



FirstRand

BASEL PILLAR 3 DISCLOSURE **2020**

*for the six months ended
31 December*

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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
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The following standardised disclosures relating to capital, leverage and liquidity at 31 December 2020 have been published on the group's website: <https://www.firstrand.co.za/investors/basel-pillar-3-disclosure/>. These include:

- KM1: Key prudential requirements
- CC1: Composition of regulatory capital
- CC2: Reconciliation of regulatory capital to balance sheet
- CCA: Main features of regulatory capital instruments
- LR1: Summary comparison of accounting assets vs leverage ratio
- LR2: Leverage ratio common disclosure template
- LIQ1: Liquidity coverage ratio
- LIQ2: Net stable funding ratio

OVERVIEW OF FIRSTRAND

FIRSTRAND'S portfolio of integrated financial services businesses comprises FNB, RMB, WesBank 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. FCC represents group-wide functions.

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 published in January 2015, and the consolidated and enhanced framework, BCBS 400, published in March 2017, as well as the BCBS technical amendment on the regulatory treatment of accounting provisions, published in August 2018; and
- Regulation 43 of the *Regulations relating to Banks* (Regulations), issued in terms of the Banks Act 94 of 1990, *Directive D1/2019 on Matters related to Pillar 3 disclosure requirement framework* and all other Pillar 3 disclosure-related directives issued by the Prudential Authority (PA).

The *Analysis of financial results for the six months ended 31 December 2020* booklet provides an overview of the group's financial position, performance and capital adequacy position. The group's June 2020 Basel Pillar 3 disclosure provides the qualitative disclosure of the group's business activities, risk management approach, risk appetite and risk management practices for its key risks which are still relevant for the period under review.

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 (the bank or FRB) and its fellow FirstRand 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 the 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 (RCCC).

Overview of risk management and risk weighted assets

OV1: OVERVIEW OF RWA

<i>R million</i>	FirstRand				
	RWA				Minimum capital requirement*
	As at 31 Dec 2020	As at 30 Sept 2020	As at 30 Jun 2020	As at 31 Dec 2019	As at 31 Dec 2020
1. Credit risk (excluding counterparty credit risk)**	748 544	782 611	786 183	710 104	89 825
2. – Standardised approach	289 961	309 750	313 949	259 479	34 795
5. – Advanced internal ratings-based approach (AIRB)	458 583	472 861	472 234	450 625	55 030
16. Securitisation exposures in banking book	29 015	32 278	29 140	35 078	3 482
17. – IRB ratings-based approach	–	–	–	–	–
18. – IRB supervisory formula approach	3 368	4 417	2 074	2 037	404
19. – Standardised approach/simplified supervisory formula approach	25 647	27 861	27 066	33 041	3 078
Total credit risk	777 559	814 889	815 323	745 182	93 307
6. Counterparty credit risk#	14 646	15 758	16 376	8 859	1 757
7. – Standardised approach	14 646	15 758	16 376	8 859	1 757
10. Credit valuation adjustment	15 699	17 996	17 422	7 725	1 884
11. Equity positions in banking book under market-based approach†	28 126	27 915	27 397	28 823	3 375
15. Settlement risk	–	–	–	–	–
20. Market risk‡	30 230	32 622	28 352	29 165	3 628
21. – Standardised approach	11 666	13 536	12 021	10 274	1 400
22. – Internal model approach	18 564	19 086	16 331	18 891	2 228
24. Operational risk	142 488	139 332	139 332	135 440	17 099
– Basic indicator approach	16 846	15 721	15 721	15 000	2 022
– Standardised approach	26 077	25 616	25 616	25 260	3 129
– Advanced measurement approach	99 565	97 995	97 995	95 180	11 948
25. Amounts below the thresholds for deduction (subject to 250% risk weight)	26 727	25 269	24 811	23 746	3 207
26. Floor adjustment	12 466	11 914	11 914	13 399	1 496
Other assets	32 748	35 436	33 394	31 913	3 930
27. Total	1 080 689	1 121 131	1 114 321	1 024 252	129 683

* Capital requirement calculated at 12.0% (December 2019: 11.68%) of risk weighted assets (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 buffer (CCyB), capital conservation and the domestic systemically important bank (D-SIB) as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 31 December 2020. The D-SIB requirement was only published from September 2020, and has been included in the December 2020 minimum requirement only.

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

The current exposure and standardised methods are applied to counterparty credit risk (CCR). The group 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). Implementation of the standardised approach for measuring counterparty credit risk (SA-CCR) is 1 January 2021.

† Implementation of the capital requirements for equity investment in funds is 1 January 2021. Rows 12 – 14 of the OV1 template have, therefore, been excluded from this table.

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

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

OVERVIEW OF CREDIT RWA

R million	FirstRand			
	As at 31 December 2020			
	RWA			Capital requirement*
	Advanced approach	Standardised approach	Total	
– Corporate, banks and sovereigns	212 186	199 705	411 891	49 427
– Small- and medium-sized enterprises (SMEs)	60 164	55 110	115 274	13 833
– Residential mortgages	73 936	8 680	82 616	9 914
– Qualifying revolving retail	36 531	8 888	45 419	5 450
– Other retail	75 766	17 578	93 344	11 201
– Securitisation exposure	3 368	25 647	29 015	3 482
Total credit risk	461 951	315 608	777 559	93 307

* Capital requirement calculated at 12.0% 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 Pillar 2A and CCyB requirements were 0% at 31 December 2020. The D-SIB requirement was only published from September 2020, and has been included in the December 2020 minimum requirement only.

OV1: OVERVIEW OF RWA

R million	FRB				
	RWA				Minimum capital requirement*
	As at 31 Dec 2020	As at 30 Sept 2020	As at 30 Jun 2020	As at 31 Dec 2019	
	As at 31 Dec 2020	As at 30 Sept 2020	As at 30 Jun 2020	As at 31 Dec 2019	As at 31 Dec 2020
1. Credit risk (excluding counterparty credit risk)**	514 207	536 632	531 641	501 469	61 705
2. – Standardised approach	34 175	42 181	42 279	36 484	4 101
5. – AIRB	480 032	494 451	489 362	464 985	57 604
16. Securitisation exposures in banking book	10 041	11 934	9 047	14 759	1 205
17. – IRB ratings-based approach	–	–	–	–	–
18. – IRB supervisory formula approach	3 368	4 417	2 074	2 037	404
19. – Standardised approach/simplified supervisory formula approach	6 673	7 517	6 973	12 722	801
Total credit risk	524 248	548 566	540 688	516 228	62 910
6. Counterparty credit risk#	11 936	12 897	13 624	7 571	1 432
7. – Standardised approach	11 936	12 897	13 624	7 571	1 432
10. Credit valuation adjustment	14 582	16 946	15 745	7 072	1 750
11. Equity positions in banking book under market-based approach†	4 011	4 591	4 603	5 928	481
15. Settlement risk	–	–	–	–	–
20. Market risk‡	26 711	29 001	25 694	26 551	3 205
21. – Standardised approach	8 147	9 915	9 363	7 660	977
22. – Internal model approach	18 564	19 086	16 331	18 891	2 228
24. Operational risk	102 078	100 371	100 371	98 479	12 250
– Standardised approach	4 465	4 806	4 806	4 998	536
– Advanced measurement approach	97 613	95 565	95 565	93 481	11 714
25. Amounts below the thresholds for deduction (subject to 250% risk weight)	9 933	9 419	8 797	7 832	1 192
26. Floor adjustment	15 927	15 501	15 501	15 131	1 911
Other assets	23 196	25 654	23 056	24 186	2 784
27. Total	732 622	762 946	748 079	708 978	87 915

* Capital requirement calculated at 12.0% (December 2019: 11.545%) 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 Pillar 2A and CCyB requirements were 0% at 31 December 2020. The D-SIB requirement was only published from September 2020, and has been included in the December 2020 minimum requirement only.

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

The current exposure and standardised methods are applied to CCR. The group does not apply the internal model method to CCR (row 8 of OV1 template) and there were no other CCRs (row 9 of OV1 template). Implementation of SA-CCR is 1 January 2021.

† Implementation of the capital requirements for equity investment in funds is 1 January 2021. Rows 12 – 14 of the OV1 template have, therefore, been excluded from this table.

‡ There were no switches between trading and banking book during the year (row 23 of OV1 template).

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

OVERVIEW OF CREDIT RWA

	FRB			
	As at 31 December 2020			
	RWA			Capital requirement*
<i>R million</i>	Advanced approach	Standardised approach	Total	
– Corporate, banks and sovereigns	233 636	18 263	251 899	30 228
– SMEs	60 164	1 061	61 225	7 347
– Residential mortgages	73 936	–	73 936	8 872
– Qualifying revolving retail	36 530	8 086	44 616	5 354
– Other retail	75 766	6 765	82 531	9 904
– Securitisation exposure	3 368	6 673	10 041	1 205
Total credit risk	483 400	40 848	524 248	62 910

* Capital requirement calculated at 12.0% 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 Pillar 2A and CCyB requirements were 0% at 31 December 2020. The D-SIB requirement was only published from September 2020, and has been included in the December 2020 minimum requirement only.

Credit risk

CR1: CREDIT QUALITY OF ASSETS*

As at 31 December 2020							
<i>R million</i>	Gross carrying values of		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	Net value
	Defaulted exposures [*]	Non- defaulted exposures ^{**}		Allocated in regulatory category of specific	Allocated in regulatory category of general		
1. Gross advances	61 285	1 214 225	53 390	4 884	8 113	40 393	1 222 120
FNB	37 023	433 508	32 800	3 376	3 272	26 152	437 731
– Retail	26 400	286 076	21 806	816	1 180	19 810	290 670
– Commercial	6 594	99 418	6 502	80	80	6 342	99 510
– Rest of Africa	4 029	48 014	4 492	2 480	2 012	–	47 551
WesBank	12 025	116 478	6 684	15	6	6 663	121 819
RMB investment banking	3 044	289 759	5 875	–	–	5 875	286 928
RMB corporate banking	736	56 415	1 570	–	–	1 570	55 581
Aldermore	6 887	258 404	4 107	1 211	2 896	–	261 184
FCC (including Group Treasury)	1 570	59 661	2 354	282	1 939	133	58 877
2. Debt investment securities[†]	–	333 549	210	–	–	210	333 339
3. Off-balance sheet exposures	743	190 156	–	–	–	–	190 899
4. Total	62 028	1 737 930	53 600	4 884	8 113	40 603	1 746 358

* 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 2019							
R million	Gross carrying values of		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	Net value
	Defaulted exposures*	Non-defaulted exposures**		Allocated in regulatory category of specific	Allocated in regulatory category of general		
1. Gross advances	45 035	1 214 291	35 562	3 097	5 561	26 904	1 223 764
FNB	29 447	445 861	23 404	2 365	3 328	17 711	451 904
– Retail	20 012	293 075	15 971	765	1 060	14 146	297 116
– Commercial	5 787	101 615	4 091	232	294	3 565	103 311
– Rest of Africa	3 648	51 171	3 342	1 368	1 974	–	51 477
WesBank	7 824	128 736	4 663	6	8	4 649	131 897
RMB investment banking	2 970	274 087	3 402	–	–	3 402	273 655
RMB corporate banking	922	62 829	909	–	–	909	62 842
Aldermore	2 677	220 040	1 334	515	819	–	221 383
FCC (including Group Treasury)	1 195	82 738	1 850	211	1 406	233	82 083
2. Debt investment securities [†]	–	230 908	111	–	–	111	230 797
3. Off-balance sheet exposures	585	177 496	–	–	–	–	178 081
4. Total	45 620	1 622 695	35 673	3 097	5 561	27 015	1 632 642

* 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.

As at 30 June 2020							
R million	Gross carrying values of		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	Net value
	Defaulted exposures*	Non-defaulted exposures**		Allocated in regulatory category of specific	Allocated in regulatory category of general		
1. Gross advances	57 281	1 253 814	49 380	4 564	7 764	37 052	1 261 715
FNB	36 195	440 809	30 305	3 492	3 060	23 753	446 699
– Retail	24 968	288 252	19 953	792	843	18 318	293 267
– Commercial	7 030	100 886	6 028	339	254	5 435	101 888
– Rest of Africa	4 197	51 671	4 324	2 361	1 963	–	51 544
WesBank	11 128	120 000	6 367	11	8	6 348	124 761
RMB investment banking	2 282	285 106	5 378	–	–	5 378	282 010
RMB corporate banking	853	71 586	1 436	–	–	1 436	71 003
Aldermore	5 096	264 572	3 456	811	2 645	–	266 212
FCC (including Group Treasury)	1 727	71 741	2 438	250	2 051	137	71 030
2. Debt investment securities [†]	–	276 474	118	–	–	118	276 356
3. Off-balance sheet exposures	601	176 051	–	–	–	–	176 652
4. Total	57 882	1 706 339	49 498	4 564	7 764	37 170	1 714 723

* 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 2020	57 882
2. Advances defaulted	18 411
3. Return to non-defaulted status	(160)
4. Amounts written off	(6 864)
5. Other changes	(7 241)
6. Defaulted credit exposures at 31 December 2020	62 028

CR3: CREDIT RISK MITIGATION TECHNIQUES

<i>R million</i>	As at 31 December 2020				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
		Carrying value	Secured amount	Carrying value	Secured amount
Advances	174 325	1 047 796	1 047 796	9 163	9 163
Debt securities	77 678	255 661	255 661	–	–
Total advances and debt securities	252 003	1 303 457	1 303 457	9 163	9 163
Of which defaulted	5 193	28 072	28 072	–	–

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

<i>R million</i>	As at 31 December 2019				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
		Carrying value	Secured amount	Carrying value	Secured amount
Advances	224 493	999 270	999 270	5 398	5 398
Debt securities	58 760	172 037	172 037	–	–
Total advances and debt securities	283 253	1 171 307	1 171 307	5 398	5 398
Of which defaulted	3 058	22 172	22 172	–	–

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

<i>R million</i>	As at 30 June 2020				
	Exposures*				
	Unsecured carrying value	Secured by collateral		Secured by financial guarantees	
		Carrying value	Secured amount	Carrying value	Secured amount
Advances	238 428	1 023 287	1 023 287	8 507	8 507
Debt securities	81 738	194 618	194 618	–	–
Total advances and debt securities	320 166	1 217 905	1 217 905	8 507	8 507
Of which defaulted	5 147	27 461	27 461	–	–

* No exposures were secured by credit derivatives during the year.

The following table provides 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 multilateral development banks, secured by commercial real estate, equity, past due advances, higher-risk categories and other asset categories. Rows 3 and 9 – 13 were, therefore, excluded from these tables.

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

As at 31 December 2020						
<i>R million</i>	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWA and RWA density	
	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	94 371	17	101 555	–	33 296	32.79
2. Non-central government public sector entities	3 312	928	2 040	–	1 293	63.38
4. Banks	22 732	–	17 423	–	5 914	33.94
5. Securities firms	876	38	1	–	–	–
6. Corporates	107 037	26 220	109 781	1 536	110 007	98.82
7. Regulatory retail portfolios	94 151	14 463	112 758	196	75 323	66.68
8. Secured by residential property	170 437	5 975	168 858	774	64 128	37.80
14. Total	492 916	47 641	512 416	2 506	289 961	56.31

As at 31 December 2019						
<i>R million</i>	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWA and RWA density	
	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	63 194	41	62 531	–	27 474	43.94
2. Non-central government public sector entities	4 216	688	3 376	–	1 445	42.80
4. Banks	19 047	133	18 352	125	5 979	32.36
5. Securities firms	1	–	1	–	–	–
6. Corporates	129 930	22 640	111 677	4 923	118 119	101.30
7. Regulatory retail portfolios	62 943	13 935	76 706	16	50 808	66.22
8. Secured by residential property	152 989	6 181	159 170	861	55 655	34.78
14. Total	432 320	43 618	431 813	5 925	259 480	59.28

As at 30 June 2020						
<i>R million</i>	Exposures before CCF and CRM		Exposure post-CCF and CRM		RWA and RWA density	
	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	100 500	59	104 794	–	37 803	36.07
2. Non-central government public sector entities	4 204	975	2 545	–	1 149	45.15
4. Banks	26 759	5	54 156	5	6 449	11.91
5. Securities firms	2	45	2	–	–	–
6. Corporates	168 825	26 148	134 464	1 695	137 767	101.18
7. Regulatory retail portfolios	80 376	18 323	103 492	32	65 162	62.94
8. Secured by residential property	179 353	4 482	178 669	478	65 619	36.63
14. Total	560 019	50 037	578 122	2 210	313 949	54.10

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 and will differ primarily by asset class as well as credit rating. There are no exposures to multilateral development banks, secured by commercial real estate, equity, past due advances, higher-risk categories and other asset categories. Rows 3 and 9 – 13 were therefore excluded from this table.

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

As at 31 December 2020										
<i>R million</i>	Risk weight									Total credit exposures amount (post-CCF and post-CRM)
	0%	10%	20%	35%	50%	75%	100%	150%	Others	
Asset classes										
1. Sovereigns and their central banks	58 001	–	–	–	11 615	–	18 614	13 326	–	101 556
2. Non-central government public sector entities	–	–	–	–	2 040	–	–	–	–	2 040
4. Banks	1 167	–	12 853	–	1 391	–	1 568	445	–	17 424
5. Securities firms	–	–	–	–	1	–	–	–	–	1
6. Corporates	442	–	4 276	–	3 476	846	98 609	3 668	–	111 317
7. Regulatory retail portfolios	282	–	–	–	172	110 625	1 597	277	–	112 953
8. Secured by residential property	94	–	–	168 100	–	1 437	–	–	–	169 631
14. Total	59 986	–	17 129	168 100	18 695	112 908	120 388	17 716	–	514 922

As at 31 December 2019										
<i>R million</i>	Risk weight									Total credit exposures amount (post-CCF and post-CRM)
	0%	10%	20%	35%	50%	75%	100%	150%	Others	
Asset classes										
1. Sovereigns and their central banks	26 636	–	7 286	–	1 332	–	12 603	14 674	–	62 531
2. Non-central government public sector entities	–	–	–	–	3 071	–	305	561	–	3 376
4. Banks	3 077	–	11 679	–	588	–	2 572	–	–	18 477
5. Securities firms	–	–	–	–	1	–	–	–	–	1
6. Corporates	5	–	2 364	–	2 976	1 050	105 981	4 224	–	116 600
7. Regulatory retail portfolios	206	–	–	–	70	74 745	1 675	26	–	76 722
8. Secured by residential property	123	–	–	158 504	–	1 403	–	–	–	160 030
14. Total	30 047	–	21 329	158 504	8 038	77 198	123 136	19 485	–	437 737

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

<i>R million</i>	As at 30 June 2020									
	Risk weight									Total credit exposures amount (post-CCF and post-CRM)
	0%	10%	20%	35%	50%	75%	100%	150%	Others	
Asset classes										
1. Sovereigns and their central banks	56 354	–	203	–	15 579	–	18 202	14 457	–	104 795
2. Non-central government public sector entities	–	–	3	–	2 542	–	–	–	–	2 545
4. Banks	35 116	–	16 242	–	1 235	–	1 031	537	–	54 161
5. Securities firms	–	–	–	–	2	–	–	–	–	2
6. Corporates	–	–	4 060	–	3 207	3 977	120 789	4 126	–	136 159
7. Regulatory retail portfolios	250	–	–	–	157	101 369	1 514	234	–	103 524
8. Secured by residential property	50	–	–	177 495	–	1 602	–	–	–	179 147
14. Total	91 770	–	20 508	177 495	22 722	106 948	141 536	19 354	–	580 333

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 CCF are used;
- CRM 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 2020						
<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	69 783	19 233	38.17	81 726	0.06	115 209
0.15 to <0.25	41 961	38 581	54.29	59 858	0.19	97 281
0.25 to <0.50	309 287	72 892	52.01	334 298	0.44	342 633
0.50 to <0.75	96 177	35 670	37.69	109 288	0.64	269 318
0.75 to <2.50	264 330	86 531	45.21	316 699	1.51	1 826 524
2.50 to <10.00	133 820	28 664	47.45	149 649	4.52	2 826 584
10.00 to <100.00	38 549	5 158	58.82	41 777	26.53	2 015 566
100.00 (default)	47 751	285	–	48 238	100.00	702 478
Total	1 001 658	287 013	47.18	1 141 533	6.41	8 195 593

Total FRBSA						
As at 31 December 2020						
<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	24.39	0.38	4 729	5.79	14	
0.15 to <0.25	30.42	1.27	13 188	22.03	35	
0.25 to <0.50	16.22	2.08	64 683	19.35	224	
0.50 to <0.75	23.86	2.08	32 098	29.37	166	
0.75 to <2.50	27.30	2.04	138 184	43.63	1 345	
2.50 to <10.00	41.02	1.96	114 426	76.46	2 906	
10.00 to <100.00	39.78	2.27	49 972	119.62	4 494	
100.00 (default)	46.74	3.13	22 580	46.81	21 599	
Total	26.76	1.94	439 859	38.53	30 782	36 656

* The difference between the OV1: Overview of RWA and CR6 templates RWA is due to slotting.

Total FRBSA						
As at 31 December 2019						
<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	35 174	20 388	37.57	36 433	0.08	161 837
0.15 to <0.25	58 176	40 884	52.67	71 398	0.19	147 522
0.25 to <0.50	311 779	66 691	47.73	310 320	0.39	410 866
0.50 to <0.75	85 578	24 826	45.73	95 035	0.64	410 374
0.75 to <2.50	307 573	84 417	44.87	331 252	1.42	2 570 618
2.50 to <10.00	135 840	22 440	44.83	148 443	3.98	3 609 763
10.00 to <100.00	37 479	3 234	58.41	39 367	23.83	3 295 139
100.00 (default)	36 517	–	–	36 283	100.00	2 361 812
Total	1 008 116	262 880	46.49	1 068 531	5.45	12 967 931

Total FRBSA						
As at 31 December 2019						
<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	28.62	1.35	3 266	8.96	9	
0.15 to <0.25	28.66	1.68	14 988	20.99	37	
0.25 to <0.50	18.28	2.19	65 655	21.16	217	
0.50 to <0.75	23.93	2.22	26 703	28.10	148	
0.75 to <2.50	27.52	2.13	144 322	43.57	1 445	
2.50 to <10.00	41.85	1.99	110 420	74.39	2 933	
10.00 to <100.00	40.79	2.75	46 138	117.20	4 272	
100.00 (default)	46.34	2.31	22 834	62.93	16 775	
Total	27.75	2.10	434 326	40.65	25 836	26 904

* The difference between the OV1: Overview of RWA and CR6 templates RWA is due to slotting.

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

Corporate						
As at 31 December 2020						
<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	5 565	1 253	47.61	6 170	0.08	5
0.15 to <0.25	17 254	21 736	50.79	25 267	0.18	39
0.25 to <0.50	47 137	36 855	47.08	62 745	0.40	95
0.50 to <0.75	21 491	10 331	51.44	22 119	0.68	80
0.75 to <2.50	38 499	22 614	55.19	50 126	1.52	209
2.50 to <10.00	14 499	7 414	50.99	17 417	4.65	125
10.00 to <100.00	1 292	1 285	53.35	2 020	11.71	100
100.00 (default)	1 393	285	–	1 467	100.00	10
Total	147 130	101 773	50.36	187 331	1.99	663

Corporate						
As at 31 December 2020						
<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	33.49	0.85	720	11.67	2	
0.15 to <0.25	31.65	1.67	6 700	26.52	15	
0.25 to <0.50	30.67	1.80	26 165	41.70	77	
0.50 to <0.75	27.11	1.66	9 401	42.50	41	
0.75 to <2.50	29.60	1.90	34 050	67.93	234	
2.50 to <10.00	37.79	1.50	19 900	114.26	295	
10.00 to <100.00	37.44	1.27	3 353	165.99	91	
100.00 (default)	14.28	1.98	–	–	210	
Total	30.79	1.73	100 289	53.54	965	2 462

Corporate						
As at 31 December 2019						
<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	2 622	533	45.05	2 527	0.08	1
0.15 to <0.25	22 082	22 462	48.99	31 794	0.19	49
0.25 to <0.50	55 420	26 230	48.82	62 268	0.38	104
0.50 to <0.75	16 846	7 904	50.62	18 120	0.73	78
0.75 to <2.50	45 300	19 175	54.47	52 905	1.65	207
2.50 to <10.00	9 156	3 673	51.20	10 611	4.73	110
10.00 to <100.00	806	1 134	47.57	1 334	10.46	74
100.00 (default)	2 482	–	–	2 482	100.00	11
Total	154 714	81 111	50.44	182 041	2.43	634

Corporate						
As at 31 December 2019						
<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	32.50	1.61	387	15.31	1	
0.15 to <0.25	31.19	1.81	8 275	26.03	18	
0.25 to <0.50	30.48	1.88	25 655	41.20	72	
0.50 to <0.75	26.96	1.93	8 374	46.21	35	
0.75 to <2.50	30.75	2.00	38 469	72.71	273	
2.50 to <10.00	37.79	1.51	12 302	115.94	184	
10.00 to <100.00	35.19	1.68	2 040	152.92	49	
100.00 (default)	39.01	1.01	–	–	988	
Total	30.93	1.87	95 502	52.46	1 620	2 352

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

Specialised lending						
As at 31 December 2020						
<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	5	–	–	5	0.14	1
0.15 to <0.25	1 823	86	–	1 823	0.21	9
0.25 to <0.50	32 242	6 586	58.32	33 534	0.39	35
0.50 to <0.75	10 979	615	57.67	11 239	0.67	64
0.75 to <2.50	25 379	1 893	52.81	26 396	1.50	830
2.50 to <10.00	5 228	62	53.51	5 424	3.61	471
10.00 to <100.00	1 556	–	–	1 563	15.75	75
100.00 (default)	1 680	–	–	1 680	100.00	46
Total	78 892	9 242	56.58	81 664	3.34	1 531

Specialised lending						
As at 31 December 2020						
<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	25.53	5.00	2	40.00	–	
0.15 to <0.25	23.35	3.10	506	27.76	1	
0.25 to <0.50	17.18	2.01	7 717	23.01	23	
0.50 to <0.75	22.44	2.37	4 622	41.12	17	
0.75 to <2.50	27.04	2.31	17 552	66.49	111	
2.50 to <10.00	27.53	2.75	4 882	90.01	54	
10.00 to <100.00	25.23	3.81	2 186	139.86	65	
100.00 (default)	49.35	4.96	–	–	829	
Total	22.73	2.33	37 467	45.88	1 100	1 561

Specialised lending						
As at 31 December 2019						
<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	41	–	–	41	0.06	–
0.15 to <0.25	7 002	76	1.47	7 003	0.23	7
0.25 to <0.50	27 543	4 265	58.19	28 234	0.36	28
0.50 to <0.75	11 368	167	57.43	11 436	0.73	74
0.75 to <2.50	18 478	1 423	45.54	19 257	1.50	732
2.50 to <10.00	5 124	377	29.41	5 456	3.61	452
10.00 to <100.00	2 524	19	2.76	2 543	14.92	122
100.00 (default)	1 285	–	–	1 285	100.00	31
Total	73 365	6 327	52.76	75 255	3.13	1 446

Specialised lending						
As at 31 December 2019						
<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	20.00	1.00	3	7.32	–	–
0.15 to <0.25	18.02	3.36	1 647	23.52	3	–
0.25 to <0.50	17.30	2.00	6 282	22.25	18	–
0.50 to <0.75	23.34	2.49	5 126	44.82	19	–
0.75 to <2.50	27.17	2.53	12 824	66.59	79	–
2.50 to <10.00	27.66	3.18	5 048	92.52	54	–
10.00 to <100.00	26.52	4.04	3 991	156.94	102	–
100.00 (default)	50.26	4.97	–	–	646	–
Total	22.44	2.54	34 921	46.40	921	618

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

	Sovereign					
	As at 31 December 2020					
<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	23 664	147	49.22	23 737	0.04	3
0.15 to <0.25	–	–	–	–	–	–
0.25 to <0.50	175 618	3 567	55.78	179 618	0.48	16
0.50 to <0.75	711	102	3.35	764	0.60	40
0.75 to <2.50	442	59	–	468	1.83	37
2.50 to <10.00	2 617	1 048	54.20	2 705	4.99	670
10.00 to <100.00	854	1 402	52.14	1 619	15.91	7
100.00 (default)	530	–	–	535	100.00	2
Total	204 436	6 325	53.19	209 446	0.86	775

	Sovereign					
	As at 31 December 2020					
<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	13.34	0.29	485	2.04	1	
0.15 to <0.25	–	–	–	–	–	
0.25 to <0.50	7.16	2.29	19 512	10.86	60	
0.50 to <0.75	23.88	3.83	378	49.48	1	
0.75 to <2.50	21.14	1.74	235	50.21	2	
2.50 to <10.00	7.88	2.80	776	28.69	11	
10.00 to <100.00	32.05	2.46	2 338	–	87	
100.00 (default)	2.50	1.18	–	–	13	
Total	8.14	2.07	23 724	11.33	175	407

Sovereign						
As at 31 December 2019						
<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	6 173	–	–	6 173	0.04	3
0.15 to <0.25	89	–	–	4	0.17	4
0.25 to <0.50	147 132	4 062	51.60	141 089	0.40	32
0.50 to <0.75	198	–	–	233	0.69	39
0.75 to <2.50	3 710	1 952	52.52	3 740	2.31	22
2.50 to <10.00	216	150	14.27	286	3.90	407
10.00 to <100.00	–	–	–	–	–	–
100.00 (default)	1 099	–	–	1 099	100.00	10
Total	158 617	6 164	50.98	152 624	1.16	517

Sovereign						
As at 31 December 2019						
<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	18.68	1.02	294	4.76	–	–
0.15 to <0.25	20.29	0.07	1	25.00	–	–
0.25 to <0.50	7.85	2.58	16 141	11.44	44	–
0.50 to <0.75	28.41	2.58	128	54.94	–	–
0.75 to <2.50	16.30	2.98	1 696	45.35	14	–
2.50 to <10.00	42.13	1.34	342	119.58	5	–
10.00 to <100.00	–	–	–	–	–	–
100.00 (default)	2.50	1.01	–	–	28	–
Total	8.55	2.51	18 602	12.19	91	241

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

Banks and securities firms						
As at 31 December 2020						
<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	29 810	2 816	42.38	35 597	0.06	49
0.15 to <0.25	8 242	5 023	55.81	11 022	0.17	36
0.25 to <0.50	23 430	3 650	46.81	14 408	0.43	66
0.50 to <0.75	5 389	1 543	55.92	6 261	0.68	37
0.75 to <2.50	275	268	52.42	494	1.67	47
2.50 to <10.00	130	2 108	22.99	645	4.72	39
10.00 to <100.00	48	153	24.84	89	13.64	29
100.00 (default)	–	–	–	–	–	–
Total	67 324	15 561	46.47	68 516	0.29	303

Banks and securities firms						
As at 31 December 2020						
<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	28.73	0.35	2 853	8.01	6	
0.15 to <0.25	32.00	0.31	2 127	19.30	6	
0.25 to <0.50	29.65	0.93	5 787	40.17	18	
0.50 to <0.75	22.83	2.03	3 028	48.36	9	
0.75 to <2.50	43.97	1.17	550	111.34	4	
2.50 to <10.00	41.84	0.61	793	122.95	13	
10.00 to <100.00	45.94	0.84	173	194.38	4	
100.00 (default)	–	–	–	–	–	–
Total	29.16	0.63	15 311	22.35	60	41

Banks and securities firms						
As at 31 December 2019						
<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	16 218	3 924	39.03	11 681	0.07	51
0.15 to <0.25	13 905	4 976	56.21	9 764	0.17	42
0.25 to <0.50	41 325	3 799	52.43	23 065	0.39	68
0.50 to <0.75	2 946	632	50.80	2 705	0.66	34
0.75 to <2.50	24 443	2 020	10.75	1 530	1.76	66
2.50 to <10.00	1 251	1 051	21.40	824	4.55	46
10.00 to <100.00	14	145	24.50	42	19.87	26
100.00 (default)	–	–	–	–	–	–
Total	100 102	16 547	43.02	49 611	0.41	333

Banks and securities firms						
As at 31 December 2019						
<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	31.68	1.47	1 952	16.71	3	
0.15 to <0.25	25.01	0.83	1 709	17.50	4	
0.25 to <0.50	31.52	0.76	9 031	39.15	28	
0.50 to <0.75	29.42	2.41	1 549	57.26	5	
0.75 to <2.50	50.08	0.99	1 843	120.46	13	
2.50 to <10.00	47.20	0.91	1 156	140.29	18	
10.00 to <100.00	32.93	0.48	68	161.90	4	
100.00 (default)	–	–	–	–	–	
Total	31.00	1.04	17 308	34.89	75	83

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

SME corporate						
As at 31 December 2020						
<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	8 964	2 462	90.85	11 201	0.24	32
0.25 to <0.50	1 771	677	4.68	1 827	0.41	1 672
0.50 to <0.75	10 915	9 346	0.04	14 767	0.59	6 890
0.75 to <2.50	29 306	12 810	1.69	34 383	1.50	13 244
2.50 to <10.00	11 507	4 388	1.52	13 207	4.08	8 787
10.00 to <100.00	2 589	388	3.23	2 777	23.13	1 751
100.00 (default)	3 698	–	–	3 710	100.00	3 004
Total	68 750	30 071	8.54	81 872	6.75	35 380

SME corporate						
As at 31 December 2020						
<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	26.61	1.00	3 141	28.04	7	–
0.25 to <0.50	23.49	1.98	580	31.75	2	–
0.50 to <0.75	21.87	2.41	5 342	36.18	19	–
0.75 to <2.50	22.00	2.04	16 684	48.52	112	–
2.50 to <10.00	24.79	2.12	9 003	68.17	134	–
10.00 to <100.00	23.80	2.06	3 139	113.04	166	–
100.00 (default)	42.04	3.04	520	14.02	1 547	–
Total	24.06	2.02	38 409	46.91	1 987	1 851

SME corporate						
As at 31 December 2019						
<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	20	–	–	20	0.00	–
0.15 to <0.25	9 056	2 629	90.24	11 429	0.17	62
0.25 to <0.50	9 038	6 191	0.05	11 429	0.44	5 757
0.50 to <0.75	6 272	2 917	0.68	7 451	0.61	2 249
0.75 to <2.50	30 911	10 622	3.00	34 785	1.51	12 651
2.50 to <10.00	12 509	3 813	2.23	13 886	4.19	5 193
10.00 to <100.00	2 107	441	12.22	2 296	18.77	738
100.00 (default)	2 236	–	–	2 236	100.00	1 007
Total	72 149	26 613	10.72	83 532	4.65	27 657

SME corporate						
As at 31 December 2019						
<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	10.83	1.44	1	5.00	–	
0.15 to <0.25	26.37	1.00	2 591	22.67	5	
0.25 to <0.50	20.74	2.38	3 336	29.19	10	
0.50 to <0.75	18.54	2.41	2 270	30.47	8	
0.75 to <2.50	21.59	2.05	15 921	45.77	113	
2.50 to <10.00	20.00	1.96	7 725	55.63	116	
10.00 to <100.00	21.44	1.98	2 289	99.70	90	
100.00 (default)	43.84	2.86	130	5.81	990	
Total	22.18	1.99	34 263	41.02	1 332	1 377

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

SME retail						
As at 31 December 2020						
<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	28	13	37.33	33	0.08	112
0.15 to <0.25	3	15	79.85	17	0.22	126
0.25 to <0.50	1 078	181	14.12	1 188	0.34	5 040
0.50 to <0.75	2 620	1 250	7.67	3 257	0.58	9 882
0.75 to <2.50	26 560	13 027	3.34	36 116	1.66	750 483
2.50 to <10.00	21 753	2 811	5.34	24 164	4.11	1 639 554
10.00 to <100.00	5 152	622	1.16	5 458	29.42	72 368
100.00 (default)	6 773	–	–	6 781	100.00	93 911
Total	63 967	17 919	4.08	77 014	12.99	2 571 476

SME retail						
As at 31 December 2020						
<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	29.95		2	6.06	–	
0.15 to <0.25	63.93		5	29.41	–	
0.25 to <0.50	39.37		285	23.99	2	
0.50 to <0.75	23.37		626	19.22	4	
0.75 to <2.50	34.38		15 749	43.61	206	
2.50 to <10.00	36.29		13 397	55.44	372	
10.00 to <100.00	38.98		4 886	89.52	636	
100.00 (default)	50.62		3 478	51.29	3 521	
Total	36.35		38 428	49.90	4 741	6 565

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

SME retail						
As at 31 December 2019						
<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	25	11	59.15	34	0.07	189
0.15 to <0.25	14	29	29.81	25	0.19	177
0.25 to <0.50	2 227	1 088	3.08	2 720	0.01	9 103
0.50 to <0.75	1 925	554	3.24	2 172	0.03	12 954
0.75 to <2.50	29 445	12 354	0.59	38 599	0.62	645 746
2.50 to <10.00	23 202	3 400	0.79	25 888	1.07	532 412
10.00 to <100.00	4 872	438	1.36	5 043	12.58	61 718
100.00 (default)	3 811	–	–	3 577	100.00	68 752
Total	65 521	17 874	0.96	78 058	6.06	1 331 051

SME retail						
As at 31 December 2019						
<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	39.75		3	8.82	–	
0.15 to <0.25	39.45		4	16.00	–	
0.25 to <0.50	31.27		561	20.63	3	
0.50 to <0.75	23.21		423	19.48	3	
0.75 to <2.50	33.77		16 675	43.20	222	
2.50 to <10.00	38.43		15 167	58.59	412	
10.00 to <100.00	41.26		4 706	93.32	668	
100.00 (default)	54.87		3 009	84.12	2 510	
Total	36.39		40 548	51.95	3 818	3 684

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

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

Retail mortgages						
As at 31 December 2020						
<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	10 223	10 666	24.56	12 842	0.09	22 479
0.15 to <0.25	5 207	5 834	39.74	7 525	0.18	10 893
0.25 to <0.50	24 969	12 380	50.21	31 185	0.38	35 501
0.50 to <0.75	38 076	7 417	38.52	40 934	0.63	43 642
0.75 to <2.50	94 546	22 959	64.20	109 285	1.40	160 515
2.50 to <10.00	21 993	3 847	50.53	23 937	4.41	34 787
10.00 to <100.00	9 916	514	67.10	10 260	28.31	16 607
100.00 (default)	12 573	–	–	12 822	100.00	19 775
Total	217 503	63 617	48.79	248 790	7.52	344 199

Retail mortgages						
As at 31 December 2020						
<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	15.85		470	3.66	2	
0.15 to <0.25	15.19		453	6.02	2	
0.25 to <0.50	15.61		3 349	10.74	19	
0.50 to <0.75	17.07		6 860	16.76	44	
0.75 to <2.50	17.40		31 352	28.69	270	
2.50 to <10.00	17.25		13 145	54.91	182	
10.00 to <100.00	16.61		9 365	91.28	483	
100.00 (default)	24.82		8 940	69.72	2 631	
Total	17.31		73 934	29.72	3 633	4 271

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

Retail mortgages						
As at 31 December 2019						
<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	9 256	10 146	25.09	11 802	0.09	21 006
0.15 to <0.25	5 184	5 860	38.56	7 444	0.18	10 498
0.25 to <0.50	25 729	11 506	50.07	31 491	0.38	36 013
0.50 to <0.75	39 654	7 108	40.69	42 545	0.62	46 208
0.75 to <2.50	98 833	23 059	64.42	113 689	1.37	174 719
2.50 to <10.00	20 549	2 995	42.52	21 823	4.28	37 888
10.00 to <100.00	7 596	414	62.25	7 906	27.51	13 581
100.00 (default)	10 129	–	–	10 129	100.00	19 365
Total	216 930	61 088	48.85	246 829	6.16	359 278

Retail mortgages						
As at 31 December 2019						
<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	15.22		415	3.52	2	
0.15 to <0.25	14.83		439	5.90	2	
0.25 to <0.50	15.34		3 339	10.60	19	
0.50 to <0.75	16.65		6 899	16.22	45	
0.75 to <2.50	17.31		32 093	28.23	275	
2.50 to <10.00	17.96		12 128	55.57	164	
10.00 to <100.00	16.39		6 989	88.40	352	
100.00 (default)	25.55		12 076	119.22	1 729	
Total	17.14		74 378	30.13	2 588	2 723

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

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

Retail revolving						
As at 31 December 2020						
<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	445	4 279	65.75	3 259	0.13	92 213
0.15 to <0.25	431	3 351	74.34	2 922	0.20	85 758
0.25 to <0.50	1 954	8 759	75.13	8 535	0.36	290 922
0.50 to <0.75	1 895	4 968	78.93	5 816	0.63	181 750
0.75 to <2.50	9 938	12 522	79.45	19 886	1.48	624 817
2.50 to <10.00	14 338	6 845	87.42	20 321	4.61	529 988
10.00 to <100.00	3 964	770	107.21	4 789	25.84	146 194
100.00 (default)	4 122	–	–	4 261	100.00	136 948
Total	37 087	41 494	78.48	69 789	9.75	2 088 590

Retail revolving						
As at 31 December 2020						
<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	73.33		187	5.74	3	
0.15 to <0.25	71.40		239	8.18	4	
0.25 to <0.50	70.77		1 091	12.78	22	
0.50 to <0.75	70.94		1 169	20.10	26	
0.75 to <2.50	71.03		7 594	38.19	209	
2.50 to <10.00	71.91		17 469	85.97	674	
10.00 to <100.00	70.32		8 317	173.67	866	
100.00 (default)	78.16		465	10.91	3 272	
Total	71.76		36 531	52.34	5 076	5 438

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

Retail revolving						
As at 31 December 2019						
<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	788	5 722	57.58	4 082	0.11	140 317
0.15 to <0.25	802	4 700	64.44	3 831	0.20	136 057
0.25 to <0.50	2 497	9 278	69.68	8 963	0.36	351 007
0.50 to <0.75	2 626	5 403	72.30	6 532	0.63	344 869
0.75 to <2.50	12 340	13 145	74.42	22 123	1.50	1 354 669
2.50 to <10.00	15 419	6 846	83.28	21 120	4.52	2 343 315
10.00 to <100.00	3 660	637	115.54	4 297	24.31	2 886 720
100.00 (default)	3 681	–	–	3 681	100.00	2 047 599
Total	41 813	45 731	71.97	74 629	8.17	9 604 553

Retail revolving						
As at 31 December 2019						
<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	70.99		202	4.95	3	
0.15 to <0.25	69.94		307	8.01	5	
0.25 to <0.50	69.14		1 127	12.57	22	
0.50 to <0.75	69.75		1 288	19.72	29	
0.75 to <2.50	69.90		8 421	38.06	233	
2.50 to <10.00	71.28		17 740	84.00	680	
10.00 to <100.00	66.59		7 317	170.28	708	
100.00 (default)	77.54		2 760	74.98	2 697	
Total	70.43		39 162	52.48	4 377	4 351

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

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

Other retail						
As at 31 December 2020						
<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	43	59	68.34	83	0.07	347
0.15 to <0.25	37	74	59.38	81	0.20	388
0.25 to <0.50	1 088	237	72.00	1 258	0.42	9 286
0.50 to <0.75	4 101	98	30.98	4 131	0.56	26 933
0.75 to <2.50	39 385	379	42.20	39 545	1.73	276 342
2.50 to <10.00	41 755	141	418.69	41 829	4.93	612 163
10.00 to <100.00	13 178	24	1 621.51	13 202	29.86	1 778 435
100.00 (default)	16 982	–	–	16 982	100.00	448 782
Total	116 569	1 012	140.78	117 111	20.24	3 152 676

Other retail						
As at 31 December 2020						
<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	45.92		10	12.05	–	
0.15 to <0.25	48.65		17	20.99	–	
0.25 to <0.50	23.17		197	15.66	1	
0.50 to <0.75	20.23		672	16.27	5	
0.75 to <2.50	27.95		14 418	36.46	197	
2.50 to <10.00	52.70		35 061	83.82	1 171	
10.00 to <100.00	53.38		16 215	122.82	2 096	
100.00 (default)	58.82		9 177	54.04	9 576	
Total	43.84		75 767	64.70	13 046	14 060

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

Other retail						
As at 31 December 2019						
<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	31	52	79.17	73	0.08	270
0.15 to <0.25	42	152	40.97	104	0.19	626
0.25 to <0.50	868	272	71.05	1 061	0.42	8 754
0.50 to <0.75	3 743	141	70.09	3 841	0.56	3 869
0.75 to <2.50	44 113	667	76.68	44 624	1.74	381 806
2.50 to <10.00	48 414	135	546.79	48 549	4.96	689 940
10.00 to <100.00	15 900	6	4 193.80	15 906	28.72	332 160
100.00 (default)	11 794	–	–	11 794	100.00	225 037
Total	124 905	1 425	133.60	125 952	15.54	1 642 462

Other retail						
As at 31 December 2019						
<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	46.43		9	12.33	–	
0.15 to <0.25	35.15		15	14.42	–	
0.25 to <0.50	25.88		183	17.25	1	
0.50 to <0.75	20.93		646	16.82	4	
0.75 to <2.50	28.25		16 380	36.71	223	
2.50 to <10.00	50.23		38 812	79.94	1 300	
10.00 to <100.00	51.36		18 738	117.80	2 299	
100.00 (default)	57.53		4 859	41.20	7 187	
Total	42.16		79 642	63.23	11 014	11 475

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

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

The following table 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) have 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 2020	As at 31 December 2019	As at 30 June 2020
2. Sovereign	23 723	18 547	21 129
4. Banks and securities firms	15 311	15 704	16 603
6. Corporate	119 014	97 522	111 444
8. Specialised lending	37 466	50 852	50 312
SME corporate	38 408	34 264	39 840
9. Retail revolving	36 530	39 162	39 800
10. Retail mortgages	73 936	74 381	75 390
11. SME retail	38 428	40 550	42 090
12. Other retail	75 766	79 643	75 626
17. Total	458 582	450 625	472 234

CR8: RWA FLOW STATEMENT OF CREDIT RISK EXPOSURES UNDER AIRB

<i>R million</i>	RWA
1. RWA at 30 September 2020	472 861
2. Asset size	(1 433)
3. Asset quality	(17 752)
4. Model updates	2 242
5. Methodology and policy	2 664
6. Acquisitions and disposals	–
7. Foreign exchange movements	–
8. Other	–
9. RWA at 31 December 2020*	458 582

* The RWA represents AIRB credit risk exposures excluding securitisation exposure per OV1 table on page 05.

CR9: Backtesting of PD per portfolio is disclosed annually, per the Pillar 3 standards, and therefore excluded from this report.

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

<i>R million</i>		As at 31 December 2020							
		Other than high-volatility commercial 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	12 573	888	70%	13 113	–	13 113	9 730	52
Good	Less than 2.5 years	1	–	70%	–	1	1	1	–
	Equal to or more than 2.5 years	5 029	177	90%	5 059	18	5 077	4 843	41
Satisfactory		1 550	–	115%	1 329	221	1 550	1 899	45
Weak		16	3	250%	2	16	18	59	2
Total		19 169	1 068		19 503	256	19 759	16 532	140

* 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.

<i>R million</i>		As at 31 December 2019							
		Other than high-volatility commercial 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	11 312	1 314	70%	12 044	–	12 044	8 937	48
Good	Less than 2.5 years	–	–	70%	–	–	–	–	–
	Equal to or more than 2.5 years	4 659	213	90%	4 702	16	4 717	4 502	38
Satisfactory		2 251	–	115%	1 974	277	2 251	2 759	66
Weak		166	–	250%	–	166	166	441	17
Total		18 388	1 527		18 720	459	19 178	16 639	169

* 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.

CR10: AIRB SPECIALISED LENDING continued

<i>R million</i>		As at 30 June 2020							
		Other than high-volatility commercial 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	10 640	238	70%	10 736	–	10 736	7 966	43
Good	Less than 2.5 years	–	–	70%	–	–	–	–	–
	Equal to or more than 2.5 years	5 365	51	90%	5 320	17	5 337	5 093	43
Satisfactory		2 448	–	115%	2 137	311	2 448	2 995	71
Weak		69	–	250%	–	69	69	184	7
Default		–	–	–	–	–	–	–	–
Total		18 522	289		18 193	397	18 590	16 238	164

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

Counterparty credit risk

The *CCR1: Analysis of counterparty credit risk* table on the following page provides an overview of the counterparty credit risk arising from the group's derivative and structured finance transactions. SA-CCR is effective as at 1 January 2021, therefore is not reflected in the numbers as at 31 December 2020. The information provided in row 1 therefore corresponds to the requirements of the standardised method as applied by FRBSA. The group calculates counterparty credit risk exposures under the standardised method for FRBSA and uses the current exposure method for the other group entities. EAD under the standardised method is quantified by scaling either the current credit exposure less collateral or the net potential future exposure by a factor of 1.4 (alpha).

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 the current exposure method. This approach is typically applied to securities financing and repo type of transactions.

The table below provides an explanation of the approaches used in the *CCR1: Analysis of counterparty credit risk* 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. Under the current exposure method, the current replacement cost is determined by marking contracts to market, thus capturing the current exposure without any need for estimation.
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 applied 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	Refers to 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 value adjustment (CVA) charges and exposures cleared through central counterparties.

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK BY APPROACH FOR FRBSA

R million	As at 31 December 2020					
	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1. Standardised approach (for derivatives)*	9 629	20 808		1.4	42 612	11 759
4. Comprehensive approach for credit risk mitigation for security financing transactions**					7 480	2 705
5. VaR for security financing transactions#						
6. Total	9 629	20 808			50 092	14 464

* EEPE is not calculated under the standardised method (for derivatives). The information in line 1 represents the current exposure method.

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

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

R million	As at 31 December 2019					
	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1. Standardised approach (for derivatives)*	5 916	11 257		1.4	24 042	7 194
4. Comprehensive approach for credit risk mitigation for security financing transactions**					5 663	1 665
5. VaR for security financing transactions#						
6. Total	5 916	11 257			29 705	8 859

* EEPE is not calculated under the standardised method (for derivatives). The information in line 1 represents the current exposure method.

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

Replacement cost, potential future exposure, EEPE and alpha used for computing regulatory EAD, EAD post-CRM and RWA are not inputs into the VaR model calculation for security financing transactions.

R million	As at 30 June 2020					
	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1. Standardised approach (for derivatives)*	11 594	17 029		1.4	40 073	13 827
4. Comprehensive approach for credit risk mitigation for security financing transactions**					2 348	2 348
5. VaR for security financing transactions#						
6. Total	11 594	17 029			42 421	16 175

* EEPE is not calculated under the standardised method (for derivatives). The information in line 1 represents the current exposure method.

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

Replacement cost, potential future exposure, EEPE and alpha used for computing regulatory EAD, EAD post-CRM and RWA are not inputs into the VaR model calculation for security financing transactions.

The changes in counterparty exposure numbers period-on-period are attributable to factors which include changes in market prices, an increase in trade volumes, and expiry of trades and hedges. Counterparty credit risk portfolio exposures and RWA increased during the period under review as a result of the remediation of a self-disclosed audit item on foreign exchange delta in the standardised method to CCR. This impacted the calculation of EAD for certain forex derivatives. Increased trading volumes, mainly in foreign exchange, interest rate and commodity derivatives for banks, corporate and securities firms contributed to the replacement cost, potential future exposure and alpha used for computing regulatory EAD, EAD post-CRM and RWA are not inputs into the VaR model calculation for security financing transactions. Row 5 of CCR1 is, therefore, excluded from these tables.

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 increase in CVA RWA was mainly driven by a combination of increased exposure in interest rate swaps, contracts for difference and counterparties that had credit rating changes.

CCR2: CVA CAPITAL CHARGE

<i>R million</i>	As at 31 December 2020		As at 31 December 2019		As at 30 June 2020	
	EAD post-CRM	RWA*	EAD post-CRM	RWA*	EAD post-CRM	RWA*
3. All portfolios subject to the standardised CVA capital charge	42 612	15 699	24 042	7 725	40 073	17 422
4. Total subject to the CVA capital charge	42 612	15 699	24 042	7 725	40 073	17 422

* CVA RWA include rest of Africa and foreign subsidiaries.

CCR3: STANDARDISED APPROACH – EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS*

<i>R million</i>	As at 31 December 2020						
	Risk weight**						Total credit exposure
	0%	20%	50%	75%	100%	150%	
Asset classes#							
Sovereigns	–	–	–	–	942	–	942
Non-central government public sector entities	–	–	25	–	–	–	25
Banks	1 259	3	80	–	35	–	1 377
Securities firms	–	–	39	–	–	–	39
Corporates	–	–	5	–	331	65	401
Regulatory retail portfolios	–	–	–	–	–	3	3
Total	1 259	3	148	–	1 309	68	2 787

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

** There were no exposures in the 10%, 35% and 75% risk weight buckets at 31 December 2020.

There were no exposures in the multilateral development banks and other assets class at 31 December 2020.

<i>R million</i>	As at 31 December 2019						
	Risk weight**						Total credit exposure
	0%	20%	50%	75%	100%	150%	
Asset classes#							
Sovereigns	7 148	–	–	–	861	11	8 020
Non-central government public sector entities	–	–	7	–	306	–	313
Banks	405	3 158	306	–	2 547	1	6 417
Securities firms	–	–	1	–	–	–	1
Corporates	5	1 299	2 972	–	10 717	721	15 714
Regulatory retail portfolios	206	–	61	6 447	84	21	6 819
Other assets	–	–	–	–	72	12	84
Total	7 764	4 457	3 347	6 447	14 587	766	37 368

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

** There were no exposures in the 10% and 35% risk weight buckets at 31 December 2019.

There were no exposures in the multilateral development banks class at 31 December 2019.

The decrease in exposure from December 2019 to December 2020 was mainly driven by matured transactions against sovereigns, non-central government public sector entities, banks and corporate clients.

CCR3: STANDARDISED APPROACH – EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS* continued

<i>R million</i>	As at 30 June 2020						
	Risk weight**						Total credit exposure
	0%	20%	50%	75%	100%	150%	
Asset classes#							
Sovereigns	–	–	–	–	1 226	–	1 226
Banks	1 336	–	–	–	1	129	1 466
Securities firms	–	–	1	–	–	–	1
Corporates	1	1	32	–	438	142	614
Regulatory retail portfolios	–	–	–	–	–	5	5
Total	1 337	1	33	–	1 665	276	3 312

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

** There were no exposures in the 10%, 35% and 75% risk weight buckets as at 30 June 2020.

There were no exposures in the non-central government public sector entities, multilateral development banks and other assets classes as at 30 June 2020.

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 2020							
<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	12 077	0.07	38	26.05	1.31	1 247	10.33
0.15 to <0.25	9 530	0.21	107	34.58	0.53	900	9.44
0.25 to <0.50	11 093	0.44	181	20.40	2.26	3 715	33.49
0.50 to <0.75	2 075	0.70	69	28.21	2.09	1 004	48.39
0.75 to <2.50	5 170	1.78	266	22.72	1.91	2 775	53.68
2.50 to <10.00	1 471	5.25	90	35.22	2.34	2 009	136.57
10.00 to <100.00	105	18.55	32	29.26	0.73	143	136.19
100.00 (default)	–	–	–	–	–	–	–
Total	41 521		783			11 793	0.28

Total FRBSA							
As at 31 December 2019							
<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	4 888	0.08	41	25.08	1.13	650	13.28
0.15 to <0.25	2 648	0.17	140	13.68	0.60	305	11.48
0.25 to <0.50	7 620	0.38	142	23.06	1.37	2 137	28.04
0.50 to <0.75	1 504	0.61	106	34.55	2.90	866	57.58
0.75 to <2.50	3 928	1.71	266	19.34	1.52	1 912	48.68
2.50 to <10.00	518	5.89	64	39.30	3.15	979	188.96
10.00 to <100.00	90	20.02	30	25.06	0.80	101	112.22
100.00 (default)	–	–	–	–	–	–	–
Total	21 196		789			6 950	0.33

The overall increase in EAD and RWA across the PD bands was mainly driven by higher trading volumes against clients across sectors during the period under review.

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

<i>PD scale</i>	Banks						
	As at 31 December 2020						
	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	5 936	0.07	25	25.22	1.48	767	12.92
0.15 to <0.25	1 492	0.16	39	39.97	1.31	480	32.17
0.25 to <0.50	1 730	0.45	14	14.25	1.53	420	24.28
0.50 to <0.75	84	0.74	5	5.00	1.45	6	7.14
0.75 to <2.50	67	1.42	40	40.02	1.15	54	80.60
2.50 to <10.00	133	4.85	45	45.13	1.05	184	138.35
10.00 to <100.00	8	32.12	45	45.91	1.00	19	237.50
100.00 (default)	–	–	–	–	–	–	–
Subtotal	9 450		213			1 930	20.42

<i>PD scale</i>	Banks						
	As at 31 December 2019						
	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	2 465	0.07	33	24.77	1.29	307	12.45
0.15 to <0.25	344	0.16	5	35.10	1.36	114	33.14
0.25 to <0.50	756	0.38	10	20.00	1.36	208	27.51
0.50 to <0.75	74	0.54	4	34.83	3.18	47	63.51
0.75 to <2.50	38	1.20	7	38.54	1.20	27	71.05
2.50 to <10.00	2	4.93	4	51.44	1.00	2	100.00
10.00 to <100.00	5	31.38	8	44.60	1.00	13	260.00
100.00 (default)	–	–	–	–	–	–	–
Subtotal	3 684		71			718	19.49

The increase in exposures across the PD bands was driven by increased trading activities against local and international banks, increased mark-to-market values and risk positions on foreign exchange and interest rate transactions.

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

<i>PD scale</i>	Securities						
	As at 31 December 2020						
	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	6 025	0.07	8	26.77	1.13	462	7.67
0.15 to <0.25	7 718	0.22	75	33.65	0.36	346	4.48
0.25 to <0.50	2 397	0.45	50	21.27	1.89	798	33.29
0.50 to <0.75	372	0.74	23	15.66	0.48	113	30.38
0.75 to <2.50	2 809	2.01	130	16.37	1.10	1 132	40.30
2.50 to <10.00	73	4.62	15	13.69	7.60	46	63.01
10.00 to <100.00	58	20.98	7	17.02	0.50	49	84.48
100.00 (default)	–	–	–	–	–	–	–
Subtotal	19 452		308			2 946	15.14

<i>PD scale</i>	Securities						
	As at 31 December 2019						
	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	2 369	0.09	5	25.05	0.95	332	14.01
0.15 to <0.25	1 915	0.17	95	9.14	0.40	135	7.05
0.25 to <0.50	4 376	0.38	45	22.51	0.59	919	21.00
0.50 to <0.75	206	0.72	35	22.52	1.06	97	47.09
0.75 to <2.50	2 560	1.60	135	12.65	0.64	792	30.94
2.50 to <10.00	147	4.93	17	30.6	3.81	173	117.69
10.00 to <100.00	45	27.44	9	6.9	0.60	17	37.78
100.00 (default)	–	–	–	–	–	–	–
Subtotal	11 618		341			2 465	21.22

The increase in EAD in the 0.00 to <0.15 and 0.15 to <0.25 PD bands was mainly driven by increased future clearing activities, bond index, equity and foreign exchange futures.

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

<i>PD scale</i>	Corporate						
	As at 31 December 2020						
	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	71	0.09	1	30.00	1.00	9	12.68
0.15 to <0.25	301	0.20	19	33.23	1.00	72	23.92
0.25 to <0.50	2 819	0.43	89	32.58	2.59	1 490	52.86
0.50 to <0.75	1 101	0.71	32	35.48	1.46	585	53.13
0.75 to <2.50	1 326	1.53	109	33.90	1.65	924	69.68
2.50 to <10.00	321	4.86	59	42.77	1.49	437	136.14
10.00 to <100.00	37	12.37	18	44.60	1.02	71	191.89
100.00 (default)	–	–	–	–	–	–	–
Subtotal	5 976		327			3 588	60.04

<i>PD scale</i>	Corporate						
	As at 31 December 2019						
	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	42	0.08	1	45.00	1.00	8	19.05
0.15 to <0.25	327	0.19	33	17.61	0.76	46	14.07
0.25 to <0.50	1 588	0.36	61	29.13	2.51	725	45.65
0.50 to <0.75	312	0.69	49	34.01	1.25	156	50.00
0.75 to <2.50	765	1.79	104	35.03	1.24	610	79.74
2.50 to <10.00	112	4.54	38	35.27	1.02	123	109.82
10.00 to <100.00	40	10.38	13	42.49	0.99	71	177.50
100.00 (default)	–	–	–	–	–	–	–
Subtotal	3 186		299			1 739	54.58

The increase in EAD and RWA was mainly driven by new commodity swaps and forwards, equity options and foreign exchange swaps due to increased trading volume against corporate clients during the period under review.

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

	Public sector and local government						
	As at 31 December 2020						
<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	17	0.17	2	5.85	0.47	1	5.88
0.25 to <0.50	77	0.46	2	31.28	1.08	29	37.66
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	617	4.93	1	30.00	2.01	625	101.30
10.00 to <100.00	2	11.72	3	41.83	1.04	4	200.00
100.00 (default)	–	–	–	–	–	–	–
Subtotal	713		8			659	92.43

	Public sector and local government						
	As at 31 December 2019						
<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	22	0.17	2	2.00	0.30	1	4.55
0.25 to <0.50	62	0.40	5	21.00	1.20	24	38.71
0.50 to <0.75	–	0.48	1	–	1.54	–	–
0.75 to <2.50	249	2.45	2	75.00	3.05	227	91.16
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (default)	–	–	–	–	–	–	–
Subtotal	333		10			252	75.68

The decrease in EAD and RWA in the 0.75 to <2.50 and increase in 2.50 to <10.00 PD bands was due to a rating migration of a public sector client.

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

<i>PD scale</i>	Sovereign						
	As at 31 December 2020						
	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	–	–	1	–	–	–	–
0.15 to <0.25	2	0.17	4	26.60	1.69	1	50.00
0.25 to <0.50	1 486	0.48	3	5.00	1.00	89	5.99
0.50 to <0.75	1	0.60	1	5.00	1.10	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (default)	–	0.48	–	3.03	–	–	–
Subtotal	1 489		8			90	6.04

<i>PD scale</i>	Sovereign						
	As at 31 December 2019						
	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	–	0.09	1	30.00	1.00	–	37.50
0.15 to <0.25	8	0.17	4	30.09	1.42	3	5.49
0.25 to <0.50	255	0.40	2	8.00	1.00	14	59.05
0.50 to <0.75	464	0.48	3	44.96	1.04	274	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (default)	–	–	–	–	–	–	–
Subtotal	727		10			291	40.03

The increase in EAD and RWA in the 0.25 to <0.50 PD band was due to new transactions.

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

<i>PD scale</i>	Other						
	As at 31 December 2020						
	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	45	0.08	1	33.00	2.55	9	20.00
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	2 584	0.41	20	18.96	3.49	889	34.40
0.50 to <0.75	517	0.63	12	25.54	4.71	300	58.03
0.75 to <2.50	968	1.44	22	26.44	4.63	665	68.70
2.50 to <10.00	327	6.53	6	38.40	3.16	717	219.27
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (default)	–	–	–	–	–	–	–
Subtotal	4 441		61			2 580	58.10

<i>PD scale</i>	Other						
	As at 31 December 2019						
	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	12	0.08	1	28.00	3.55	3	25.00
0.15 to <0.25	32	0.24	1.00	15.00	2.72	6	18.75
0.25 to <0.50	583	0.37	19	21.32	4.28	247	42.37
0.50 to <0.75	448	0.64	14	29.62	6.77	292	65.18
0.75 to <2.50	316	1.88	18	27.44	8.09	256	81.01
2.50 to <10.00	257	7.04	5	45.97	3.71	681	264.98
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (default)	–	–	–	–	–	–	–
Subtotal	1 648		58			1 485	90.11

The overall increase in EAD was driven by increased risk positions on longer-dated foreign exchange and interest rate transactions. New cross currency swap transactions against income producing real estate clients also contributed to the increase during the period under review.

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

<i>R million</i>	As at 31 December 2020					
	Collateral used in derivative transactions				Collateral used in security finance 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	9 604	12 868	–	28 720	–	–
Cash – other currencies	–	4 043	–	–	–	–
Domestic sovereign debt	–	2 300	–	–	72 592	38 345
Other sovereign debt	–	–	–	–	348	19
Government agency debt	–	–	–	–	171	–
Corporate bonds	–	–	–	–	160	–
Other collateral	–	77	–	–	–	–
Total	9 604	19 288	–	28 720	73 271	38 364

* There was no collateral in the equity securities category during the period under review.

** The increase in unsegregated collateral received was due to collateral received on the back of increased trading in foreign exchange, interest rate and equity derivatives.

<i>R million</i>	As at 31 December 2019					
	Collateral used in derivative transactions				Collateral used in security finance 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	7 713	7 976	–	19 372	–	–
Cash – other currencies	–	2 327	–	–	–	–
Domestic sovereign debt	–	255	–	–	299 741	297 813
Other sovereign debt	–	–	–	–	98	98
Government agency debt	–	–	–	–	3 938	3 929
Corporate bonds	–	–	–	–	741	687
Other collateral	–	117	–	–	–	–
Total	7 713	10 675	–	19 372	304 518	302 527

* There was no collateral in the equity securities category during the period under review.

The decrease in collateral used in security finance transactions in December 2020 relates to inclusion of inter-desk trades in December 2019, which were excluded from December 2020 numbers.

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

<i>R million</i>	As at 30 June 2020					
	Collateral used in derivative transactions				Collateral used in security finance 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	11 295	477	–	73	–	–
Cash – other currencies	–	8 819	–	22 940	–	–
Domestic sovereign debt	–	3	–	–	33 759	37 109
Other sovereign debt	–	–	–	–	98	98
Government agency debt	–	–	–	–	246	–
Corporate bonds	–	–	–	–	160	–
Other collateral	–	3 494	–	–	253	–
Total	11 295	12 793	–	23 013	34 516	37 207

* There was no collateral in the equity securities category during the year.

The group employs credit derivatives primarily for the purposes of protecting its own positions and for hedging its credit portfolio as indicated in the following tables.

CCR6: CREDIT DERIVATIVES

<i>R million</i>	As at December 2020		As at December 2019		As at 30 June 2020	
	Protection bought	Protection sold	Protection bought	Protection sold	Protection bought	Protection sold
Notionals*						
– Single-name credit default swaps	13 067	6 274	13 526	6 191	13 426	6 950
Total notionals	13 067	6 274	13 526	6 191	13 426	6 950
Fair values	(45)	(18)	15	14	17	(288)
– Positive fair value (asset)	19	82	46	90	61	87
– Negative fair value (liability)	(64)	(100)	(31)	(76)	(44)	(375)

* There were no credit derivatives in the index credit default swaps, total return swaps, credit options and other credit derivative categories during the periods under review.

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 EAD of counterparty credit risk EAD.

CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES

<i>R million</i>	As at December 2020		As at December 2019		As at 30 June 2020	
	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:	7 606	152	5 802	116	8 449	169
3. – OTC derivatives	1 348	27	908	18	1 194	24
4. – Exchange-traded derivatives	6 258	125	4 895	98	7 255	145
5. – Securities financing transactions	–	–	–	–	–	–
6. – Netting sets where cross-product netting has been approved	–	–	–	–	–	–
7. Segregated initial margin*	9 600		7 987		11 289	
8. Non-segregated initial margin	–	–	–	–	–	–
9. Pre-funded default fund contributions	349	30	319	27	371	32
10. Unfunded default fund contributions	–	–	–	–	–	–
1. Total exposures to qualifying central counterparties**	17 555	182	14 108	143	20 109	201

* RWA is not determined on segregation of initial margin.

** There were no exposures to non-qualifying central counterparties (rows 11 – 20 of the CCR8 template) 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 (GCR)	2018	2025
Nitro 7	Retail: auto loans	Moody's	2019	2027
FAST Issuer	Retail: auto loans	Unrated	2016	2025
Turbo Finance 6	Retail: auto loans	S&P and Moody's	2016	2023
Turbo Finance 7	Retail: auto loans	S&P and Moody's	2016	2023
Turbo Finance 8	Retail: auto loans	S&P and Moody's	2018	2026
MotoPark	Retail: auto loans	DBRS Ratings Limited (DBRS) 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 2020	Dec 2019	Jun 2020	Dec 2020	Dec 2019	Jun 2020	Dec 2020	Dec 2019	Jun 2020
Nitro 6	460	541	961	745	468	903	676	–	–	–
Nitro 7	1 010	1 106	1 664	1 391	1 059	1 649	1 358	–	–	–
FAST Issuer	8 370	9 988	9 093	10 727	9 349	8 576	10 243	1 987	1 533	1 527
Turbo Finance 6	–	–	11	–	–	–	–	–	–	–
Turbo Finance 7	–	–	1 598	–	–	1 332	–	–	411	–
Turbo Finance 8	2 028	2 265	4 343	3 660	2 139	4 012	3 431	178	176	203
MotoPark	4 123	4 717	8 812	7 555	4 232	7 930	6 862	4 251	7 958	6 889
MotoFirst	6 803	7 692	13 501	11 766	5 741	11 716	9 700	1 024	879	1 059
MotoWay	7 499	8 039	10 288	12 622	7 920	9 602	11 992	1 788	1 035	1 918
Total	30 293	34 348	50 271	48 466	30 908	45 720	44 262	9 228	11 992	11 596

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

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

Assets outstanding do not include cash reserves.

SEC1: SECURITISATION EXPOSURES IN THE BANKING BOOK PER PORTFOLIO*

As at 31 December 2020					
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	9 227	–	25 039	–	34 266
6. Corporate					
7. – Loans to corporates	–	–	–	6 704	6 704
Total	9 227	–	25 039	6 704	40 970

* 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).

As at 31 December 2019					
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	11 993	–	25 923	–	37 916
6. Corporate					
7. – Loans to corporates	–	–	–	4 364	4 364
Total	11 993	–	25 923	4 364	42 280

* 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).

As at 30 June 2020					
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	11 596	–	26 419	–	38 015
6. Corporate					
7. – Loans to corporates	–	–	–	3 831	3 831
Total	11 596	–	26 419	3 831	41 846

* 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 (ECAI) 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	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 2020*									
		Exposure values by risk weighted (RW) bands					Exposure values by regulatory approach				
R million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA	1 250%	
						RBA	SFA	SSFA			
Securitisation											
4.	– Retail	1 987	3 503	1 620	600	1 518	–	1 987	5 723	1 518	
5.	– Corporate	–	6 704	–	–	–	–	–	6 704	–	
Total		1 987	10 207	1 620	600	1 518	–	1 987	12 427	1 518	

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

** Capital requirement calculated at 12.0% 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 Pillar 2A and CCyB requirements were 0% as at 31 December 2020. The D-SIB requirement was published from September 2020 and has been included in the December 2020 minimum requirement only.

		As at 31 December 2019*									
		Exposure values by RW bands					Exposure values by regulatory approach				
R million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA	1 250%	
						RBA	SFA	SSFA			
Securitisation											
4.	– Retail	1 533	7 259	1 050	538	1 613	–	1 533	8 847	1 613	
5.	– Corporate	–	4 364	–	–	–	–	–	4 364	–	
Total		1 533	11 623	1 050	538	1 613	–	1 533	13 211	1 613	

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

** Capital requirement calculated at 11.68% 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 D-SIB requirement was not disclosed for December 2019 reporting.

		As at 30 June 2020*									
		Exposure values by RW bands					Exposure values by regulatory approach				
R million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB		SA	1 250%	
						RBA	SFA	SSFA			
Securitisation											
4.	– Retail	1 527	6 084	2 378	–	1 607	–	1 527	8 462	1 607	
5.	– Corporate	–	3 831	–	–	–	–	–	3 831	–	
Total		1 527	9 915	2 378	–	1 607	–	1 527	12 293	1 607	

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

** Capital requirement calculated at 10.50% 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 Pillar 2A and CCyB requirements were 0% as at 30 June 2020. The D-SIB requirement was not disclosed for June 2020 reporting.

As at 31 December 2020*								
RWA by regulatory approach					Minimum capital requirements**			
IRB		SA		1 250%	IRB		SA	1 250%
RBA	SFA	SSFA	RBA		SFA	SSFA		
–	147	3 971	18 975	–	18	477	2 277	
–	–	2 702	–	–	–	324	–	
–	147	6 673	18 975	–	18	801	2 277	

As at 31 December 2019*								
RWA by regulatory approach					Minimum capital requirements**			
IRB		SA		1 250%	IRB		SA	1 250%
RBA	SFA	SSFA	RBA		SFA	SSFA		
–	114	10 985	20 162	–	13	1 283	2 355	
–	–	1 894	–	–	–	221	–	
–	114	12 879	20 162	–	13	1 504	2 355	

As at 30 June 2020*								
RWA by regulatory approach					Minimum capital requirements**			
IRB		SA		1 250%	IRB		SA	1 250%
RBA	SFA	SSFA	RBA		SFA	SSFA		
–	113	5 420	20 094	–	12	569	2 110	
–	–	1 553	–	–	–	163	–	
–	113	6 973	20 094	–	12	732	2 110	

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

As at 31 December 2020*							
R million	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
Securitisation							
4. – Retail	25 039	–	25 039	–	3 220	–	386
5. – Corporate	–	–	–	–	–	–	–
Total	25 039	–	25 039	–	3 220	–	386

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC4 template) during the period under review.

** 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%.

† Capital requirement calculated at 12.0% of RWA. The minimum requirement excludes the Pillar 2B 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 Pillar 2A and CCyB requirements were 0% as at 31 December 2020. The D-SIB requirement was only published from September 2020, and has been included in the December 2020 minimum requirement only.

As at 31 December 2019*							
R million	Exposure values by RW bands**	Exposure values by regulatory approach#		RWA by regulatory approach		Minimum capital requirement†	
	≤20% RW	IRB		IRB		IRB	
		RBA	SFA	RBA	SFA	RBA	SFA
Securitisation							
4. – Retail	25 923	–	25 923	–	1 923	–	225
5. – Corporate	–	–	–	–	–	–	–
Total	25 923	–	25 923	–	1 923	–	225

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC4 template) during the period under review.

** 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%.

† Capital requirement calculated at 11.68% of RWA. The minimum requirement excludes the Pillar 2B 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 D-SIB requirement was not disclosed for December 2019 reporting.

As at 30 June 2020*							
R million	Exposure values by RW bands**	Exposure values by regulatory approach#		RWA by regulatory approach		Minimum capital requirement†	
	≤20% RW	IRB		IRB		IRB	
		RBA	SFA	RBA	SFA	RBA	SFA
Securitisation							
4. – Retail	26 419	–	26 419	–	1 960	–	206
5. – Corporate	–	–	–	–	–	–	–
Total	26 419	–	26 419	–	1 960	–	206

* There were no resecuritisations or synthetic securitisations (rows 6 – 15 of the SEC4 template) during the period under review.

** 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%.

† Capital requirement calculated at 10.50% of RWA. The minimum requirement excludes the Pillar 2B 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 Pillar 2A and CCyB requirements were 0% as at 30 June 2020. The D-SIB requirement was not disclosed for June 2020 reporting.

Traded market risk

MR1: MARKET RISK UNDER STANDARDISED APPROACH – RISK WEIGHTED ASSETS

R million	RWA					
	FirstRand			FRB*		
	As at 31 December 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2020	As at 31 December 2019	As at 30 June 2020
Outright products						
1. Interest rate risk	8 512	6 268	7 726	5 512	4 858	6 184
– Specific risk	6 750	5 066	6 254	5 205	4 599	5 777
– General risk	1 762	1 202	1 472	307	259	407
2. Equity risk	511	702	787	511	702	787
– Specific risk	511	702	787	511	702	787
– General risk	–	–	–	–	–	–
3. Foreign exchange risk	2 643	3 304	3 508	2 126	2 101	2 392
– Traded market risk	310	1 169	719	36	14	259
– Non-traded market risk	2 333	2 135	2 789	2 090	2 087	2 133
4. Commodity risk	–	–	–	–	–	–
9. Total	11 666	10 274	12 021	8 149	7 661	9 363

* FRB includes foreign branches.

Market risk was contained within acceptable stress loss limits and effectively managed across the subsidiaries during the period under review.

Options are excluded from 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* table) and securitisations (row 8 of the MR1 template are therefore excluded) are capitalised under the securitisation framework (refer to the *Securitisation* section). The decrease in standardised RWA from June 2020 was mainly driven by a reduction in foreign currency holdings in the non-traded book of subsidiaries in the rest of Africa and reduction of foreign currency fixed income holdings in the India branch book. This was partly offset by an overall increase in risk-taking activities in interest rate products and fixed income portfolios.

MR2: RWA FLOW STATEMENT OF MARKET RISK EXPOSURES UNDER IMA*

R million	VaR	sVaR	Total RWA
1. RWA at 30 September 2020	12 147	6 939	19 086
2. Movement in risk levels	(1 722)	1 200	(522)
3. Model updates/changes	–	–	–
4. Methodology and policy	–	–	–
5. Acquisitions and disposals	–	–	–
6. Foreign exchange movements	–	–	–
7. Other	–	–	–
8. RWA at 31 December 2020	10 425	8 139	18 564

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

The movement in general market risk RWA for the three months ended 31 December 2020 relates mainly to the market activities in RMB interest rate and foreign exchange positions. Overall, there was a marginal decrease in market risk RWA driven by market trading activities which resulted in the exiting of positions, with stress scenarios impacting VaR and stressed VaR (sVaR).

IMA values

Total market risk is split between traded and non-traded market risk. Traded market risk represents 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

R million	FRBSA*						
	As at 31 December 2020						
	Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversified total
VaR (10-day 99%)							
1. Maximum value	162.3	449.0	80.9	65.8	47.2	–	374.4
2. Average value	45.1	255.4	35.8	45.1	24.0	–	246.7
3. Minimum value	3.2	175.6	5.9	16.4	5.2	–	140.2
4. Period end	5.0	392.9	64.4	21.0	8.9	(253.0)	257.2
sVaR (10-day 99%)							
5. Maximum value	72.1	409.4	116.3	29.8	80.4	–	205.5
6. Average value	14.2	259.4	48.9	20.7	38.6	–	162.6
7. Minimum value	2.7	183.3	10.5	15.8	7.9	–	108.6
8. Period end	4.5	319.5	97.5	29.8	18.3	(286.5)	183.1
VaR (1-day 99%)							
Maximum value	39.3	332.2	51.6	28.7	16.8	–	310.8
Average value	9.4	146.3	16.2	17.0	10.6	–	124.6
Minimum value	2.2	35.5	5.0	8.5	4.5	–	89.7
Period end	3.2	321.5	23.2	12.3	5.4	(233.6)	132.0

* The IMA values for traded market risk are based on FRBSA, which excludes the foreign branches and subsidiaries in the rest of Africa, which are reported on in the standardised approach for market risk.

R million	FRBSA*						
	As at 31 December 2019						
	Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversified total
VaR (10-day 99%)							
1. Maximum value	95.4	295.1	98.8	32.6	32.4	–	315.1
2. Average value	15.3	213.9	44.1	15.5	20.4	–	163.3
3. Minimum value	4.9	133.9	11.4	6.4	12.8	–	99.1
4. Period end	16.5	214.7	57.6	7.7	12.8	(158.1)	151.2
sVaR (10-day 99%)							
5. Maximum value	100.3	356.8	247.0	35.3	30.7	–	437.4
6. Average value	20.7	172.7	84.0	16.3	20.6	–	211.8
7. Minimum value	0.7	124.4	14.1	5.0	12.3	–	125.4
8. Period end	7.0	166.9	117.2	5.1	18.4	(129.5)	185.2
VaR (1-day 99%)							
Maximum value	43.9	143.4	110.2	18.4	26.6	–	176.5
Average value	6.3	101.4	24.5	9.4	14.4	–	112.7
Minimum value	1.9	27.4	8.3	2.2	5.2	–	28.2
Period end	2.5	48.0	31.1	2.2	5.2	(41.6)	47.3

* The IMA values for traded market risk are based on FRBSA, which excludes the foreign branches and subsidiaries in the rest of Africa, which are reported on in the standardised approach for market risk.

FRBSA*							
As at 30 June 2020							
<i>R million</i>	Equities	Interest rates	Foreign exchange	Commodities	Traded credit	Diversification effect	Diversified total
VaR (10-day 99%)							
1. Maximum value	164.6	355.0	103.4	32.6	56.4		381.1
2. Average value	20.8	178.7	41.4	14.5	18.9		152.4
3. Minimum value	4.6	72.1	11.4	6.2	7.5		58.3
4. Period end	17.3	300.4	76.2	14.7	14.1	(128.2)	294.6
sVaR (10-day 99%)							
5. Maximum value	105.5	356.8	247.0	42.8	31.5		437.4
6. Average value	25.3	171.4	74.6	19.2	20.5		192.7
7. Minimum value	0.7	110.4	12.5	5.0	7.1		97.7
8. Period end	12.4	199.9	47.7	20.6	12.1	(137.7)	155.0
VaR (1-day 99%)							
Maximum value	43.9	197.2	252.4	18.4	26.6		199.9
Average value	8.0	89.6	22.1	7.5	12.8		94.5
Minimum value	1.9	27.4	7.3	1.8	5.1		28.2
Period end	11.2	134.3	17.1	8.3	11.4	(67.2)	115.2

* The IMA values for traded market risk are based on FRBSA, which excludes the foreign branches and subsidiaries in the rest of Africa, which are reported on in the standardised approach for market risk.

At 31 December 2020, the commodities' VaR was higher than its sVaR as a result of the scenarios used to calculate the rolling VaR being more stressed than the 2008/09 scenarios that were used to calculate the sVaR. This was due to market volatility and the impact of COVID-19.

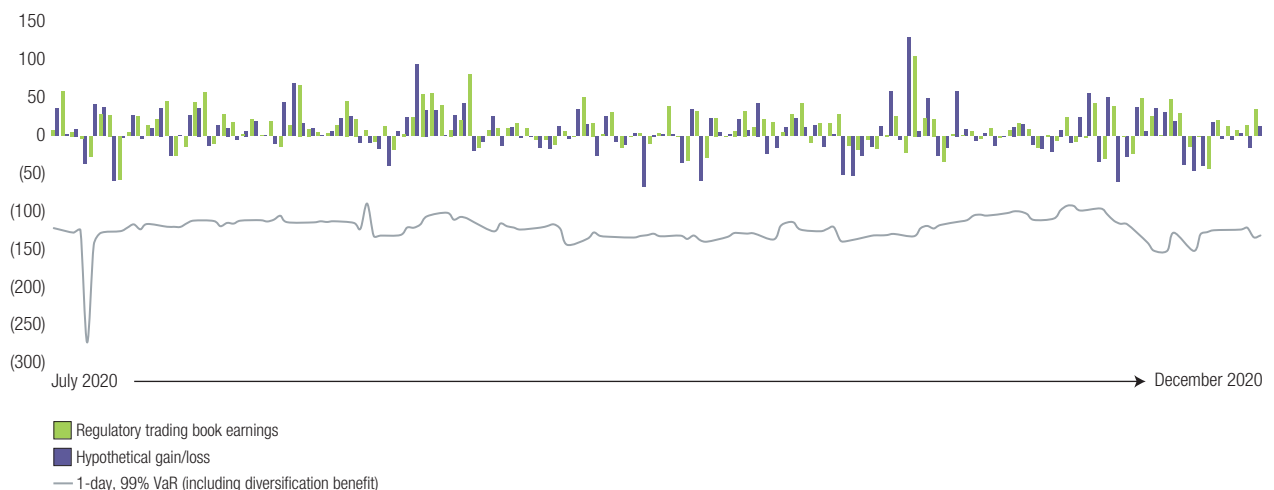
Overall, there was a marginal decrease in market risk RWA for the six months ended 31 December 2020 driven by market trading activities, which resulted in the exiting of positions, with stress scenarios impacting VaR and sVaR.

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

The group tracks 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. Exposures were contained within risk limits for the six months ended 31 December 2020.

MR4: COMPARISON OF VaR ESTIMATES WITH GAINS AND LOSSES FOR FRBSA

R million



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 2020		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in the rest of Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(2 128)	(718)	(2 846)
Upward 200 bps	1 199	304	1 503

<i>R million</i>	As at 31 December 2019		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in the rest of Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(3 411)	(778)	(4 189)
Upward 200 bps	2 841	349	3 190

<i>R million</i>	As at 30 June 2020		
	Change in projected 12-month NII		
	FRBSA	Subsidiaries in the rest of Africa and the bank's foreign branches	FirstRand
Downward 200 bps	(2 730)	(916)	(3 646)
Upward 200 bps	1 846	381	2 227

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

	FRBSA			FirstRand		
	As at 31 December 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2020	As at 31 December 2019	As at 30 June 2020
%						
Downward 200 bps	4.49	2.11	4.12	2.95	1.40	2.76
Upward 200 bps	(4.05)	(1.85)	(3.67)	(2.67)	(1.23)	(2.46)

* FRBSA calculated as a percentage of FRBSA capital, and FirstRand as a percentage of FirstRand capital.

Structural foreign exchange risk

NET STRUCTURAL FOREIGN EXPOSURES

<i>R million</i>	FirstRand					
	As at 31 December 2020		As at 31 December 2019		As at 30 June 2020	
	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	5 558	834	5 102	765	5 816	872
US dollar	8 826	1 324	8 019	1 203	10 033	1 505
British pound sterling	22 233	3 335	19 750	2 963	24 261	3 639
Nigerian naira	2 102	315	2 107	316	2 347	352
Australian dollar	27	4	74	11	32	5
Zambian kwacha	435	65	659	99	567	85
Mozambican metical	394	59	461	69	548	82
Indian rupee	836	125	740	111	915	137
Ghanaian cedi	1 339	201	1 062	159	1 619	243
Tanzanian shilling	252	38	292	44	285	43
Common Monetary Area (CMA) countries*	7 017	1 052	6 599	990	6 597	990
Total	49 019	7 352	44 865	6 730	53 020	7 953

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

Equity investment risk in the banking book

INVESTMENT RISK EXPOSURE, SENSITIVITY AND CAPITAL REQUIREMENT

<i>R million</i>	FirstRand		
	As at 31 December 2020		
	Publicly quoted investments	Privately held investments	Total
Carrying value of investments	12	11 551	11 563
Per risk bucket			
250% – Investments in financial entities	–	4 927	4 927
300% – Listed investments	12	–	12
400% – Unlisted investments	–	6 624	6 624
Latent revaluation gains not recognised in the balance sheet*	–	1 627	1 627
Fair value	12	13 178	13 190
Listed investment risk exposure included in the equity investment risk ETL process**	11	–	11
Estimated sensitivity to 10% movement in market value on investment fair value of remaining investment balances			254
Cumulative gains realised from sale of positions in the banking book during the year			3
Capital requirement†	5	4 849	4 854

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

** December 2019 was restated due to refinement in calculation.

† Capital requirement calculated at 12.0% of RWA (December 2019: 11.68%; June 2020: 10.50%). The minimum requirement excludes Pillar 2B requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2B, CCyB, capital conservation and the D-SIB as prescribed in the Regulations. The Pillar 2A and CCyB requirements were 0% at 30 June 2020 and 31 December 2020. The D-SIB requirement was only published from September 2020, and has been included in the December 2020 minimum requirement only. The capital requirement includes capital on investments in financial entities.

<i>R million</i>	FRBSA		
	As at 31 December 2020		
	Publicly quoted investments	Privately held investments	Total
Carrying value of investments	4	1 123	1 127
Per risk bucket			
250% – Investments in financial entities	–	181	181
300% – Listed investments	4	–	4
400% – Unlisted investments	–	942	942
Latent revaluation gains not recognised in the balance sheet*	–	–	–
Fair value	4	1 123	1 127
Listed investment risk exposure included in the equity investment risk ETL process**	4	–	4
Estimated sensitivity to 10% movement in market value on investment fair value of remaining investment balances			113
Cumulative gains realised from sale of positions in the banking book during the year			–
Capital requirement†	2	479	481

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

** June 2020 was restated due to refinement in calculation.

† Capital requirement calculated at 12.0% of RWA (December 2019: 11.50%; June 2020: 10.50%). The minimum requirement excludes Pillar 2B 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 Pillar 2A and CCyB requirements were 0% at 30 June 2020 and 31 December 2020. The D-SIB requirement was only published from September 2020, and has been included in the December 2020 minimum requirement only. The capital requirement includes capital on investments in financial entities.

FirstRand						
As at 31 December 2019			As at 30 June 2020			
Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total	
136	11 869	12 005	21	11 125	11 146	
–	5 173	5 173	–	4 679	4 679	
136	–	136	21	–	21	
–	6 696	6 696	–	6 446	6 446	
–	897	897	–	5 646	5 646	
136	12 766	12 902	21	16 771	16 792	
135	–	135	19	–	19	
		284			243	
		–			427	
51	4 826	4 877	7	4 098	4 105	

FRBSA						
As at 31 December 2019			As at 30 June 2020			
Publicly quoted investments	Privately held investments	Total	Publicly quoted investments	Privately held investments	Total	
116	1 547	1 663	4	1 262	1 266	
–	237	237	–	180	180	
116	–	116	4	–	4	
–	1 310	1 310	–	1 082	1 082	
–	–	–	–	–	–	
116	1 547	1 663	4	1 262	1 266	
116	–	116	4	–	4	
		155			126	
		–			–	
43	718	761	1	529	530	

CR10: EQUITY POSITIONS IN THE BANKING BOOK UNDER MARKET-BASED APPROACH (SIMPLE RISK WEIGHT METHOD)

<i>R million</i>	FirstRand				
	As at 31 December 2020				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	12	–	300%	12	39
Private equity exposures*	6 624	–	400%	6 624	28 087
Subtotal	6 636	–		6 636	28 126
Financial and insurance entities	4 927	–	250%	4 927	12 318
Total	11 563	–		11 563	40 444

* RWA include 6% scaling factor.

<i>R million</i>	FirstRand				
	As at 31 December 2019				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	136	–	300%	136	432
Private equity exposures*	6 696	–	400%	6 696	28 391
Subtotal	6 832	–		6 832	28 823
Financial and insurance entities	5 173	–	250%	5 173	12 932
Total	12 005	–		12 005	41 755

* RWA include 6% scaling factor.

<i>R million</i>	FirstRand				
	As at 30 June 2020				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	21	–	300%	21	66
Private equity exposures*	6 446	–	400%	6 446	27 331
Subtotal	6 467	–		6 467	27 397
Financial and insurance entities	4 679	–	250%	4 679	11 696
Total	11 146	–		11 146	39 093

* RWA include 6% scaling factor.

CR10: EQUITY POSITIONS IN THE BANKING BOOK UNDER MARKET-BASED APPROACH (SIMPLE RISK WEIGHT METHOD) continued

<i>R million</i>	FRBSA				
	As at 31 December 2020				
	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*	943	–	400%	943	3 997
Subtotal	947	–		947	4 011
Financial and insurance entities	181	–	250%	181	453
Total	1 128	–		1 128	4 464

* RWA include 6% scaling factor.

<i>R million</i>	FRBSA				
	As at 31 December 2019				
	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWA
Categories					
Exchange-traded equity exposures*	116	–	300%	116	370
Private equity exposures*	1 311	–	400%	1 311	5 558
Subtotal	1 427	–		1 427	5 928
Financial and insurance entities	237	–	250%	237	593
Total	1 664	–		1 664	6 521

* RWA include 6% scaling factor.

<i>R million</i>	FRBSA				
	As at 30 June 2020				
	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*	1 083	–	400%	1 083	4 589
Subtotal	1 087	–		1 087	4 603
Financial and insurance entities	180	–	250%	180	450
Total	1 267	–		1 267	5 053

* RWA include 6% scaling factor.

Definitions and abbreviations

Additional Tier 1 (AT1) capital	NCNR preference share capital and AT1 capital instruments, as well as qualifying capital instruments issued out of fully consolidated subsidiaries to third parties less specified regulatory deductions
Common Equity Tier 1 (CET1) capital	Share capital and premium, qualifying reserves and third-party capital, less specified regulatory deductions
Exposure at default (EAD)	Gross exposure of a facility upon default of a counterparty
Loss given default (LGD)	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
Probability of default (PD)	Probability that a counterparty will default within the next year (considering the ability and willingness of the counterparty to repay)
Risk weighted assets (RWA)	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
Tier 1 capital	CET1 capital plus AT1 capital
Tier 2 capital	Qualifying subordinated debt instruments, qualifying capital instruments issued out of fully consolidated subsidiaries to third parties and qualifying provisions less specified regulatory deductions
Total qualifying capital and reserves	Tier 1 capital plus Tier 2 capital

AIRB	Advanced internal ratings-based approach
AT1	Additional Tier 1
BCBS	Basel Committee on Banking Supervision
BIA	Basic indicator approach
CCF	Credit conversion factors
CCR	Counterparty credit risk
CCyB	Countercyclical buffer
CET1	Common Equity Tier 1
CMA	Common Monetary Area
CRM	Credit risk mitigation
CVA	Credit value adjustment
DBRS	DBRS Ratings Limited
D-SIB	Domestic systemically important bank
EAD	Exposure at default
ECAI	External credit assessment institution
ECL	Expected credit loss
EEPE	Effective expected positive exposure
ETL	Expected tail loss
FRB	FirstRand Bank Limited
FRBSA	FirstRand Bank Limited South Africa (excluding foreign branches)
GCR	Global Credit Ratings
IAA	Internal assessment approach

IMA	Internal models approach
IRB	Internal ratings-based approach for securitisation exposures
LGD	Loss given default
NCNR	Non-cumulative non-redeemable
NII	Net interest income
NPLs	Non-performing loans
OTC	Over-the-counter
PA	Prudential Authority
PD	Probability of default
RBA	Ratings-based approach
RCCC	Risk, capital management and compliance committee
RW	Risk weighted
RWA	Risk weighted 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