



BASEL PILLAR 3 STANDARDISED DISCLOSURES **2020**

as at 31 December

introduction

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



FirstRand

1966/010753/06

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 (the group).

<i>R million</i>	FirstRand Limited				
	December 20	September 20	June 20	March 20	December 19
AVAILABLE CAPITAL (AMOUNTS)*					
1 Common Equity Tier 1	121 902	125 303	126 903	127 133	117 081
1a Fully loaded ECL accounting model	120 820	124 222	124 740	124 970	114 918
2 Tier 1	129 537	132 049	133 568	135 046	125 376
2a Fully loaded ECL accounting model Tier 1	128 456	130 968	131 404	132 883	123 213
3 Total capital**	153 878	158 312	160 512	159 862	149 210
3a Fully loaded ECL accounting model total capital	152 804	157 230	158 458	158 875	148 178
RISK WEIGHTED ASSETS (AMOUNTS)					
4 Total risk weighted assets	1 080 689	1 121 131	1 114 321	1 116 352	1 024 252
RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA*					
5 Common Equity Tier 1 (%)	11.3%	11.2%	11.4%	11.4%	11.4%
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	11.2%	11.1%	11.2%	11.2%	11.2%
6 Tier 1 (%)	12.0%	11.8%	12.0%	12.1%	12.2%
6a Fully loaded ECL accounting model Tier 1 (%)	11.9%	11.7%	11.8%	11.9%	12.0%
7 Total capital (%)	14.2%	14.1%	14.4%	14.3%	14.6%
7a Fully loaded ECL accounting model total capital (%)	14.1%	14.0%	14.2%	14.2%	14.5%
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 Countercyclical buffer requirement (%)#	0.0%	0.0%	0.0%	0.0%	0.2%
10 Bank domestic systemically important bank (D-SIB) additional requirements (%)†	0.8%	0.8%	–	–	–
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.3%	3.3%	2.5%	2.5%	2.7%
12 CET1 available after meeting the bank's minimum capital requirements (%)	2.2%	2.1%	3.5%	2.8%	2.8%
BASEL III LEVERAGE RATIO‡					
13 Total Basel III leverage ratio exposure measure	1 926 054	1 915 294	1 898 460	1 930 289	1 765 746
14 Basel III leverage ratio (%) (row 2/row13)	6.7%	6.9%	7.0%	7.0%	7.1%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	6.7%	6.8%	6.9%	6.9%	7.0%
LIQUIDITY COVERAGE RATIO (LCR)					
15 Total HQLA	326 422	309 106	279 854	264 924	276 704
16 Total net cash outflow	267 681	248 283	243 331	218 318	187 377
17 LCR ratio (%)	122%	124%	115%	121%	148%
NET STABLE FUNDING RATIO (NSFR)					
18 Total available stable funding	1 240 146	1 237 864	1 193 182	1 210 650	1 120 492
19 Total required stable funding	992 581	1 004 557	1 020 727	1 051 231	945 482
20 NSFR ratio	125%	123%	117%	115%	119%

* Excluding unappropriated profits.

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

In March 2020, the Prudential Regulation Authority reduced the UK countercyclical capital buffer (CCyB) requirement from 1% to 0%. This resulted in the FirstRand CCyB requirement reducing to nil from March 2020 onwards. Therefore table CCyB1 has not been included in this disclosure. Comparative CCyB buffers are as follows: December 19 (0.18%).

† Disclosure of D-SIB in line with Directive 4 of 2020, Capital framework for South Africa based on Basel III framework. The total D-SIB requirement is 1.5%, of which 75 bps is met with CET1 capital. December 2020 and September 2020 (restated) have been rounded up on line 10.

‡ Based on month-end balances.

KEY DRIVERS: DECEMBER 2020 vs SEPTEMBER 2020

Risk-based capital ratios*	<p>Available capital</p> <ul style="list-style-type: none"> Tier 1: Decrease due to the reduction in the foreign currency translation reserve given the appreciation of the rand, offset by the issuance of FRB28 in December 2020. Tier 2: Decrease driven by foreign currency translation movements. <p>Risk weighted assets (RWA)</p> <ul style="list-style-type: none"> Decrease in RWA driven primarily by foreign currency movements impacting credit risk as well as decreases in counterparty credit risk, market risk and other risk.
Leverage ratio	<p>Total exposure measure</p> <ul style="list-style-type: none"> Increase in total exposure due to an increase in on- and off-balance sheet items, securities financing transactions and derivative exposures. <p>Tier 1 capital measure</p> <ul style="list-style-type: none"> Decrease in Tier 1 explained above.
Liquidity ratios	<ul style="list-style-type: none"> The decrease in the LCR reflects the effects of the COVID-19 crisis, mainly observed early in the quarter. The group's LCR continues to exceed the revised minimum requirement of 80% and the NSFR is above the minimum requirement of 100%.

* Reflects the transitional Day 1 impact of IFRS 9.

CC1 – Composition of regulatory capital

The table below provides a detailed breakdown of regulatory capital according to the scope of regulatory consolidation for the group.

R million	FirstRand Limited as at 31 December			
	2020	Amounts subject to pre-BaseI III treatment	Reference*	2019
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1	8 024		a	8 019
2	117 846		b	113 846
3	7 499		c	2 661
4				
5	3 703	4 617	d	3 425
6	137 072			127 951
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
7	393			220
8	7 857		e	7 387
9	2 505		f	2 685
10	236		g	265
11	3 043			577
12	–			44
13	–			–
14	–			–
15	–			6
16	11			–
17	–			–
18	–			–
19	–			–
20	–			–
21	–			–
22	–			–
23	–			–
24	–			–
25	–			–
26	1 125		h	(314)
27	–			–
28	15 170			10 870
29	121 902			117 081
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30	–			–
31	–			–
32	–			–
33	904		i	1 356
34	8 040		j	7 758
35	–			–
36	8 944			9 114

* Reference to CC2 Reconciliation of regulatory capital to balance sheet table on page 7.

		FirstRand Limited as at 31 December		
		2020	Amounts subject to pre-Base I treatment	Reference*
<i>R million</i>				
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	1 309	k	819
42	Regulatory adjustments applied to AT1 due to insufficient Tier 2 to cover deductions	–		–
43	Total regulatory adjustments to AT1 capital	1 309		819
44	AT1 capital	7 635	l	8 295
45	Tier 1 capital (CET1 + AT1)	129 537		125 376
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)	19 433	m	22 760
49	of which: instruments issued by subsidiaries subject to phase out	–		–
50	Provisions	7 035		3 477
51	Tier 2 capital before regulatory adjustments	26 468		26 237
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)	–		–
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	–		–
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	2 127		2 403
57	Total regulatory adjustments to Tier 2 capital	2 127		2 403
58	Tier 2 capital	24 341		23 834
59	Total capital (Tier 1 + Tier 2)	153 878		149 210
60	Total risk weighted assets	1 080 689		1 024 252
CAPITAL RATIOS AND BUFFERS				
61	CET1 (as a percentage of risk weighted assets)	11.3%		11.4%
62	Tier 1 (as a percentage of risk weighted assets)	12.0%		12.2%
63	Total capital (as a percentage of risk weighted assets)	14.2%		14.6%
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk weighted assets)	7.8%		7.7%
65	of which: capital conservation buffer requirement	2.5%		2.5%
66	of which: bank-specific countercyclical buffer requirement**	0%		0.2%
67	of which: higher loss absorbency requirement [#]	0.8%		0%
68	CET1 available to meet buffers (as a percentage of risk weighted assets)	2.2%		2.8%

* Reference to CC2 Reconciliation of regulatory capital to balance sheet table on page 7.

** In March 2020, the Prudential Regulation Authority reduced the UK countercyclical capital buffer (CCyB) requirement from 1% to 0%. This resulted in FirstRand's CCyB requirement reducing to nil at March 2020 onwards. Therefore table CCyB1 has not been included in this disclosure. Comparative CCyB buffers are as follows: December 2019 (0.18%).

[#] In terms of Directive 4 of 2020, the D-SIB add-on is required to be disclosed from 1 September 2020. The total D-SIB requirement of 1.5%, of which CET1 is 0.75%.

		FirstRand Limited as at 31 December		
		2020	Amounts subject to pre-BaseI III treatment	Reference*
<i>R million</i>				
NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)				
69	National CET1 minimum ratio	7.75%		7.50%
70	National Tier 1 minimum ratio	9.63%		9.25%
71	National total capital minimum ratio	12.00%		11.50%
AMOUNTS BELOW THE THRESHOLD FOR DEDUCTIONS (BEFORE RISK WEIGHTING)				
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	592		1 075
73	Significant investments in the capital of financial entities	6 082		6 193
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of tax liability)	4 609	n	3 306
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)	9 024**		5 475
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3 962		3 477
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	6 665**		—#
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	3 073		2 899
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	904		1 356
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	3 615		3 163
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)	—		—

* Reference to CC2 Reconciliation of regulatory capital to balance sheet table on page 7.

** Increase in provisions due to the impact of COVID-19.

No amount reported in prior year, as expected losses exceeded provisions.

CC2 – Reconciliation of regulatory capital to balance sheet

The table below highlights the differences between the scope of accounting and regulatory consolidation. It also links the group's published statement of financial position and the CC1 composition of regulatory capital disclosure templates.

<i>R million</i>	FirstRand Limited as at 31 December 2020		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation*	Reference**
ASSETS			
Cash and cash equivalents	144 173	144 090	
Derivative financial instruments	142 863	142 863	
Commodities	20 046	20 046	
Investment securities	361 102	353 711	
Advances	1 222 120	1 222 120	
– Advances to customers	1 152 658	1 152 658	
– Marketable advances	69 462	69 462	
Other assets	11 141	11 067	
Current tax asset	440	440	
Non-current assets and disposal groups held for sale	802	802	
Reinsurance assets	373	–	
Investments in subsidiary companies	–	1 155	
Investments in associates	7 202	7 202	
Investments in joint ventures	2 125	2 132	
Property, plant and equipment	20 812	20 801	
Intangible assets	10 723	10 362	
– Goodwill		7 857	e
– Intangibles		2 505	f
Investment properties	714	714	
Defined benefit post-employment asset	–	–	
Deferred income tax asset	5 133	4 845	
– Relating to temporary differences		4 609	n
– Other than temporary differences		236	g
Total assets	1 949 769		
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	17 035	17 035	
Derivative financial instruments	145 522	145 522	
Creditors, accruals and provisions	20 763	19 204	
Current tax liability	1 290	1 285	
Liabilities directly associated with disposal group held for sale	908	908	
Deposits	1 556 904	1 556 869	
Employee liabilities	8 327	8 263	
Other liabilities	8 611	8 611	
Amounts due to subsidiary companies	–	337	
Policyholder liabilities	6 583	–	
Tier 2 liabilities	21 168	19 433	m [#]
Deferred income tax liability	1 216	1 199	
Total liabilities	1 788 327		
Equity			
Ordinary shares	56	56	a
Share premium	7 968	7 968	a
Reserves	137 156	125 345	
– Retained earnings		117 846	b [†]
– Accumulated other comprehensive income (and other reserves)		7 499	c
Capital and reserves attributable to ordinary equityholders	145 180		
Non-controlling interests – CET1	4 617	2 058	d – h [‡]
Other equity instruments [^]	11 645	7 635	i
of which: directly issued AT1 instruments subject to phase out		904	i
of which: non-controlling interests – AT1		6 731	j – k [◊]
Total equity	161 442		
Total equity and liabilities	1 949 769		

* Amounts included under regulatory scope of consolidation excludes balances related to insurance entities. Deduction for insurance entities included in line 26 of CC1 Composition of regulatory capital table on page 4.

** Reference to CC1 Composition of regulatory capital table on page 4.

Subject to the third-party capital rule.

† Excluding unappropriated profits.

‡ Subject to third party capital rule: net amount reported under regulatory scope of consolidation. CC1 Composition of regulatory capital on page 4: line 5 gross minority interests (R3.7 billion) less line 26 regulatory deduction for surplus minority capital (R1.6 billion).

^ AT1 capital instruments included in 'other equity instruments' are subject to the third-party capital rule.

◊ Subject to the third-party capital rule: net amount reported under regulatory scope of consolidation.

Note: Greyed out cells not applicable or information not available.

CCA – Main features of regulatory capital instruments

The table below provides a description of the terms and conditions or main features of the group's qualifying regulatory capital instruments.

FirstRand Limited as at 31 December 2020																		
	Ordinary share capital and premium	NCNR preference shares	FRB24	FRB25*	FRB28	FRB13	FRB14	FRB17	FRB18	FRB19	FRB20	FRB21	FRB22	FRB23	FRB26	FRB27	USD Reg S issuance	Aldermore Group plc
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	Aldermore Group plc
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000066304	ZAE000060141	ZAG000155102	ZAG000157512	ZAG000172925	ZAG000116286	ZAG000116294	ZAG000127630	ZAG000135229	ZAG000135310	ZAG000135385	ZAG000140856	ZAG000141219	ZAG000146754	ZAG000159955	ZAG000159963	XS1810806395	XS1507529144
3 Governing law(s) of the instrument	South African law	South African law	South African law	South African law	South African law	South African law	South African law	South African law	South African law	South African law	South African law	South African law	South African law	South African law	South African Law	South African Law	South African and English law	English Law
Regulatory treatment																		
4 Transitional Basel III rules	CET1	AT1	AT1	AT1	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
5 Post-transitional Basel III rules	CET1	Ineligible	AT1	AT1	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
6 Eligible at solo/group/group and solo	Group	Group	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo	Group
7 Instrument type (types to be specified by each jurisdiction)	CET1	AT1	AT1	AT1	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
8 Amount recognised in regulatory capital (R million; US\$ million; GBP million)	8 024	904	2 265	3 461	1 400	148	125	601	1 500	500	645	1 000	1 250	2 750	1 910	715	US\$500	GBP60
9 Par value of instrument (R million; US\$ million; GBP million)	8 024	4 519	2 265	3 461	1 400	148	125	601	1 500	500	645	1 000	1 250	2 750	1 910	715	US\$500	GBP60
10 Accounting classification	Shareholders' equity	Shareholders' equity	Equity	Equity	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
11 Original date of issuance	1 April 1998	10 November 2004	8 November 2018	19 March 2019	2 December 2020	2 June 2014	2 June 2014	8 July 2015	13 April 2016	14 April 2016	15 April 2016	24 November 2016	8 December 2016	20 September 2017	3 June 2019	3 June 2019	23 April 2018	28 October 2016
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	No maturity	No maturity	No maturity	No maturity	No maturity	2 June 2026	2 June 2026	8 January 2027	13 April 2026	14 April 2026	15 April 2026	24 November 2026	8 December 2027	20 September 2027	3 June 2029	3 June 2031	23 April 2028	28 October 2026
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
15 Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	8 November 2023	19 September 2024	2 December 2025	2 June 2021	2 June 2021	8 January 2022	13 April 2021	14 April 2021	15 April 2021	24 November 2021	8 December 2022	20 September 2022	3 June 2024	3 June 2026	23 April 2023	28 October 2021
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
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 principle
16 Subsequent call dates, if applicable	Not applicable	Not applicable	Any interest payment date after 8 November 2023	Any interest payment date after 19 September 2024	Any interest payment date after 2 December 2025	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	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Fixed	Floating	Floating	Floating	Floating	Floating	Fixed	Fixed	Fixed
18 Coupon rate and any related index	Not applicable	75.56% of prime	445 bps over 3 month JIBAR	440 bps over 3 month JIBAR	440 bps over 3 month JIBAR	239 bps over 3 month JIBAR	10%	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	315 bps over 3 month JIBAR	224 bps over 3 month JIBAR	10.19%	6.25%	8.5%
19 Existence of a dividend stopper	No	No	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory

* Includes tap issuance of R223 million on 18 April 2019 and R761 million on 5 July 2019 respectively.

Note: CET1 – Common Equity Tier 1; AT1 – Additional Tier 1.

CC1 – Composition of regulatory capital

The table below provides a detailed breakdown of regulatory capital according to the scope of regulatory consolidation for FirstRand Bank Limited (the bank).

R million	FirstRand Bank Limited* as at 31 December			
	2020	Amounts subject to pre-Basel III treatment	Reference**	2019
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1	16 808		a	16 808
2	72 265		b	70 065
3	4 935		c	1 767
4				
5	–	–		–
6	94 008			88 640
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
7	393			220
8	–			–
9	648		d	669
10	132		e	188
11	3 097			577
12	–			44
13	–			–
14	–			–
15	–			–
16	11			–
17	–			–
18	–			–
19	–			–
20	–			–
21	–			–
22	–			–
23	–			–
24	–			–
25	–			–
26	(673)			(1 347)
27	–			–
28	3 608			351
29	90 400			88 289
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30	7 126			5 726
31	7 126		f	5 726
32	–			–
33	–			–
34	–			–
35	–			–
36	7 126			5 726

* FirstRand Bank Limited including foreign branches.

** Reference to CC2 Reconciliation of regulatory capital to balance sheet table on page 13.

R million		FirstRand Bank Limited* as at 31 December			
		2020	Amounts subject to pre-Base I treatment	Reference**	2019
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	2 166			866
42	Regulatory adjustments applied to AT1 due to insufficient Tier 2 to cover deductions	–			–
43	Total regulatory adjustments to AT1 capital	2 166			866
44	AT1 capital	4 960			4 860
45	Tier 1 capital (CET1 + AT1)	95 360			93 149
TIER 2 CAPITAL AND PROVISIONS					
46	Directly issued qualifying Tier 2 instruments	18 483		g	21 894
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)	–			–
49	of which: instruments issued by subsidiaries subject to phase out	–			–
50	Provisions	3 555			595
51	Tier 2 capital before regulatory adjustments	22 038			22 489
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)	–			–
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	–			–
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	3 054			2 807
57	Total regulatory adjustments to Tier 2 capital	3 054			2 807
58	Tier 2 capital	18 984			19 682
59	Total capital (Tier 1 + Tier 2)	114 344			112 831
60	Total risk weighted assets	732 622			708 978
CAPITAL RATIOS AND BUFFERS					
61	CET1 (as a percentage of risk weighted assets)	12.3%			12.5%
62	Tier 1 (as a percentage of risk weighted assets)	13.0%			13.1%
63	Total capital (as a percentage of risk weighted assets)	15.6%			15.9%
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk weighted assets)	7.8%			7.5%
65	of which: capital conservation buffer requirement	2.5%			2.5%
66	of which: bank-specific countercyclical buffer requirement [#]	0%			0%
67	of which: higher loss absorbency buffer requirement [†]	0.8%			0%
68	CET1 available to meet buffers (as a percentage of risk weighted assets)	3.4%			3.8%

* FirstRand Bank Limited including foreign branches.

** Reference to CC2 Reconciliation of regulatory capital to balance sheet table on page 13.

[#] In March 2020, the Prudential Regulation Authority reduced the UK countercyclical capital buffer (CCyB) requirement from 1% to 0%. This resulted in FirstRand Bank Limited's CCyB requirement reducing to nil at March 2020 onwards. Therefore table CCyB1 has not been included in this disclosure. Comparative CCyB buffers are as follows: December 2019 (0.04%).

[†] In terms of Directive 4 of 2020, the D-SIB add-on is required to be disclosed from 1 September 2020. The total D-SIB requirement of 1.5%, of which CET1 is 0.75%.

R million	FirstRand Bank Limited* as at 31 December			
	2020	Amounts subject to pre-Basel III treatment	Reference**	2019
NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)*				
69 National CET1 minimum ratio	7.75%			7.50%
70 National Tier 1 minimum ratio	9.63%			9.25%
71 National total capital minimum ratio	12.00%			11.50%
AMOUNTS BELOW THE THRESHOLD FOR DEDUCTIONS (BEFORE RISK WEIGHTING)				
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	292			682
73 Significant investments in the capital of financial entities	450			499
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	3 524		h	2 634
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)	1 344 [#]			826
77 Cap on inclusion of provisions in Tier 2 under standardised approach	482			595
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	6 665 [#]			- [†]
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	3 073			2 899
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.

** Reference to CC2 Reconciliation of regulatory capital to balance sheet table on page 13.

[#] Increase in provisions due to the impact of COVID-19.

[†] No amount reported in prior year, as expected losses exceeded provisions.

CC2 – Reconciliation of regulatory capital to balance sheet

The table below highlights the differences between the scope of accounting and regulatory consolidation. It also links the bank's published statement of financial position and the CC1 composition of regulatory capital disclosure templates.

	FirstRand Bank Limited* as at 31 December 2020		Reference**
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	
<i>R million</i>			
ASSETS			
Cash and cash equivalents	103 226	103 226	
Derivative financial instruments	119 031	119 031	
Commodities	20 046	20 046	
Investment securities	265 856	265 856	
Advances	849 020	849 020	
– Advances to customers	779 680	779 680	
– Marketable advances	69 340	69 340	
Other assets	5 914	5 914	
Non-current assets and disposal groups held for sale	–	–	
Amounts due by holding company and fellow subsidiary companies	81 166	81 166	
Investments in associates	–	–	
Property and equipment	17 275	17 275	
Intangible assets	648	648	d
Deferred income tax asset	3 889	3 656	
– Relating to temporary differences		3 524	h
– Other than temporary differences		132	e
Total assets	1 466 071		
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	16 910	16 910	
Derivative financial instruments	117 775	117 775	
Creditors, accruals and provisions	14 947	14 947	
Current tax liability	1 089	1 089	
Deposits	1 134 330	1 134 330	
Employee liabilities	7 294	7 294	
Liabilities directly associated with disposal group held for sale	–	–	
Other liabilities	5 361	5 361	
Amounts due to holding company and fellow subsidiary companies	39 895	39 895	
Tier 2 liabilities	19 001	18 483	g
Total liabilities	1 356 602		
Equity			
Ordinary shares	4	4	a
Share premium	16 804	16 804	a
Reserves	85 535	77 200	
– Retained earnings		72 265	b [#]
– Accumulated other comprehensive income (and other reserves)		4 935	c
Capital and reserves attributable to ordinary equityholders	102 343		
Other equity instruments	7 126	7 126	f
Total equity	109 469		
Total equity and liabilities	1 466 071		

* FirstRand Bank Limited including foreign branches.

** Reference to CC1 Composition of regulatory capital table on page 10.

[#] Excluding unappropriated profits.

Note: Greyed out cells not applicable or information not available.

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.

R million	As at 31 December 2020	
	FirstRand Limited	FirstRand Bank Limited**
1 Total consolidated assets as per published financial statements	1 949 769	1 466 071
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(7 672)	–
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	(110 008)	(99 433)
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	4 903	4 903
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	73 611	77 061
7 Other adjustments	15 451	17 702
8 Leverage ratio exposure	1 926 054	1 466 304

* Based on month-end balances.

** FirstRand Bank Limited 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.

R million	FirstRand Limited		FirstRand Bank Limited**	
	As at 31 December 2020	As at 30 September 2020	As at 31 December 2020	As at 30 September 2020
ON-BALANCE SHEET EXPOSURES				
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1 794 035	1 791 839	1 314 348	1 289 794
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(37 940)	(36 785)	(22 494)	(22 891)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1 756 095	1 755 054	1 291 854	1 266 903
DERIVATIVE EXPOSURES				
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	12 180	11 179	12 397	12 265
5 Add-on amounts for PFE associated with all derivatives transactions	17 054	16 312	18 919	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)	–	–	–	–
8 (Exempted CCP leg of client-cleared trade exposures)	–	–	–	–
9 Adjusted effective notional amount of written credit derivatives	5 774	6 674	5 774	6 674
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(2 153)	(5 503)	(2 153)	(5 503)
11 Total derivative exposures (sum of lines 4 to 10)	32 855	28 662	34 937	32 696
SECURITIES FINANCING TRANSACTION EXPOSURES				
12 Gross SFT assets (with no recognition of netting) after adjusting for sale accounting transactions	58 590	60 318	57 549	58 629
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–	–	–
14 CCR exposure for SFT assets	4 903	1 494	4 903	1 494
15 Agent transaction exposures	–	–	–	–
16 Total securities financing transaction exposures (sum of lines 12 to 15)	63 493	61 812	62 452	60 123
OTHER OFF-BALANCE SHEET EXPOSURES				
17 Off-balance sheet exposure at gross notional amount	388 054	384 465	369 121	363 761
18 (Adjustments for conversion to credit equivalent amounts)	(314 443)	(314 699)	(292 060)	(287 764)
19 Off-balance sheet items (sum of lines 17 and 18)	73 611	69 766	77 061	75 997
CAPITAL AND TOTAL EXPOSURES				
20 Tier 1 capital[#]	129 537	132 049	95 360	94 499
21 Total exposures (sum of lines 3, 11, 16 and 19)	1 926 054	1 915 294	1 466 304	1 435 719
LEVERAGE RATIO				
22 Basel III leverage ratio	6.7%	6.9%	6.5%	6.6%

* Based on month-end balances.

** FirstRand Bank Limited including foreign branches.

[#] Excluding unappropriated profits.

LIQ1 – Liquidity coverage ratio (LCR)

The table below provides a breakdown of the group and bank's available high-quality liquidity assets (HQLA), cash outflows and cash inflows, as measured and defined according to the LCR standards.

R million	FirstRand Limited consolidated*		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 Total high-quality liquid assets (HQLA)		388 379		299 201
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which:	451 164	39 470	312 461	31 246
3 Stable deposits	84 629	2 817	–	–
4 Less stable deposits	366 535	36 653	312 461	31 246
5 Unsecured wholesale funding, of which:	540 667	263 005	466 331	224 749
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	177 387	44 347	160 422	40 105
7 Non-operational deposits (all counterparties)	358 247	213 625	301 585	180 320
8 Unsecured debt	5 033	5 033	4 324	4 324
9 Secured wholesale funding		7 573		3 253
10 Additional requirements, of which:	260 125	48 229	238 858	45 833
11 Outflows related to derivative exposures and other collateral requirements	19 630	19 630	18 852	18 852
12 Outflows related to loss of funding on debt products	91 148	4 557	86 817	4 341
13 Credit and liquidity facilities	149 347	24 042	133 189	22 640
14 Other contractual funding obligations	–	–	–	–
15 Other contingent funding obligations	227 652	9 169	205 551	8 145
16 Total cash outflows		367 446		313 226
CASH INFLOWS				
17 Secured lending (e.g. reverse repos)	2 081	1 866	2 081	1 866
18 Inflows from fully performing exposures	112 766	94 319	82 576	69 292
19 Other cash inflows	6 824	6 458	6 461	6 219
20 Total cash inflows	121 671	102 643	91 118	77 377
21 Total HQLA**		326 422		299 201
22 Total net cash outflow[#]		267 681		235 849
23 Liquidity coverage ratio (%)[†]		122%		127%

* The consolidated LCR for the group (FirstRand) includes FirstRand Bank Limited operations in South Africa and all registered banks and foreign branches within the group. FirstRand Bank Limited'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 quarter ended 31 December 2020 for FirstRand Bank Limited South Africa. The remaining international banking entities including Aldermore and the London, India and Channel Island branches are based on the quarter-end values. The figures are based on the regulatory submission to the Prudential Authority.

LIQ2 – Net stable funding ratio (NSFR)

The table below provides a breakdown of the bank's available stable funding and required stable funding components, as measured and defined according to the NSFR standards.

FirstRand Bank Limited South Africa*					
	a	b	c	d	e
	Unweighted value by residual maturity				Weighted value**
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
R million					
AVAILABLE STABLE FUNDING (ASF) ITEM					
1 Capital:	106 152	–	–	14 565	120 717
2 Regulatory capital	106 152	–	–	14 565	120 717
3 Other capital instruments	–	–	–	–	–
4 Retail deposit and deposits from small business customers:	140 654	226 470	10 916	9 066	349 302
5 Stable deposits	–	–	–	–	–
6 Less stable deposits	140 654	226 470	10 916	9 066	349 302
7 Wholesale funding	213 198	338 066	51 123	132 058	394 448
8 Operational deposits	200 856	–	–	–	100 428
9 Other wholesale funding	12 342	338 066	51 123	132 058	294 020
10 Liabilities with matching interdependent assets					
11 Other liabilities:	25 106	16 910	–	18 071	6 766
12 NSFR derivative liabilities	–	–	–	16 997	–
13 All other liabilities and equity not included in the above categories	25 106	16 910	–	1 074	6 766
14 Total ASF					871 233
REQUIRED STABLE FUNDING (RSF) ITEM					
15 Total NSFR high-quality liquid assets (HQLA)					27 186
16 Deposits held at other financial institutions for operational purposes					
17 Performing loans and securities:					590 279
18 Performing loans to financial institutions secured by Level 1 HQLA	–	44 904	703	3 330	8 172
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	–	93 545	24 550	38 784	65 090
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	–	63 874	47 653	317 431	325 580
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	1 600	–	–	800
22 Performing residential mortgages, of which:	–	9 168	5 335	178 485	125 764
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	8 122	4 799	166 000	114 360
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	6 963	8 061	5 337	62 417	65 673
25 Assets with matching interdependent liabilities					
26 Other assets:					66 372
27 Physical traded commodities, including gold	20 046	–	–	–	17 039
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	–	–	–	22 193	18 864
29 NSFR derivative assets	–	–	–	13 610	–
30 NSFR derivative liabilities before deduction of variation margin posted	–	–	–	18 849	1 885
31 All other assets not included in the above categories	–	–	–	28 584	28 584
32 Off-balance sheet items		425 144			16 926
33 Total RSF					700 763
34 Net stable funding ratio (%)					124%

* The NSFR is calculated as at the month ended 31 December 2020 for FirstRand Bank Limited's operations in South Africa.

** The weighted values have been calculated after the application of the respective haircuts for available stable funding (ASF) and required stable funding (RSF) as defined by the Prudential Authority.

LIQ2 – Net stable funding ratio (NSFR)

The table below provides a breakdown of the group's available stable funding and required stable funding components, as measured and defined according to the NSFR standards.

	FirstRand Limited consolidated*				
	a	b	c	d	e
	Unweighted value by residual maturity				Weighted value**
No maturity	< 6 months	6 months to < 1 year	>= 1 year		
<i>R million</i>					
AVAILABLE STABLE FUNDING (ASF) ITEM					
1 Capital:	146 896	–	–	16 865	163 761
2 Regulatory capital	146 896	–	–	16 865	163 761
3 Other capital instruments	–	–	–	–	–
4 Retail deposit and deposits from small business customers:	153 133	394 568	44 698	38 937	576 941
5 Stable deposits	–	80 642	16 241	16 423	108 462
6 Less stable deposits	153 133	313 926	28 457	22 514	468 479
7 Wholesale funding	243 474	399 619	77 253	174 957	487 581
8 Operational deposits	200 856	–	–	–	100 428
9 Other wholesale funding	42 618	399 619	77 253	174 957	387 153
10 Liabilities with matching interdependent assets					
11 Other liabilities:	31 245	18 384	393	22 901	11 863
12 NSFR derivative liabilities	–	–	–	18 038	–
13 All other liabilities and equity not included in the above categories	31 245	18 384	393	4 863	11 863
14 Total ASF					1 240 146
REQUIRED STABLE FUNDING (RSF) ITEM					
15 Total NSFR high-quality liquid assets (HQLA)					34 617
16 Deposits held at other financial institutions for operational purposes					
17 Performing loans and securities:					867 832
18 Performing loans to financial institutions secured by Level 1 HQLA	–	46 021	703	3 330	8 284
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	–	104 315	30 736	72 253	103 268
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	–	100 370	60 371	416 588	434 832
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	1 600	–	–	800
22 Performing residential mortgages, of which:	–	11 523	7 877	321 996	252 940
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	9 966	6 781	293 746	227 601
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	6 963	8 348	5 580	65 442	68 508
25 Assets with matching interdependent liabilities					
26 Other assets:					71 361
27 Physical traded commodities, including gold	20 046	–	–	–	17 039
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	–	–	–	22 193	18 864
29 NSFR derivative assets	–	–	–	14 388	–
30 NSFR derivative liabilities before deduction of variation margin posted	–	–	–	21 274	2 127
31 All other assets not included in the above categories	–	–	–	33 331	33 331
32 Off-balance sheet items		518 248			18 771
33 Total RSF					992 581
34 Net stable funding ratio (%)					125%

* The NSFR is calculated as at the month ended 31 December 2020 for FirstRand Bank Limited operations in South Africa and all registered banks and foreign branches within the group.

** The weighted values have been calculated after the application of the respective haircuts for ASF and RSF as defined by the Prudential Authority.