

basel pillar 3

standardised disclosures

as at 31 March 2024

introduction

In accordance with the Basel Pillar 3 framework and Regulation 43 of the amended Regulations relating to Banks (the Regulations), the group is required to publish standardised disclosure templates that provide users with key quantitative and qualitative information that is comparable and consistent.



FirstRand

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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.firstrand.co.za

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

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KM1 – Key metrics (at consolidated group)

The table below consists of key prudential metrics related to regulatory capital, leverage and liquidity for FirstRand Limited (FirstRand or the group).

R million	FirstRand Limited				
	March 24	December 23	September 23	June 23	March 23
AVAILABLE CAPITAL (AMOUNTS)*					
1 Common Equity Tier 1 (CET1)	181 699	170 365	166 608	168 647	154 606
1a Fully loaded ECL accounting model	181 699	170 365	166 608	168 647	154 606
2 Tier 1	193 301	181 617	178 480	177 841	163 871
2a Fully loaded ECL accounting model Tier 1	193 301	181 617	178 480	177 841	163 871
3 Total capital**	218 798	205 085	201 674	201 274	191 029
3a Fully loaded ECL accounting model total capital	218 798	205 085	201 674	201 274	191 029
RISK-WEIGHTED ASSETS (RWA) (AMOUNTS)					
4 Total RWA	1 383 347	1 358 956	1 332 587	1 323 864	1 259 198
RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA*					
5 CET1 ratio (%)	13.1%	12.5%	12.5%	12.7%	12.3%
5a Fully loaded ECL accounting model CET1 ratio (%)	13.1%	12.5%	12.5%	12.7%	12.3%
6 Tier 1 ratio (%)	14.0%	13.4%	13.4%	13.4%	13.0%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	14.0%	13.4%	13.4%	13.4%	13.0%
7 Total capital ratio (%)	15.8%	15.1%	15.1%	15.2%	15.2%
7a Fully loaded ECL accounting model total capital ratio (%)	15.8%	15.1%	15.1%	15.2%	15.2%
ADDITIONAL CET1 BUFFER REQUIREMENTS AS A PERCENTAGE OF RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9 Countercyclical buffer (CCyB) requirement (%) [#]	0.5%	0.5%	0.5%	0.3%	0.3%
10 Bank G-SIB and/or D-SIB additional requirements (%) [†]	1.0%	1.0%	1.0%	1.0%	1.0%
11 Total of bank CET1 specific buffer requirements (%) (row 8+ row 9 + row 10)	4.0%	4.0%	4.0%	3.8%	3.8%
12 CET1 available after meeting the bank's minimum capital requirements (%)	2.3%	1.6%	1.6%	1.9%	1.9%
BASEL III LEVERAGE RATIO[‡]					
13 Total Basel III leverage ratio exposure measure	2 452 974	2 425 788	2 376 460	2 339 059	2 231 926
14 Basel III leverage ratio (%) (row 2/row13)	7.9%	7.5%	7.5%	7.6%	7.3%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	7.9%	7.5%	7.5%	7.6%	7.3%
LIQUIDITY COVERAGE RATIO (LCR)					
15 Total high-quality liquid assets	448 161	432 037	425 058	415 529	397 617
16 Total net cash outflow	372 666	361 639	357 794	336 232	348 841
17 LCR	120%	119%	119%	124%	114%
NET STABLE FUNDING RATIO (NSFR)					
18 Total available stable funding	1 545 342	1 542 340	1 516 472	1 502 620	1 425 733
19 Total required stable funding	1 294 965	1 267 028	1 254 964	1 242 628	1 198 116
20 NSFR	119%	122%	121%	121%	119%

* Excluding unappropriated profits.

** Relates to total qualifying capital and reserves, which includes Tier 1 and Tier 2 capital.

[#] The CCyB add-on is 48 bps at 31 March 2024.

[†] Total domestic systemically important bank (D-SIB) requirement is 1.5% at 31 March 2024, of which 1% is held in CET1 capital.

[‡] Based on month-end balances.

Key drivers: March 2024 vs December 2023

Risk-based capital ratios	<p>Available capital</p> <ul style="list-style-type: none"> Increase in CET1 capital due to appropriation of profits, and Tier 2 issuance in March 2024 increasing Tier 2 capital. <p>RWA</p> <ul style="list-style-type: none"> Increase in RWA driven primarily by credit (mostly volume growth and foreign exchange movements), counterparty credit and equity investment risks, partly offset by a decrease in market risk.
Leverage ratio	<p>Total exposure measure</p> <ul style="list-style-type: none"> Increase in the exposure measure driven by an increase in on- and off-balance sheet exposures, partly offset by a decrease in derivatives and securities financing transaction exposures. <p>Tier 1 capital</p> <ul style="list-style-type: none"> Refer to commentary above.
Liquidity ratios	The increase in the LCR reflects the expected cyclical changes from the previous quarter. Both the LCR and NSFR exceeded their minimum requirement of 100%.

KM1 – Key metrics (FirstRand Bank Limited*)

The table below consists of key prudential metrics related to regulatory capital, leverage and liquidity for FirstRand Bank Limited (FRB or the bank).

R million	FirstRand Bank Limited				
	March 24	December 23	September 23	June 23	March 23
AVAILABLE CAPITAL (AMOUNTS)**					
1 CET1	108 248	104 141	100 904	101 027	96 735
1a Fully loaded ECL accounting model	108 248	104 141	100 904	101 027	96 735
2 Tier 1	118 319	114 260	111 774	108 370	104 296
2a Fully loaded ECL accounting model Tier 1	118 319	114 260	111 774	108 370	104 296
3 Total capital [#]	137 397	131 755	128 534	124 866	127 442
3a Fully loaded ECL accounting model total capital	137 397	131 755	128 534	124 866	127 442
RWA (AMOUNTS)					
4 Total RWA	894 231	872 470	862 876	841 472	823 737
RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA**					
5 CET1 ratio (%)	12.1%	11.9%	11.7%	12.0%	11.7%
5a Fully loaded ECL accounting model CET1 ratio (%)	12.1%	11.9%	11.7%	12.0%	11.7%
6 Tier 1 ratio (%)	13.2%	13.1%	13.0%	12.9%	12.7%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	13.2%	13.1%	13.0%	12.9%	12.7%
7 Total capital ratio (%)	15.4%	15.1%	14.9%	14.8%	15.5%
7a Fully loaded ECL accounting model total capital ratio (%)	15.4%	15.1%	14.9%	14.8%	15.5%
ADDITIONAL CET1 BUFFER REQUIREMENTS AS A PERCENTAGE OF RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9 CCyB requirement (%) [†]	0.0%	0.0%	0.0%	0.0%	0.0%
10 Bank G-SIB and/or D-SIB additional requirements (%) [‡]	1.0%	1.0%	1.0%	1.0%	1.0%
11 Total of bank CET1 specific buffer requirements (%) (row 8+ row 9 + row 10)	3.5%	3.5%	3.5%	3.5%	3.5%
12 CET1 available after meeting the bank's minimum capital requirements (%)	2.4%	2.1%	1.9%	1.8%	1.9%
BASEL III LEVERAGE RATIO[^]					
13 Total Basel III leverage ratio exposure measure	1 799 392	1 780 070	1 748 039	1 717 743	1 664 879
14 Basel III leverage ratio (%) (row 2/row13)	6.6%	6.4%	6.4%	6.3%	6.3%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	6.6%	6.4%	6.4%	6.3%	6.3%
LCR[°]					
15 Total high-quality liquid assets	383 016	372 128	366 617	364 177	345 902
16 Total net cash outflow	310 871	302 214	299 579	281 514	289 308
17 LCR	123%	123%	122%	129%	120%
NSFR[°]					
18 Total available stable funding	1 046 295	1 055 976	1 036 836	1 016 854	998 781
19 Total required stable funding	910 196	895 247	877 926	846 123	855 359
20 NSFR	115%	118%	118%	120%	117%

* FRB including foreign branches.

** Excluding unappropriated profits.

[#] Relates to total qualifying capital and reserves, which includes Tier 1 and Tier 2 capital.

[†] The CCyB add-on is nil at 31 March 2024.

[‡] Total D-SIB requirement is 1.5% at 31 March 2024, of which 1% is held in CET1 capital.

[^] Based on month-end balances.

[°] Reflects FRB's operations in South Africa.

OV1: Overview of RWA

The following table provides an overview of RWA per risk type for the group.

R million	FirstRand Limited				
	RWA			Minimum capital requirement*	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2023	As at 31 March 2024	
1	Credit risk (excluding counterparty credit risk)**	986 425	966 483	901 405	132 970
2	– Standardised approach	407 368	407 404	383 938	54 913
5	– Advanced internal ratings-based (AIRB) approach	579 057	559 079	517 467	78 057
16	Securitisation exposures in banking book	5 264	4 140	7 037	710
17	– Internal ratings-based approach (SEC-IRBA)	4 191	4 037	5 131	565
19	– Standardised approach (SEC-SA)	1 073	103	1 906	145
	Total credit risk	991 689	970 623	908 442	133 680
6	Counterparty credit risk#	14 439	10 692	14 997	1 946
7	– Standardised approach to counterparty credit risk	14 439	10 692	14 997	1 946
10	Credit valuation adjustment	9 721	9 543	9 709	1 310
11	Equity positions in banking book under market-based approach†	28 856	26 616	22 274	3 890
12	Equity investments in funds – look-through approach	330	322	296	44
13	Equity investments in funds – mandate-based approach	25 038	23 979	9 573	3 375
14	Equity investments in funds – fall-back approach	499	131	124	67
20	Market risk‡	35 221	42 148	34 322	4 747
21	– Standardised approach	12 503	16 826	12 819	1 685
22	– Internal model approach	22 718	25 322	21 503	3 062
24	Operational risk	157 536	157 536	151 344	21 237
	– Basic indicator approach	27 023	27 023	23 086	3 643
	– Standardised approach	28 550	28 550	25 560	3 849
	– Advanced measurement approach	101 963	101 963	102 698	13 745
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	37 849	35 059	39 362	5 102
26	Floor adjustment	44 073	44 073	32 990	5 941
	Other assets	38 096	38 234	35 765	5 135
27	Total^	1 383 347	1 358 956	1 259 198	186 474

* The capital requirement was calculated at 13.5% of RWA. The minimum requirement excludes the bank-specific individual capital requirement (Pillar 2B). 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 group does not apply the foundation internal ratings-based nor the supervisory slotting approaches (rows 3 and 4 of OV1 template) and these rows are therefore excluded.

The group does not apply the internal model approach to counterparty credit risk (CCR) (row 8 of OV1 template) and there were no other counterparty credit risk (CCR) approaches (row 9 of OV1 template), and these rows are therefore excluded.

† Subject to the simple risk-weighted method.

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

^ External ratings-based approach (SEC-ERBA) including internal assessment approach (IAA) for securitisation exposures in the banking book and settlement risk was nil for the periods under review (row 15 and 18 in OV1 template), and these rows are therefore excluded.

OV1: Overview of RWA

The following table provides an overview of RWA per risk type for the bank.

FirstRand Bank Limited*				
	RWA			Minimum capital requirement**
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2023	As at 31 March 2024
<i>R million</i>				
1 Credit risk (excluding counterparty credit risk)#	638 895	621 372	582 174	83 056
2 – Standardised approach†	41 786	43 915	43 453	5 432
5 – AIRB approach†	597 109	577 457	538 721	77 624
16 Securitisation exposures in banking book	4 260	4 140	7 037	554
17 – SEC-IRBA	4 191	4 037	5 131	545
19 – SEC-SA	69	103	1 906	9
Total credit risk	643 155	625 512	589 211	83 610
6 Counterparty credit risk‡	9 316	8 242	11 240	1 211
7 – Standardised approach to counterparty credit risk	9 316	8 242	11 240	1 211
10 Credit valuation adjustment	6 316	5 756	7 787	821
11 Equity positions in banking book under market-based approach^	2 094	1 806	1 895	272
13 Equity investments in funds – mandate-based approach	560	110	83	73
14 Equity investments in funds – fall-back approach	499	131	124	65
20 Market risk[◊]	30 896	34 307	28 038	4 016
21 – Standardised approach	8 178	8 985	6 535	1 063
22 – Internal model approach	22 718	25 322	21 503	2 953
24 Operational risk	102 849	102 849	102 942	13 370
– Standardised approach	3 085	3 085	2 823	401
– Advanced measurement approach	99 764	99 764	100 119	12 969
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	16 415	14 433	16 826	2 134
26 Floor adjustment	48 107	48 107	37 213	6 254
Other assets	34 024	31 217	28 378	4 423
27 Total[§]	894 231	872 470	823 737	116 249

* FRB including foreign branches.

** The capital requirement was calculated at 13.0% of RWA. The minimum requirement excludes the bank-specific individual capital requirement (Pillar 2B). The difference to the BCBS base minimum (8%) to the buffer add-ons for Pillar 2A, CCyB, capital conservation and the D-SIB as prescribed in the Regulations.

The bank does not apply the foundation internal ratings-based nor the supervisory slotting approaches (rows 3 and 4 of OV1 template) and these rows are therefore excluded.

† March 2023 splits between the standardised approach and the IRB approach for credit risk have been restated following refinement of mappings.

‡ The bank does not apply the internal model method to counterparty credit risk (row 8 of OV1 template) and there were no other CCR approaches (row 9 of OV1 template), and these rows are therefore excluded.

^ Subject to the simple risk-weighted method.

◊ There were no switches between trading and banking book during the period under review (row 23 of OV1 template) and this row is therefore excluded.

§ SEC-ERBA including IAA for securitisation exposures in the banking book, equity investments in funds-look through approach and settlement risk was nil for the periods under review (row 15 and 17 in OV1 template), and these rows are therefore excluded.

CR8: RWA flow statements of credit risk exposures under AIRB*

The following table provides a breakdown of the key drivers of changes in the credit RWA determined under AIRB.

<i>R million</i>		RWA
1	RWA at 31 December 2023	559 079
2	Asset size	15 700
3	Asset quality	4 278
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	-
8	Other	-
9	RWA at 31 March 2024	579 057

* The RWA represents AIRB credit risk exposures, excluding securitisation exposure per OV1: Overview of RWA table on page 4.

MR2: RWA flow statements of market risk exposures under an IMA*

The following table provides a breakdown of the key drivers of changes in the market RWA determined under an IMA.

<i>R million</i>		VaR	sVaR	Total RWA
1	RWA at 31 December 2023	13 852	11 470	25 322
2	Movement in risk levels	(1 981)	(623)	(2 604)
3	Model updates/changes	-	-	-
4	Methodology and policy	-	-	-
5	Acquisitions and disposals	-	-	-
6	Foreign exchange movements	-	-	-
7	Other	-	-	-
8	RWA at 31 March 2024	11 871	10 847	22 718

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

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure*

The table below provides a reconciliation of the published total assets as per the statement of financial position to the leverage ratio exposure measure for the group and bank.

	FirstRand Limited	FirstRand Bank Limited**
	As at 31 March 2024	
<i>R million</i>		
1 Total consolidated assets as per published financial statements	2 365 804	1 706 460
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(11 581)	–
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	(24 904)	(10 374)
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	3 449	3 449
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	132 735	103 196
7 Other adjustments	(12 529)	(3 339)
8 Leverage ratio exposure	2 452 974	1 799 392

* Based on month-end balances

** FRB including foreign branches

LR2: Leverage ratio common disclosure template*

The table below provides a detailed breakdown of the components of the leverage ratio exposure measure for the group and bank.

	FirstRand Limited		FirstRand Bank Limited**	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
<i>R million</i>				
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and SFTs, but including collateral)	2 279 661	2 227 766	1 617 445	1 575 174
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(67 154)	(64 401)	(42 881)	(40 498)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2 212 507	2 163 365	1 574 564	1 534 676
Derivative exposures				
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	15 198	15 966	19 792	19 815
5 Add-on amounts for PFE associated with all derivatives transactions	18 420	18 769	19 169	19 260
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)#	(5 576)	(8)	(5 576)	(8)
8 (Exempted CCP leg of client-cleared trade exposures)	(3)	(445)	(3)	(445)
9 Adjusted effective notional amount of written credit derivatives	5 571	5 424	5 571	5 424
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(970)	(970)	(970)	(970)
11 Total derivative exposures (sum of lines 4 to 10)	32 640	38 736	37 983	43 076
Securities financing transaction exposures				
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	71 643	92 060	80 199	100 037
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–	–	–
14 CCR exposure for SFT assets	3 449	2 504	3 449	2 504
15 Agent transaction exposures	–	–	–	–
16 Total securities financing transaction exposures (sum of lines 12 to 15)	75 092	94 564	83 648	102 541
Other off-balance sheet exposures				
17 Off-balance sheet exposure at gross notional amount	568 616	548 900	520 087	502 950
18 (Adjustments for conversion to credit equivalent amounts)	(435 881)	(419 777)	(416 890)	(403 173)
19 Off-balance sheet items (sum of lines 17 and 18)	132 735	129 123	103 197	99 777
Capital and total exposures				
20 Tier 1 capital	193 301	181 617	118 319	114 260
21 Total exposures (sum of lines 3, 11, 16 and 19)	2 452 974	2 425 788	1 799 392	1 780 070
Leverage ratio				
22 Basel III leverage ratio	7.9%	7.5%	6.6%	6.4%

* Based on month-end balances

** FRB including foreign branches

Higher cash variation margin provided to counterparties in line with exposures.

LIQ1: Liquidity coverage ratio

The table below provides a breakdown of the group and bank's available HQLA, cash outflows and cash inflows, as measured and defined according to the LCR standards.

	FirstRand Limited*		FirstRand Bank Limited South Africa*	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
<i>R million</i>				
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)		519 001		383 016
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which:	818 993	58 250	478 866	42 173
3 Stable deposits	114 769	3 857	–	–
4 Less stable deposits	704 224	54 393	478 866	42 173
5 Unsecured wholesale funding, of which:	676 961	334 894	571 815	280 263
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	184 529	46 132	165 552	41 388
7 Non-operational deposits (all counterparties)	484 201	280 531	398 773	231 385
8 Unsecured debt	8 231	8 231	7 490	7 490
9 Secured wholesale funding		8 221		1 364
10 Additional requirements, of which:	338 743	58 794	304 275	49 216
11 Outflows related to derivative exposures and other collateral requirements	20 775	20 775	13 529	13 529
12 Outflows related to loss of funding on debt products	103 811	5 191	98 539	4 927
13 Credit and liquidity facilities	214 157	32 828	192 207	30 760
14 Other contractual funding obligations	–	–	–	–
15 Other contingent funding obligations	312 433	12 186	293 506	11 277
16 TOTAL CASH OUTFLOWS		472 345		384 293
CASH INFLOWS				
17 Secured lending (e.g. reverse repos)	19 478	9 770	12 520	3 362
18 Inflows from fully performing exposures	120 603	93 333	88 742	66 243
19 Other cash inflows	4 209	3 946	4 076	3 817
20 TOTAL CASH INFLOWS	144 290	107 049	105 338	73 422
		Total adjusted value		Total adjusted value
21 TOTAL HQLA**		448 161		383 016
22 TOTAL NET CASH OUTFLOWS#		372 666		310 871
23 LIQUIDITY COVERAGE RATIO†		120%		123%

* The consolidated LCR for FirstRand includes FRB and all other banking subsidiaries. FRB's LCR reflects its operations in South Africa.

** The weighted values have been calculated after the application of the respective haircuts for HQLA, outflows and inflows. The surplus HQLA holdings by subsidiaries and foreign branches in excess of the minimum required LCR which is not considered as fully transferable has been excluded in the calculation of the consolidated LCR for the group.

The regulatory cap on inflows is applied per entity and is reflected in total net cash outflows. The total cash inflows balance is prior to the application of the cap.

† The LCR is calculated as a simple average of 91 days of daily observations over the period ended 31 March 2024 for FRB South Africa and the London branch, as well as FNB Botswana and FNB Namibia. The remaining banking entities, including Aldermore, and the India and FNB Channel Island branches, are based on the quarter-end values. The figures are based on the regulatory submissions to the Prudential Authority.



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