

BASEL PILLAR 3 STANDARDISED DISCLOSURES

as at 30 September 2024

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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

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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				
	September 24	June 24	March 24	December 23	September 23
AVAILABLE CAPITAL (AMOUNTS)*					
1 Common Equity Tier 1 (CET1)	182 662	183 747	181 699	170 365	166 608
1a Fully loaded ECL accounting model CET1	182 662	183 747	181 699	170 365	166 608
2 Tier 1	195 373	196 733	193 301	181 617	178 480
2a Fully loaded ECL accounting model Tier 1	195 373	196 733	193 301	181 617	178 480
3 Total capital**	219 253	220 634	218 798	205 085	201 674
3a Fully loaded ECL accounting model total capital	219 253	220 634	218 798	205 085	201 674
RISK-WEIGHTED ASSETS (AMOUNTS)					
4 Total RWA	1 416 658	1 404 760	1 383 347	1 358 956	1 332 587
RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA*					
5 CET1 ratio (%)	12.9%	13.1%	13.1%	12.5%	12.5%
5a Fully loaded ECL accounting model CET1 ratio (%)	12.9%	13.1%	13.1%	12.5%	12.5%
6 Tier 1 ratio (%)	13.8%	14.0%	14.0%	13.4%	13.4%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	13.8%	14.0%	14.0%	13.4%	13.4%
7 Total capital ratio (%)	15.5%	15.7%	15.8%	15.1%	15.1%
7a Fully loaded ECL accounting model total capital ratio (%)	15.5%	15.7%	15.8%	15.1%	15.1%
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%	0.5%	0.5%
10 Bank global systemically important bank (G-SIB) and/or domestic systemically important bank (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%	4.0%	4.0%
12 CET1 available after meeting the bank's minimum capital requirements (%)	2.0%	2.2%	2.3%	1.6%	1.6%
BASEL III LEVERAGE RATIO[‡]					
13 Total Basel III leverage ratio exposure measure	2 531 024	2 462 713	2 452 974	2 425 788	2 376 460
14 Basel III leverage ratio (%) (row 2/row13)	7.7%	8.0%	7.9%	7.5%	7.5%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	7.7%	8.0%	7.9%	7.5%	7.5%
LIQUIDITY COVERAGE RATIO (LCR)					
15 Total high-quality liquid assets	459 027	448 706	448 161	432 037	425 058
16 Total net cash outflow	382 276	379 310	372 666	361 639	357 794
17 LCR	120%	118%	120%	119%	119%
NET STABLE FUNDING RATIO (NSFR)					
18 Total available stable funding	1 593 066	1 571 877	1 545 342	1 542 340	1 516 472
19 Total required stable funding	1 326 702	1 310 958	1 294 965	1 267 028	1 254 964
20 NSFR	120%	120%	119%	122%	121%

* Excluding unappropriated profits.

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

[#] The CCyB add-on was 47 bps at 30 September 2024.

[†] Total D-SIB requirement was 1.5% at 30 September 2024, of which 1% is held in CET1 capital.

[‡] Based on month-end balances.

KEY DRIVERS: SEPTEMBER 2024 VS JUNE 2024

Risk-based capital ratios	<p>Available capital</p> <ul style="list-style-type: none"> Reduction in CET1 capital mainly due to a decrease in the foreign currency translation reserves given rand appreciation against hard currencies. Additional Tier 1 (AT1) capital was impacted by redemptions and issuances of instruments during the quarter. <p>RWA</p> <ul style="list-style-type: none"> Increase in RWA was driven primarily by market-, other-, counterparty credit and equity investment risks, partly offset by a decrease in credit risk. The decrease in credit risk RWA was mainly due to RWA optimisation and foreign currency movements given rand appreciation against hard currencies.
Leverage ratio	<p>Total exposure measure</p> <ul style="list-style-type: none"> Increase in exposure measure driven by an increase in on-balance sheet, derivatives and securities financing transaction exposures, partly offset by the decrease in off-balance sheet 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				
	September 24	June 24	March 24	December 23	September 23
AVAILABLE CAPITAL (AMOUNTS)**					
1 CET1	109 894	110 191	108 248	104 141	100 904
1a Fully loaded ECL accounting model CET1	109 894	110 191	108 248	104 141	100 904
2 Tier 1	120 312	121 244	118 319	114 260	111 774
2a Fully loaded ECL accounting model Tier 1	120 312	121 244	118 319	114 260	111 774
3 Total capital [#]	138 743	139 805	137 397	131 755	128 534
3a Fully loaded ECL accounting model total capital	138 743	139 805	137 397	131 755	128 534
RISK-WEIGHTED ASSETS (AMOUNTS)					
4 Total RWA	926 578	915 172	894 231	872 470	862 876
RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA**					
5 CET1 ratio (%)	11.9%	12.0%	12.1%	11.9%	11.7%
5a Fully loaded ECL accounting model CET1 ratio (%)	11.9%	12.0%	12.1%	11.9%	11.7%
6 Tier 1 ratio (%)	13.0%	13.2%	13.2%	13.1%	13.0%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	13.0%	13.2%	13.2%	13.1%	13.0%
7 Total capital ratio (%)	15.0%	15.3%	15.4%	15.1%	14.9%
7a Fully loaded ECL accounting model total capital ratio (%)	15.0%	15.3%	15.4%	15.1%	14.9%
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 (%) [†]	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 (%)	2.0%	2.3%	2.4%	2.1%	1.9%
BASEL III LEVERAGE RATIO[^]					
13 Total Basel III leverage ratio exposure measure	1 900 372	1 814 018	1 799 392	1 780 070	1 748 039
14 Basel III leverage ratio (%) (row 2/row13)	6.3%	6.7%	6.6%	6.4%	6.4%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	6.3%	6.7%	6.6%	6.4%	6.4%
LIQUIDITY COVERAGE RATIO[°]					
15 Total high-quality liquid assets	396 225	379 949	383 016	372 128	366 617
16 Total net cash outflow	322 377	314 786	310 871	302 214	299 579
17 LCR	123%	121%	123%	123%	122%
NET STABLE FUNDING RATIO[°]					
18 Total available stable funding	1 119 029	1 076 020	1 046 295	1 055 976	1 036 836
19 Total required stable funding	952 484	926 690	910 196	895 247	877 926
20 NSFR	117%	116%	115%	118%	118%

* 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 for FRB was nil at 30 September 2024.

[‡] Total D-SIB requirement was 1.5 % at 30 September 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.

FIRSTRAND LIMITED					
R million		RWA			Minimum capital requirement*
		As at 30 September 2024	As at 30 June 2024	As at 30 September 2023	As at 30 September 2024
1	Credit risk (excluding counterparty credit risk)**	985 448	989 151	939 568	132 725
2	– Standardised approach	373 435	372 883	393 836	50 296
5	– Advanced internal ratings-based (AIRB) approach	612 013	616 268	545 732	82 429
16	Securitisation exposures in banking book#	5 124	5 239	5 298	690
17	– Internal ratings-based approach (SEC-IRBA)	4 052	4 167	5 229	546
19	– Standardised approach (SEC-SA)	1 072	1 072	69	144
	Total credit risk	990 572	994 390	944 866	133 415
6	Counterparty credit risk†	16 723	15 017	14 711	2 252
7	– of which: standardised approach to counterparty credit risk (SA-CCR)	16 402	14 745	14 323	2 209
9	– of which: other counterparty credit risk (CCR)‡	321	272	388	43
10	Credit valuation adjustment	14 809	11 553	9 671	1 995
11	Equity positions in banking book under market-based approach^	32 105	30 728	25 460	4 324
12	Equity investments in funds – look-through approach	331	318	304	45
13	Equity investments in funds – mandate-based approach	24 976	25 149	22 292	3 364
14	Equity investments in funds – fall-back approach	558	508	130	75
20	Market risk[§]	43 244	36 143	37 741	5 825
21	– Standardised approach	14 387	13 949	13 403	1 938
22	– Internal model approach	28 857	22 194	24 338	3 887
24	Operational risk	164 412	164 412	154 576	22 144
	– Basic indicator approach	29 667	29 667	25 796	3 996
	– Standardised approach	31 100	31 100	26 850	4 189
	– Advanced measurement approach	103 645	103 645	101 930	13 959
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	36 788	39 489	40 549	4 955
26	Floor adjustment	46 804	46 804	38 467	6 304
	Other assets	45 336	40 249	43 820	6 106
27	Total[§]	1 416 658	1 404 760	1 332 587	190 804

* The capital requirement is 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 CCyB requirement was 0.47% at 30 September 2024.

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

Securitisation external ratings-based approach (SEC ERBA) including internal assessment approach (IAA) for securitisation exposures in the banking book was nil for the period under review (row 18 in OV1 template). This row is therefore excluded.

† The group does not apply the internal model method to counterparty credit risk (row 8 of OV1 template). This row is therefore excluded.

‡ Reflects CCR exposure to central clearing counterparties (CCPs), which follows a specific CCP methodology. Therefore it is disclosed separately under "other CCR".

^ 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). This row is therefore excluded.

§ Settlement risk was nil for the period under review (row 15 in OV1 template). This row is therefore excluded.

OV1: Overview of RWA

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

FIRSTRAND BANK LIMITED*				
R million	RWA			Minimum capital requirement**
	As at 30 September 2024	As at 30 June 2024	As at 30 September 2023	As at 30 September 2024
1 Credit risk (excluding counterparty credit risk)#	646 533	649 418	610 235	84 050
2 – Standardised approach	13 782	14 016	44 189	1 792
5 – Advanced internal ratings-based approach	632 751	635 402	566 046	82 258
16 Securitisation exposures in banking book†	4 121	4 236	5 298	536
17 – SEC-IRBA	4 052	4 167	5 229	527
19 – SEC-SA	69	69	69	9
Total credit risk	650 654	653 654	615 533	84 586
6 Counterparty credit risk‡	12 831	11 290	9 365	1 668
7 – Standardised approach to counterparty credit risk (SA-CCR)	12 655	11 132	9 086	1 645
9 – of which: other CCR^	176	158	279	23
10 Credit valuation adjustment	12 710	9 570	6 324	1 652
11 Equity positions in banking book under market-based approach°	2 468	2 336	2 140	321
13 Equity investments in funds – mandate-based approach	171	194	102	22
14 Equity investments in funds – fall-back approach	558	508	130	73
20 Market risk§	38 945	31 619	31 799	5 062
21 – Standardised approach	10 088	9 425	7 461	1 311
22 – Internal model approach	28 857	22 194	24 338	3 751
24 Operational risk	105 949	105 949	102 356	13 773
– Standardised approach	3 556	3 556	2 875	462
– Advanced measurement approach	102 393	102 393	99 481	13 311
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	14 934	17 904	18 759	1 941
26 Floor adjustment	50 618	50 618	42 383	6 580
Other assets	36 740	31 530	33 985	4 776
27 Total^Δ	926 578	915 172	862 876	120 454

* FRB including foreign branches.

** The capital requirement is calculated at 13% 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 CCyB requirement was nil at 30 September 2024.

The bank does not apply the foundation IRB and the supervisory slotting approaches (rows 3 and 4 of OV1 template). These rows are therefore excluded.

† SEC-ERBA including IAA for securitisation exposures in the banking book was nil for the period under review (row 18 of OV1 template). This row is therefore excluded.

‡ The bank does not apply the internal model method to counterparty credit risk (row 8 of OV1 template). This row is therefore excluded.

^ Reflects CCR exposure to CCPs, which follows a specific CCP methodology. Therefore it is disclosed separately under "other CCR".

° 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). This row is therefore excluded.

Δ Equity investments in funds look-through approach and settlement risk was nil for the period under review (row 12 and 15 of OV1 template). 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 30 June 2024	616 268
2	Asset size	17 212
3	Asset quality	(1 973)
4	Model updates*	(18 432)
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements**	(1 062)
8	Other	-
9	RWA at 30 September 2024#	612 013

* The decrease in RWA is attributed to a lower probability of default following the Prudential Authority's approval of the wholesale model.

** The foreign exchange movements are due to the exposures denominated in USD.

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

MR2: RWA flow statements of market risk exposures under 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 30 June 2024	11 633	10 561	22 194
2	Movement in risk levels	4 305	2 358	6 663
3	Model updates/changes	-	-	-
4	Methodology and policy	-	-	-
5	Acquisitions and disposals	-	-	-
6	Foreign exchange movements	-	-	-
7	Other	-	-	-
8	RWA at 30 September 2024	15 938	12 919	28 857

* 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**
<i>R million</i>		As at 30 September 2024	
1	Total consolidated assets as per published financial statements	2 448 409	1 815 068
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(12 876)	–
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	(30 705)	(21 013)
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	4 375	4 375
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	132 347	103 804
7	Other adjustments	(10 526)	(1 862)
8	Leverage ratio exposure	2 531 024	1 900 372

* 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**	
<i>R million</i>		As at 30 September 2024	As at 30 June 2024	As at 30 September 2024	As at 30 June 2024
On-balance sheet exposures					
1	On-balance sheet exposures (excluding derivatives and SFTs, but including collateral)	2 337 912	2 287 323	1 702 341	1 631 361
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(65 317)	(64 963)	(42 559)	(42 795)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2 272 595	2 222 360	1 659 782	1 588 566
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	24 158	19 564	27 389	22 342
5	Add-on amounts for PFE associated with all derivatives transactions	22 387	18 726	22 853	19 270
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)	(7 624)	(4 754)	(7 624)	(4 754)
8	(Exempted CCP leg of client-cleared trade exposures)	(1 978)	(1 406)	(1 978)	(1 406)
9	Adjusted effective notional amount of written credit derivatives	4 092	3 758	4 092	3 758
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)	40 065	34 918	43 762	38 240
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	81 642	68 984	88 649	77 981
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–	–	–
14	CCR exposure for SFT assets	4 375	2 305	4 375	2 305
15	Agent transaction exposures	–	–	–	–
16	Total securities financing transaction exposures (sum of lines 12 to 15)	86 017	71 289	93 024	80 286
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	568 065	586 184	522 994	544 025
18	(Adjustments for conversion to credit equivalent amounts)	(435 718)	(452 038)	(419 190)	(437 098)
19	Off-balance sheet items (sum of lines 17 and 18)	132 347	134 146	103 804	106 927
Capital and total exposures					
20	Tier 1 capital	195 373	196 733	120 312	121 244
21	Total exposures (sum of lines 3, 11, 16 and 19)	2 531 024	2 462 713	1 900 372	1 814 018
Leverage ratio					
22	Basel III leverage ratio	7.7%	8.0%	6.3%	6.7%

* Based on month-end balances.

** FRB including foreign branches.

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.

R million	FIRSTRAND LIMITED*		FIRSTRAND BANK LIMITED SOUTH AFRICA*	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
HIGH-QUALITY LIQUID ASSETS				
1		509 153		396 225
CASH OUTFLOWS				
2		838 373	498 694	40 510
3		194 314	65 097	3 255
4		644 059	433 597	37 255
5		712 375	610 665	300 270
6		193 385	172 598	43 150
7		508 777	428 108	247 161
8		10 213	9 959	9 959
9		6 705		1 766
10		352 000	317 232	52 755
11		20 515	14 966	14 966
12		96 908	91 025	4 551
13		234 577	211 241	33 238
14		–	–	–
15		340 976	310 722	12 187
16	TOTAL CASH OUTFLOWS	491 830		407 488
CASH INFLOWS				
17		13 012	7 704	1 161
18		135 019	101 183	80 002
19		4 612	4 364	3 948
20	TOTAL CASH INFLOWS	152 643	113 251	85 111
		Total adjusted value		Total adjusted value
21	TOTAL HQLA**	459 027		396 225
22	TOTAL NET CASH OUTFLOWS#	382 276		322 377
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 92 days of daily observations over the period ended 30 September 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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