



basel pillar 3 disclosure

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

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FirstRand Basel Pillar 3 disclosure

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FirstRand

1966/010753/06
Certain entities within the
FirstRand group are authorised
financial services and credit
providers. This report is available
on the group's website:
www.firstrand.co.za
Email questions to
investor.relations@firstrand.co.za

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The following standardised disclosures relating to capital, leverage and liquidity at 31 December 2022 have been published on the group's website: <https://www.firststrand.co.za/investors/basel-pillar-3-disclosure/>.

- > KM1: Key prudential requirements
- > CC1: Composition of regulatory capital
- > CC2: Reconciliation of regulatory capital to balance sheet
- > CCA: Main features of regulatory capital instruments
- > CCYB1: Geographical distribution of credit exposures used in the countercyclical capital buffer
- > LR1: Summary comparison of accounting assets vs leverage ratio
- > LR2: Leverage ratio common disclosure
- > LIQ1: Liquidity coverage ratio
- > LIQ2: Net stable funding ratio

overview of the firstRand group

FirstRand's portfolio of integrated financial services businesses comprises FNB, WesBank, RMB and Aldermore. The group operates in South Africa, certain markets in sub-Saharan Africa and in the UK, and offers a universal set of transactional, lending, investment and insurance products and services. The Centre represents group-wide functions.



WesBank



Aldermore

Introduction

This interim risk and capital management report (Pillar 3 disclosure) covers the operations of FirstRand Limited (FirstRand or the group) and complies with:

- > the Basel Committee on Banking Supervision's (BCBS's) revised Pillar 3 disclosure requirements (Pillar 3 standard); BCBS 309 (January 2015); the consolidated and enhanced framework BCBS 400 (March 2017); and the BCBS technical amendment on the regulatory treatment of accounting provisions (August 2018); and
- > Regulation 43 of the Regulations relating to Banks (Regulations), issued in terms of the Banks Act 94 of 1990; *Directive 1 of 2019 on Matters related to Pillar 3 disclosure requirement framework*; and all other Pillar 3 disclosure-related directives issued by the Prudential Authority.

The table references used throughout the Pillar 3 disclosure are in accordance with the Pillar 3 standard, where required.

Some differences exist between the practices, approaches, processes and policies of FirstRand Bank Limited (FRB or the bank) and FirstRand's other wholly owned subsidiaries. These are highlighted by reference to the appropriate entity, where necessary. There is further distinction between FRB (which includes foreign branches) and FirstRand Bank Limited South Africa (FRBSA) (which excludes foreign branches). This report has been internally verified through the group's governance processes, in line with the group's external communication and disclosure policy, which describes the responsibilities and duties of senior management and the board in the preparation and review of the Pillar 3 disclosure, and aims to ensure that:

- > minimum disclosure requirements of the Regulations, standards and directives are met;
- > disclosed information is consistent with the manner in which the board assesses the group's risk portfolio;
- > the disclosure provides a true reflection of the group's financial condition and risk profile; and
- > the quantitative and qualitative disclosures are appropriately reviewed.

In this regard, the board and senior management have ensured that appropriate review of the relevant disclosures have taken place. The review process applied was approved by the FirstRand risk, capital management and compliance committee.

Overview of risk-weighted assets

OV1: OVERVIEW OF RWA

The following table provides an overview of risk-weighted assets (RWA) per risk type for the group.

R million		Group				Minimum capital requirement*
		RWA				
		As at 31 Dec 2022	As at 30 Sept 2022	As at 30 Jun 2022	As at 31 Dec 2021	
1.	Credit risk (excluding counterparty credit risk)**	874 310	849 399	812 491	776 397	115 846
2.	– Standardised approach	354 106	340 802	322 442	309 835	46 919
5.	– Advanced internal ratings-based (AIRB) approach	520 204	508 597	490 049	466 562	68 927
16.	Securitisation exposures in banking book	7 463	5 460	5 123	25 588	989
17.	– Internal ratings-based (IRB) approach	–	–	–	–	–
18.	– IRB supervisory formula approach	4 860	1 883	1 887	1 934	644
19.	– Standardised approach/simplified supervisory formula approach	2 603	3 577	3 236	23 654	345
Total credit risk		881 773	854 859	817 614	801 985	116 835
6.	Counterparty credit risk#	13 038	15 836	15 910	15 201	1 728
7.	– Standardised approach to counterparty credit risk (SA-CCR)	13 038	15 836	15 910	15 201	1 728
10.	Credit valuation adjustment	7 802	8 512	10 373	10 861	1 034
11.	Equity positions in banking book under market-based approach†	20 837	20 566	22 820	22 155	2 761
12.	Equity investments in funds – look-through approach	284	237	266	–	38
13.	Equity investments in funds – mandate-based approach	9 320	8 645	8 444	7 894	1 235
14.	Equity investments in funds – fall-back approach	121	518	270	–	16
20.	Market risk‡	36 133	38 419	28 163	31 003	4 787
21.	– Standardised approach	13 030	12 052	9 468	12 172	1 726
22.	– Internal model approach	23 103	26 367	18 695	18 831	3 061
24.	Operational risk	151 344	144 389	144 389	141 527	20 053
	– Basic indicator approach	23 086	21 131	21 131	19 478	3 059
	– Standardised approach	25 560	25 047	25 047	25 225	3 387
	– Advanced measurement approach	102 698	98 211	98 211	96 824	13 607
25.	Amounts below the thresholds for deduction (subject to 250% risk weight)	38 237	39 975	36 760	32 335	5 066
26.	Floor adjustment	19 405	20 483	20 483	20 176	2 571
	Other assets	34 127	36 844	30 025	30 069	4 522
27.	Total[^]	1 212 421	1 189 283	1 135 517	1 113 206	160 646

* The capital requirement is calculated at 13.25% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, countercyclical capital buffer (CCyB), capital conservation and the domestic systemically important bank (D-SIB), as prescribed in the Regulations.

** The group does not apply the foundation internal ratings-based approach.

The group does not apply the internal model method to counterparty credit risk (CCR) (row 8 of OV1 template) and there were no other CCRs (row 9 of OV1 template).

† 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).

[^] Settlement risk was nil for the periods under review (row 15 in OV1 template) and is therefore excluded.

Further detailed analysis of the group's credit RWA is provided in the following table.

OVERVIEW OF CREDIT RWA

<i>R million</i>	Group			
	As at 31 December 2022			
	RWA			Capital requirement*
	Advanced approach	Standardised approach	Total	
– Corporate, banks and sovereigns	247 175	263 735	510 910	67 695
– Small and medium-sized enterprises (SMEs)	66 694	57 602	124 296	16 469
– Residential mortgages	88 068	9 183	97 251	12 886
– Qualifying revolving retail	37 773	8 662	46 435	6 153
– Other retail	80 493	14 926	95 419	12 643
– Securitisation exposure	4 859	2 603	7 462	989
Total credit risk	525 062	356 711	881 773	116 835

* The capital requirement is calculated at 13.25% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. 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.

OV1: OVERVIEW OF RWA

		FRB*				Minimum capital requirement**
		RWA				As at 31 Dec 2022
<i>R million</i>		As at 31 Dec 2022	As at 30 Sept 2022	As at 30 Jun 2022	As at 31 Dec 2021	
1.	Credit risk (excluding counterparty credit risk)[#]	582 493	563 377	540 052	514 608	75 724
2.	– Standardised approach	41 948	34 809	31 073	28 761	5 453
5.	– AIRB approach	540 545	528 568	508 979	485 847	70 271
16.	Securitisation exposures in banking book	7 463	5 460	5 123	6 647	970
17.	– IRB approach	–	–	–	–	–
18.	– IRB supervisory formula approach	4 860	1 883	1 887	1 934	632
19.	– Standardised approach/simplified supervisory formula approach	2 603	3 577	3 236	4 713	338
Total credit risk		589 956	568 837	545 175	521 255	76 694
6.	Counterparty credit risk[†]	9 422	13 260	14 042	13 193	1 225
7.	– SA-CCR	9 422	13 260	14 042	13 193	1 225
10.	Credit valuation adjustment	6 326	7 040	9 427	9 645	822
11.	Equity positions in banking book under market-based approach[‡]	1 761	1 627	1 651	1 694	229
12.	Equity investments in funds – look-through approach	–	–	–	–	–
13.	Equity investments in funds – mandate-based approach	83	104	104	395	11
14.	Equity investments in funds – fall-back approach	122	518	270	–	16
20.	Market risk[^]	29 794	32 992	23 938	27 732	3 873
21.	– Standardised approach	6 691	6 625	5 243	8 901	870
22.	– Internal model approach	23 103	26 367	18 695	18 831	3 003
24.	Operational risk	102 942	98 205	98 205	97 392	13 382
	– Basic indicator approach	–	–	–	–	–
	– Standardised approach	2 823	2 990	2 990	3 333	367
	– Advanced measurement approach	100 119	95 215	95 215	94 059	13 015
25.	Amounts below the thresholds for deduction (subject to 250% risk weight)	15 632	18 233	16 615	12 146	2 032
26.	Floor adjustment	23 628	25 001	25 001	24 069	3 072
	Other assets	27 006	26 449	22 777	23 185	3 511
27.	Total[°]	806 672	792 266	757 205	730 706	104 867

* Includes foreign branches.

** The capital requirement is calculated at 13.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. 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 bank does not apply the foundation internal ratings-based approach.

[†] The bank does not apply the internal model method to counterparty credit risk (row 8 of OV1 template) and there were no other CCRs (row 9 of OV1 template).

[‡] 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).

[°] Settlement risk was nil for the periods under review (row 15 in OV1 template) and is therefore excluded.

Further detailed analysis of the bank's credit RWA is provided in the following table.

OVERVIEW OF CREDIT RWA

<i>R million</i>	FRB*			
	As at 31 December 2022			
	RWA			Capital requirement**
	Advanced approach	Standardised approach	Total	
– Corporate, banks and sovereigns	267 516	30 291	297 807	38 715
– SMEs	66 694	962	67 656	8 795
– Residential mortgages	88 068	–	88 068	11 449
– Qualifying revolving retail	37 773	7 761	45 534	5 919
– Other retail	80 495	2 934	83 429	10 846
– Securitisation exposure	4 859	2 603	7 462	970
Total credit risk	545 405	44 551	589 956	76 694

* Includes foreign branches.

** The capital requirement is calculated at 13.0% of RWA. The minimum requirement excludes the Pillar 2B capital requirement. 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.

Credit risk

CR1: CREDIT QUALITY OF ASSETS

		As at 31 December 2022						(a+b-c) Net value
		Gross carrying values of		(c) Allowances/ impairments	Of which ECL accounting provisions for credit losses on standardised approach exposures [#]		Of which ECL accounting provisions for credit losses on AIRB exposures	
		(a) Defaulted exposures [*]	(b) Non- defaulted exposures ^{**}		Allocated in regulatory category of specific	Allocated in regulatory category of general		
<i>R million</i>								
1.	Gross advances	50 709	1 445 174	48 216	5 646	6 444	36 126	1 447 667
	FNB	31 526	475 537	27 916	2 843	2 499	22 574	479 147
	– Retail	23 676	316 932	19 071	656	601	17 814	321 537
	– Commercial	4 430	106 432	5 073	104	209	4 760	105 789
	– Broader Africa	3 420	52 173	3 772	2 083	1 689	–	51 821
	WesBank	6 567	147 007	6 238	1	2	6 235	147 336
	RMB investment banking	2 640	394 591	5 138	–	–	5 138	392 093
	RMB corporate banking	1 315	76 936	1 603	–	–	1 603	76 648
	Aldermore	7 869	314 387	5 827	2 494	3 333	–	316 429
	Centre (including Group Treasury)	792	36 716	1 494	308	610	576	36 014
2.	Debt investment securities[†]	–	333 549	210	–	–	–	333 339
3.	Off-balance sheet exposures	290	265 861	–	–	–	–	266 151
4.	Total	50 999	2 044 584	48 426	5 646	6 444	36 126	2 047 157

* Defaulted exposure is stage 3/non-performing loans (NPLs).

** Non-defaulted exposure is the sum of stage 1 and stage 2 gross advances.

ECL = expected credit loss.

† Exclude non-recourse investments.

CR1: CREDIT QUALITY OF ASSETS continued

As at 31 December 2021

	Gross carrying values of		(c) Allowances/ impairments	Of which ECL accounting provisions for credit losses on standardised approach exposures [†]		Of which ECL accounting provisions for credit losses on AIRB exposures	(a+b-c) Net value
	(a) Defaulted exposures*	(b) Non- defaulted exposures**		Allocated in regulatory category of specific	Allocated in regulatory category of general		
<i>R million</i>							
1. Gross advances	54 478	1 301 188	50 203	5 320	5 536	39 347	1 305 463
FNB [#]	33 954	436 091	29 722	2 759	2 866	24 502	440 323
– Retail	25 307	291 812	20 523	629	943	18 951	296 596
– Commercial [#]	5 119	95 827	5 358	100	112	5 551	95 588
– Broader Africa	3 528	48 452	3 841	2 030	1 811	–	48 139
WesBank [#]	8 398	132 397	6 450	5	16	6 023	134 345
RMB investment banking	2 652	325 422	6 188	–	–	6 188	321 886
RMB corporate banking	235	62 672	1 554	–	–	1 554	61 353
Aldermore	7 895	294 430	4 358	2 196	2 162	–	297 967
Centre (including Group Treasury)	1 344	50 176	1 931	360	492	1 080	49 589
2. Debt investment securities[‡]	–	149 271	309	–	–	–	148 962
3. Off-balance sheet exposures	–	266 187	–	–	–	–	266 187
4. Total	54 478	1 716 646	50 512	5 320	5 536	39 347	1 720 612

* Defaulted exposure is stage 3/NPLs.

** Non-defaulted exposure is the sum of stage 1 and stage 2 gross advances.

[#] Restated due to the reallocation of asset-based finance (ABF) customers that bank with FNB from FNB commercial to WesBank corporate.

[†] ECL = expected credit loss.

[‡] Exclude non-recourse investments.

CR1: CREDIT QUALITY OF ASSETS continued

As at 30 June 2022

	Gross carrying values of		(c) Allowances/ impairments	Of which ECL accounting provisions for credit losses on standardised approach exposures [†]		Of which ECL accounting provisions for credit losses on AIRB exposures	(a+b-c) Net value
	(a) Defaulted exposures*	(b) Non- defaulted exposures**		Allocated in regulatory category of specific	Allocated in regulatory category of general		
<i>R million</i>							
1. Gross advances	50 886	1 331 172	47 734	5 069	5 563	37 102	1 334 324
FNB	31 665	459 172	27 816	2 783	2 379	22 654	463 021
– Retail	23 720	306 388	18 982	739	634	17 608	311 126
– Commercial	4 627	103 196	5 292	128	118	5 046	102 531
– Broader Africa	3 318	49 588	3 542	1 916	1 627	–	49 364
WesBank	7 106	137 376	6 237	1	4	6 232	138 245
RMB investment banking	2 757	326 115	5 828	–	–	5 828	323 044
RMB corporate banking	1 430	64 835	1 550	–	–	1 550	64 715
Aldermore	7 002	291 566	4 676	2 026	2 650	–	293 892
Centre (including Group Treasury)	926	52 108	1 627	259	530	838	51 407
2. Debt investment securities[†]	–	362 980	314	–	–	314	362 666
3. Off-balance sheet exposures	435	252 538	–	–	–	–	252 973
4. Total	51 321	1 946 690	48 048	5 069	5 563	37 416	1 949 963

* Defaulted exposure is stage 3/NPLs.

** Non-defaulted exposure is the sum of stage 1 and stage 2 gross advances.

ECL = expected credit loss.

† Exclude non-recourse investments.

CR2: CHANGES IN STOCK OF DEFAULTED ADVANCES, DEBT SECURITIES AND OFF-BALANCE SHEET EXPOSURES

<i>R million</i>		Total
1.	Defaulted credit exposures at 30 June 2022	51 321
2.	Advances defaulted	13 327
3.	Return to non-defaulted status	(3 253)
4.	Amounts written off	(6 382)
5.	Payment received	(3 442)
6.	Other changes	(572)
7.	Defaulted credit exposures at 31 December 2022	50 999

CR3: CREDIT RISK MITIGATION TECHNIQUES

	As at 31 December 2022				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
Carrying value		Secured amount	Carrying value	Secured amount	
<i>R million</i>					
Advances	232 975	1 214 693	1 214 693	13 653	13 653
Debt securities	64 754	268 584	268 584	–	–
Total advances and debt securities	297 729	1 483 277	1 483 277	13 653	13 653
Of which defaulted	4 321	21 549	21 549	–	–

	As at 31 December 2021				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
Carrying value		Secured amount	Carrying value	Secured amount	
<i>R million</i>					
Advances	181 909	1 123 554	1 123 554	10 395	10 395
Debt securities	69 221	79 741	79 741	–	–
Total advances and debt securities	251 130	1 203 295	1 203 295	10 395	10 395
Of which defaulted	3 767	24 277	24 277	–	–

	As at 30 June 2022				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
Carrying value		Secured amount	Carrying value	Secured amount	
<i>R million</i>					
Advances	212 190	1 122 134	1 122 134	12 038	12 038
Debt securities	61 354	301 312	301 312	–	–
Total advances and debt securities	273 544	1 423 446	1 423 446	12 038	12 038
Of which defaulted	3 800	21 765	21 765	–	–

* No exposures were secured by credit derivatives during the periods under review.

The following tables provide the credit risk exposures, credit risk mitigation and RWA for standardised approach exposures per asset class. RWA density is the ratio of RWA to exposures post-credit conversion factors (post-CCF) and credit risk mitigation (CRM). There were no exposures to equity, past due advances, higher-risk categories and other asset categories. Rows 10 – 13 were, therefore, excluded from these tables.

CR4: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION EFFECTS

		As at 31 December 2022					
		Exposures before CCF and CRM		Exposure post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density %
<i>R million</i>							
	Asset classes						
1.	Sovereigns and their central banks	101 990	212	99 248	147	49 595	49.90
2.	Non-central government public sector entities	6 112	1 724	5 137	238	2 688	50.01
4.	Banks	37 642	104	32 489	251	11 501	35.13
5.	Securities firms	2 008	-	2 008	-	1 004	50.00
6.	Corporates	79 305	46 278	85 758	5 560	88 433	96.84
7.	Regulatory retail portfolios	143 977	14 306	143 858	4 047	107 302	72.55
8.	Secured by residential property	183 237	6 695	183 229	1 960	66 315	35.81
9.	Secured by commercial real estate	26 163	3 422	26 163	1 105	27 268	100.00
14.	Total	580 434	72 741	577 890	13 308	354 106	59.90

		As at 31 December 2021					
		Exposures before CCF and CRM		Exposure post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density %
<i>R million</i>							
	Asset classes						
1.	Sovereigns and their central banks	94 776	2 432	92 662	11	46 798	50.50
2.	Non-central government public sector entities	3 660	1 723	2 516	746	1 386	42.49
4.	Banks	23 669	1 057	23 058	510	6 472	27.46
5.	Securities firms	1 118	41	1 118	21	569	49.96
6.	Corporates	59 617	46 400	62 476	28 605	66 474	72.98
7.	Regulatory retail portfolios	126 862	14 841	126 695	2 686	95 617	73.90
8.	Secured by residential property	179 185	7 129	179 179	1 764	65 222	36.05
9.	Secured by commercial real estate	25 811	6 251	25 811	1 486	27 297	100.00
14.	Total	514 698	79 874	513 515	35 829	309 835	56.40

CR4: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION EFFECTS continued

		As at 30 June 2022					
		Exposures before CCF and CRM		Exposure post-CCF and post-CRM		RWA and RWA density	
<i>R million</i>		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density %
	Asset classes						
1.	Sovereigns and their central banks	105 485	2 025	101 533	997	45 549	44.43
2.	Non-central government public sector entities	3 762	1 493	2 684	207	1 445	49.98
4.	Banks	29 720	82	26 622	309	9 273	34.43
5.	Securities firms	1 364	43	1 364	21	693	50.04
6.	Corporates	66 746	48 266	70 640	25 616	73 741	76.61
7.	Regulatory retail portfolios	135 138	14 038	134 964	2 820	102 231	74.20
8.	Secured by residential property	170 631	9 667	170 639	2 417	62 138	35.91
9.	Secured by commercial real estate	25 986	5 258	25 986	1 386	27 372	100.00
14.	Total	538 832	80 872	534 432	33 773	322 442	56.75

The following tables provide a breakdown of exposures rated through the standardised approach by asset class to show the effect of credit risk mitigation. Further breakdown by risk weight per asset class is shown where the risk weights used are those prescribed in the Regulations. They will differ primarily by asset class as well as credit rating. There were no exposures to equity, past due advances, higher-risk categories and other asset categories during the period under review. Rows 10 – 13 were therefore excluded from this table.

CR5: STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

<i>R million</i>		As at 31 December 2022								Total credit exposures amount (post-CCF and post-CRM)
		Risk weight								
		0%	10%	20%	35%	50%	75%	100%	150%	
Asset classes										
1.	Sovereigns and their central banks	58 578	–	97	–	8 174	–	22 416	10 130	99 395
2.	Non-central government public sector entities	–	–	–	–	5 375	–	–	–	5 375
3.	Multilateral development banks	–	–	–	–	–	–	–	–	–
4.	Banks	812	6 559	16 949	–	2 176	–	6 006	238	32 740
5.	Securities firms	–	–	–	–	2 008	–	–	–	2 008
6.	Corporates	2 907	–	2 806	–	4 789	230	71 149	9 437	91 318
7.	Regulatory retail portfolios	1 807	–	4 091	291	1 129	139 177	1 360	50	147 905
8.	Secured by residential property	–	–	–	182 234	–	1 726	1 230	–	185 190
9.	Secured by commercial real estate	–	–	–	–	–	–	27 267	–	27 267
14.	Total	64 104	6 559	23 943	182 525	23 651	141 133	129 428	19 855	591 198

<i>R million</i>		As at 31 December 2021								Total credit exposures amount (post-CCF and post-CRM)
		Risk weight								
		0%	10%	20%	35%	50%	75%	100%	150%	
Asset classes										
1.	Sovereigns and their central banks	49 725	–	–	–	7 816	–	18 587	16 546	92 674
2.	Non-central government public sector entities	–	–	–	–	3 262	–	–	–	3 262
3.	Multilateral development banks	–	–	–	–	–	–	–	–	–
4.	Banks	–	1 224	18 633	–	2 740	–	390	580	23 567
5.	Securities firms	–	–	–	–	1 138	–	–	–	1 138
6.	Corporates	220	–	5 520	1 846	3 611	4 495	70 834	4 556	91 082
7.	Regulatory retail portfolios	1 407	–	–	251	19	123 939	3 403	361	129 380
8.	Secured by residential property	–	–	–	180 240	–	687	17	–	180 944
9.	Secured by commercial real estate	–	–	–	–	–	–	27 297	–	27 297
14.	Total	51 352	1 224	24 153	182 337	18 586	129 121	120 528	22 043	549 344

CR5: STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

		30 June 2022								Total credit exposures amount (post-CCF and post-CRM)
		Risk weight								
<i>R million</i>		0%	10%	20%	35%	50%	75%	100%	150%	
	Asset classes									
1.	Sovereigns and their central banks	60 825	–	–	–	7 418	–	19 181	15 106	102 530
2.	Non-central government public sector entities	–	–	–	–	2 891	–	–	–	2 891
3.	Multilateral development banks	–	–	–	–	–	–	–	–	–
4.	Banks	–	1 646	19 792	–	1 945	–	2 638	910	26 931
5.	Securities firms	–	–	–	–	1 385	–	–	–	1 385
6.	Corporates	1 611	–	4 794	2 554	6 019	5 008	71 243	5 027	96 256
7.	Regulatory retail portfolios	1 132	–	–	335	–	132 585	3 351	381	137 784
8.	Secured by residential property	–	–	–	171 264	–	1 683	109	–	173 056
9.	Secured by commercial real estate	–	–	–	–	–	–	27 372	–	27 372
14.	Total	63 568	1 646	24 586	174 153	19 658	139 276	123 894	21 424	568 205

Credit risk exposures by portfolio and PD range

The following tables provide the main parameters used for the calculation of capital requirements for the exposures in AIRB models split by asset class and shown within fixed regulatory probability of default (PD) ranges. These exposures are for FRBSA, where AIRB models are applied. The information in the different columns is explained as follows:

- > regulatory supplied credit conversion factors are used;
- > credit risk mitigation measures are applied;
- > number of obligors corresponds to the number of counterparties in the PD band;
- > average PD and loss given default (LGD) are weighted by exposure at default (EAD);
- > average maturity is the obligor maturity in years weighted by EAD;
- > RWA density is the total RWA to EAD post-CRM; and
- > provisions are only included on a total basis.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

Total FRBSA						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors*
0.00 to <0.15	39 314	19 660	38.46	48 938	0.07	140 858
0.15 to <0.25	63 772	57 818	51.91	95 243	0.19	124 609
0.25 to <0.50	381 045	95 929	51.65	430 174	0.45	391 575
0.50 to <0.75	113 223	35 108	58.41	132 782	0.63	306 818
0.75 to <2.50	320 280	85 969	66.50	376 308	1.47	1 243 127
2.50 to <10	156 799	23 174	64.12	171 802	4.34	1 486 572
10 to <100	38 369	3 867	59.98	41 092	25.17	2 000 871
100 (default)	37 342	94	–	37 765	100.00	730 352
Total	1 150 144	321 619	56.58	1 334 104	4.80	6 424 782

* The decrease in total number of obligors from December 2021 to December 2022 was due to movements in the SME retail category which was a result of the removal of zero exposure accounts during October 2022.

Total FRBSA						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	26.43	0.49	2 704	5.53	10	
0.15 to <0.25	29.89	1.38	20 789	21.83	54	
0.25 to <0.50	15.65	2.20	82 547	19.19	245	
0.50 to <0.75	24.39	2.31	41 985	31.62	212	
0.75 to <2.50	25.93	2.02	164 302	43.66	1 578	
2.50 to <10	38.54	2.20	130 956	76.22	3 209	
10 to <100	37.41	2.53	49 454	120.35	3 993	
100 (default)	47.92	2.59	27 468	72.73	17 579	
Total	25.36	2.06	520 205	38.99	26 880	31 534

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

Total FRBSA						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	69 052	18 977	36.15	81 376	0.06	128 611
0.15 to <0.25	50 030	51 567	52.29	76 357	0.19	109 229
0.25 to <0.50	296 594	75 438	53.05	330 709	0.44	370 199
0.50 to <0.75	103 300	39 674	54.66	122 708	0.64	288 071
0.75 to <2.50	284 770	92 323	65.65	342 669	1.50	1 426 615
2.50 to <10	145 194	27 178	60.79	161 633	4.46	3 138 020
10 to <100	36 112	4 854	57.41	39 193	25.49	1 877 732
100 (default)	38 793	131	–	39 229	100.00	787 384
Total	1 023 845	310 142	56.57	1 193 874	5.36	8 125 861

Total FRBSA						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	21.31	0.37	3 644	4.48	12	
0.15 to <0.25	30.19	1.28	16 634	21.78	45	
0.25 to <0.50	16.27	2.21	64 914	19.63	223	
0.50 to <0.75	24.04	2.24	38 221	31.15	192	
0.75 to <2.50	26.53	2.18	148 039	43.20	1 425	
2.50 to <10	39.26	2.08	125 352	77.55	2 988	
10 to <100	40.33	2.04	48 322	123.29	4 049	
100 (default)	48.65	3.20	19 636	50.05	18 698	
Total	26.21	2.03	464 762	38.93	27 632	34 243

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Corporate						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	1 757	1 002	48.44	2 276	0.09	3
0.15 to <0.25	41 541	37 140	48.20	59 539	0.18	46
0.25 to <0.50	50 999	47 697	45.64	72 363	0.40	106
0.50 to <0.75	29 522	13 940	53.28	36 299	0.66	97
0.75 to <2.50	51 712	23 386	56.25	64 166	1.57	276
2.50 to <10	11 746	3 598	51.39	13 513	4.72	136
10 to <100	1 283	838	53.65	1 734	10.83	84
100 (default)	1 678	93	–	1 693	100.00	9
Total	190 238	127 694	49.37	251 583	1.66	757

Corporate						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	30.09	1.41	309	13.58	1	
0.15 to <0.25	30.90	1.57	14 951	25.11	34	
0.25 to <0.50	29.71	1.69	27 767	38.37	85	
0.50 to <0.75	27.17	1.94	16 928	46.63	65	
0.75 to <2.50	30.51	1.85	44 841	69.88	314	
2.50 to <10	38.74	1.86	16 982	125.67	252	
10 to <100	38.83	1.51	2 869	165.46	70	
100 (default)	54.22	1.38	–	–	919	
Total	30.55	1.74	124 647	49.55	1 740	2 210

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

Corporate						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	2 003	561	47.37	2 320	0.09	2
0.15 to <0.25	27 308	33 115	48.14	42 690	0.18	45
0.25 to <0.50	38 462	38 851	45.44	54 973	0.40	99
0.50 to <0.75	22 514	13 309	52.77	27 963	0.70	81
0.75 to <2.50	39 856	23 722	53.06	50 286	1.48	230
2.50 to <10	17 261	7 328	51.49	20 445	4.40	144
10 to <100	1 904	1 184	54.68	2 594	11.02	99
100 (default)	645	125	–	665	100.00	8
Total	149 953	118 195	48.98	201 936	1.53	708

Corporate						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	30.00	1.07	282	12.16	1	
0.15 to <0.25	32.00	1.51	10 961	25.68	26	
0.25 to <0.50	29.31	1.74	20 899	38.02	64	
0.50 to <0.75	27.30	1.61	12 373	44.25	52	
0.75 to <2.50	29.70	2.04	34 540	68.69	229	
2.50 to <10	37.39	1.63	23 813	116.47	337	
10 to <100	35.95	1.10	3 879	149.54	98	
100 (default)	33.16	1.94	–	–	220	
Total	30.62	1.72	106 747	52.86	1 027	2 658

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Specialised lending						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	97	5	–	97	0.08	1
0.15 to <0.25	1 275	341	42.46	1 420	0.21	4
0.25 to <0.50	41 948	6 656	59.29	42 555	0.41	59
0.50 to <0.75	14 822	1 936	58.78	15 684	0.67	53
0.75 to <2.50	32 127	2 430	59.25	33 612	0.93	1 180
2.50 to <10	7 675	103	62.41	7 850	1.15	417
10 to <100	3 169	49	57.46	3 197	13.18	34
100 (default)	1 045	1	–	1 045	100.00	35
Total	102 158	11 521	58.69	105 460	2.04	1 783

Specialised lending						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	25.00	2.77	16	16.49	–	
0.15 to <0.25	16.39	1.85	209	14.72	–	
0.25 to <0.50	16.92	2.68	11 172	26.25	30	
0.50 to <0.75	21.47	3.16	7 078	45.13	23	
0.75 to <2.50	15.11	2.42	20 355	60.56	126	
2.50 to <10	7.47	3.00	7 941	101.16	86	
10 to <100	11.58	3.96	2 883	90.18	100	
100 (default)	27.33	3.98	–	–	485	
Total	16.26	2.73	49 654	47.08	850	1 446

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

Specialised lending						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	102	5	–	102	0.08	1
0.15 to <0.25	796	89	–	796	0.18	2
0.25 to <0.50	42 294	6 480	60.46	42 533	0.41	57
0.50 to <0.75	13 664	2 315	58.65	14 706	0.67	51
0.75 to <2.50	33 980	3 358	55.21	35 886	1.48	1 183
2.50 to <10	5 112	40	57.51	5 243	4.10	300
10 to <100	1 931	284	58.22	2 114	16.44	79
100 (default)	836	–	–	836	100.00	32
Total	98 715	12 571	58.21	102 216	2.16	1 705

Specialised lending						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	25.00	1.00	10	9.80	–	
0.15 to <0.25	18.14	2.88	151	18.97	–	
0.25 to <0.50	17.77	2.68	11 979	28.16	31	
0.50 to <0.75	24.05	3.29	7 475	50.83	24	
0.75 to <2.50	26.10	2.53	23 296	64.92	161	
2.50 to <10	27.09	3.22	5 138	98.00	71	
10 to <100	23.71	3.91	2 790	131.98	89	
100 (default)	38.72	4.91	–	–	248	
Total	22.38	2.79	50 839	49.74	624	1 250

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Sovereign						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	17 826	851	58.00	18 320	0.04	7
0.15 to <0.25	–	–	–	–	–	–
0.25 to <0.50	236 570	4 749	55.50	243 476	0.48	24
0.50 to <0.75	1 965	325	45.10	2 137	0.20	37
0.75 to <2.50	1 055	92	–	1 093	1.16	102
2.50 to <10	2 007	317	52.58	2 175	4.88	882
10 to <100	389	899	52.27	979	24.94	8
100 (default)	499	–	–	499	100.00	1
Total	260 311	7 233	54.09	268 679	0.76	1 061

Sovereign						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	18.25	0.67	667	3.64	1	
0.15 to <0.25	–	–	–	–	–	
0.25 to <0.50	7.49	2.33	28 862	11.85	52	
0.50 to <0.75	7.27	4.61	1 518	71.03	4	
0.75 to <2.50	28.02	2.75	845	77.31	4	
2.50 to <10	6.73	3.37	572	26.30	8	
10 to <100	50.42	1.91	2 610	266.60	111	
100 (default)	10.00	2.25	–	–	50	
Total	8.46	2.24	35 074	13.05	230	403

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

Sovereign						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	39 620	159	58.00	39 713	0.04	7
0.15 to <0.25	–	–	–	–	–	–
0.25 to <0.50	169 407	2 877	57.48	173 660	0.48	17
0.50 to <0.75	2 170	412	48.69	2 378	0.70	40
0.75 to <2.50	224	1 836	57.50	1 044	1.35	51
2.50 to <10	3 213	316	52.88	2 880	4.86	792
10 to <100	736	1 251	52.14	1 417	23.64	8
100 (default)	24	6	–	27	100.00	1
Total	215 394	6 857	55.73	221 119	0.63	916

Sovereign						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	12.98	0.28	752	1.89	2	
0.15 to <0.25	–	–	–	–	–	
0.25 to <0.50	7.56	2.35	20 267	11.67	63	
0.50 to <0.75	28.14	3.18	1 518	63.84	5	
0.75 to <2.50	24.12	1.11	492	47.13	3	
2.50 to <10	9.33	3.15	947	32.88	13	
10 to <100	45.16	1.66	3 417	241.14	143	
100 (default)	2.50	1.29	–	–	1	
Total	9.10	1.98	27 393	12.39	230	613

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Banks and securities firms						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	11 249	2 451	30.00	14 024	0.07	42
0.15 to <0.25	4 696	5 929	52.49	9 180	0.16	33
0.25 to <0.50	12 110	6 756	50.32	14 802	0.42	68
0.50 to <0.75	1 410	300	49.02	1 556	0.66	28
0.75 to <2.50	1 076	922	45.51	1 559	1.32	49
2.50 to <10	1 411	988	31.19	1 705	4.45	36
10 to <100	1 223	643	21.45	1 361	10.69	26
100 (default)	–	–	–	–	–	–
Total	33 175	17 989	45.92	44 187	0.77	282

Banks and securities firms						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	29.73	0.08	1 118	7.97	3	
0.15 to <0.25	28.59	0.47	1 695	18.46	4	
0.25 to <0.50	30.88	1.05	5 978	40.39	18	
0.50 to <0.75	21.92	1.06	547	35.15	2	
0.75 to <2.50	38.50	1.37	1 342	86.08	8	
2.50 to <10	49.34	0.93	2 530	148.39	38	
10 to <100	37.06	0.94	2 268	166.64	55	
100 (default)	–	–	–	–	–	
Total	30.90	0.63	15 478	35.03	128	109

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

Banks and securities firms						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	17 562	3 270	26.84	23 865	0.05	52
0.15 to <0.25	6 194	5 345	53.28	8 967	0.16	34
0.25 to <0.50	16 476	3 796	45.52	14 651	0.44	68
0.50 to <0.75	1 247	480	53.69	1 504	0.73	30
0.75 to <2.50	780	489	33.65	971	1.71	44
2.50 to <10	373	1 974	22.42	819	4.35	51
10 to <100	218	783	21.21	403	10.69	26
100 (default)	–	–	–	–	–	–
Total	42 850	16 137	40.18	51 180	0.39	305

Banks and securities firms						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	28.88	0.45	1 959	8.21	4	
0.15 to <0.25	27.71	0.40	1 523	16.98	4	
0.25 to <0.50	30.59	0.89	6 108	41.69	19	
0.50 to <0.75	18.74	1.36	524	34.84	2	
0.75 to <2.50	41.82	1.27	982	101.13	7	
2.50 to <10	46.16	0.78	1 097	133.94	17	
10 to <100	47.61	0.74	794	197.02	20	
100 (default)	–	–	–	–	–	–
Total	29.54	0.62	12 987	25.38	73	50

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

SME corporate						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors*
0.00 to <0.15	–	–	–	–	–	–
0.15 to <0.25	8 369	2 859	98.42	11 184	0.24	1 215
0.25 to <0.50	8 074	6 356	43.46	10 705	0.43	7 443
0.50 to <0.75	8 264	4 598	49.98	10 390	0.65	4 759
0.75 to <2.50	43 329	14 991	53.68	49 556	1.56	16 645
2.50 to <10	16 036	5 185	52.29	16 795	3.77	8 513
10 to <100	1 802	356	63.98	2 001	19.83	1 288
100 (default)	1 950	–	–	1 975	100.00	13 784
Total	87 824	34 345	54.91	102 606	3.82	53 647

SME corporate						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	–	–	–	–	–	–
0.15 to <0.25	25.28	1.00	2 954	26.41	7	–
0.25 to <0.50	23.34	2.26	3 368	31.46	11	–
0.50 to <0.75	21.84	2.04	3 786	36.44	14	–
0.75 to <2.50	21.40	1.99	22 816	46.04	165	–
2.50 to <10	22.58	2.08	11 039	65.73	142	–
10 to <100	20.44	2.50	1 967	98.30	84	–
100 (default)	44.03	2.98	394	19.95	867	–
Total	22.68	1.96	46 324	45.15	1 290	1 353

* Increase in number of obligors from December 2021 to December 2022 is due to alignment of the portfolio resulting in a large influx of zero exposure credit card accounts and migration from SME retail to SME corporate.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

SME corporate						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	–	–	–	–	–	–
0.15 to <0.25	8 861	2 514	94.70	11 242	0.24	160
0.25 to <0.50	1 988	603	8.57	2 047	0.42	1 486
0.50 to <0.75	12 276	10 398	42.98	16 390	0.59	4 217
0.75 to <2.50	35 604	14 521	50.07	41 327	1.52	15 960
2.50 to <10	13 755	5 018	52.91	15 649	3.80	10 782
10 to <100	2 024	173	63.63	2 119	21.20	1 212
100 (default)	2 548	–	–	2 551	100.00	817
Total	77 056	33 227	50.97	91 325	4.77	34 634

SME corporate						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	–	–	–	–	–	–
0.15 to <0.25	26.63	1.01	3 154	28.06	7	–
0.25 to <0.50	28.39	2.63	890	43.48	2	–
0.50 to <0.75	19.78	2.32	5 965	36.39	19	–
0.75 to <2.50	21.23	2.08	19 515	47.22	131	–
2.50 to <10	25.85	2.15	13 156	84.07	152	–
10 to <100	18.15	1.85	1 806	85.23	87	–
100 (default)	44.87	2.99	433	16.97	1 379	–
Total	23.18	2.03	44 919	49.19	1 777	2 524

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

SME retail						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	68	4	107.76	72	0.07	213
0.15 to <0.25	32	63	62.00	70	0.22	1 124
0.25 to <0.50	1 480	1 092	52.24	2 020	0.42	5 016
0.50 to <0.75	3 412	2 606	72.48	5 437	0.63	10 557
0.75 to <2.50	29 210	10 417	57.72	36 580	1.73	151 979
2.50 to <10	27 732	4 359	51.62	31 879	4.05	384 418
10 to <100	3 921	268	31.44	4 136	29.56	32 487
100 (default)	3 563	–	–	3 656	100.00	99 057
Total	69 418	18 809	57.68	83 850	8.16	684 851

SME retail						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	35.32		5	6.94	–	
0.15 to <0.25	68.36		22	31.43	–	
0.25 to <0.50	27.36		375	18.56	2	
0.50 to <0.75	31.12		1 480	27.22	11	
0.75 to <2.50	31.33		14 885	40.69	205	
2.50 to <10	39.88		19 444	60.99	539	
10 to <100	44.36		4 276	103.38	554	
100 (default)	57.06		2 207	60.37	2 335	
Total	36.27		42 694	50.92	3 646	4 518

* As per the Regulations, average maturity was not applied to the SME retail RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

SME retail						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	44	3	110.53	47	0.08	116
0.15 to <0.25	10	49	64.04	41	0.22	1 005
0.25 to <0.50	414	162	62.73	513	0.35	3 698
0.50 to <0.75	3 535	1 124	57.68	4 147	0.58	9 972
0.75 to <2.50	25 653	11 532	62.43	34 094	1.75	345 895
2.50 to <10	24 271	4 092	51.98	27 999	4.13	2 038 070
10 to <100	3 967	323	37.32	4 212	28.92	78 338
100 (default)	4 472	–	–	4 463	100.00	88 246
Total	62 366	17 285	59.19	75 516	9.88	2 565 340

SME retail						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	29.62		3	6.38	–	
0.15 to <0.25	81.19		15	36.59	–	
0.25 to <0.50	44.59		141	27.49	1	
0.50 to <0.75	23.99		834	20.11	6	
0.75 to <2.50	31.13		13 834	40.58	190	
2.50 to <10	37.47		16 063	57.37	452	
10 to <100	41.28		4 041	95.94	512	
100 (default)	57.38		2 808	62.92	2 575	
Total	35.32		37 739	49.97	3 736	4 501

* As per the Regulations, average maturity was not applied to the SME retail RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Retail mortgages						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	7 527	9 785	22.24	9 703	0.09	19 368
0.15 to <0.25	7 052	7 157	39.08	9 849	0.18	12 166
0.25 to <0.50	26 497	12 761	53.79	33 361	0.38	34 489
0.50 to <0.75	45 501	5 913	51.98	48 575	0.63	45 928
0.75 to <2.50	102 103	20 651	84.87	119 629	1.37	145 750
2.50 to <10	30 535	2 190	96.51	32 649	4.47	47 647
10 to <100	10 929	238	144.96	11 274	28.21	16 898
100 (default)	13 062	–	–	13 266	100.00	21 547
Total	243 206	58 695	59.45	278 306	7.19	343 793

Retail mortgages						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	14.97		335	3.45	1	
0.15 to <0.25	15.34		612	6.21	3	
0.25 to <0.50	15.54		3 568	10.70	20	
0.50 to <0.75	17.26		8 302	17.09	54	
0.75 to <2.50	17.24		33 849	28.29	289	
2.50 to <10	17.57		18 462	56.55	257	
10 to <100	17.18		10 782	95.63	540	
100 (default)	24.74		12 158	91.65	2 377	
Total	17.29		88 068	31.64	3 541	3 964

* As per the Regulations, average maturity was not applied to the retail mortgages RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Retail mortgages						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	9 107	10 123	23.86	11 523	0.09	21 250
0.15 to <0.25	6 285	6 700	44.26	9 250	0.18	12 088
0.25 to <0.50	23 705	13 198	57.78	31 331	0.38	33 810
0.50 to <0.75	41 287	6 308	54.96	44 754	0.63	44 873
0.75 to <2.50	96 113	24 088	83.78	116 293	1.36	151 461
2.50 to <10	26 516	2 117	94.52	28 517	4.44	45 534
10 to <100	8 802	241	122.45	9 097	28.59	14 866
100 (default)	12 866	–	–	13 213	100.00	21 346
Total	224 681	62 775	62.05	263 978	7.23	345 228

Retail mortgages						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	15.55		416	3.61	2	
0.15 to <0.25	14.80		545	5.89	3	
0.25 to <0.50	14.94		3 247	10.36	18	
0.50 to <0.75	16.82		7 477	16.71	49	
0.75 to <2.50	17.05		32 504	27.95	277	
2.50 to <10	16.88		15 496	54.34	214	
10 to <100	16.66		8 376	92.07	433	
100 (default)	23.99		5 250	39.73	2 782	
Total	16.93		73 311	27.77	3 778	4 264

* As per the Regulations, average maturity was not applied to the retail mortgages RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Retail revolving						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	723	5 485	65.68	4 326	0.12	120 809
0.15 to <0.25	731	4 153	75.13	3 852	0.20	109 670
0.25 to <0.50	3 043	9 560	77.19	10 422	0.35	341 313
0.50 to <0.75	3 014	5 386	80.49	7 349	0.63	213 504
0.75 to <2.50	12 942	12 780	80.70	23 255	1.47	643 645
2.50 to <10	11 908	6 287	83.49	17 157	4.54	424 147
10 to <100	2 984	566	100.07	3 551	25.39	114 926
100 (default)	4 064	–	–	4 140	100.00	124 089
Total	39 409	44 217	78.17	74 052	8.45	2 092 103

Retail revolving						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	73.48		241	5.57	4	
0.15 to <0.25	71.47		316	8.20	6	
0.25 to <0.50	70.80		1 321	12.68	26	
0.50 to <0.75	71.23		1 478	20.11	33	
0.75 to <2.50	71.49		8 923	38.37	245	
2.50 to <10	72.23		14 637	85.31	563	
10 to <100	71.02		6 326	178.15	637	
100 (default)	81.00		4 531	109.44	3 069	
Total	72.16		37 773	51.01	4 583	5 138

* As per the Regulations, average maturity was not applied to the retail revolving RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

Retail revolving						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	562	4 779	65.74	3 703	0.13	106 809
0.15 to <0.25	528	3 634	75.29	3 264	0.20	95 607
0.25 to <0.50	2 534	9 186	76.38	9 550	0.36	321 394
0.50 to <0.75	2 483	5 201	79.86	6 636	0.63	202 116
0.75 to <2.50	11 695	12 566	80.37	21 795	1.47	642 202
2.50 to <10	11 956	6 218	84.54	17 212	4.57	452 666
10 to <100	2 940	604	102.47	3 559	25.03	110 081
100 (default)	3 816	–	–	3 877	100.00	121 019
Total	36 514	42 188	78.27	69 596	8.57	2 051 894

Retail revolving						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	73.39		210	5.67	3	
0.15 to <0.25	71.31		267	8.18	5	
0.25 to <0.50	70.79		1 214	12.71	24	
0.50 to <0.75	71.09		1 336	20.13	30	
0.75 to <2.50	71.31		8 330	38.22	229	
2.50 to <10	72.06		14 702	85.42	566	
10 to <100	70.57		6 221	174.80	625	
100 (default)	81.85		932	24.04	3 037	
Total	72.06		33 212	47.72	4 519	4 976

* As per the Regulations, average maturity was not applied to the retail revolving RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Other retail						
As at 31 December 2022						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	67	77	84.25	120	0.07	415
0.15 to <0.25	76	176	48.48	149	0.18	351
0.25 to <0.50	324	302	71.09	470	0.39	3 057
0.50 to <0.75	5 313	104	50.49	5 355	0.55	31 855
0.75 to <2.50	46 726	300	85.63	46 858	1.71	283 501
2.50 to <10	47 749	147	99.60	48 079	4.95	620 376
10 to <100	12 669	10	105.27	12 859	28.32	1 835 120
100 (default)	11 481	–	–	11 491	100.00	471 830
Total	124 405	1 116	74.48	125 381	14.63	3 246 505

Other retail						
As at 31 December 2022						
<i>PD scale</i>	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million	Provisions R million
0.00 to <0.15	44.47		13	10.83	–	
0.15 to <0.25	48.66		30	20.13	–	
0.25 to <0.50	43.74		136	28.94	1	
0.50 to <0.75	20.21		868	16.21	6	
0.75 to <2.50	27.07		16 446	35.10	222	
2.50 to <10	51.50		39 349	81.84	1 324	
10 to <100	51.54		15 473	120.33	1 842	
100 (default)	63.11		8 178	71.17	7 477	
Total	42.06		80 493	64.20	10 872	12 393

* As per the Regulations, average maturity was not applied to the other retail RWA calculation.

CR6: AIRB – FRBSA CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE *continued*

Other retail						
As at 31 December 2021						
<i>PD scale</i>	Original on-balance sheet gross exposure R million	Off-balance sheet exposures pre-CCF R million	Average CCF %	EAD post-CRM and post-CCF R million	Average PD %	Number of obligors
0.00 to <0.15	52	77	82.53	103	0.07	374
0.15 to <0.25	48	121	48.85	107	0.19	288
0.25 to <0.50	1 314	285	95.89	1 451	0.42	9 570
0.50 to <0.75	4 124	127	85.87	4 230	0.56	26 691
0.75 to <2.50	40 865	211	94.50	40 973	1.72	269 589
2.50 to <10	42 737	75	103.38	42 869	4.92	589 681
10 to <100	13 590	11	101.65	13 678	27.94	1 673 023
100 (default)	13 586	–	–	13 597	100.00	555 915
Total	116 316	907	87.44	117 008	17.32	3 125 131

Other retail						
As at 31 December 2021						
<i>PD scale</i>	Average LGD %	Average maturity* years	RWA R million	RWA density %	Expected loss R million**	Provisions R million
0.00 to <0.15	47.74		12	11.65	–	
0.15 to <0.25	39.69		18	16.82	–	
0.25 to <0.50	17.29		169	11.65	1	
0.50 to <0.75	21.09		719	17.00	5	
0.75 to <2.50	27.32		14 546	35.50	198	
2.50 to <10	51.29		34 940	81.50	1 166	
10 to <100	54.03		16 998	124.27	2 042	
100 (default)	62.44		10 213	75.11	8 456	
Total	42.99		77 615	66.33	11 868	13 407

* As per the Regulations, average maturity was not applied to the other retail RWA calculation.

** Figures were restated.

Effect on RWA of credit derivatives used as credit risk mitigation techniques

The table below illustrates the effect of credit derivatives on the capital requirement calculation under the AIRB approach. As the group does not apply the foundation internal ratings-based approach, the rows related to this approach have been excluded from the CR7 table. Pre-credit derivatives RWA (before taking credit derivatives' mitigation effect into account) has been selected to assess the impact of credit derivatives on RWA, irrespective of how the credit risk mitigation technique feeds into the RWA calculation. No credit derivatives were applied as credit risk mitigation during the period. There were no exposures in the equity and purchased receivables portfolios during the period. Rows 14 and 16 were therefore excluded from this table.

CR7: AIRB – EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CREDIT RISK MITIGATION TECHNIQUES

<i>R million</i>		Pre-credit derivatives RWA		
		As at 31 December 2022	As at 31 December 2021	As at 30 June 2022
2.	Sovereign	35 074	27 394	29 156
4.	Banks and securities firms	15 478	12 987	14 689
6.	Corporate	124 647	108 546	110 994
8.	Specialised lending	49 654	50 838	50 060
	SME corporate	46 324	44 918	45 102
9.	Retail revolving	37 773	33 210	38 662
10.	Retail mortgages	88 068	73 314	80 890
11.	SME retail	42 694	37 739	40 790
12.	Other retail	80 493	77 616	79 706
17.	Total	520 205	466 562	490 049

CR8: RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER AIRB

<i>R million</i>		RWA
1.	RWA at 30 September 2022	508 597
2.	Asset size	12 051
3.	Asset quality	(443)
4.	Model updates	–
5.	Methodology and policy	–
6.	Acquisitions and disposals	–
7.	Foreign exchange movements	–
8.	Other	–
9.	RWA at 31 December 2022*	520 205

* The RWA represents AIRB credit risk exposures excluding securitisation exposure per OV1: Overview of RWA template on page 04.

The following table provides information relating to specialised lending exposures that are rated through the slotting approach. The exposures are split among regulatory asset classes.

CR10: AIRB – SPECIALISED LENDING

R million		As at 31 December 2022							
		Other than high-volatility commercial real estate*							
		Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount		
Project finance	Income-producing real estate						Total		
Strong	Less than 2.5 years	-	-	50%	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	70%	-	-	-	-	-
Good	Less than 2.5 years	8	-	70%	-	8	8	8	-
	Equal to or more than 2.5 years	13	-	90%	-	13	13	12	-
Satisfactory		445	-	115%	-	445	445	577	17
Weak		106	-	250%	-	106	106	282	11
Total		572	-		-	572	572	879	28

As at 31 December 2021

R million		Other than high-volatility commercial real estate*									
		Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount			RWA	Expected losses
							Project finance	Income-producing real estate	Total		
Strong	Less than 2.5 years	-	-	50%	-	-	-	-	-		
	Equal to or more than 2.5 years	-	-	70%	-	-	-	-	-		
Good	Less than 2.5 years	3	-	70%	-	3	3	3	-		
	Equal to or more than 2.5 years	39	-	90%	-	39	39	40	-		
Satisfactory		614	-	115%	-	614	614	825	23		
Weak		98	-	250%	-	98	98	262	10		
Total		754	-		-	754	754	1 130	33		

As at 30 June 2022

R million		Other than high-volatility commercial real estate*									
		Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount			RWA	Expected losses
							Project finance	Income-producing real estate	Total		
Strong	Less than 2.5 years	-	-	50%	-	-	-	-	-		
	Equal to or more than 2.5 years	25	-	70%	-	25	25	24	-		
Good	Less than 2.5 years	-	-	70%	-	-	-	-	-		
	Equal to or more than 2.5 years	-	-	90%	-	-	-	-	-		
Satisfactory		314	-	115%	-	314	314	423	12		
Weak		41	-	250%	-	41	41	109	4		
Total		380	-		-	380	380	556	16		

* There were no high-volatility commercial real estate exposures during the period. For specialised lending exposures other than high-volatility commercial real estate, there were no exposures to object finance or commodities asset classes during the period under review.

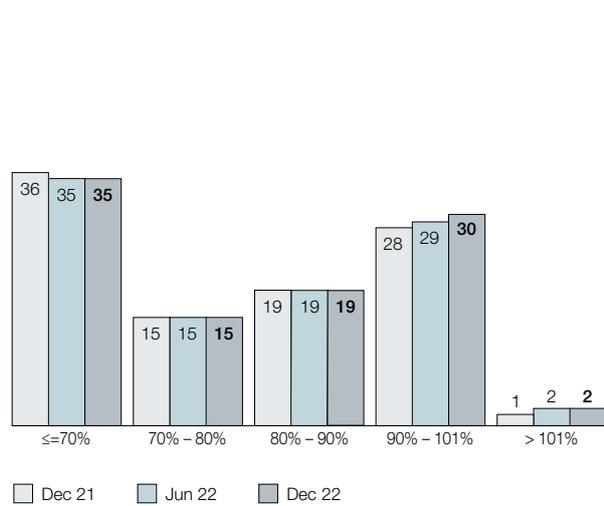
Risk analysis

FNB residential mortgages

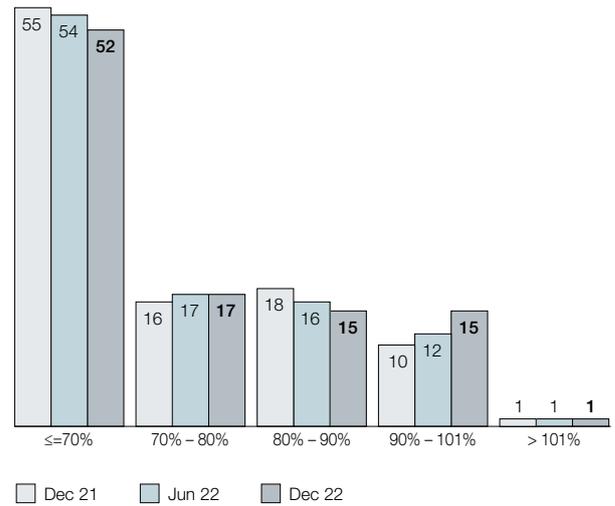
The graphs below provide loan balance-to-value ratios and age distributions of FNB's residential mortgages.

Increased levels of new business over the last year, resulting from an increase in mortgage market activity, have translated to a marginal increase in the loan-to-value profile and younger account age distribution. The risk profile remains well within credit risk appetite levels.

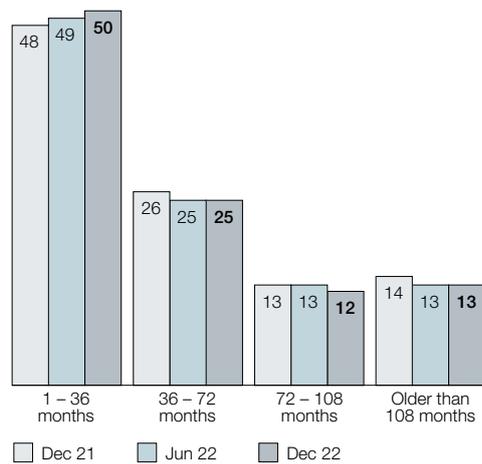
Residential mortgages balance-to-original value
%



Residential mortgages balance-to-indexed value
%



Residential mortgages age distribution
%



Counterparty credit risk

The CCR1: *Analysis of counterparty credit risk exposure by approach* table on the following page provides an overview of the counterparty credit risk arising from the group's derivative and structured finance transactions. The information provided in row 1 therefore corresponds to the requirements of the SA-CCR as applied by FRBSA and other group entities. EAD under SA-CCR is determined by scaling the sum of replacement cost and the potential future exposure by a factor of 1.4 (alpha). The group does not apply the internal model method or the simple approach for credit risk mitigation for derivatives and securities financing transactions. Rows 2 and 3 of the CCR 1 template are therefore excluded from CCR1.

The comprehensive approach for credit risk mitigation is used to calculate the exposure for collateralised transactions other than collateralised over-the-counter (OTC) derivative transactions that are subject to SA-CCR. This approach is typically applied to securities financing and repo-style transactions.

The table below provides an explanation of the metrics used in the CCR1: *Analysis of counterparty credit risk exposure by approach* table on the next page.

Replacement cost	The replacement cost for trades that are not subject to margining requirements is the loss that would occur if a counterparty were to default and was immediately closed out of its transactions. For margined trades, the replacement cost is the loss that would occur if a counterparty were to default at present or at a future date, assuming that the close-out and replacement of transactions occur simultaneously.
Potential future exposure	The potential increase in the exposure between the present and the end of the margin period of risk. An add-on factor is added to the replacement cost to determine the potential future exposure over the remaining life of the contract.
Effective expected positive exposure (EEPE)	The weighted average of the effective expected exposure over the first year, or, if all the contracts in the netting set mature before one year, over the time period of the longest-maturity contract in the netting set, where the weights represent the proportion of an individual expected exposure over the entire time interval.
EAD post-CRM	The amount relevant to the calculated capital requirement after applying credit risk mitigation techniques, credit valuation adjustments and specific wrong-way adjustments.

CCR1 provides a comprehensive view of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method. The exposures reported exclude credit valuation adjustment (CVA) charges and exposures cleared through central counterparties.

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK EXPOSURE BY APPROACH FOR FRB

		As at 31 December 2022				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
<i>R million</i>						
1.	Standardised approach (for derivatives)*	14 336	9 394	1.4	31 445	9 695
4.	Comprehensive approach for credit risk mitigation for securities financing transactions**				16 287	2 958
6.	Total#	14 336	9 394		47 732	12 653

		As at 31 December 2021				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
<i>R million</i>						
1.	Standardised approach (for derivatives)*	23 386	14 339	1.4	52 816	13 034
4.	Comprehensive approach for credit risk mitigation for securities financing transactions**				5 042	1 955
6.	Total#	23 386	14 339		57 858	14 989

		As at 30 June 2022				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
<i>R million</i>						
1.	Standardised approach (for derivatives)*	22 540	13 259	1.4	50 119	14 115
4.	Comprehensive approach for credit risk mitigation for securities financing transactions**				6 554	1 607
6.	Total#	22 540	13 259		56 673	15 722

* EEPE is not calculated under SA-CCR (for derivatives).

** Replacement cost, potential future exposure, EEPE and alpha used for computing regulatory EAD are not calculated under the comprehensive approach for securities financing transactions.

Replacement cost, potential future exposure and alpha used for computing regulatory EAD, EAD post-CRM and RWA are not inputs into the value-at-risk (VaR) model calculation for securities financing transactions.

The changes in exposure numbers period-on-period were attributable to factors which include changes in market prices and trade volumes, and expiry of trades and hedges. Counterparty credit risk portfolio exposures decreased period-on-period largely due to a reduction in derivative exposures, whilst exposures to securities financing transactions increased. The overall decrease in RWA was mainly attributable to the restatement of collateral attributable to over-the-counter clearing activity, which was previously not recognised as a cleared exposure, and the maturing of significant interest rate and foreign exchange derivatives. The largest drivers of this reduction by sector were securities firms and corporates. The credit outlook stabilised through the period with improvements in credit metrics following the recovery from the global Covid-19 pandemic.

The following table provides the EAD post-CRM and RWA amounts for portfolios subject to the standardised CVA capital charge. As the group does not apply the advanced approach for CVA charge, rows 1 and 2 are excluded from CCR2. The decrease in CVA RWA was mainly driven by a decrease in credit exposure and a decrease in remaining maturity of longer-dated exposures in the project finance sector.

CCR2: CVA CAPITAL CHARGE

<i>R million</i>		As at 31 December 2022		As at 31 December 2021		As at 30 June 2022	
		EAD post CRM	RWA*	EAD post-CRM	RWA*	EAD post-CRM	RWA*
3.	All portfolios subject to the standardised CVA capital charge	31 478	7 802	52 816	10 861	50 119	10 373
4.	Total subject to the CVA capital charge	31 478	7 802	52 816	10 861	50 119	10 373

* CVA RWA includes the subsidiaries in broader Africa and the UK but excludes the bank's foreign branches.

CCR3: STANDARDISED APPROACH FOR COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS*

<i>R million</i>		As at 31 December 2022					
		Risk weight**					
		0%	20%	50%	100%	150%	Total credit exposure
Asset classes#							
	Sovereigns	–	–	–	1 512	–	1 512
	Non-central government public sector entities	–	–	14	–	–	14
	Multilateral development banks	–	–	–	–	–	–
	Banks	944	–	–	2	26	972
	Corporates	–	–	–	670	53	723
	Total	944	–	14	2 184	79	3 221

* These exposures are for subsidiaries in broader Africa and the bank's foreign branches.

** There were no exposures in the 10%, 20%, 35% and 75% risk-weight buckets during the period under review.

There were no exposures in the securities firms, multilateral development banks, regulatory retail portfolios and other asset classes during the period under review.

<i>R million</i>		As at 31 December 2021					
		Risk weight**					
		0%	20%	50%	100%	150%	Total credit exposure
Asset classes#							
	Sovereigns	–	–	–	556	–	556
	Non-central government public sector entities	–	–	5	–	–	5
	Multilateral development banks	–	5	–	–	–	5
	Banks	2 021	–	–	12	139	2 172
	Corporates	–	–	–	223	88	311
	Total	2 021	5	5	791	227	3 049

* These exposures are for subsidiaries in broader Africa and the bank's foreign branches.

** There were no exposures in the 10%, 20%, 35% and 75% risk-weight buckets during the period under review.

There were no exposures in the securities firms, regulatory retail portfolios and other asset classes during the period under review.

CCR3: STANDARDISED APPROACH FOR COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS*
 continued

As at 30 June 2022						
R million	Risk weight**					Total credit exposure
	0%	20%	50%	100%	150%	
Asset classes#						
Sovereigns	–	–	–	2 044	–	2 044
Non-central government public sector entities	–	–	–	–	–	–
Multilateral development banks	–	–	–	–	–	–
Banks	584	–	1	1	116	702
Corporates	–	0.2	302	173	2	477
Total	584	0.2	303	2 218	118	3 223

* These exposures are for the subsidiaries in broader Africa and foreign branches.

** There were no exposures in the 10%, 35% and 75% risk-weighted buckets as at 30 June 2022.

There were no exposures in the non-central government public sector entities, multilateral development banks, securities firms, regulatory retail portfolios and other asset classes as at 30 June 2022.

The following CCR4 tables provide the counterparty credit risk exposures per portfolio and PD range where the AIRB approach is used for credit risk. They also include the main parameters used in the calculation of RWA. These exposures are for FRBSA, where AIRB for credit risk is applied.

The information provided in the different columns is explained as follows:

- > EAD post CRM, gross of accounting provisions;
- > average PD is the obligor-grade PD weighted by EAD;
- > average LGD is the obligor-grade LGD weighted EAD;
- > average maturity in years is obligor maturity weighted by EAD; and
- > RWA density is total risk-weighted assets to EAD post CRM.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

Total FRBSA							
As at 31 December 2022							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	17 847	0.06	22	26.78	1.24	2 096	11.74
0.15 to <0.25	6 531	0.22	64	39.77	0.48	637	9.75
0.25 to <0.50	6 660	0.46	137	21.75	1.17	2 085	31.30
0.50 to <0.75	1 762	0.64	67	31.89	1.12	805	45.71
0.75 to <2.50	979	1.58	173	45.17	0.99	1 027	104.91
2.50 to <10	881	4.75	48	29.44	1.05	796	90.27
10 to <100	74	24.34	23	27.99	2.80	100	135.14
100 (default)	–	–	–	–	–	–	–
Total	34 734	0.41	534	29.10		7 546	21.73

Total FRBSA							
As at 31 December 2021							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	16 822	0.07	43	31.16	1.76	2 062	12.26
0.15 to <0.25	6 910	0.21	83	39.75	0.39	752	10.87
0.25 to <0.50	15 352	0.46	106	25.21	0.75	5 207	33.92
0.50 to <0.75	4 610	0.67	141	33.07	1.16	2 161	46.88
0.75 to <2.50	2 194	1.63	84	35.67	1.75	1 383	63.04
2.50 to <10	583	4.59	29	35.32	1.96	594	102.03
10 to <100	103	10.26	21	24.58	0.99	109	105.92
100 (default)	–	–	–	–	–	–	–
Total	46 574	0.43	507	30.91		12 268	26.34

The FRBSA movements were driven by movements across all sectors, with a notable reduction in the 0.25 to <0.50 bucket driven by securities firms. Refer to subsections of the CCR4 tables for detailed descriptions per sector.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Banks							
As at 31 December 2022							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	10 361	0.06	17	33.30	1.14	1 538	14.84
0.15 to <0.25	374	0.16	8	35.56	1.40	123	–
0.25 to <0.50	1 050	0.47	14	30.24	1.66	473	45.03
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	22	1.94	6	45.50	0.86	22	99.16
2.50 to <10	23	4.28	7	51.17	1.17	35	152.56
10 to <100	15	11.60	11	48.17	1.00	30	201.51
100 (default)	–	–	–	–	–	–	–
Subtotal	11 845	0.13	63	33.18		2 221	18.75

Banks							
As at 31 December 2021							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	7 774	0.06	31	31.32	2.26	875	11.25
0.15 to <0.25	682	0.16	9	35.41	0.76	170	24.89
0.25 to <0.50	732	0.47	8	30.38	1.49	379	51.80
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	18	1.06	2	36.59	1.67	13	71.16
2.50 to <10	45	4.93	8	52.90	0.30	69	153.26
10 to <100	1	28.13	2	43.33	0.09	2	208.33
100 (default)	–	–	–	–	–	–	–
Subtotal	9 252	0.13	60	31.66		1 508	16.29

The overall increases in exposure and RWA in the 0.00 to <0.15 and 0.25 to <0.50 PD bands were driven by increased trading in interest rate and foreign exchange derivatives with counterparties in these buckets.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Corporate							
As at 31 December 2022							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	619	0.18	19	33.09	1.00	136	21.96
0.25 to <0.50	524	0.40	48	32.16	1.31	200	38.15
0.50 to <0.75	784	0.64	34	31.02	1.10	346	44.18
0.75 to <2.50	385	1.47	71	29.90	1.12	229	59.55
2.50 to <10	235	4.46	25	25.57	0.96	178	75.85
10 to <100	17	11.90	5	28.66	0.95	21	123.53
100 (default)	–	–	–	–	–	–	–
Subtotal	2 564	1.03	202	31.07		1 110	43.29

Corporate							
As at 31 December 2021							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	0.64	0.09	1	30.00	1.00	0.05	11.79
0.15 to <0.25	838	0.18	8	37.95	0.46	155	18.44
0.25 to <0.50	944	0.42	20	31.38	1.89	415	43.97
0.50 to <0.75	2 119	0.74	104	29.45	1.15	914	43.13
0.75 to <2.50	563	1.28	44	17.72	2.04	203	36.07
2.50 to <10	264	4.24	11	36.51	0.71	225	85.34
10 to <100	92	10.10	12	22.55	0.80	87	94.61
100 (default)	–	–	–	–	–	–	–
Subtotal	4 821	1.01	200	30.19		1 999	41.46

The overall decreases in exposure and RWA in the 0.15 to <0.25, 0.25 to <0.50 and 0.50 to <0.75 PD bands were driven by maturing interest rate and foreign exchange derivatives.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Sovereign							
As at 31 December 2022							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	2	0.17	2	45.00	0.64	1	34.19
0.25 to <0.50	285	0.48	2	2.86	0.50	10	3.38
0.50 to <0.75	4	0.60	3	45.00	0.65	2	56.19
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10	–	–	–	–	–	–	–
10 to <100	–	–	–	–	–	–	–
100 (default)	–	–	–	–	–	–	–
Subtotal	291	0.48	7	3.63		13	4.47

Sovereign							
As at 31 December 2021							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	40	0.48	3	5.00	0.31	2	5.05
0.50 to <0.75	4	0.60	1	45.00	0.23	2	51.16
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10	–	–	–	–	–	–	–
10 to <100	–	–	–	–	–	–	–
100 (default)	–	–	–	–	–	–	–
Subtotal	44	0.49	4	8.64		4	9.55

The increases in exposure and RWA in the 0.25 to <0.50 PD band were driven by increased exposure of the foreign exchange swap trades against a single counterparty.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Securities							
As at 31 December 2022							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	7 486	0.05	5	17.75	1.37	558	7.45
0.15 to <0.25	5 508	0.22	32	40.92	0.36	373	6.77
0.25 to <0.50	3 515	0.47	49	17.74	0.49	860	24.48
0.50 to <0.75	932	0.63	18	32.96	0.99	434	46.54
0.75 to <2.50	510	1.61	74	58.63	0.82	732	143.58
2.50 to <10	37	4.47	8	30.93	0.76	35	94.59
10 to <100	2	10.07	3	37.32	0.90	3	164.61
100 (default)	–	–	–	–	–	–	–
Subtotal	17 990	0.27	189	26.82		2 995	16.65

Securities							
As at 31 December 2021							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	9 047	0.07	11	31.03	1.34	1 187	13.12
0.15 to <0.25	5 380	0.22	65	40.57	0.34	424	7.88
0.25 to <0.50	11 697	0.47	56	25.30	0.25	3 765	32.19
0.50 to <0.75	2 291	0.60	25	37.36	0.99	1 152	50.27
0.75 to <2.50	922	1.84	23	54.66	1.51	768	83.29
2.50 to <10	56	4.60	6	31.17	1.44	59	105.17
10 to <100	5	10.07	5	36.01	0.75	8	155.64
100 (default)	–	–	–	–	–	–	–
Subtotal	29 398	0.36	191	31.73		7 363	25.05

The overall decreases in exposure and RWA in the 0.00 to <0.15, 0.25 to <0.50 and 0.50 to <0.75 PD bands were driven by increased collateral recognition and an improved credit outlook.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Public sector and local government							
As at 31 December 2022							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	4	0.23	2	22.66	1.14	1	22.89
0.25 to <0.50	486	0.48	2	30.00	3.61	278	57.19
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10	569	5	1	30.00	1.09	532	93.43
10 to <100	0.01	19.03	1	64.00	1	0.03	332.01
100 (default)	–	–	–	–	–	–	–
Subtotal	1 059	2.87	6	29.97		811	76.51

Public sector and local government							
As at 31 December 2021							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	10	0.17	1	42.22	0.51	3	28.34
0.25 to <0.50	38	0.48	2	30.00	0.84	13	34.63
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10	25	4.93	1	30.00	2.28	26	103.54
10 to <100	0.36	18.83	1	63.56	0.98	1	328.38
100 (default)	–	–	–	–	–	–	–
Subtotal	73	2.04	5	31.83		43	58.65

The overall increases in exposure and RWA in the 0.25 to <0.50 and 2.50 to <10 PD bands were driven by increased trading to facilitate hedging activities on the back of lending arrangements.

CCR4: AIRB – COUNTERPARTY CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE continued

Other							
As at 31 December 2022							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	24	0.24	1	15.00	1.01	3	12.50
0.25 to <0.50	800	0.43	22	23.13	2.16	264	32.95
0.50 to <0.75	42	0.68	12	23.09	4.22	23	54.73
0.75 to <2.50	62	2.00	22	29.03	1.64	44	69.35
2.50 to <10	17	3.95	7	31.74	1.34	16	94.12
10 to <100	40	35.14	3	19.47	4.35	46	114.95
100 (default)	–	–	–	–	–	–	–
Subtotal	985	2.02	67	23.30	396	396	40.10

Other							
As at 31 December 2021							
<i>PD scale</i>	EAD post CRM R million	Average PD %	Number of obligors	Average LGD %	Average maturity years	RWA R million	RWA density %
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	1 901	0.42	17	19.90	2.99	633	33.29
0.50 to <0.75	196	0.68	11	21.67	3.23	93	47.56
0.75 to <2.50	691	1.65	15	24.93	1.83	399	57.78
2.50 to <10	193	4.93	3	31.43	4.18	215	111.72
10 to <100	5	10.07	1	45.00	5.00	11	235.84
100 (default)	–	–	–	–	–	–	–
Subtotal	2 986	1.03	47	21.97		1 351	45.28

The overall decreases in exposure and RWA in the 0.25 to <0.50, 0.75 to <2.50 and 2.50 to <10 PD bands were driven by decreased average maturity on cross-currency interest rate derivatives against specialised lending counterparties.

CCR5: COMPOSITION OF COLLATERAL FOR COUNTERPARTY CREDIT RISK EXPOSURE PER COLLATERAL CATEGORY

<i>R million</i>	As at 31 December 2022					
	Collateral used in derivative transactions				Collateral used in securities financing transactions	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	10 208	11 079	–	24 647	–	–
Cash – other currencies	–	3 718	–	5 607	–	–
Domestic sovereign debt	–	2 750	–	–	89 393	47 196
Other sovereign debt	–	124	–	–	8 501	1 705
Government agency debt	–	–	–	–	1 339	29
Corporate bonds	–	–	–	–	3 247	2 509
Equity securities	–	28 416	–	–	–	–
Other collateral	–	–	–	–	–	–
Total	10 208	46 087	–	30 254	102 480	51 439

<i>R million</i>	As at 31 December 2021					
	Collateral used in derivative transactions				Collateral used in securities financing transactions	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated*	Segregated	Unsegregated		
Cash – domestic currency	10 427	1 670	–	22 785	–	–
Cash – other currencies	–	48	–	953	–	–
Domestic sovereign debt	–	5 928	–	2 413	169 034	28 490
Other sovereign debt	–	–	–	–	5 394	4 920
Government agency debt	–	–	–	–	2 598	105
Corporate bonds	–	–	–	–	692	4
Equity securities**	–	33 598	–	–	–	–
Other collateral	–	77	–	–	–	–
Total	10 427	41 321	–	26 151	177 718	33 519

* Unsegregated collateral values were restated to reflect the correct underlying direction of placements.

** Equity securities collateral figures were restated to show the component-level collateral contribution, which was previously considered under the cash – domestic currency category.

CCR5: COMPOSITION OF COLLATERAL FOR COUNTERPARTY CREDIT RISK EXPOSURE PER COLLATERAL CATEGORY continued

As at 30 June 2022						
<i>R million</i>	Collateral used in derivative transactions				Collateral used in securities financing transactions	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated*	Segregated	Unsegregated*		
Cash – domestic currency	9 238	10 942	–	25 394	–	–
Cash – other currencies	–	7 611	–	5 990	–	–
Domestic sovereign debt	–	1 238	–	2 744	78 326	35 313
Other sovereign debt	–	–	–	–	4 130	–
Government agency debt	–	–	–	–	2 629	109
Corporate bonds	–	–	–	–	3 796	2 870
Equity securities**	–	28 784	–	–	–	–
Other collateral	–	–	–	–	–	–
Total	9 238	48 575	–	34 128	88 881	38 292

* Unsegregated collateral values were restated to reflect the correct underlying direction of placements.

** Equity securities collateral figures were restated to show the component-level collateral contribution, which was previously considered under the cash – domestic currency category.

The reduction in fair value collateral received in securities financing transactions was driven by a decrease in repo-style transaction volumes.

The group employs credit derivatives primarily to protect its own positions, or hedge its credit portfolio, and to facilitate market-making activities. The increase in credit protection bought and sold was due to an increase in trading activity and market-marking facilitation.

CCR6: CREDIT DERIVATIVES EXPOSURES

<i>R million</i>	As at December 2022		As at December 2021		As at 30 June 2022	
	Protection bought	Protection sold	Protection bought	Protection sold	Protection bought	Protection sold
Notionals						
– Single-name credit default swaps	14 673	7 659	12 287	6 418	12 025	6 940
Total notionals	14 673	7 659	12 287	6 418	12 025	6 940
Fair values	(17)	224	(27)	40	13	(78)
– Positive fair value (asset)	80	326	16	83	35	59
– Negative fair value (liability)	(97)	(102)	(43)	(43)	(22)	(137)

CCR7: RWA flow statements of CCR exposures under the internal model method is not applicable as the group does not use the internal model method for measuring the EAD of counterparty credit risk EAD.

CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES

R million		As at December 2022		As at December 2021		As at 30 June 2022	
		EAD post CRM	RWA	EAD post CRM	RWA	EAD post CRM	RWA
2.	Exposures for trade at qualifying central counterparties (excluding initial margin and default fund contributions), of which:	15 404	308	7 114	142	5 919	118
3.	– OTC derivatives	10 331	207	3 163	63	2 314	46
4.	– Exchange-traded derivatives	5 073	101	3 951	79	3 605	72
5.	– Securities financing transactions	–	–	–	–	–	–
6.	– Netting sets where cross-product netting has been approved	–	–	–	–	–	–
7.	Segregated initial margin*	10 208	–	10 427	–	9 238	–
8.	Non-segregated initial margin	–	–	–	–	–	–
9.	Pre-funded default fund contributions	347	77	383	70	352	70
10.	Unfunded default fund contributions	–	–	–	–	–	–
1.	Total exposures to qualifying central counterparties**	25 959	385	17 924	212	15 509	188

* RWA is not determined on segregation of initial margin.

** There were no exposures to non-qualifying central counterparties (rows 11 - 20) for the periods under review.

Securitisations

TRADITIONAL SECURITISATIONS TRANSACTIONS*

<i>Traditional securitisations**</i>	Asset type	Rating agency	Year initiated	Expected close
Nitro 6	Retail: auto loans	Global Credit Ratings	2018	2025
Nitro 7	Retail: auto loans	Moody's	2019	2027
FAST Issuer	Retail: auto loans	Unrated	2016	2025
Turbo Finance 8	Retail: auto loans	S&P Global Ratings (S&P) and Moody's	2018	2026
MotoPark	Retail: auto loans	DBRS Ratings Limited and S&P	2018	2025
MotoFirst	Retail: auto loans	Unrated	2017	2026
MotoWay	Retail: auto loans	Unrated	2019	2022

<i>R million</i>	Assets securitised	Assets outstanding [#]			Notes outstanding			Retained exposure		
		Dec 2022	Dec 2021	June 2022	Dec 2022	Dec 2021	June 2022	Dec 2022	Dec 2021	June 2022
Nitro 6	-	-	259	27	-	185	-	-	-	-
Nitro 7	243	312	649	477	272	588	412	-	-	-
FAST Issuer [†]	4 291	5 349	9 130	7 129	4 374	766	6 222	2 149	2 015	2 073
Turbo Finance 8 [†]	-	-	704	-	-	1 621	-	-	173	-
MotoPark [†]	-	-	1 814	-	-	1 017	-	-	1 625	-
MotoFirst [†]	-	-	2 807	2	-	3 705	-	-	1 019	-
MotoWay [†]	944	1 102	3 586	1 985	1 306	8 349	2 120	1 024	3 705	2 120
Total	5 478	6 763	18 949	9 620	5 952	16 231	8 754	3 173	8 537	4 193

* Include transactions structured by the group, and exclude third-party and conduit transactions.

** Aldermore's Oak, MotoMore and Turbo Finance 9 securitisations have not derecognised assets in terms of the securitisation framework and therefore remain on-balance sheet.

[#] Assets outstanding do not include cash reserves.

[†] Non-rand denominated.

SEC1: SECURITISATION EXPOSURES IN THE BANKING BOOK PER PORTFOLIO*

		As at 31 December 2022				
		Traditional securitisations				
<i>R million</i>		Group acts as originator	Group acts as sponsor	Group acts as investor	Group acts as originator and sponsor	Total
1.	Retail					
4.	– Auto loans	3 455	–	24 709	–	28 164
6.	Corporate					
7.	– Loans to corporates	–	–	–	4 919	4 919
	Total	3 455	–	24 709	4 919	33 083

		As at 31 December 2021				
		Traditional securitisations				
<i>R million</i>		Group acts as originator	Group acts as sponsor	Group acts as investor	Group acts as originator and sponsor	Total
1.	Retail					
4.	– Auto loans	8 537	–	24 050	–	32 587
6.	Corporate					
7.	– Loans to corporates	–	–	–	3 089	3 089
	Total	8 537	–	24 050	3 089	35 676

		As at 30 June 2022				
		Traditional securitisations				
<i>R million</i>		Group acts as originator	Group acts as sponsor	Group acts as investor	Group acts as originator and sponsor	Total
1.	Retail					
4.	– Auto loans	4 193	–	23 358	–	27 551
6.	Corporate					
7.	– Loans to corporates	–	–	–	3 706	3 706
	Total	4 193	–	23 358	3 706	31 257

* There were no residential mortgage, credit card or resecuritisation exposures in the retail portfolio (rows 2, 3 and 5 of the SEC1 template) and no commercial mortgage, lease and receivables, other corporate or resecuritisation exposures in the corporate portfolio (rows 8 – 11 of the SEC1 template).

The regulatory approaches for securitisation exposures in the following tables are explained below.

Internal ratings-based (IRB) approach	Ratings-based approach Securitisation exposures to notes rated by an external credit assessment institution and held in an entity that uses the IRB approach.
	Internal assessment approach (IAA) The group does not use IAA for calculating risk-weighted assets on securitisation exposures.
	Supervisory formula approach (SFA) Where SFA is used, these exposures are captured in the IRB SFA column.
Standardised approach (SA)	Exposures subject to the look-through approach are disclosed in the simplified supervisory approach (SSFA).
Unrated notes	Exposures to unrated notes are risk-weighted at 1 250%.

There were no synthetic securitisations during the period under review.

SEC2: *Securitisation exposures in the trading book* table is not applicable as the group does not have securitisation exposures in the trading book.

SEC3: TRADITIONAL SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – BANK ACTING AS ORIGINATOR OR AS SPONSOR

		As at 31 December 2022*								As at 31 December 2022*								
		Exposure values by risk-weighted (RW) bands				Exposure values by regulatory approach				RWA by regulatory approach				Minimum capital requirements**				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA		IRB		SA		IRB		SA	
<i>R million</i>							RBA	SFA	SSFA	1 250%	RBA	SFA	SSFA	1 250%	RBA	SFA	SSFA	1 250%
	Securitisation																	
4.	– Retail	2 149	–	1 306	–	–	–	2 149	1 306	–	–	323	1 023	–	–	43	136	–
5.	– Corporate	460	4 459	–	–	–	–	–	4 919	–	–	–	1 580	–	–	–	209	–
	Total	2 609	4 459	1 306	–	–	–	2 149	6 225	–	–	323	2 603	–	–	43	345	–

		As at 31 December 2021*								As at 31 December 2021*								
		Exposure values by RW bands				Exposure values by regulatory approach				RWA by regulatory approach				Minimum capital requirements**				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA		IRB		SA		IRB		SA	
<i>R million</i>							RBA	SFA	SSFA	1 250%	RBA	SFA	SSFA	1 250%	RBA	SFA	SSFA	1 250%
	Securitisation																	
4.	– Retail	2 015	2 632	2 375	–	1 515	–	2 015	5 007	1 515	–	150	3 489	18 942	–	18	419	2 273
5.	– Corporate	–	3 089	–	–	–	–	–	3 089	–	–	–	1 223	–	–	–	147	–
	Total	2 015	5 721	2 375	–	1 515	–	2 015	8 096	1 515	–	150	4 712	18 942	–	18	566	2 273

		As at 30 June 2022*								As at 30 June 2022*								
		Exposure values by RW bands				Exposure values by regulatory approach				RWA by regulatory approach				Minimum capital requirements**				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA		IRB		SA		IRB		SA	
<i>R million</i>							RBA	SFA	SSFA	1 250%	RBA	SFA	SSFA	1 250%	RBA	SFA	SSFA	1 250%
	Securitisation																	
4.	– Retail	2 073	342	1 778	–	–	–	2 073	2 120	–	–	154	1 778	–	–	20	232	–
5.	– Corporate	–	3 706	–	–	–	–	–	3 706	–	–	–	1 458	–	–	–	189	–
	Total	2 073	4 048	1 778	–	–	–	2 073	5 826	–	–	154	3 236	–	–	20	421	–

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC3 template) in the periods under review.

** The capital requirement is calculated at 13.25% of RWA (December 2021: 12.0%; June 2022: 13.0%). The minimum requirement excludes the Pillar 2B capital requirement. 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.

SEC4: TRADITIONAL SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – BANK ACTING AS INVESTOR

		As at 31 December 2022*						
		Exposure values by RW bands**	Exposure values by regulatory approach [#]		RWA by regulatory approach		Minimum capital requirements [†]	
		≤20% RW	IRB		IRB		IRB	
			RBA	SFA	RBA	SFA	RBA	SFA
<i>R million</i>	Securitisation							
4.	– Retail	24 709	–	24 709	–	4 537	–	601
5.	– Corporate	–	–	–	–	–	–	–
	Total	24 709	–	24 709	–	4 537	–	601

		As at 31 December 2021*						
		Exposure values by RW bands**	Exposure values by regulatory approach [#]		RWA by regulatory approach		Minimum capital requirements [†]	
		≤20% RW	IRB		IRB		IRB	
			RBA	SFA	RBA	SFA	RBA	SFA
<i>R million</i>	Securitisation							
4.	– Retail	24 050	–	24 050	–	1 784	–	214
5.	– Corporate	–	–	–	–	–	–	–
	Total	24 050	–	24 050	–	1 784	–	214

		As at 30 June 2022*						
		Exposure values by RW bands**	Exposure values by regulatory approach [#]		RWA by regulatory approach		Minimum capital requirements [†]	
		≤20% RW	IRB		IRB		IRB	
			RBA	SFA	RBA	SFA	RBA	SFA
<i>R million</i>	Securitisation							
4.	– Retail	23 358	–	23 358	–	1 733	–	225
5.	– Corporate	–	–	–	–	–	–	–
	Total	23 358	–	23 358	–	1 733	–	225

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC4 template) in the June 2022 financial year.

** There were no exposures in the >20% to 50%, >50% to 100%, >100% to <1 250% and 1 250% RW bands.

[#] There were no exposures under the standardised approach or to unrated notes risk-weighted at 1 250%.

[†] The capital requirement is calculated at 13.25% of RWA (December 2021: 12.0%; June 2022: 13.0%). The minimum requirement excludes the confidential 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.

Traded market risk

MR1: MARKET RISK UNDER STANDARDISED APPROACH

R million		RWA					
		FirstRand			FRB*		
		As at 31 Dec 2022	As at 31 Dec 2021	As at 30 June 2022	As at 31 Dec 2022	As at 31 Dec 2021	As at 30 June 2022
Outright products							
1.	Interest rate risk	11 130	9 721	7 904	5 914	6 926	4 370
	– Specific risk	8 803	7 570	5 327	5 914	6 926	4 370
	– General risk	2 327	2 151	2 577	–	–	–
2.	Equity risk	546	1 091	344	324	997	326
	– Specific risk	529	1 091	344	324	997	326
	– General risk	17	–	–	–	–	–
3.	Foreign exchange risk	1 354	1 360	1 220	453	978	547
	– Traded market risk	892	445	800	–	63	127
	– Non-traded market risk	462	915	420	453	915	420
4.	Commodity risk	–	–	–	–	–	–
9.	Total	13 030	12 172	9 468	6 691	8 901	5 243

* FRB includes foreign branches.

Market risk was contained within acceptable limits and effectively managed across the group and its broader Africa subsidiaries for the period under review. The increase in standardised RWA was due to an increase in interest rate exposures on the trading book over the period.

Options are capitalised using the internal models approach (IMA) (rows 5 – 7 of the MR1 template are therefore excluded) (refer to MR3: IMA values for traded market risk template on page 60), and securitisations (row 8 of the MR1 template excluded) are capitalised under the securitisation framework (refer to the *Securitisations* section).

MR2: RWA FLOW STATEMENTS OF MARKET RISK EXPOSURES UNDER AN IMA*

R million		VaR	sVaR**	Total RWA
1.	RWA at 30 September 2022	12 028	14 339	26 367
2.	Movement in risk levels	(852)	(2 412)	(3 264)
3.	Model updates/changes	–	–	–
4.	Methodology and policy	–	–	–
5.	Acquisitions and disposals	–	–	–
6.	Foreign exchange movements	–	–	–
7.	Other	–	–	–
8.	RWA at 31 December 2022	11 176	11 927	23 103

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

** sVaR = stressed VaR.

The change in market risk RWA under IMA emanated from positioning across interest rate and foreign exchange desks in response to the trading environment and increased diversification across asset classes.

IMA values

Total market risk is split between traded and non-traded market risk. Traded market risk includes the portfolios that are designated as trading book for regulatory reporting and is shown in the following tables. The group does not use the incremental risk charge (rows 9 – 12 of the MR3 template) and comprehensive risk measure (rows 13 – 17 of the MR3 template) approaches.

MR3: IMA VALUES FOR TRADED MARKET RISK

		FRBSA*						
		As at 31 December 2022						
<i>R million</i>		Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversified total
	VaR (10-day 99%)							
1.	Maximum value	43.2	385.7	87.4	69.5	21.6		315.9
2.	Average value	16.9	294.1	54.5	38.0	12.3		255.9
3.	Minimum value	5.8	145.9	13.9	17.4	1.8		150.6
4.	Period end	26.1	360.0	72.3	18.1	8.8	(213.7)	271.7
	sVaR (10-day 99%)							
5.	Maximum value	84.2	496.2	239.2	79.5	108.4		427.6
6.	Average value	27.2	329.7	103.3	45.2	68.2		291.5
7.	Minimum value	12.5	200.1	21.9	33.1	2.7		189.1
8.	Period end	42.6	413.6	210.9	35.1	24.5	(411.5)	315.2
	VaR (1-day 99%)							
	Maximum value	26.3	160.3	59.1	38.9	12.5		131.3
	Average value	8.1	101.5	22.6	20.0	5.4		102.1
	Minimum value	3.7	54.3	4.0	8.8	1.1		73.4
	Period end	9.7	133.4	34.8	8.8	3.2	(71.8)	118.1

		FRBSA*						
		As at 31 December 2021						
<i>R million</i>		Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversified total
	VaR (10-day 99%)							
1.	Maximum value	32.0	329.7	79.1	55.8	33.1		277.7
2.	Average value	12.8	201.2	43.2	33.3	17.9		212.8
3.	Minimum value	4.6	153.2	8.1	9.6	6.3		156.4
4.	Period end	21.4	168.8	48.8	21.3	24.0	(73.4)	210.8
	sVaR (10-day 99%)							
5.	Maximum value	62.5	446.8	166.3	86.9	40.9		233.0
6.	Average value	22.8	316.6	71.3	44.6	19.4		155.9
7.	Minimum value	8.8	206.1	13.2	16.8	7.4		76.7
8.	Period end	22.4	341.0	79.5	42.5	18.6	(325.2)	178.7
	VaR (1-day 99%)							
	Maximum value	16.6	198.1	39.7	33.4	11.5		146.1
	Average value	6.1	101.1	21.4	18.9	6.9		110.6
	Minimum value	3.0	65.7	3.5	4.5	4.2		73.6
	Period end	9.4	82.7	18.4	15.0	5.8	(45.6)	85.9

* The IMA values for traded market risk are for FRBSA, which excludes the bank's foreign branches. These are reported on under the standardised approach for market risk.

MR3: IMA VALUES FOR TRADED MARKET RISK continued

		FRBSA*						
		As at 30 June 2022						
<i>R million</i>		Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversified total
	VaR (10-day 99%)							
1.	Maximum value	86.5	329.7	121.4	71.3	33.1		277.7
2.	Average value	15.7	196.7	43.0	35.8	16.2		188.3
3.	Minimum value	4.6	126.8	8.1	9.6	1.5		101.2
4.	Period end	6.9	257.8	34.6	62.9	2.2	(175.0)	189.4
	sVaR (10-day 99%)							
5.	Maximum value	103.1	446.8	166.3	86.9	40.9		439.2
6.	Average value	23.7	324.4	64.7	48.2	16.4		187.7
7.	Minimum value	8.8	116.4	13.2	16.8	2.3		76.7
8.	Period end	15.8	365.5	156.9	46.3	7.3	(152.6)	439.2
	VaR (1-day 99%)							
	Maximum value	67.8	198.1	68.5	51.0	11.5		146.1
	Average value	7.3	90.2	18.3	20.8	5.4		95.8
	Minimum value	3.0	60.2	0.3	4.5	1.0		54.6
	Period end	4.5	100.6	7.1	20.3	1.1	(49.4)	84.2

* The IMA values for traded market risk are for FRBSA, which excludes the bank's foreign branches. These are reported on under the standardised approach for market risk.

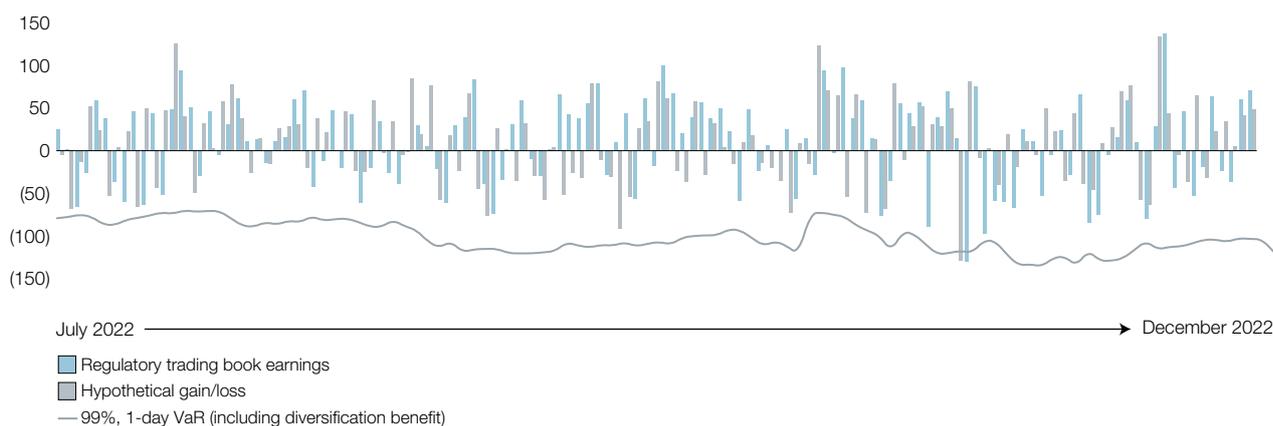
The IMA measures over the review period reflect the positioning across all asset classes and remained within acceptable appetite for the market risk profile.

Backtesting: daily regulatory trading book earnings versus 1-day, 99% VaR

The group monitors its daily domestic earnings profile, as illustrated in the following chart. The earnings and 1-day VaR relate to the group's internal VaR model.

MR4: Comparison of VaR estimates with gains/losses for FRBSA

R million



There were no significant changes in the 1-day, 99% VaR. Trading book earnings exceeded 1-day VaR during the period under review, stemming from interest rate moves in the market. However, the group's internal model continues to quantify market risk appropriately.

Interest rate risk in the banking book

PROJECTED NET INTEREST INCOME (NII) SENSITIVITY TO INTEREST RATE MOVEMENTS

<i>R million</i>	As at 31 December 2022		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in broader Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(733)	(339)	(1 072)
Upward 200 bps	715	339	1 054

<i>R million</i>	As at 31 December 2021		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in broader Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(1 324)	(747)	(2 071)
Upward 200 bps	928	401	1 329

<i>R million</i>	As at 30 June 2022		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in broader Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(277)	(754)	(1 031)
Upward 200 bps	102	561	663

BANKING BOOK NET ASSET VALUE SENSITIVITY TO INTEREST RATE MOVEMENTS AS A PERCENTAGE OF TOTAL CAPITAL

	FRBSA			FirstRand		
	As at 31 December 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2022	As at 31 December 2021	As at 30 June 2022
%						
Downward 200 bps	4.78	4.52	5.35	3.06	3.05	3.49
Upward 200 bps	(4.23)	(4.10)	(4.77)	(2.71)	(2.77)	(3.11)

Structural foreign exchange risk

NET STRUCTURAL FOREIGN EXPOSURES

<i>R million</i>	As at 31 December 2022		As at 31 December 2021		As at 30 June 2022	
	Exposure	Impact on equity from 15% currency translation shock	Exposure	Impact on equity from 15% currency translation shock	Exposure	Impact on equity from 15% currency translation shock
Functional currency						
Botswana pula	5 179	777	4 757	714	4 951	743
US dollar	10 817	1 623	9 630	1 444	10 592	1 589
British pound sterling	37 004	5 551	35 993	5 399	34 186	5 128
Nigerian naira	2 552	383	2 403	360	2 433	365
Zambian kwacha	1 612	242	1 052	158	1 324	199
Mozambican metical	734	110	637	96	670	101
Indian rupee	858	129	843	126	838	126
Ghanaian cedi	786	118	1 392	209	1 126	169
Tanzanian shilling	75	11	308	46	(139)	(21)
Common Monetary Area (CMA) countries*	7 578	1 137	7 651	1 148	7 539	1 131
Total	67 195	10 081	64 666	9 700	63 520	9 530

* Namibia, Eswatini and Lesotho are currently part of the CMA. Unless these countries decide to exit the CMA, rand volatility will not impact their rand reporting values.

Equity investment risk

GROUP INVESTMENT RISK EXPOSURE, SENSITIVITY OF INVESTMENT RISK EXPOSURE AND EQUITY INVESTMENTS

R million	Group								
	As at 31 December 2022			As at 31 December 2021			As at 30 June 2022		
	Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total
Carrying value of investments	5	10 571	10 576	4	10 777	10 781	4	10 882	10 886
Per risk bucket									
250% – Basel III investments in financial entities	–	5 660	5 660	–	5 555	5 555	–	5 503	5 503
300% – Listed investments	5	–	5	4	–	4	4	–	4
400% – Unlisted investments	–	4 911	4 911	–	5 222	5 222	–	5 379	5 379
Equity investments in funds									
Look-through approach	–	84	84	–	–	–	–	77	77
Mandate-based approach	–	2 114	2 114	–	1 777	1 777	–	1 912	1 912
Fall-back approach	–	10	10	–	–	–	–	22	22
Latent revaluation gains not recognised on the balance sheet*	–	285	285	–	1 153	1 153	–	1 885	1 885
Fair value	5	13 064	13 069	4	13 707	13 711	4	14 778	14 782
Listed investment risk exposure included in the equity investment risk expected tail loss (ETL) process	5	–	5	4	–	4	4	–	4
Estimated sensitivity to 10% movement in market value on investment fair value of remaining investment balances			154			119			215
Cumulative gains realised from sale of positions during the year			1 941			111			173
Capital requirement**	2	5 922	5 924	2	5 271	5 273	2	5 921	5 923

* These unrealised gains or losses are not included in Tier 1 or Tier 2 capital.

** The capital requirement is calculated at 13.25% (December 2021: 12.0%; June 2022: 13.0%) of RWA and includes capital on investments in financial entities. The minimum requirement excludes the Pillar 2B capital requirement. 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.

FRBSA INVESTMENT RISK EXPOSURE, SENSITIVITY OF INVESTMENT RISK EXPOSURE AND EQUITY INVESTMENTS

<i>R million</i>	FRBSA								
	As at 31 December 2022			As at 31 December 2021			As at 30 June 2022		
	Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total
Carrying value of investments	4	552	556	4	542	546	4	529	533
Per risk bucket									
250% – Basel III investments in financial entities	–	140	140	–	146	146	–	143	143
300% – Listed investments	4	–	4	4	–	4	4	–	4
400% – Unlisted investments	–	412	412	–	396	396	–	386	386
Equity investments in funds	–	30	30	–	100	100	–	47	47
Look-through approach	–	–	–	–	–	–	–	–	–
Mandate-based approach	–	20	20	–	100	100	–	25	25
Fall-back approach	–	10	10	–	–	–	–	22	22
Latent revaluation gains not recognised in the balance sheet*	–	–	–	–	–	–	–	–	–
Fair value	4	582	586	4	642	646	4	576	580
Listed investment risk exposure included in the equity investment risk ETL process	4	–	4	4	–	4	4	–	4
Estimated sensitivity to 10% movement in market value on investment fair value of remaining investment balances			58			64			58
Cumulative gains realised from sale of positions during the year			12			–			9
Capital requirement**	2	299	301	2	293	295	2	308	310

* These unrealised gains or losses are not included in Tier 1 or Tier 2 capital.

** The capital requirement is calculated at 13.0% (December 2021: 12.0%; June 2022: 13.0%) of RWA and includes capital on investments in financial entities. The minimum requirement excludes the Pillar 2B capital requirement. 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.

CR10: FIRSTRAND EQUITY EXPOSURES USING SIMPLE RISK WEIGHT METHOD AND EQUITY INVESTMENTS IN FUNDS

<i>R million</i>	As at 31 December 2022				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	5	–	300%	5	14
Private equity exposures*	4 911	–	400%	4 911	20 823
Subtotal	4 916	–		4 916	20 837
Equity investment in funds	2 208	–		2 208	9 725
Look-through approach	84	–	340%	84	284
Mandate-based approach	2 114	–	441%	2 114	9 320
Fall-back approach	10	–	1 250%	10	121
Financial and insurance entities	5 660	–	250%	5 660	14 150
Total	12 784	–		12 784	44 712

<i>R million</i>	As at 31 December 2021				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	4	–	300%	4	14
Private equity exposures*	5 222	–	400%	5 222	22 140
Subtotal	5 226	–		5 226	22 154
Equity investment in funds	1 777	–		1 777	7 894
Look-through approach	–	–	–	–	–
Mandate-based approach	1 777	–	444%	1 777	7 894
Fall-back approach	–	–	–	–	–
Financial and insurance entities	5 555	–	250%	5 555	13 887
Total	12 558	–		12 558	43 935

<i>R million</i>	As at 30 June 2022				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	4	–	300%	4	14
Private equity exposures*	5 379	–	400%	5 379	22 806
Subtotal	5 383	–		5 383	22 820
Equity investment in funds	2 011	–		2 011	8 980
Look-through approach	77	–	344%	77	266
Mandate-based approach	1 912	–	442%	1 912	8 444
Fall-back approach	22	–	1250%	22	270
Financial and insurance entities	5 503	–	250%	5 503	13 759
Total	12 897	–		12 897	45 559

* RWA includes a 6% scaling factor.

CR10: FRBSA* EQUITY EXPOSURES USING SIMPLE RISK WEIGHT METHOD AND EQUITY INVESTMENTS IN FUNDS

<i>R million</i>	As at 31 December 2022				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures**	4	–	300%	4	13
Private equity exposures**	412	–	400%	412	1 748
Subtotal	416	–		416	1 761
Equity investment in funds	30	–		30	205
Look-through approach	–	–	–	–	–
Mandate-based approach	20	–	424%	20	83
Fall-back approach	10	–	1 250%	10	122
Financial and insurance entities	140	–	250%	140	350
Total	586	–		586	2 316

<i>R million</i>	As at 31 December 2021				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount [#]	RWA
Categories					
Exchange-traded equity exposures**	4	–	300%	4	13
Private equity exposures**	396	–	400%	396	1 681
Subtotal	400	–		400	1 694
Equity investment in funds	100	–		100	395
Look-through approach	–	–	–	–	–
Mandate-based approach	100	–	394%	100	395
Fall-back approach	–	–	–	–	–
Financial and insurance entities	146	–	250%	146	365
Total	646	–		646	2 454

<i>R million</i>	As at 30 June 2022				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures**	4	–	300%	4	13
Private equity exposures**	386	–	400%	386	1 639
Subtotal	390	–		390	1 652
Equity investment in funds	47	–		47	374
Look-through approach	–	–	–	–	–
Mandate-based approach	25	–	424%	25	104
Fall-back approach	22	–	1 250%	22	270
Financial and insurance entities	143	–	250%	143	357
Total	580	–		580	2 383

* Excludes foreign branches.

** RWA includes a 6% scaling factor.

Figures were restated.

Abbreviations

ABF	Asset-based finance
AIRB	Advanced internal ratings-based
BCBS	Basel Committee on Banking Supervision
CCF	Credit conversion factors
CCR	Counterparty credit risk
CCyB	Countercyclical buffer
CMA	Common Monetary Area
CRM	Credit risk mitigation
CVA	Credit valuation adjustment
D-SIB	Domestic systemically important bank
EAD	Exposure at default. Gross exposure of a facility upon default of a counterparty.
ECL	Expected credit loss
EEPE	Effective expected positive exposure
ETL	Expected tail loss
FRB	FirstRand Bank Limited (including foreign branches)
FRBSA	FirstRand Bank Limited South Africa (excluding foreign branches)
IAA	Internal assessment approach
IMA	Internal models approach
IRB	Internal ratings-based (approach for securitisation exposures)
LGD	Loss given default. Economic loss that will be suffered on an exposure following default of the counterparty, expressed as a percentage of the amount outstanding at the time of default.
NII	Net interest income
NPLs	Non-performing loans
OTC	Over-the-counter
PD	Probability of default. Probability that a counterparty will default within the next year (considering the ability and willingness of the counterparty to repay).
RBA	Ratings-based approach
RW	Risk-weighted
RWA	Risk-weighted assets. Prescribed risk weightings relative to the credit risk of counterparties, operational risk, market risk, equity investment risk and other risk multiplied by on- and off-balance sheet assets.
S&P	S&P Global Ratings
SA	Standardised approach for securitisation exposures
SA-CCR	Standardised approach to counterparty credit risk
SFA	Supervisory formula approach
SMEs	Small and medium-sized enterprises
SSFA	Simplified supervisory formula approach
sVaR	Stressed VaR
VaR	Value-at-risk



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