



**Basel 3
common
disclosure
templates**



FIRSTRAND

INTRODUCTION

In accordance with Section 6(6) of the Banks Act and Basel III, the South African Reserve Bank issued directives impacting the group's Pillar 3 disclosures. Common disclosures are required to be published for capital, liquidity and leverage in line with the following directives:

- Capital – Directive 3/2015;
- Leverage – Directive 4/2014; and
- Liquidity – Directives 6/2014 and 11/2014.

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Certain entities within the FirstRand group are Authorised Financial Services and Credit Providers

This analysis is available on the group's website: www.firststrand.co.za

Email questions to investor.relations@firststrand.co.za



capital

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COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE

R million	FirstRand Limited 31 December			
	2016	Amounts subject to pre-Basel III treatment	Reference	2015
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1 Directly issued qualifying common share capital and share premium	8 090		a	8 036
2 Retained earnings	78 778		b	73 778
3 Accumulated other comprehensive income (and other reserves)	1 016		c	4 761
4 Directly issued capital subject to phase out from CET1 (only applicable to joint stock companies) Public sector capital injections grandfathered until 1 January 2018				
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1 028	3 848	d	774
6 CET1 capital before regulatory adjustments	88 912			87 349
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
7 Prudential valuation adjustments	–			–
8 Goodwill (net of related tax liability)	910		e	1 034
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	777		f	540
10 Deferred tax assets that rely on future probability excluding those arising from temporary differences (net of related tax liability)	371		g	472
11 Cash flow hedge reserve	353			718
12 Shortfall of provisions to expected losses	56			108
13 Securitisation gain on sale	–			–
14 Gains and losses due to changes in own credit risk on fair valued liabilities	–			–
15 Defined benefit pension fund net assets	8		h	4
16 Investments in own shares (if not already netted off paid in capital on reported balance sheet)	–			–
17 Reciprocal cross-holdings in common equity	–			–
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–			–
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–			–
20 Mortgage servicing rights (amount above 10% threshold)	–			–
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–			–
22 Amount exceeding 15% threshold	–			–
23 of which: significant investments in the common stock of financials	–			–
24 of which: mortgage servicing rights	–			–
25 of which: deferred tax assets arising from temporary differences	–			–
26 National specific regulatory adjustments	1 115		i	590
Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
27 Regulatory adjustments applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	–			–
28 Total regulatory adjustments to CET1	3 590			3 466
29 CET1 capital	85 322			83 883
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30 Directly issued qualifying AT1 instruments plus related stock surplus	–			–
31 of which: classified as equity under applicable accounting standards	–			–
32 of which: classified as liability under applicable accounting standards	–			–
33 Directly issued capital instruments subject to phase out from AT1	2 711		j	3 163
34 AT1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	2 820		k	1 858
35 of which: instruments issued by subsidiaries subject to phase out	–			–
36 AT1 capital before regulatory adjustments	5 531			5 021

Composition of capital disclosure template *continued*

R million	FirstRand Limited 31 December			
	2016	Amounts subject to pre-Basel III treatment	Reference	2015
ADDITIONAL TIER 1: REGULATORY ADJUSTMENTS				
37 Investments in own AT1 instruments	–			–
38 Reciprocal cross-holdings in AT1 instruments	–			–
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–			–
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–			–
41 National specific regulatory adjustments	819		l	–
Regulatory adjustments applied to AT1 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
42 Regulatory adjustments applied to AT1 due to insufficient Tier 2 to cover deductions	–			–
43 Total regulatory adjustments to AT1 capital	819			–
44 AT1 capital	4 712			5 021
45 Tier 1 capital (CET1 + AT1)	90 034			88 904
TIER 2 CAPITAL AND PROVISIONS				
46 Directly issued qualifying Tier 2 instruments	–			–
47 Directly issued capital instruments subject to phase out from Tier 2	–			–
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	18 321		m	13 814
49 of which: instruments issued by subsidiaries subject to phase out	6 168			6 517
50 Provisions	1 439			846
51 Tier 2 capital before regulatory adjustments	19 760			14 660
TIER 2 CAPITAL: REGULATORY ADJUSTMENTS				
52 Investments in own Tier 2 instruments	–			–
53 Reciprocal cross-holdings in Tier 2 instruments	–			–
54 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–			–
55 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–			–
56 National specific regulatory adjustments	1 770		n	–
Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
57 Total regulatory adjustments to Tier 2 capital	1 770			–
58 Tier 2 capital	17 990			14 660
59 Total capital (Tier 1 + Tier 2)	108 024			103 564
Risk weighted assets in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
60 Total risk weighted assets	715 240			680 400
CAPITAL RATIOS				
61 CET1 (as a percentage of risk weighted assets)	11.93%			12.33%
62 Tier 1 (as a percentage of risk weighted assets)	12.59%			13.07%
63 Total capital (as a percentage of risk weighted assets)	15.10%			15.22%
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	6.88%			6.50%
65 of which: capital conservation buffer requirement	0.63%			0%
66 of which: bank specific countercyclical buffer requirement	0%			0%
67 of which: G-SIB buffer requirement	0%			0%
68 CET1 available to meet buffers (as a percentage of risk weighted assets)	4.46%			5.07%

Composition of capital disclosure template *continued*

<i>R million</i>	FirstRand Limited as at 31 December			
	2016	Amounts subject to pre-Basel III treatment	Reference	2015
NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)				
69 National CET1 minimum ratio	6.88%			6.50%
70 National Tier 1 minimum ratio	8.13%			8.00%
71 National total capital minimum ratio	10.38%			10.00%
AMOUNTS BELOW THE THRESHOLD FOR DEDUCTIONS (BEFORE RISK WEIGHTING)				
72 Non-significant investments in the capital of financials	690			903
73 Significant investments in the capital of financials	3 428			3 435
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	1 628		o	415
APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1 439			846
77 Cap on inclusion of provisions in Tier 2 under standardised approach	1 572			1 567
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–			–
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2 298			2 187
CAPITAL INSTRUMENTS SUBJECT TO PHASE OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JAN 2018 AND 1 JAN 2022)				
80 Current cap on CET1 instruments subject to phase out arrangements				
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)				
82 Current cap on AT1 instruments subject to phase out arrangements				
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)				
84 Current cap on Tier 2 instruments subject to phase out arrangements				
85 Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)				

RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES

<i>R million</i>	FirstRand Limited as at 31 December 2016		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference*
ASSETS			
Cash and cash equivalents	65 983	65 959	
Derivative financial instruments	35 721	35 721	
Commodities	9 110	9 110	
Investment securities	166 245	161 936	
Advances	864 171	864 171	
Accounts receivable	9 514	9 485	
Current tax asset	509	503	
Non-current assets and disposal groups held for sale	833	833	
Investments in subsidiary companies	–	685	
Investments in associates	5 173	5 173	
Reinsurance assets	81	–	
Investments in joint ventures	1 458	1 458	
Property and equipment	17 591	17 590	
Intangible assets	1 689	1 486	
– Goodwill		910	e
– Intangibles		576	f**
Investment properties	399	399	
Post-employment benefit asset	8	8	h
Deferred income tax asset	2 003	1 977	
– Relating to temporary differences		1 628	o
– Other than temporary differences		349	g**
Total assets	1 180 488		
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	13 874	13 874	
Derivative financial instruments	45 499	45 499	
Creditors, accruals and provisions	16 890	16 742	
Current tax liability	536	529	
Liabilities directly associated with disposal groups held for sale	508	508	
Deposits	951 970	951 916	
Employee liabilities	7 316	7 290	
Other liabilities	7 674	7 674	
Amounts due to subsidiary companies	–	239	
Policyholder liabilities	3 296	–	
Deferred income tax liability	1 005	974	
Tier 2 liabilities	20 146	16 551	m – n
Total liabilities	1 068 714		
Equity			
Ordinary shares	56	56	a
Share premium	8 034	8 034	a
Reserves	95 317	79 036	
– Retained earnings	94 312	78 076	b**, #
– Accumulated other comprehensive income (and other reserves)	1 005	960	c**
Capital and reserves attributable to ordinary equityholders	103 407	87 126	
NCNR preference shares	4 519	2 711	j
Capital and reserves attributable to equityholders of the group	107 926	89 837	
Non-controlling interests – CET1	3 848	666	d – i†
Non-controlling interests – AT1	–	2 001	k – l
Total equity	111 774	92 504	
Total equity and liabilities	1 180 488		

* Reference to composition of capital table.

** Amount included under regulatory scope of consolidation excludes balances related to insurance entities. Deduction for insurance entities included under national specific regulatory deductions on the composition of capital disclosure template.

Excludes unappropriated profits.

† Surplus minority capital included in regulatory adjustments totalling R362 million. Non-banking minority capital included under non-controlling interest – AT1.

MAIN FEATURES DISCLOSURE TEMPLATE

FirstRand Limited as at 31 December 2016																					
	Ordinary share capital and premium	NCNR preference shares	FRB05	FRB09	FRB11	FRBC21	FRBC22	FRB12	FRB13	FRB14	IFC (private placement)	FRB15	FRB16	FRB17	FRB18	FRB19	FRB20	FRB21	FRB22	FNB J22	FNB X22
1 Issuer	FirstRand Limited	FirstRand Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FNB Namibia Ltd	FNB Namibia Ltd
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000066304	ZAE000060141	ZAG000031337	ZAG000047804	ZAG000102054	ZAG000052283	ZAG000052390	ZAG000116278	ZAG000116286	ZAG000116294	Not applicable	ZAG000124199	ZAG000127622	ZAG000127630	ZAG000135229	ZAG000135310	ZAG000135385	ZAG000140856	ZAG000141219	NA000A1G3AF2	NA000A1G3AG0
3 Governing law(s) of the instrument	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	Namibia Law	Namibia Law
Regulatory treatment																					
4 Transitional Basel III rules	CET1	AT1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	CET1	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Ineligible	Ineligible
6 Eligible at solo/group/group and solo	Group	Group	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo
7 Instrument type (types to be specified by each jurisdiction)	CET1	AT1	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
8 Amount recognised in regulatory capital (R million)	8 090	2 711	1 669	79	1 187	497	348	1 727	148	125	US\$172.5	2 000	1 750	601	1 500	500	645	1 000	1 250	NAD168	NAD66
9 Par value of instrument (R million)	8 090	4 519	2 110	100	1 500	628	440	1 727	148	125	US\$172.5	2 000	1 750	601	1 500	500	645	1 000	1 250	NAD280	NAD110
10 Accounting classification	Shareholders' equity	Shareholders' equity	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11 Original date of issuance	1 April 1998	10 November 2004	23 June 2006	10 December 2007	11 December 2012	22 April 2008	22 April 2008	02 June 2014	02 June 2014	02 June 2014	09 April 2014	06 March 2015	08 July 2015	08 July 2015	13 April 2016	14 April 2016	15 April 2016	24 November 2016	08 December 2016	29 March 2012	29 March 2012
12 Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	No maturity	No maturity	21 December 2023	10 June 2022	11 December 2022	No maturity	No maturity	02 June 2024	02 June 2026	02 June 2026	11 April 2024	06 March 2025	08 July 2025	08 January 2027	13 April 2026	14 April 2026	15 April 2026	24 November 2026	08 December 2027	29 March 2022	29 March 2022
14 Issuer call subject to prior supervisory approval	Not applicable	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	21 December 2018	10 June 2017	11 December 2017	21 December 2018	21 December 2018	02 June 2019	02 June 2021	02 June 2021	09 April 2019	06 March 2020	08 July 2020	08 January 2022	13 April 2021	14 April 2021	15 April 2021	24 November 2021	08 December 2022	29 March 2017	29 March 2017
Tax and/or regulatory event call	Not applicable	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Redemption amount	Not applicable	Not applicable	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal
16 Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Coupons/dividends																					
17 Fixed or floating dividend/coupon	Floating	Floating	Fixed	Floating	Floating	Fixed	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Floating	Fixed
18 Coupon rate and any related index	Not applicable	75.56% of prime	8.5%	70 bps over 3 month jibar	290 bps over 3 month jibar	12%	300 bps over 3 month jibar	225 bps over 3 month jibar	239 bps over 3 month jibar	10%	415 bps over US\$6 month libor	350 bps over 3 month jibar	350 bps over 3 month jibar	365 bps over 3 month jibar	400 bps over 3 month jibar	12.345%	400 bps over 3 month jibar	385 bps over 3 month jibar	390 bps over 3 month jibar	165 bps over 3 month jibar	8.88%
19 Existence of a dividend stopper	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory

Main features disclosure template *continued*

FirstRand Limited as at 31 December 2016																						
	Ordinary share capital and premium	NCNR preference shares	FRB05	FRB09	FRB11	FRBC21	FRBC22	FRB12	FRB13	FRB14	IFC (private placement)	FRB15	FRB16	FRB17	FRB18	FRB19	FRB20	FRB21	FRB22	FNB22	FNBX22	
21 Existence of step up or other incentive to redeem	Not applicable	Not applicable	Yes	Yes	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Cumulative	Cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	
23 Convertible or non-convertible	Not applicable	Not applicable	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	
24 If convertible, conversion trigger(s)											Contractual											
25 If convertible, fully or partially											Fully											
26 If convertible, conversion rate											Consistent with Clause 3.1.2 of Guidance Note 7											
27 If convertible, mandatory or optional conversion											Mandatory											
28 If convertible, specify instrument type convertible into											Ordinary shares											
29 If convertible, specify issuer of instrument it converts into											FirstRand Limited											
30 Write-down feature	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Yes	Yes	Yes	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Not applicable	Not applicable
31 If write-down, write-down trigger(s)								Contractual; replaced with statutory once implemented	Contractual; replaced with statutory once implemented	Contractual; replaced with statutory once implemented		Contractual; replaced with statutory once implemented	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual		
32 If write-down, full or partial								Full	Full	Full		Full	Full	Full	Full	Full	Full	Full	Full	Full		
33 If write-down, permanent or temporary								Permanent	Permanent	Permanent		Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent		
34 If temporary write-down, description of write-up mechanism								Not applicable	Not applicable	Not applicable		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable		
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NCNR preference shares	Subordinated debt	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	
36 Non-compliant transitioned features	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	Yes
37 If yes, specify non-compliant features		Excludes loss absorbency requirement	Excludes loss absorbency requirement at PONV*	Excludes loss absorbency requirement at PONV*	Excludes loss absorbency requirement at PONV*	Excludes loss absorbency requirement at PONV*	Excludes loss absorbency requirement at PONV*	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Excludes loss absorbency requirement at PONV*	Excludes loss absorbency requirement at PONV*

* Point of non-viability.

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (FIRSTRAND BANK INCLUDING FOREIGN BRANCHES)

R million	FirstRand Bank Limited* as at 31 December			
	2016	Amounts subject to pre-Basel III treatment	Reference	2015
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1 Directly issued qualifying common share capital and share premium	16 808		a	16 808
2 Retained earnings	51 131		b	48 131
3 Accumulated other comprehensive income (and other reserves)	1 014		c	2 279
4 Directly issued capital subject to phase out from CET1 (only applicable to joint stock companies) Public sector capital injections grandfathered until 1 January 2018				
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–	–		–
6 CET1 capital before regulatory adjustments	68 953			67 218
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
7 Prudential valuation adjustments	–			–
8 Goodwill (net of related tax liability)	–			–
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	177		d	110
10 Deferred tax assets that rely on future probability excluding those arising from temporary differences (net of related tax liability)	70		e	249
11 Cash flow hedge reserve	353			718
12 Shortfall of provisions to expected losses	56			107
13 Securitisation gain on sale	–			–
14 Gains and losses due to changes in own credit risk on fair valued liabilities	–			–
15 Defined benefit pension fund net assets	–			–
16 Investments in own shares (if not already netted off paid in capital on reported balance sheet)	–			–
17 Reciprocal cross-holdings in common equity	–			–
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–			–
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–			–
20 Mortgage servicing rights (amount above 10% threshold)	–			–
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–			–
22 Amount exceeding 15% threshold	–			–
23 of which: significant investments in the common stock of financials	–			–
24 of which: mortgage servicing rights	–			–
25 of which: deferred tax assets arising from temporary differences	–			–
26 National specific regulatory adjustments	–			–
Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
27 Regulatory adjustments applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	–			–
28 Total regulatory adjustments to CET1	656			1 184
29 CET1 capital	68 297			66 034
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30 Directly issued qualifying AT1 instruments plus related stock surplus	–			–
31 of which: classified as equity under applicable accounting standards	–			–
32 of which: classified as liability under applicable accounting standards	–			–
33 Directly issued capital instruments subject to phase out from AT1	1 800		f	2 100
34 AT1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	–			–
35 of which: instruments issued by subsidiaries subject to phase out	–			–
36 AT1 capital before regulatory adjustments	1 800			2 100

* FirstRand Bank Limited including foreign branches.

Composition of capital disclosure template (FRB including foreign branches) *continued*

<i>R million</i>	FirstRand Bank Limited* as at 31 December			
	2016	Amounts subject to pre-Basel III treatment	Reference	2015
ADDITIONAL TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
37 Investments in own AT1 instruments	–			–
38 Reciprocal cross-holdings in AT1 instruments	–			–
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–			–
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–			–
41 National specific regulatory adjustments	–			–
Regulatory adjustments applied to AT1 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
42 Regulatory adjustments applied to AT1 due to insufficient Tier 2 to cover deductions	–			–
43 Total regulatory adjustments to AT1 capital	–			–
44 AT1 capital	1 800			2 100
45 Tier 1 capital (CET1 + AT1)	70 097			68 134
TIER 2 CAPITAL AND PROVISIONS				
46 Directly issued qualifying Tier 2 instruments	13 612		g	9 048
47 Directly issued capital instruments subject to phase out from Tier 2	4 571		h	5 333
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–			–
49 of which: instruments issued by subsidiaries subject to phase out	–			–
50 Provisions	441			308
51 Tier 2 capital before regulatory adjustments	18 624			14 689
TIER 2 CAPITAL: REGULATORY ADJUSTMENTS				
52 Investments in own Tier 2 instruments	–			–
53 Reciprocal cross-holdings in Tier 2 instruments	–			–
54 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–			–
55 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–			–
56 National specific regulatory adjustments	–			184
Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-Basel III treatment	140			–
of which:	–			–
of which:	–			–
57 Total regulatory adjustments to Tier 2 capital	140			184
58 Tier 2 capital	18 484			14 505
59 Total capital (Tier 1 + Tier 2)	88 581			82 639
Risk weighted assets in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
60 Total risk weighted assets	573 398			538 027
CAPITAL RATIOS				
61 CET1 (as a percentage of risk weighted assets)	11.91%			12.27%
62 Tier 1 (as a percentage of risk weighted assets)	12.22%			12.66%
63 Total capital (as a percentage of risk weighted assets)	15.45%			15.36%
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	6.88%			6.50%
65 of which: capital conservation buffer requirement	0.63%			0%
66 of which: bank specific countercyclical buffer requirement	0%			0%
67 of which: G-SIB buffer requirement	0%			0%
68 CET1 available to meet buffers (as a percentage of risk weighted assets)	4.09%			4.66%

* FirstRand Bank Limited including foreign branches.

Composition of capital disclosure template (FRB including foreign branches) *continued*

	FirstRand Bank Limited* as at 31 December			
	2016	Amounts subject to pre-BaseI III treatment	Reference	2015
<i>R million</i>				
NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)				
69 National CET1 minimum ratio	6.88%			6.50%
70 National Tier 1 minimum ratio	8.13%			8.00%
71 National total capital minimum ratio	10.38%			10.00%
AMOUNTS BELOW THE THRESHOLD FOR DEDUCTIONS (BEFORE RISK WEIGHTING)				
72 Non-significant investments in the capital of financials	260			551
73 Significant investments in the capital of financials	402			346
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	1 142		i	211
APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	496			308
77 Cap on inclusion of provisions in Tier 2 under standardised approach	441			544
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–			–
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2 353			2 238
CAPITAL INSTRUMENTS SUBJECT TO PHASE OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JAN 2018 AND 1 JAN 2022)				
80 Current cap on CET1 instruments subject to phase out arrangements				
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)				
82 Current cap on AT1 instruments subject to phase out arrangements				
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)				
84 Current cap on Tier 2 instruments subject to phase out arrangements				
85 Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)				

* FirstRand Bank Limited including foreign branches.

RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES

<i>R million</i>	FirstRand Bank Limited as at 31 December 2016		
	IFRS published financial statements FirstRand Bank Limited	Under regulatory scope of consolidation*	Reference**
ASSETS			
Cash and cash equivalents	51 035	51 035	
Derivative financial instruments	35 389	35 389	
Commodities	9 110	9 110	
Investment securities	131 470	131 470	
Advances	767 013	767 013	
Current tax asset	7 245	7 245	
Accounts receivable	315	315	
Amounts due by holding company and fellow subsidiary companies	31 674	31 674	
Property and equipment	14 631	14 631	
Intangible assets	179	177	d
Deferred income tax asset	1 212	1 212	
– Relating to temporary differences		1 142	i
– Other than temporary differences		70	e
Total assets	1 049 273		
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	13 828	13 828	
Derivative financial instruments	44 983	44 983	
Creditors, accruals and provisions	11 621	11 621	
Current tax liability	98	98	
Deposits	847 635	847 635	
Employee liabilities	6 624	6 624	
Other liabilities	5 382	5 382	
Amounts due to holding company and fellow subsidiary companies	14 780	14 780	
Tier 2 liabilities	19 592	18 183	
– Basel III – compliant Tier 2 instruments		13 612	g
– Non-compliant Basel III Tier 2 instruments		4 571	h
Total liabilities	964 543		
Equity			
Ordinary shares	4	4	a
Share premium	16 804	16 804	a
Reserves	64 922	52 145	
– Retained earnings		51 131	b
– Accumulated other comprehensive income (and other reserves)		1 014	c
Capital and reserves attributable to ordinary equityholders	81 730	68 953	
NCNR preference shares	3 000	1 800	f
Total equity	84 730	70 753	
Total equity and liabilities	1 049 273		

* FirstRand Bank Limited including foreign branches. Amounts included under regulatory scope of consolidation excludes unappropriated profits.

** Reference to composition of capital table.



leverage

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LEVERAGE

LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

	FirstRand Limited	FirstRand Bank Limited*
	As at 31 December 2016	
<i>R million</i>		
ON-BALANCE SHEET EXPOSURES		
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1 110 645	982 318
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(2 941)	(303)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1 107 704	982 015
DERIVATIVE EXPOSURES		
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	14 900	15 288
5 Add-on amounts for PFE associated with all derivatives transactions	25 110	25 235
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(3 267)	(3 267)
8 (Exempted CCP leg of client-cleared trade exposures)	–	–
9 Adjusted effective notional amount of written credit derivatives	696	883
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11 Total derivative exposures (sum of lines 4 to 10)	37 439	38 139
SECURITIES FINANCING TRANSACTION EXPOSURES		
12 Gross SFT assets (with no recognition of netting) after adjusting for sale accounting transactions	36 840	36 839
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14 CCR exposure for SFT assets	2 769	2 769
15 Agent transaction exposures	–	–
16 Total securities financing transaction exposures (sum of lines 12 to 15)	39 609	39 608
OTHER OFF-BALANCE SHEET EXPOSURES		
17 Off-balance sheet exposure at gross notional amount	302 576	290 086
18 (Adjustments for conversion to credit equivalent amounts)	(235 063)	(225 905)
19 Off-balance sheet items (sum of lines 17 and 18)	67 513	64 181
CAPITAL AND TOTAL EXPOSURES		
20 Tier 1 capital	90 034	70 097
21 Total exposures (sum of lines 3, 11, 16 and 19)	1 252 265	1 123 943
LEVERAGE RATIO		
22 Basel III leverage ratio	7.19%	6.24%

SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE

	FirstRand Limited	FirstRand Bank Limited*
<i>R million</i>		
1 Total consolidated assets as per published financial statements	1 180 488	1 049 273
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–	–
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–
4 Adjustments for derivative financial instruments	1 756	2 425
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	2 769	2 769
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	67 512	64 181
7 Other adjustments	(260)	5 295
8 Leverage ratio exposure	1 252 265	1 123 943

* FirstRand Bank Limited including foreign branches.



liquidity

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LIQUIDITY COVERAGE RATIO COMMON DISCLOSURE TEMPLATE

Directive 11 of 2014 requires the LCR to be calculated on a simple average of three month end data points for the past quarter.

The surplus HQLA holdings by subsidiaries and foreign branches in excess of the minimum required LCR of 70% have been excluded in the calculation of the consolidated group LCR.

Please refer to the Analysis of financial results for the year ended 31 December 2016 (Funding and Liquidity section) for further details on the liquidity coverage ratio; <http://www.firstrand.co.za/investorcentre/pages/commondisclosures.aspx>.

R million	FirstRand Limited consolidated*		FirstRand Bank Limited SA*	
	Total unweighted value (average)**	Total weighted value (average)#	Total unweighted value (average)**	Total weighted value (average)#
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)		169 764		155 931
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which:	231 927	23 193	218 106	21 811
3 Stable deposits	–	–	–	–
4 Less stable deposits	231 927	23 193	218 106	21 811
5 Unsecured wholesale funding, of which:	324 110	164 426	270 420	129 166
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	124 910	31 227	123 340	30 835
7 Non-operational deposits (all counterparties)	192 341	126 340	140 230	91 481
8 Unsecured debt	6 859	6 859	6 850	6 850
9 Secured wholesale funding		5 949		5 949
10 Additional requirements, of which:	119 468	28 953	111 154	27 702
11 Outflows related to derivative exposures and other collateral requirements	10 678	10 678	10 212	10 212
12 Outflows related to loss of funding on debt products	–	–	–	–
13 Credit and liquidity facilities	108 790	18 275	100 942	17 490
14 Other contractual funding obligations	2 261	2 316	2 261	2 261
15 Other contingent funding obligations	275 808	11 826	271 291	11 557
16 Total cash outflows		236 663		198 446
CASH INFLOWS				
17 Secured lending (e.g. reverse repos)	31 263	5 118	31 263	5 118
18 Inflows from fully performing exposures	77 994	55 058	64 242	47 454
19 Other cash inflows	4 158	2 926	3 520	2 909
20 Total cash inflows	113 415	63 102	99 025	55 481
		Total adjusted value†		Total adjusted value†
21 Total HQLA		169 764		155 931
22 Total net cash outflows		173 844		142 966
23 Liquidity coverage ratio (%)		98		109

* The consolidated LCR for the group includes FirstRand Bank Limited's operations in South Africa and all registered banks within the group. The FirstRand Bank Limited LCR reflects its operations in South Africa.

** Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

† Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on level 2B and level 2 assets for HQLA and cap on inflows).