

BASEL III  
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 (replaces Directive 8/2013);
- 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](http://www.firststrand.co.za)  
Email questions to [investor.relations@firststrand.co.za](mailto:investor.relations@firststrand.co.za)

**CAPITAL**

p2-13

## CAPITAL

## COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE

R million	FIRSTRAND LIMITED as at 31 December			
	2015	Amounts subject to pre-Basel III treatment	Reference	2014
<b>COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES</b>				
1 Directly issued qualifying common share capital and share premium	8 036		a	6 464
2 Retained earnings	73 778		b	69 278
3 Accumulated other comprehensive income (and other reserves)	4 761		c	2 861
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)	774	3 411	d	733
<b>6 CET1 capital before regulatory adjustments</b>	<b>87 349</b>			<b>79 336</b>
<b>COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS</b>				
7 Prudential valuation adjustments	–			–
8 Goodwill (net of related tax liability)	1 034		e	663
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	540		f	447
10 Deferred tax assets that rely on future probability excluding those arising from temporary differences (net of related tax liability)	472		g	113
11 Cash flow hedge reserve	718			320
12 Shortfall of provisions to expected losses	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	4			5
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	590			296
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	–			–
<b>28 Total regulatory adjustments to CET1</b>	<b>3 466</b>			<b>1 844</b>
<b>29 CET1 capital</b>	<b>83 883</b>			<b>77 492</b>
<b>ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS</b>				
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	3 163		h	3 615
34 AT1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	1 858		i	1 801
35 of which: instruments issued by subsidiaries subject to phase out	–			–
<b>36 AT1 capital before regulatory adjustments</b>	<b>5 021</b>			<b>5 416</b>

## CAPITAL continued

## COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (continued)

R million	FIRSTRAND LIMITED as at 31 December			
	2015	Amounts subject to pre-Basel III treatment	Reference	2014
<b>ADDITIONAL TIER 1: REGULATORY ADJUSTMENTS</b>				
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 <b>Total regulatory adjustments to AT1 capital</b>	–			–
44 <b>AT1 capital</b>	<b>5 021</b>			<b>5 416</b>
45 <b>Tier 1 capital (CET1 + AT1)</b>	<b>88 904</b>			<b>82 908</b>
<b>TIER 2 CAPITAL AND PROVISIONS</b>				
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)	13 814		j	10 100
49 of which: instruments issued by subsidiaries subject to phase out	6 517			6 486
50 Provisions	846			904
51 <b>Tier 2 capital before regulatory adjustments</b>	<b>14 660</b>			<b>11 004</b>
<b>TIER 2 CAPITAL: REGULATORY ADJUSTMENTS</b>				
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	–			–
Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
57 <b>Total regulatory adjustments to Tier 2 capital</b>	–			–
58 <b>Tier 2 capital</b>	<b>14 660</b>			<b>11 004</b>
59 <b>Total capital (Tier 1 + Tier 2)</b>	<b>103 564</b>			<b>93 912</b>
Risk weighted assets in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
60 <b>Total risk weighted assets</b>	<b>680 400</b>			<b>598 698</b>
<b>CAPITAL RATIOS</b>				
61 CET1 (as a percentage of risk weighted assets)	12.33%			12.94%
62 Tier 1 (as a percentage of risk weighted assets)	13.07%			13.85%
63 Total capital (as a percentage of risk weighted assets)	15.22%			15.69%
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)	6.50%			5.50%
65 of which: capital conservation buffer requirement	0%			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)	5.07%			5.69%

## CAPITAL continued

## COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (continued)

R million	FIRSTSTRAND LIMITED as at 30 June			
	2015	Amounts subject to pre-Basel III treatment	Reference	2014
<b>NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)</b>				
69 National CET1 minimum ratio	6.50%			5.50%
70 National Tier 1 minimum ratio	8.00%			7.00%
71 National total capital minimum ratio	10.00%			10.00%
<b>AMOUNTS BELOW THE THRESHOLD FOR DEDUCTIONS (BEFORE RISK WEIGHTING)</b>				
72 Non-significant investments in the capital of financials	903			875
73 Significant investments in the capital of financials	3 435			3 410
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	415		k	303
<b>APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2</b>				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	846			578
77 Cap on inclusion of provisions in Tier 2 under standardised approach	1 567			902
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–			326
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2 187			2 035
<b>CAPITAL INSTRUMENTS SUBJECT TO PHASE OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JAN 2018 AND 1 JAN 2022)</b>				
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)				

## CAPITAL continued

## RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES

R million	FIRSTRAND LIMITED as at 31 December 2015		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference*
<b>ASSETS</b>			
Cash and cash equivalents	61 120	60 543	
Derivative financial instruments	69 001	69 001	
Commodities	10 779	10 779	
Accounts receivable	9 509	9 585	
Current tax asset	1 321	1 321	
Advances	794 428	794 428	
Investment securities and other investments	164 972	164 099	
Investments in subsidiary companies	–	247	
Investments in associates	6 242	6 242	
Investments in joint ventures	1 424	1 424	
Property and equipment	17 032	17 032	
Intangible assets	1 574	1 514	
– Goodwill		1 034	e
– Intangibles		480	f**
Reinsurance assets	587	–	
Post-employment benefit asset	4	4	
Investment properties	416	416	
Deferred income tax asset	918	887	
– Relating to temporary differences		415	k
– Other than temporary differences		472	g
Non-current assets and disposal groups held for sale	181	181	
<b>Total assets</b>	1 139 508		
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Short trading positions	6 069	6 069	
Derivative financial instruments	82 014	82 014	
Creditors and accruals	14 564	14 479	
Current tax liability	375	368	
Deposits	899 619	899 660	
Provisions	668	667	
Employee liabilities	6 963	6 946	
Other liabilities	7 492	7 492	
Amounts due to subsidiary companies	–	120	
Policyholder liabilities	1 236	–	
Deferred income tax liability	956	874	
Tier 2 liabilities	15 554	13 814	j
Liabilities directly associated with disposal groups held for sale	207	207	
<b>Total liabilities</b>	1 035 717		
<b>Equity</b>			
Ordinary shares	56	56	a
Share premium	7 980	7 980	a
Reserves	87 825	78 000	
– Retained earnings		73 296	b**, #
– Accumulated other comprehensive income (and other reserves)		4 704	c**
<b>Capital and reserves attributable to ordinary equityholders</b>	95 861	86 036	
NCNR preference shares	4 519	3 163	h
<b>Capital and reserves attributable to equityholders of the group</b>	100 380	89 199	
Non-controlling interests – CET1	3 411	774	d
Non-controlling interests – AT1	–	1 858	i
<b>Total equity</b>	103 791		
<b>Total equity and liabilities</b>	1 139 508		

\* Reference to composition of capital table.

\*\* Amount included under regulatory scope of consolidation excludes balances related to insurance entities.

# Excludes unappropriated profits.





CAPITAL continued

MAIN FEATURES DISCLOSURE TEMPLATE (continued)

		FIRSTRAND LIMITED as at 31 December 2015																		
	Ordinary share capital and premium	NCNR preference shares	FRB05	FRB08	FRB09	FRB10	FRB11	FRBC21	FRBC22	FRB12	FRB13	FRB14	IFC (private placement)	FRB15	FRB16	FRB17	FNBB002	FNBB003	FNB22	FNBX22
21	Existence of step up or other incentive to redeem	Not applicable	Not applicable	Yes	Yes	Yes	No	No	Yes	Yes	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	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
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	Non-convertible	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	Not applicable	Yes	Yes	Yes	Not applicable	Yes	Yes	Yes	Not applicable	Not applicable	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				
32	If write-down, full or partial									Full	Full	Full		Full	Full	Full				
33	If write-down, permanent or temporary									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				
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
36	Non-compliant transitioned features	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	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*	Excludes loss absorbency requirement at PONV*	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*	Excludes loss absorbency requirement at PONV*	Excludes loss absorbency requirement at PONV*

\* Point of non-viability.

## CAPITAL continued

## COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (FRB INCLUDING FOREIGN BRANCHES)

R million	FIRSTRAND BANK LIMITED* as at 31 December			
	2015	Amounts subject to pre-Basel III treatment	Reference	2014
<b>COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES</b>				
1 Directly issued qualifying common share capital and share premium	16 808		a	15 308
2 Retained earnings	48 131		b	43 631
3 Accumulated other comprehensive income (and other reserves)	2 279		c	1 796
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)	–			–
<b>6 CET1 capital before regulatory adjustments</b>	<b>67 218</b>			<b>60 735</b>
<b>COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS</b>				
7 Prudential valuation adjustments	–			–
8 Goodwill (net of related tax liability)	–			–
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	110		d	91
10 Deferred tax assets that rely on future probability excluding those arising from temporary differences (net of related tax liability)	249		e	88
11 Cash flow hedge reserve	718			320
12 Shortfall of provisions to expected losses	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	–			–
<b>28 Total regulatory adjustments to CET1</b>	<b>1 184</b>			<b>499</b>
<b>29 CET1 capital</b>	<b>66 034</b>			<b>60 236</b>
<b>ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS</b>				
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	2 100		f	2 400
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	–			–
<b>36 AT1 capital before regulatory adjustments</b>	<b>2 100</b>			<b>2 400</b>

\* FirstRand Bank Limited including foreign branches.

## CAPITAL continued

## COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (FRB INCLUDING FOREIGN BRANCHES) (continued)

R million	FIRSTRAND BANK LIMITED* as at 31 December			
	2015	Amounts subject to pre-Basel III treatment	Reference	2014
<b>ADDITIONAL TIER 1 CAPITAL: REGULATORY ADJUSTMENTS</b>				
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 <b>Total regulatory adjustments to AT1 capital</b>	–			–
44 <b>AT1 capital</b>	<b>2 100</b>			<b>2 400</b>
45 <b>Tier 1 capital (CET1 + AT1)</b>	<b>68 134</b>			<b>62 636</b>
<b>TIER 2 CAPITAL AND PROVISIONS</b>				
46 Directly issued qualifying Tier 2 instruments	9 048		g	3 996
47 Directly issued capital instruments subject to phase out from Tier 2	5 333		h	5 878
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	308			416
51 <b>Tier 2 capital before regulatory adjustments</b>	<b>14 689</b>			<b>10 290</b>
<b>TIER 2 CAPITAL: REGULATORY ADJUSTMENTS</b>				
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			160
Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
57 <b>Total regulatory adjustments to Tier 2 capital</b>	<b>184</b>			<b>160</b>
58 <b>Tier 2 capital</b>	<b>14 505</b>			<b>10 130</b>
59 <b>Total capital (Tier 1 + Tier 2)</b>	<b>82 639</b>			<b>72 766</b>
Risk weighted assets in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
60 <b>Total risk weighted assets</b>	<b>538 027</b>			<b>464 578</b>
<b>CAPITAL RATIOS</b>				
61 CET1 (as a percentage of risk weighted assets)	12.27%			12.97%
62 Tier 1 (as a percentage of risk weighted assets)	12.66%			13.48%
63 Total capital (as a percentage of risk weighted assets)	15.36%			15.66%
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)	6.50%			5.50%
65 of which: capital conservation buffer requirement	0%			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)	4.66%			5.66%

\* FirstRand Bank Limited including foreign branches.

CAPITAL continued

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (FRB INCLUDING FOREIGN BRANCHES) (continued)

R million	FIRSTRAND BANK LIMITED* as at 31 December			
	2015	Amounts subject to pre-Basel III treatment	Reference	2014
<b>NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)</b>				
69 National CET1 minimum ratio	6.50%			5.50%
70 National Tier 1 minimum ratio	8.00%			7.00%
71 National total capital minimum ratio	10.00%			10.00%
<b>AMOUNTS BELOW THE THRESHOLD FOR DEDUCTIONS (BEFORE RISK WEIGHTING)</b>				
72 Non-significant investments in the capital of financials	551			481
73 Significant investments in the capital of financials	346			281
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	211		i	–
<b>APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2</b>				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	308			90
77 Cap on inclusion of provisions in Tier 2 under standardised approach	544			296
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–			326
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2 238			2 035
<b>CAPITAL INSTRUMENTS SUBJECT TO PHASE OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JAN 2018 AND 1 JAN 2022)</b>				
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.

## CAPITAL continued

## RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES

R million	FIRSTRAND BANK LIMITED as at 31 December 2015		
	IFRS published financial statements FirstRand Bank Limited	Under regulatory scope of consolidation*	Reference**
<b>ASSETS</b>			
Cash and cash equivalents	46 268	46 268	
Derivative financial instruments	68 213	68 213	
Commodities	10 779	10 779	
Accounts receivable	5 786	5 786	
Current tax asset	1 219	1 219	
Advances	709 504	709 504	
Amounts due by holding company and fellow subsidiary companies	33 493	33 493	
Investment securities and other investments	130 938	130 938	
Property and equipment	13 045	13 045	
Intangible assets	110	110	d
Deferred income tax asset	460	460	
– Relating to temporary differences		211	i
– Other than temporary differences		249	e
<b>Total assets</b>	1 019 815		
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Short trading positions	6 033	6 033	
Derivative financial instruments	81 893	81 893	
Creditors and accruals	10 609	10 609	
Deposits	804 184	804 184	
Provisions	317	317	
Employee liabilities	6 437	6 437	
Other liabilities	3 995	3 995	
Amounts due to holding company and fellow subsidiary companies	13 823	13 823	
Tier 2 liabilities	15 011	14 381	
– Basel III – compliant Tier 2 instruments		9 048	g
– Non-compliant Basel III Tier 2 instruments		5 333	h
<b>Total liabilities</b>	942 302		
<b>Equity</b>			
Ordinary shares	4	4	a
Share premium	16 804	16 804	a
Reserves	57 705	50 410	
– Retained earnings		48 131	b
– Accumulated other comprehensive income (and other reserves)		2 279	c
<b>Capital and reserves attributable to ordinary equityholders</b>	74 513	67 218	
NCNR preference shares	3 000	2 100	f
<b>Total equity</b>	77 513		
<b>Total equity and liabilities</b>	1 019 815		

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

\*\* Reference to composition of capital table.



CAPITAL continued

MAIN FEATURES DISCLOSURE TEMPLATE (continued)

FIRSTRAND BANK LIMITED as at 31 December 2015																
	Ordinary share capital and premium	NCNR preference shares	FRB05	FRB08	FRB09	FRB10	FRB11	FRBC21	FRBC22	FRB12	FRB13	FRB14	IFC (private placement)	FRB15	FRB16	FRB17
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	Non-convertible	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	Not applicable	Yes	Yes	Yes	Not applicable	Yes	Yes	Yes
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
32	If write-down, full or partial									Full	Full	Full		Full	Full	Full
33	If write-down, permanent or temporary									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
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
36	Non-compliant transitioned features	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No
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*	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

\* Point of non-viability.

**LEVERAGE**

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## LEVERAGE

## LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

	FirstRand Limited	FirstRand Bank Limited*	FirstRand Bank Limited**
<b>R million</b>	<b>As at 31 December 2015</b>		
<b>ON-BALANCE SHEET EXPOSURES</b>			
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1 023 708	906 305	867 610
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(3 678)	(1 987)	(1 985)
<b>3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>1 020 030</b>	<b>904 318</b>	<b>865 625</b>
<b>DERIVATIVE EXPOSURES</b>			
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	19 749	19 200	18 661
5 Add-on amounts for PFE associated with all derivatives transactions	25 599	25 459	24 639
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)	–	–	–
8 (Exempted CCP leg of client-cleared trade exposures)	–	–	–
9 Adjusted effective notional amount of written credit derivatives	1 375	1 375	1 375
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–	–
<b>11 Total derivative exposures (sum of lines 4 to 10)</b>	<b>46 723</b>	<b>46 034</b>	<b>44 675</b>
<b>SECURITIES FINANCING TRANSACTION EXPOSURES</b>			
12 Gross SFT assets (with no recognition of netting) after adjusting for sale accounting transactions	45 818	45 819	45 818
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–	–
14 CCR exposure for SFT assets	2 458	2 458	2 458
15 Agent transaction exposures	–	–	–
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>48 276</b>	<b>48 277</b>	<b>48 276</b>
<b>OTHER OFF-BALANCE SHEET EXPOSURES</b>			
17 Off-balance sheet exposure at gross notional amount	301 577	287 920	286 454
18 (Adjustments for conversion to credit equivalent amounts)	(227 486)	(217 691)	(216 977)
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>74 091</b>	<b>70 229</b>	<b>69 477</b>
<b>CAPITAL AND TOTAL EXPOSURES</b>			
<b>20 Tier 1 capital</b>	<b>88 904</b>	<b>68 134</b>	<b>63 512</b>
<b>21 Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>1 189 120</b>	<b>1 068 858</b>	<b>1 028 053</b>
<b>LEVERAGE RATIO</b>			
<b>22 Basel III leverage ratio</b>	<b>7.48%</b>	<b>6.37%</b>	<b>6.18%</b>

## SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE

	FirstRand Limited	FirstRand Bank Limited*	FirstRand Bank Limited**
<b>R million</b>	<b>As at 31 December 2015</b>		
1 Total consolidated assets as per published financial statements	1 139 508	1 019 815	979 920
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	(22 278)	(22 801)	(24 026)
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	2 458	2 458	2 458
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	74 091	70 229	69 477
7 Other adjustments	(4 659)	(843)	224
<b>8 Leverage ratio exposure</b>	<b>1 189 120</b>	<b>1 068 858</b>	<b>1 028 053</b>

\* FirstRand Bank Limited including foreign branches.

\*\* FirstRand Bank Limited excluding foreign branches.

**LIQUIDITY**

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## LIQUIDITY

## 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 60% 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 2015 (Funding and Liquidity section)* for further details on the liquidity coverage ratio; <http://www.firststrand.co.za/investorcentre/pages/financial-results.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)#
<b>HIGH-QUALITY LIQUID ASSETS</b>				
1 Total high-quality liquid assets (HQLA)		134 965		122 684
<b>CASH OUTFLOWS</b>				
2 Retail deposits and deposits from small business customers, of which:	193 077	19 308	183 138	18 314
3 Stable deposits	–	–	–	–
4 Less stable deposits	193 077	19 308	183 138	18 314
5 Unsecured wholesale funding, of which:	318 367	167 567	267 948	135 192
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	121 214	34 849	119 611	34 388
7 Non-operational deposits (all counterparties)	189 926	125 491	141 113	93 580
8 Unsecured debt	7 227	7 227	7 224	7 224
9 Secured wholesale funding		5 207		5 207
10 Additional requirements, of which:	116 124	24 673	105 448	23 587
11 Outflows related to derivative exposures and other collateral requirements	1 003	1 003	982	982
12 Outflows related to loss of funding on debt products	–	–	–	–
13 Credit and liquidity facilities	115 121	23 670	104 466	22 605
14 Other contractual funding obligations	8 603	8 603	8 603	8 603
15 Other contingent funding obligations	318 961	14 657	312 710	15 316
16 <b>Total cash outflows</b>		240 015		206 219
<b>CASH INFLOWS</b>				
17 Secured lending (e.g. reverse repos)	36 662	4 965	36 662	4 965
18 Inflows from fully performing exposures	73 223	49 194	57 081	38 420
19 Other cash inflows	11 961	1 071	7 929	272
20 <b>Total cash inflows</b>	121 846	55 230	101 672	43 657
	<b>Total adjusted value†</b>		<b>Total adjusted value†</b>	
21 <b>Total HQLA</b>		134 965		122 684
22 <b>Total net cash outflows</b>		184 859		162 562
23 <b>Liquidity coverage ratio (%)</b>		73		76

\* 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).