entities	–	–	7	–	–	7
Banks	2 550	4	–	10	116	2 681
Securities firms	–	–	–	–	–	–
Corporates	–	–	–	371	135	505
Regulatory retail portfolios	–	–	–	–	–	–
Total	2 550	4	7	1 116	251	3 928

* These exposures are for the subsidiaries in the rest of Africa and foreign branches.

** There were no exposures in the 10%, 35% and 75% risk weight buckets at 30 June 2021.

There were no exposures in the multilateral development banks, securities firms, regulatory retail portfolios and other asset classes at 30 June 2021.

The following CCR4 tables provide the counterparty credit risk exposures per portfolio and PD range where the AIRB approach is used for credit risk. They also include the main parameters used in the calculation of RWA. These exposures are for FRBSA, where AIRB for credit risk is applied.

The information provided in the different columns is explained as follows:

- > EAD post CRM, gross of accounting provisions;
- > average PD is the obligor-grade PD weighted by EAD;
- > average LGD is the obligor-grade LGD weighted by EAD;
- > average maturity in years is obligor maturity weighted by EAD; and
- > RWA density is total risk-weighted assets to EAD post CRM.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

PD scale	Total FRBSA						
	As at 31 December 2021						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	16 821	0.07	43	31.16	1.76	2 062	12.26
0.15 to <0.25	6 911	0.21	83	39.75	0.39	752	10.87
0.25 to <0.50	15 351	0.46	106	25.21	0.75	5 207	33.92
0.50 to <0.75	4 610	0.67	141	33.07	1.16	2 161	46.88
0.75 to <2.50	2 195	1.63	84	35.67	1.75	1 383	63.04
2.50 to <10	583	4.59	29	35.32	1.96	595	102.03
10 to <100	103	10.26	21	24.58	0.99	109	105.92
100 (default)	–	–	–	–	–	–	–
Total	46 574		507			12 269	26.34

PD scale	Total FRBSA						
	As at 31 December 2020						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	12 077	0.07	38	26.05	1.31	1 247	10.33
0.15 to <0.25	9 530	0.21	107	34.58	0.53	900	9.44
0.25 to <0.50	11 093	0.44	181	20.40	2.26	3 715	33.49
0.50 to <0.75	2 075	0.70	69	28.21	2.09	1 004	48.39
0.75 to <2.50	5 170	1.78	266	22.72	1.91	2 775	53.68
2.50 to <10	1 471	5.25	90	35.22	2.34	2 009	136.57
10 to <100	105	18.55	32	29.26	0.73	143	136.19
100 (default)	–	–	–	–	–	–	–
Total	41 521		783			11 793	0.28

The FRBSA movements were mainly driven by movements across the sectors. Refer to subsections of the CCR4 tables.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Banks						
	As at 31 December 2021						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	7 774	0.06	31	31.32	2.26	875	11.25
0.15 to <0.25	682	0.16	9	35.41	0.76	170	24.89
0.25 to <0.50	732	0.47	8	30.38	1.49	379	51.80
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	18	1.06	2	36.59	1.67	13	71.16
2.50 to <10	45	4.93	8	52.90	0.30	70	153.26
10 to <100	1	28.13	2	43.33	0.09	2	208.33
100 (default)	–	–	–	–	–	–	–
Subtotal	9 252		60			1 509	16.29

PD scale	Banks						
	As at 31 December 2020						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	5 936	0.07	25	25.22	1.48	767	12.92
0.15 to <0.25	1 492	0.16	39	39.97	1.31	480	32.17
0.25 to <0.50	1 730	0.45	14	14.25	1.53	420	24.28
0.50 to <0.75	84	0.74	5	5.00	1.45	6	7.14
0.75 to <2.50	67	1.42	40	40.02	1.15	54	80.60
2.50 to <10	133	4.85	45	45.13	1.05	184	138.35
10 to <100	8	32.12	45	45.91	1.00	19	237.50
100 (default)	–	–	–	–	–	–	–
Subtotal	9 450		71			1 930	20.42

The increased RWA was mainly driven by new interest rate swap trades and a large equity total return swap trade.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Corporate						
	As at 31 December 2021						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	0.64	0.09	1	30.00	1.00	0.05	11.79
0.15 to <0.25	838	0.18	8	37.95	0.46	155	18.44
0.25 to <0.50	944	0.42	20	31.38	1.89	415	43.97
0.50 to <0.75	2 119	0.74	104	29.45	1.15	914	43.13
0.75 to <2.50	563	1.28	44	17.72	2.04	203	36.07
2.50 to <10	264	4.24	11	36.51	0.71	225	85.34
10 to <100	92	10.10	12	22.55	0.80	87	94.61
100 (default)	–	–	–	–	–	–	–
Subtotal	4 821		200			1 999	41.46

PD scale	Corporate						
	As at 31 December 2020						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	71	0.09	1	30.00	1.00	9	12.68
0.15 to <0.25	301	0.20	19	33.23	1.00	72	23.92
0.25 to <0.50	2 819	0.43	89	32.58	2.59	1 490	52.86
0.50 to <0.75	1 101	0.71	32	35.48	1.46	585	53.13
0.75 to <2.50	1 326	1.53	109	33.90	1.65	924	69.68
2.50 to <10	321	4.86	59	42.77	1.49	437	136.14
10 to <100	37	12.37	18	44.60	1.02	71	191.89
100 (default)	–	–	–	–	–	–	–
Subtotal	5 976		327			3 588	60.04

The decrease in exposure across PD bands was mainly driven by matured short-dated currency hedges and reduced trading activity against corporate clients.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Sovereign						
	As at 31 December 2021						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	40	0.48	3	5.00	0.31	2	5.05
0.50 to <0.75	4	0.60	1	45.00	0.23	2	51.16
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10	–	–	–	–	–	–	–
10 to <100	–	–	–	–	–	–	–
100 (default)	–	–	–	–	–	–	–
Subtotal	44		4			4	9.55

PD scale	Sovereign						
	As at 31 December 2020						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	1	–	–	–	–
0.15 to <0.25	2	0.17	4	26.60	1.69	1	50.00
0.25 to <0.50	1 486	0.48	3	5.00	1.00	89	5.99
0.50 to <0.75	1	0.60	1	5.00	1.10	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10	–	–	–	–	–	–	–
10 to <100	–	–	–	–	–	–	–
100 (default)	–	0.48	–	3.03	–	–	–
Subtotal	1 489		9			90	6.04

The decrease in EAD and RWA in the 0.25 to <0.50 PD band was attributable to matured foreign exchange transactions.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

<i>PD scale</i>	Securities						
	As at 31 December 2021						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	9 047	0.07	11	31.03	1.34	1 187	13.12
0.15 to <0.25	5 380	0.22	65	40.57	0.34	424	7.88
0.25 to <0.50	11 697	0.47	56	25.30	0.25	3 765	32.19
0.50 to <0.75	2 291	0.60	25	37.36	0.99	1 152	50.27
0.75 to <2.50	922	1.84	23	54.66	1.51	768	83.29
2.50 to <10	56	4.60	6	31.17	1.44	59	105.17
10 to <100	5	10.07	5	36.01	0.75	8	155.64
100 (default)	–	–	–	–	–	–	–
Subtotal	29 398		191			7 363	25.05

<i>PD scale</i>	Securities						
	As at 31 December 2020						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	6 025	0.07	8	26.77	1.13	462	7.67
0.15 to <0.25	7 718	0.22	75	33.65	0.36	346	4.48
0.25 to <0.50	2 397	0.45	50	21.27	1.89	798	33.29
0.50 to <0.75	372	0.74	23	15.66	0.48	113	30.38
0.75 to <2.50	2 809	2.01	130	16.37	1.10	1 132	40.30
2.50 to <10	73	4.62	15	13.69	7.60	46	63.01
10 to <100	58	20.98	7	17.02	0.50	49	84.48
100 (default)	–	–	–	–	–	–	–
Subtotal	19 452		308			2 946	15.14

The EAD and RWA increase was mainly due to trading volumes and increased net cash placed with a counterparty under the International Swaps and Derivatives Association credit support annexes.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

PD scale	Public sector and local government						
	As at 31 December 2021						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	10	0.17	1	42.22	0.51	3	28.34
0.25 to <0.50	38	0.48	2	30.00	0.84	13	34.63
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10	25	4.93	1	30.00	2.28	26	103.54
10 to <100	0.36	18.83	1	63.56	0.98	1	328.38
100 (default)	–	–	–	–	–	–	–
Subtotal	73		5			43	58.65

PD scale	Public sector and local government						
	As at 31 December 2020						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	17	0.17	2	5.85	0.47	1	5.88
0.25 to <0.50	77	0.46	2	31.28	1.08	29	37.66
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10	617	4.93	1	300.00	2.01	625	101.30
10 to <100	2	11.72	3	41.83	1.04	4	200.00
100 (default)	–	–	–	–	–	–	–
Subtotal	713		8			659	92.43

The overall decrease in EAD and RWA in the 2.50 to <10 PD band was due to the reduced exposures driven by matured foreign exchange transactions.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

<i>PD scale</i>	Other						
	As at 31 December 2021						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	1 901	0.42	17	19.90	2.99	633	33.29
0.50 to <0.75	196	0.68	11	21.67	3.23	93	47.56
0.75 to <2.50	691	1.65	15	24.93	1.83	399	57.78
2.50 to <10	193	4.93	3	31.43	4.18	215	111.72
10 to <100	5	10.07	1	45.00	5.00	11	235.84
100 (default)	–	–	–	–	–	–	–
Subtotal	2 986		47			1 351	45.28

<i>PD scale</i>	Other						
	As at 31 December 2020						
	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	45	0.08	1	33.00	2.55	9	20.00
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	2 584	0.41	20	18.96	3.49	889	34.40
0.50 to <0.75	517	0.63	12	25.54	4.71	300	58.03
0.75 to <2.50	968	1.44	22	26.44	4.63	665	68.70
2.50 to <10	327	6.53	6	38.40	3.16	717	219.27
10 to <100	–	–	–	–	–	–	–
100 (default)	–	–	–	–	–	–	–
Subtotal	4 441		61			2 580	58.10

The reduction in EAD and RWA across the bands was driven by reduced exposures driven by maturities and reduced mark-to-market values.

CCR5: COMPOSITION OF COLLATERAL FOR COUNTERPARTY CREDIT RISK EXPOSURE PER COLLATERAL CATEGORY*

<i>R million</i>	As at 31 December 2021					
	Collateral used in derivative transactions				Collateral used in security finance transactions	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated**	Segregated	Unsegregated		
Cash – domestic currency	10 427	1 670	–	22 785	–	–
Cash – other currencies	–	48	–	953	–	–
Domestic sovereign debt	–	5 928	–	2 413	169 034	28 490
Other sovereign debt	–	–	–	–	5 394	4 920
Government agency debt	–	–	–	–	2 598	105
Corporate bonds	–	–	–	–	692	4
Other collateral	–	77	–	–	–	–
Total	10 427	7 723	–	26 151	177 718	33 519

* There was no collateral in the equity securities and other collateral categories during the year.

<i>R million</i>	As at 31 December 2020					
	Collateral used in derivative transactions				Collateral used in security finance transactions	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated**	Segregated	Unsegregated		
Cash – domestic currency	9 604	12 868	–	28 720	–	–
Cash – other currencies	–	4 043	–	–	–	–
Domestic sovereign debt	–	2 300	–	–	72 592	38 345
Other sovereign debt	–	–	–	–	348	19
Government agency debt	–	–	–	–	171	–
Corporate bonds	–	–	–	–	160	–
Other collateral	–	77	–	–	–	–
Total	9 604	19 288	–	28 720	73 271	38 364

* There was no collateral in the equity securities and other collateral categories during the year.

The decrease in unsegregated collateral received was driven by a counterparty structure offset that was previously not accounted for under SM-CCR.

CCR5: COMPOSITION OF COLLATERAL FOR COUNTERPARTY CREDIT RISK EXPOSURE PER COLLATERAL CATEGORY* continued

<i>R million</i>	As at 30 June 2021					
	Collateral used in derivative transactions				Collateral used in security finance transactions	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	9 264	3 061	–	8 951	–	–
Cash – other currencies	–	2 800	–	3 509	–	–
Domestic sovereign debt	–	1 707	–	192	67 165	30 986
Other sovereign debt	–	–	–	–	652	1 855
Government agency debt	–	–	–	–	208	–
Corporate bonds	–	–	–	–	173	100
Other collateral	–	–	–	–	–	–
Total	9 264	7 568	–	12 652	68 198	32 941

* There was no collateral in the equity securities category during the period under review.

The group employs credit derivatives primarily for the purposes of protecting its own positions and for hedging its credit portfolio, as indicated in the following tables.

CCR6: CREDIT DERIVATIVES EXPOSURES

<i>R million</i>	As at December 2021		As at December 2020		As at 30 June 2021	
	Protection bought	Protection sold	Protection bought	Protection sold	Protection bought	Protection sold
Notionals*						
– Single-name credit default swaps	12 287	6 418	13 067	6 274	12 923	5 510
Total notionals	12 287	6 418	13 067	6 274	12 923	5 510
Fair values	(27)	40	(45)	(18)	(44)	42
– Positive fair value (asset)	16	83	19	82	6	84
– Negative fair value (liability)	(43)	(43)	(64)	(100)	(50)	(42)

* There were no credit derivatives in the index credit default swaps, total return swaps, credit options and other credit derivative categories during the periods under review.

CCR7: RWA flow statements of CCR exposures under the internal model method is not applicable as the group does not use the internal model method for measuring EAD of counterparty credit risk EAD.

CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES

<i>R million</i>		As at December 2021		As at December 2020		As at 30 June 2021	
		EAD post CRM	RWA	EAD post CRM	RWA	EAD post CRM	RWA
2.	Exposures for trade at qualifying central counterparties (excluding initial margin and default fund contributions, of which:	7 114	142	7 606	152	6 044	182
3.	– OTC derivatives	3 163	63	1 348	27	1 936	39
4.	– Exchange-traded derivatives	3 951	79	6 258	125	4 108	143
5.	– Securities financing transactions	–	–	–	–	–	–
6.	– Netting sets where cross-product netting has been approved	–	–	–	–	–	–
7.	Segregated initial margin*	10 427	–	9 600	–	9 264	–
8.	Non-segregated initial margin	–	–	–	–	–	–
9.	Pre-funded default fund contributions	383	70	349	30	339	48
10.	Unfunded default fund contributions	–	–	–	–	–	–
1.	Total exposures to qualifying central counterparties**	17 924	212	17 555	182	15 647	230

* RWA is not determined on segregation of initial margin.

** There were no exposures to non-qualifying central counterparties (rows 11 – 20 of the CCR8 template) for the periods under review.

SECURITISATIONS

TRADITIONAL SECURITISATIONS TRANSACTIONS*

<i>Traditional securitisations**</i>	Asset type	Rating agency	Year initiated	Expected close
Nitro 6	Retail: auto loans	Global Credit Ratings	2018	2025
Nitro 7	Retail: auto loans	Moody's	2019	2027
FAST Issuer [#]	Retail: auto loans	Unrated	2016	2025
Turbo Finance 8 [#]	Retail: auto loans	S&P Global Ratings (S&P) and Moody's	2018	2026
MotoPark [#]	Retail: auto loans	DBRS Ratings Limited and S&P	2018	2025
MotoFirst [#]	Retail: auto loans	Unrated	2017	2026
MotoWay [#]	Retail: auto loans	Unrated	2019	2022

<i>R million</i>	Assets securitised	Assets outstanding [†]			Notes outstanding			Retained exposure		
		Dec 2021	Dec 2020	June 2021	Dec 2021	Dec 2020	June 2021	Dec 2021	Dec 2020	June 2021
Nitro 6	167	259	541	379	185	468	304	–	–	–
Nitro 7	554	649	1 106	861	588	1 059	806	–	–	–
FAST Issuer [#]	7 343	9 130	9 988	9 883	766	9 349	9 139	2 015	1 987	1 988
Turbo Finance 8 [#]	650	704	2 265	1 283	1 621	2 139	1 268	173	178	158
MotoPark [#]	1 622	1 814	4 717	2 919	1 017	4 232	2 580	1 625	4 251	2 580
MotoFirst [#]	2 787	2 807	7 692	4 821	3 705	5 741	3 123	1 019	1 024	1 069
MotoWay [#]	3 370	3 586	8 039	5 351	8 349	7 920	5 302	3 705	1 788	1 758
Total	16 493	18 949	34 348	25 497	16 231	30 908	22 522	8 537	9 228	7 553

* Include transactions structured by the group and exclude third-party and conduit transactions.

** Aldermore's Oak, MotoMore and Turbo Finance 9 securitisations have not derecognised assets in terms of the securitisation framework and therefore remain on-balance sheet.

[#] Non-rand denominated.

[†] Assets outstanding do not include cash reserves.

SEC1: SECURITISATION EXPOSURES IN THE BANKING BOOK PER PORTFOLIO*,**

<i>R million</i>		As at 31 December 2021				
		Traditional securitisations				
		Group acts as originator	Group acts as sponsor	Group acts as investor	Group acts as originator and sponsor	Total
1.	Retail					
4.	– Auto loans	8 537	–	24 050	–	32 587
6.	Corporate					
7.	– Loans to corporates	–	–	–	3 089	3 089
Total		8 537	–	24 050	3 089	35 676

<i>R million</i>		As at 31 December 2020				
		Traditional securitisations				
		Group acts as originator	Group acts as sponsor	Group acts as investor	Group acts as originator and sponsor	Total
1.	Retail					
4.	– Auto loans	9 227	–	25 039	–	34 266
6.	Corporate					
7.	– Loans to corporates	–	–	–	6 704	6 704
Total		9 227	–	25 039	6 704	40 970

<i>R million</i>		As at 30 June 2021				
		Traditional securitisations				
		Group acts as originator	Group acts as sponsor	Group acts as investor	Group acts as originator and sponsor	Total
1.	Retail					
4.	– Auto loans	7 552	–	25 363	–	32 915
6.	Corporate					
7.	– Loans to corporates	–	–	–	5 676	5 676
Total		7 552	–	25 363	5 676	38 591

* There were no residential mortgage, credit card or resecuritisation exposures in the retail portfolio (rows 2, 3 and 5 of the SEC1 template) and no commercial mortgage, lease and receivables, other corporate or resecuritisation exposures in the corporate portfolio (rows 8 – 11 of the SEC1 template).

** Include retained exposure for all transactions structured by the group, third-party and conduit transactions.

The regulatory approaches for securitisation exposures in the following tables are explained below.

<i>IRB approach</i>	Ratings-based approach (RBA) Securitisation exposures to notes rated by an external credit assessment institution and held in an entity that uses the IRB approach.
	Internal assessment approach (IAA) The group does not use IAA for calculating risk weighted assets on securitisation exposures.
	Supervisory formula approach (SFA) Where SFA is used, these exposures are captured in the IRB SFA column.
<i>Standardised approach</i>	Exposures subject to the look-through approach are disclosed in the simplified supervisory approach (SSFA).
<i>Unrated notes</i>	Exposures to unrated notes are risk weighted at 1 250%.

There were no synthetic securitisations during the period under review.

SEC2: Securitisation exposures in the trading book table is not applicable as the group does not have securitisation exposures in the trading book.

SEC3: TRADITIONAL SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – BANK ACTING AS ORIGINATOR OR AS SPONSOR

		As at 31 December 2021*																
		Exposure values by risk-weighted (RW) bands					Exposure values by regulatory approach				RWA by regulatory approach				Minimum capital requirements**			
R million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA#	1 250%	IRB		SA#	1 250%	IRB		SA#	1 250%
							RBA	SFA			SSFA	RBA			SFA	SSFA		
	Securitisation																	
4.	– Retail	2 015	2 632	2 375	–	1 515	–	2 015	5 007	1 515	–	150	3 489	18 942	–	18	419	2 273
5.	– Corporate	–	3 089	–	–	–	–	–	3 089	–	–	–	1 223	–	–	–	147	–
Total		2 015	5 721	2 375	–	1 515	–	2 015	8 096	1 515	–	150	4 712	18 942	–	18	566	2 273

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC3 template) during the period under review.

** Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB, as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 31 December 2021.

SA = Standardised approach for securitisation exposures.

		As at 31 December 2020*																
		Exposure values by RW bands					Exposure values by regulatory approach				RWA by regulatory approach				Minimum capital requirements**			
R million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA#	1 250%	IRB		SA#	1 250%	IRB		SA#	1 250%
							RBA	SFA			SSFA	RBA			SFA	SSFA		
	Securitisation																	
4.	– Retail	1 987	3 503	1 620	600	1 518	–	1 987	5 723	1 518	–	147	3 971	18 975	–	18	477	2 277
5.	– Corporate	–	6 704	–	–	–	–	–	6 704	–	–	–	2 702	–	–	–	324	–
Total		1 987	10 207	1 620	600	1 518	–	1 987	12 427	1 518	–	147	6 673	18 975	–	18	801	2 277

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC3 template) during the period under review.

** Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB, as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 31 December 2020.

SA = Standardised approach for securitisation exposures.

		As at 30 June 2021*																
		Exposure values by RW bands					Exposure values by regulatory approach				RWA by regulatory approach				Minimum capital requirements**			
R million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA#	1 250%	IRB		SA#	1 250%	IRB		SA#	1 250%
							RBA	SFA			SSFA	RBA			SFA	SSFA		
	Securitisation																	
4.	– Retail	1 988	1 863	2 182	–	1 520	–	1 988	4 045	1 520	–	147	3 113	18 999	–	18	374	2 280
5.	– Corporate	–	5 676	–	–	–	–	–	5 676	–	–	–	2 162	–	–	–	259	–
Total		1 988	7 539	2 182	–	1 520	–	1 988	9 721	1 520	–	147	5 275	18 999	–	18	633	2 280

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC3 template) during the period under review.

** Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB, as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 30 June 2021.

SA = Standardised approach for securitisation exposures.

SEC4: TRADITIONAL SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED CAPITAL REQUIREMENTS – BANK ACTING AS INVESTOR

R million		As at 31 December 2021*							
		Exposure values by RW bands**	Exposure values by regulatory approach#		RWA by regulatory approach		Minimum capital requirements†		
			≤20% RW	IRB		IRB		IRB	
				RBA	SFA	RBA	SFA	RBA	SFA
4.	Securitisation – Retail	24 050	–	24 050	–	1 784	–	214	
5.	– Corporate	–	–	–	–	–	–	–	
Total		24 050	–	24 050	–	1 784	–	214	

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC4 template) during the period under review.

** There were no exposures in the >20% to 50%, >50% to 100%, >100% to <1 250% and 1 250% RW bands.

There were no exposures under the standardised approach or to unrated notes risk weighted at 1 250%.

† Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 31 December 2021.

R million		As at 31 December 2020*							
		Exposure values by RW bands**	Exposure values by regulatory approach#		RWA by regulatory approach		Minimum capital requirements†		
			≤20% RW	IRB		IRB		IRB	
				RBA	SFA	RBA	SFA	RBA	SFA
4.	Securitisation – Retail	25 039	–	25 039	–	3 220	–	386	
5.	– Corporate	–	–	–	–	–	–	–	
Total		25 039	–	25 039	–	3 220	–	386	

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC4 template) during the period under review.

** There were no exposures in the >20% to 50%, >50% to 100%, >100% to <1 250% and 1 250% RW bands.

There were no exposures under the standardised approach or unrated notes risk weighted at 1 250%.

† Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 31 December 2020.

R million		As at 30 June 2021*							
		Exposure values by RW bands**	Exposure values by regulatory approach#		RWA by regulatory approach		Minimum capital requirements†		
			≤20% RW	IRB		IRB		IRB	
				RBA	SFA	RBA	SFA	RBA	SFA
4.	Securitisation – Retail	25 363	–	25 363	–	1 882	–	226	
5.	– Corporate	–	–	–	–	–	–	–	
Total		25 363	–	25 363	–	1 882	–	226	

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC4 template) during the period under review.

** There were no exposures in the >20% to 50%, >50% to 100%, >100% to <1 250% and 1 250% RW bands.

There were no exposures under the standardised approach or unrated notes risk weighted at 1 250%.

† Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 30 June 2021.

TRADED MARKET RISK

MR1: MARKET RISK UNDER STANDARDISED APPROACH

R million		RWA					
		FirstRand			FRB*		
		As at 31 Dec 2021	As at 31 Dec 2020	As at 30 June 2021	As at 31 Dec 2021	As at 31 Dec 2020	As at 30 June 2021
Outright products							
1.	Interest rate risk	9 721	8 512	8 668	6 926	5 512	6 204
	– Specific risk	7 570	6 750	6 861	6 926	5 205	6 194
	– General risk	2 151	1 762	1 807	–	307	10
2.	Equity risk	1 091	511	866	997	511	830
	– Specific risk	1 091	511	866	997	511	830
	– General risk	–	–	–	–	–	–
3.	Foreign exchange risk	1 360	2 643	3 154	978	2 126	2 077
	– Traded market risk	445	310	504	63	36	82
	– Non-traded market risk	915	2 333	2 650	915	2 090	1 995
4.	Commodity risk	–	–	–	–	–	–
9.	Total	12 172	11 666	12 688	8 901	8 149	9 111

* FRB includes foreign branches.

Market risk was contained within acceptable stress loss limits and effectively managed across the group and its subsidiaries for the period under review. The increase in standardised RWA was mainly driven by general risk from the group's rest of Africa subsidiaries due to increased foreign currency risk on the banking book.

Options are capitalised using the internal models approach (IMA) (rows 5 – 7 of the MR1 template are therefore excluded) (refer to MR3: IMA values for traded market risk template on page 61), and securitisations (row 8 of the MR1 template excluded) are capitalised under the securitisation framework (refer to the *Securitisations* section).

MR2: RWA FLOW STATEMENTS OF MARKET RISK EXPOSURES UNDER AN IMA*

R million		VaR	sVaR**	Total RWA
1.	RWA at 30 September 2021	9 757	5 693	15 450
2.	Movement in risk levels	292	3 089	3 381
3.	Model updates/changes	–	–	–
4.	Methodology and policy	–	–	–
5.	Acquisitions and disposals	–	–	–
6.	Foreign exchange movements	–	–	–
7.	Other	–	–	–
8.	RWA at 31 December 2021	10 049	8 782	18 831

* The group does not use the incremental risk charge and comprehensive risk measure approaches.

** sVaR = stressed VaR

Overall, there was an increase in market risk RWA driven by the positioning of the book in response to global and domestic trading environments which mainly affected the interest rate asset class.

IMA VALUES

Total market risk is split between traded and non-traded market risk. Traded market risk represents the portfolios that are designated as trading book for regulatory reporting, and is shown in the following tables.

The group does not use the incremental risk charge (rows 9 – 12 of the MR3 template) and comprehensive risk measure (rows 13 – 17 of the MR3 template) approaches.

MR3: IMA VALUES FOR TRADED MARKET RISK

R million		FRBSA*						
		As at 31 December 2021						
		Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversification total
VaR (10-day 99%)								
1.	Maximum value	32.0	329.7	79.1	55.8	33.1		277.7
2.	Average value	12.8	201.2	43.2	33.3	17.9		212.8
3.	Minimum value	4.6	153.2	8.1	9.6	6.3		156.4
4.	Period end	21.4	168.8	48.8	21.3	24.0	(73.4)	210.8
sVaR (10-day 99%)								
5.	Maximum value	62.5	446.8	166.3	86.9	40.9		233.0
6.	Average value	22.8	316.6	71.3	44.6	19.4		155.9
7.	Minimum value	8.8	206.1	13.2	16.8	7.4		76.7
8.	Period end	22.4	341.0	79.5	42.5	18.6	(325.2)	178.7
VaR (1-day 99%)								
	Maximum value	16.6	198.1	39.7	33.4	11.5		146.1
	Average value	6.1	101.1	21.4	18.9	6.9		110.6
	Minimum value	3.0	65.7	3.5	4.5	4.2		73.6
	Period end	9.4	82.7	18.4	15.0	5.8	(45.6)	85.9

R million		FRBSA*						
		As at 31 December 2020						
		Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversified total
VaR (10-day 99%)								
1.	Maximum value	162.3	449.0	80.9	65.8	47.2		374.4
2.	Average value	45.1	255.4	35.8	45.1	24.0		246.7
3.	Minimum value	3.2	175.6	5.9	16.4	5.2		140.2
4.	Period end	5.0	392.9	64.4	21.0	8.9	(235.0)	257.2
sVaR (10-day 99%)								
5.	Maximum value	72.1	409.4	116.3	29.8	80.4		205.5
6.	Average value	14.2	259.4	48.9	20.7	38.6		162.6
7.	Minimum value	2.7	183.3	10.5	15.8	7.9		108.6
8.	Period end	4.5	319.5	97.5	29.8	18.3	(286.5)	183.1
VaR (1-day 99%)								
	Maximum value	39.3	332.3	51.6	28.7	16.8		310.8
	Average value	9.4	146.3	16.2	17.0	10.6		124.6
	Minimum value	2.2	35.5	5.0	8.5	4.5		89.7
	Period end	3.2	321.5	23.2	12.3	5.4	(233.6)	132.0

MR3: IMA VALUES FOR TRADED MARKET RISK continued

R million		FRBSA*						
		As at 30 June 2021						
		Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversification total
VaR (10-day 99%)								
1.	Maximum value	162.3	554.2	80.9	65.8	47.2		374.4
2.	Average value	38.0	266.9	35.3	41.0	17.8		242.2
3.	Minimum value	3.2	110.7	5.9	16.4	4.9		140.2
4.	Period end	12.5	193.3	40.6	41.8	6.4	(92.4)	202.2
sVaR (10-day 99%)								
5.	Maximum value	91.8	415.9	131.1	60.7	80.4		218.9
6.	Average value	21.1	278.4	53.1	32.3	29.6		162.5
7.	Minimum value	1.8	137.3	10.5	15.8	7.9		108.6
8.	Period end	9.2	267.7	60.2	46.9	10.7	(259.0)	135.6
VaR (1-day 99%)								
	Maximum value	39.3	332.3	45.5	28.7	16.8		181.0
	Average value	8.7	140.0	17.6	17.3	8.5		127.6
	Minimum value	2.2	35.5	1.8	8.5	4.0		31.9
	Period end	5.5	112.0	19.1	21.4	4.9	(50.0)	112.8

* The IMA values for traded market risk are for FRBSA, which excludes the foreign branches and subsidiaries in the rest of Africa. These are reported on in the standardised approach for market risk.

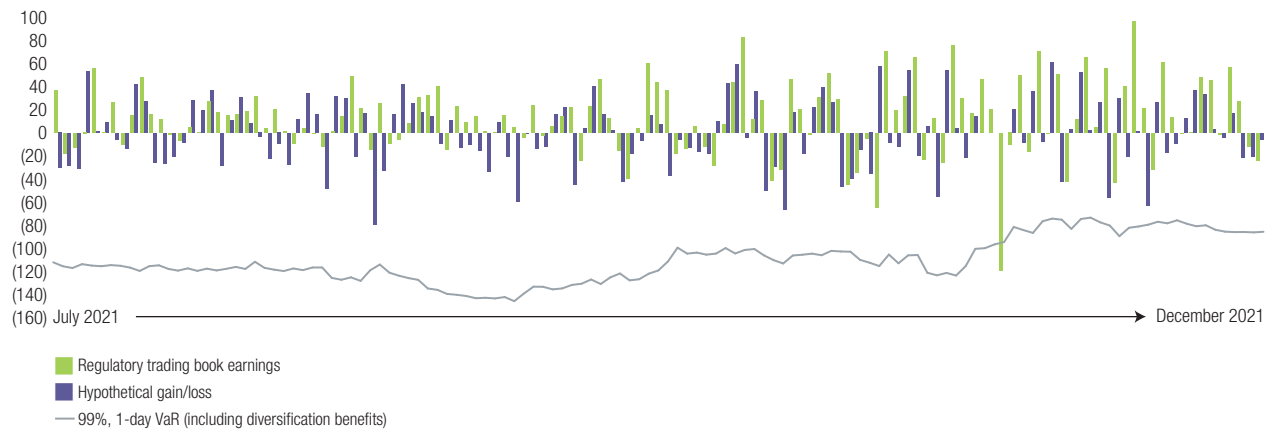
The IMA measures over the review period reflect the positioning across all asset classes and remained within acceptable appetite for the market risk profile.

BACKTESTING: DAILY REGULATORY TRADING BOOK EARNINGS VERSUS 1-DAY, 99% VaR

The group monitors its daily domestic earnings profile as illustrated in the following chart. The earnings and 1-day VaR relate to the group's internal VaR model.

MR4: Comparison of VaR estimates with gains/losses for FRBSA

R million



There were no significant changes in the 1-day, 99% VaR. Trading book earnings did exceed 1-day VaR during the period under review stemming from interest rate moves in the market, however, the group's internal model continues to quantify market risk appropriately.

INTEREST RATE RISK IN THE BANKING BOOK

PROJECTED NET INTEREST INCOME (NII) SENSITIVITY TO INTEREST RATE MOVEMENTS

<i>R million</i>	As at 31 December 2021		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in the rest of Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(1 324)	(747)	(2 071)
Upward 200 bps	928	401	1 329

<i>R million</i>	As at 31 December 2020		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in the rest of Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(2 128)	(718)	(2 846)
Upward 200 bps	1 199	304	1 503

<i>R million</i>	As at 30 June 2021		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in the rest of Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(1 621)	(777)	(2 398)
Upward 200 bps	1 066	428	1 494

BANKING BOOK NET ASSET VALUE SENSITIVITY TO INTEREST RATE MOVEMENTS AS A PERCENTAGE OF TOTAL CAPITAL

	FRBSA			FirstRand		
	As at 31 December 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2021	As at 31 December 2020	As at 30 June 2021
%						
Downward 200 bps	4.52	4.49	4.55	3.05	2.95	3.20
Upward 200 bps	(4.10)	(4.05)	(4.12)	(2.77)	(2.67)	(2.90)

STRUCTURAL FOREIGN EXCHANGE RISK

NET STRUCTURAL FOREIGN EXPOSURES

<i>R million</i>	As at 31 December 2021		As at 31 December 2020		As at 30 June 2021	
	Exposure	Impact on equity from 15% currency translation shock	Exposure	Impact on equity from 15% currency translation shock	Exposure	Impact on equity from 15% currency translation shock
Functional currency						
Botswana pula	4 757	714	5 558	834	5 632	845
US dollar	9 630	1 444	8 826	1 324	9 232	1 385
British pound sterling	35 993	5 399	22 233	3 335	26 390	3 958
Nigerian naira	2 403	360	2 102	315	2 010	301
Australian dollar	–	–	27	4	25	4
Zambian kwacha	1 052	158	435	65	502	75
Mozambican metical	637	96	394	59	439	66
Indian rupee	843	126	836	125	742	111
Ghanaian cedi	1 392	209	1 339	201	1 266	190
Tanzanian shilling	308	46	252	38	318	48
Common Monetary Area (CMA) countries*	7 651	1 148	7 017	1 052	7 220	1 083
Total	64 666	9 700	49 019	7 352	53 776	8 066

* Namibia, Eswatini and Lesotho are currently part of the CMA. Unless these countries decide to exit the CMA, rand volatility will not impact their rand reporting values.

EQUITY INVESTMENT RISK

INVESTMENT RISK EXPOSURE, SENSITIVITY AND CAPITAL REQUIREMENT

<i>R million</i>	FirstRand								
	As at 31 December 2021			As at 31 December 2020			As at 30 June 2021		
	Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total
Carrying value of investments	4	10 777	10 781	12	11 551	11 563	4	10 139	10 143
Per risk bucket									
250% – Basel III investments in financial entities	–	5 555	5 555	–	4 927	4 927	–	5 255	5 255
300% – Listed investments	4	–	4	12	–	12	4	–	4
400% – Unlisted investments	–	5 222	5 222	–	6 624	6 624	–	4 884	4 884
Equity investments in funds*									
Mandate-based approach	–	1 777	1 777	–	–	–	–	2 072	2 072
Latent revaluation gains not recognised in the balance sheet**	–	1 153	1 153	–	1 627	1 627	–	6 689	6 689
Fair value	4	13 707	13 711	12	13 178	13 190	4	18 900	18 904
Listed investment risk exposure included in the equity investment risk expected tail loss (ETL) process	–	4	4	11	–	11	4	–	4
Estimated sensitivity to 10% movement in market value on investment fair value of remaining investment balances			119			254			149
Cumulative gains realised from sale of positions in the banking book during the year			111			3			54
Capital requirement#	2	5 271	5 272	5	4 849	4 854	2	5 049	5 051

* The Regulation relating to equity investments in funds came into effect from 1 January 2021.

** These unrealised gains or losses are not included in Tier 1 or Tier 2 capital.

Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB, as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 31 December 2021.

INVESTMENT RISK EXPOSURE, SENSITIVITY AND CAPITAL continued

R million	FRBSA								
	As at 31 December 2021			As at 31 December 2020			As at 30 June 2021		
	Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total
Carrying value of investments	4	542	546	4	1 123	1 127	4	830	834
Per risk bucket									
250% – Basel III investments in financial entities	–	146	146	–	181	181	–	153	153
300% – Listed investments	4	–	4	4	–	4	4	–	4
400% – Unlisted investments	–	396	396	–	942	942	–	677	677
Equity investments in funds*									
Mandate-based approach	–	100	100	–	–	–	–	136	136
Latent revaluation gains not recognised in the balance sheet**	–	–	–	–	–	–	–	–	–
Fair value	4	642	646	4	1 123	1 127	4	966	970
Listed investment risk exposure included in the equity investment risk ETL process	–	4	4	4	–	4	4	–	4
Estimated sensitivity to 10% movement in market value on investment fair value of remaining investment balances			64			113			97
Cumulative gains realised from sale of positions in the banking book during the year									
Capital requirement [#]	2	293	295	2	479	481	2	450	452

* The Regulation relating to equity investments in funds came into effect from 1 January 2021.

** These unrealised gains or losses are not included in Tier 1 or Tier 2 capital.

[#] Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB, as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 31 December 2021.

CR10: FIRSTRAND EQUITY EXPOSURES USING SIMPLE RISK WEIGHT METHOD AND EQUITY INVESTMENTS IN FUNDS

R million	As at 31 December 2021				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	4	–	300%	4	14
Private equity exposures	5 222	–	400%	5 222	22 140
Subtotal	5 226	–		5 226	22 154
Equity investments in funds**					
Mandate-based approach	1 777	–	444%	1 777	7 894
Financial and insurance entities	5 555	–	250%	5 555	13 887
Total	12 558	–		12 558	43 935

* RWA includes 6% scaling factor.

** The Regulation relating to equity investments in funds came into effect from 1 January 2021.

R million	As at 31 December 2020				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	12	–	300%	12	39
Private equity exposures	6 624	–	400%	6 624	28 087
Subtotal	6 636	–		6 636	28 126
Financial and insurance entities	4 927	–	250%	4 927	12 318
Total	11 563	–		11 563	40 444

* RWA includes 6% scaling factor.

R million	As at 30 June 2021				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	4	–	300%	4	14
Private equity exposures	4 884	–	400%	4 884	20 708
Subtotal	4 888	–		4 888	20 722
Equity investments in funds**					
Mandate-based approach	2 072	–	397%	2 072	8 224
Financial and insurance entities	5 255	–	250%	5 255	13 138
Total	12 215	–		12 215	42 084

* RWA includes 6% scaling factor.

** The Regulation relating to equity investments in funds came into effect from 1 January 2021.

CR10: FRBSA* EQUITY EXPOSURES USING SIMPLE RISK WEIGHT METHOD AND EQUITY INVESTMENTS IN FUNDS

R million	As at 31 December 2021				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures**	4	–	300%	4	13
Private equity exposures	396	–	400%	396	1 681
Subtotal	400	–		400	1 694
Equity investments in funds#					
Mandate-based approach	100	–	394%	100	395
Financial and insurance entities	146	–	250%	146	365
Total	647	–		747	2 454

* Excludes foreign branches.

** RWA includes 6% scaling factor.

The Regulation relating to equity investments in funds came into effect from 1 January 2021.

R million	As at 31 December 2020				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures**	4	–	300%	4	14
Private equity exposures	943	–	400%	943	3 997
Subtotal	947	–		947	4 011
Financial and insurance entities	181	–	250%	–	453
Total	1 128	–		1 128	4 464

* Excludes foreign branches.

** RWA includes 6% scaling factor.

R million	As at 30 June 2021				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures**	4	–	300%	4	13
Private equity exposures	677	–	400%	677	2 872
Subtotal	681	–		681	2 885
Equity investments in funds#					
Mandate-based approach	136	–	365%	136	497
Financial and insurance entities	153	–	250%	153	383
Total	970	–		834	3 765

* Excludes foreign branches.

** RWA includes 6% scaling factor.

The Regulation relating to equity investments in funds came into effect from 1 January 2021.

ABBREVIATIONS AND DEFINITIONS

AIRB	Advanced internal ratings-based
BCBS	Basel Committee on Banking Supervision
CCF	Credit conversion factors
CCR	Counterparty credit risk
CCyB	Countercyclical buffer
CMA	Common Monetary Area
CRM	Credit risk mitigation
CVA	Credit value adjustment
D-SIB	Domestic systemically important bank
EAD	Exposure at default. Gross exposure of a facility upon default of a counterparty.
ECL	Expected credit loss
EEPE	Effective expected positive exposure
ETL	Expected tail loss
FRB	FirstRand Bank Limited (including foreign branches)
FRBSA	FirstRand Bank Limited South Africa (excluding foreign branches)
IAA	Internal assessment approach
IMA	Internal models approach
IRB	Internal ratings-based (approach for securitisation exposures)
LGD	Loss given default. Economic loss that will be suffered on an exposure following default of the counterparty, expressed as a percentage of the amount outstanding at the time of default.
LTV	Loan-to-value
NII	Net interest income
NPLs	Non-performing loans
OTC	Over-the-counter
PD	Probability of default. Probability that a counterparty will default within the next year (considering the ability and willingness of the counterparty to repay).
RBA	Ratings-based approach
RW	Risk-weighted
RWA	Risk-weighted assets. Prescribed risk weightings relative to the credit risk of counterparties, operational risk, market risk, equity investment risk and other risk multiplied by on- and off-balance sheet assets.
S&P	S&P Global Ratings
SA	Standardised approach for securitisation exposures
SA-CCR	Standardised approach to counterparty credit risk
SFA	Supervisory formula approach
SM-CCR	Standardised method for measuring counterparty credit risk
SMEs	Small and medium-sized enterprises
SSFA	Simplified supervisory formula approach
sVaR	Stressed VaR
VaR	Value-at-risk

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