



FIRSTRAND

BASEL 3
COMMON
DISCLOSURE
TEMPLATES

as at 31 December 2017

'17



FIRSTRAND

1966/010753/06

Certain entities within the FirstRand group are Authorised Financial Services and Credit Providers

This analysis is available on the group's website:

www.firstrand.co.za

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

introduction

In accordance with Section 6(6) of the Banks Act and the South African Reserve Bank amended *Regulations relating to banks*, this report includes common disclosure templates for capital, leverage and liquidity.

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COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE

R million

FirstRand Limited as at 31 December				
	2017	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	REFERENCE	2016
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1 Directly issued qualifying common share capital and share premium	8 041		a	8 090
2 Retained earnings	94 778		b	78 778
3 Accumulated other comprehensive income (and other reserves)	53		c	1 016
4 Directly issued capital subject to phase out from CET1 (only applicable to joint stock companies) Public sector capital injections grandfathered until 1 January 2018				
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1 091	3 844	d	1 028
6 CET1 capital before regulatory adjustments	103 963			88 912
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
7 Prudential valuation adjustments	368			–
8 Goodwill (net of related tax liability)	849		e	910
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	870		f	777
10 Deferred tax assets that rely on future probability excluding those arising from temporary differences (net of related tax liability)	189		g	371
11 Cash flow hedge reserve	59			353
12 Shortfall of provisions to expected losses	398			56
13 Securitisation gain on sale	–			–
14 Gains and losses due to changes in own credit risk on fair valued liabilities	–			–
15 Defined benefit pension fund net assets	5		h	8
16 Investments in own shares (if not already netted off paid in capital on reported balance sheet)	–			–
17 Reciprocal cross-holdings in common equity	–			–
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–			–
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–			–
20 Mortgage servicing rights (amount above 10% threshold)	–			–
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–			–
22 Amount exceeding 15% threshold	–			–
23 of which: significant investments in the common stock of financials	–			–
24 of which: mortgage servicing rights	–			–
25 of which: deferred tax assets arising from temporary differences	–			–
26 National specific regulatory adjustments	1 456		i	1 115
Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
27 Regulatory adjustments applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	–			–
28 Total regulatory adjustments to CET1	4 194			3 590
29 CET1 capital	99 769			85 322
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30 Directly issued qualifying AT1 instruments plus related stock surplus	–			–
31 of which: classified as equity under applicable accounting standards	–			–
32 of which: classified as liability under applicable accounting standards	–			–
33 Directly issued capital instruments subject to phase out from AT1	2 259		j	2 711
34 AT1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	2 753		k	2 820
35 of which: instruments issued by subsidiaries subject to phase out	–			–
36 AT1 capital before regulatory adjustments	5 012			5 531

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE continued

R million	FirstRand Limited as at 31 December			
	2017	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	REFERENCE	2016
ADDITIONAL TIER 1: REGULATORY ADJUSTMENTS				
37 Investments in own AT1 instruments	–			–
38 Reciprocal cross-holdings in AT1 instruments	–			–
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–			–
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–			–
41 National specific regulatory adjustments	544		l	819
Regulatory adjustments applied to AT1 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
42 Regulatory adjustments applied to AT1 due to insufficient Tier 2 to cover deductions	–			–
43 Total regulatory adjustments to AT1 capital	544			819
44 AT1 capital	4 468			4 712
45 Tier 1 capital (CET1 + AT1)	104 237			90 034
TIER 2 CAPITAL AND PROVISIONS				
46 Directly issued qualifying Tier 2 instruments	–			–
47 Directly issued capital instruments subject to phase out from Tier 2	–			–
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	19 296		m	18 321
49 of which: instruments issued by subsidiaries subject to phase out	3 178			6 168
50 Provisions	1 495			1 439
51 Tier 2 capital before regulatory adjustments	20 791			19 760
TIER 2 CAPITAL: REGULATORY ADJUSTMENTS				
52 Investments in own Tier 2 instruments	–			–
53 Reciprocal cross-holdings in Tier 2 instruments	–			–
54 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–			–
55 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–			–
56 National specific regulatory adjustments	3 033		n	1 770
Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
57 Total regulatory adjustments to Tier 2 capital	3 033			1 770
58 Tier 2 capital	17 758			17 990
59 Total capital (Tier 1 + Tier 2)	121 995			108 024
Risk weighted assets in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
60 Total risk weighted assets	781 996			715 240
CAPITAL RATIOS				
61 CET1 (as a percentage of risk weighted assets)	12.76%			11.93%
62 Tier 1 (as a percentage of risk weighted assets)	13.33%			12.59%
63 Total capital (as a percentage of risk weighted assets)	15.60%			15.10%
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.25%			6.88%
65 of which: capital conservation buffer requirement	1.25%			0.63%
66 of which: bank specific countercyclical buffer requirement	0%			0%
67 of which: G-SIB buffer requirement	0%			0%
68 CET1 available to meet buffers (as a percentage of risk weighted assets)	4.85%			4.46%

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE continued

<i>R million</i>	FirstRand Limited as at 31 December			
	2017	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	REFERENCE	2016
NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)				
69 National CET1 minimum ratio	7.25%			6.88%
70 National Tier 1 minimum ratio	8.50%			8.13%
71 National total capital minimum ratio	10.75%			10.38%
AMOUNTS BELOW THE THRESHOLD FOR DEDUCTIONS (BEFORE RISK WEIGHTING)				
72 Non-significant investments in the capital of financials	1 045			690
73 Significant investments in the capital of financials	4 239			3 428
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	1 752		o	1 628
APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1 495			1 439
77 Cap on inclusion of provisions in Tier 2 under standardised approach	1 767			1 572
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–			–
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2 541			2 298
CAPITAL INSTRUMENTS SUBJECT TO PHASE OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JAN 2018 AND 1 JAN 2022)				
80 Current cap on CET1 instruments subject to phase out arrangements				
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)				
82 Current cap on AT1 instruments subject to phase out arrangements				
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)				
84 Current cap on Tier 2 instruments subject to phase out arrangements				
85 Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)				

RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES

R million

FirstRand Limited as at 31 December 2017			
BALANCE SHEET AS IN PUBLISHED FINANCIAL STATEMENTS	UNDER REGULATORY SCOPE OF CONSOLIDATION*	REFERENCE**	
ASSETS			
Cash and cash equivalents	65 805	65 684	
Derivative financial instruments	53 586	53 586	
Commodities	15 489	15 489	
Investment securities	188 840	183 588	
Advances	927 732	927 732	
– Advances to customers	874 476		
– Marketable advances	53 256		
Accounts receivable	9 443	9 406	
Current tax asset	356	324	
Non-current assets and disposal groups held for sale	498	498	
Reinsurance assets	133	–	
Investments in subsidiary companies	–	742	
Investments in associates	5 726	5 726	
Investments in joint ventures	1 946	1 946	
Property, plant and equipment	17 859	17 855	
Intangible assets	1 663	1 461	
– Goodwill		849	e
– Intangibles		612	f
Investment properties	675	675	
Defined benefit post-employment asset	5	5	h
Deferred income tax asset	1 936	1 931	
– Relating to temporary differences		1 752	o
– Other than temporary differences		179	g
Total assets	1 291 692		
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	15 266	15 266	
Derivative financial instruments	58 102	58 102	
Creditors, accruals and provisions	16 449	16 347	
Current tax liability	415	401	
Liabilities directly associated with disposal groups held for sale	–	–	
Deposits	1 040 042	1 040 011	
– Deposits from customers	749 388		
– Debt securities	203 243		
– Asset-backed securities	36 953		
– Other	50 458		
Employee liabilities	8 270	8 227	
Other liabilities	6 511	6 511	
Amounts due to subsidiary companies	–	27	
Policyholder liabilities	4 315	–	
Tier 2 liabilities	20 048	16 263	m – n
Deferred income tax liability	958	888	
Total liabilities	1 170 376		
Equity			
Ordinary shares	56	56	a
Share premium	7 985	7 985	a
Reserves	104 912	93 849	
– Retained earnings		93 803	b [#]
– Accumulated other comprehensive income (and other reserves)		46	c
Capital and reserves attributable to ordinary equityholders	112 953	101 890	
NCNR preference shares	4 519	2 259	j
Capital and reserves attributable to equityholders of the group	117 472	104 149	
Non-controlling interests – CET1	3 844	582	d – i [†]
Non-controlling interests – AT1	–	2 209	k – l
Total equity	121 316	106 940	
Total equity and liabilities	1 291 692		

* Deduction approach followed for insurance entities, and regulatory deduction included under national specific regulatory deductions on the composition of capital template.

** Reference to composition of capital template.

[#] Excludes unappropriated profits.[†] Surplus minority capital included in regulatory adjustments totalling R509 million. Non-banking minority capital included under non-controlling interest – AT1.

MAIN FEATURES DISCLOSURE TEMPLATE

FirstRand Limited as at 31 December 2017																		
	Ordinary share capital and premium	NCNR preference shares	FRB05	FRBC21	FRBC22	FRB12	FRB13	FRB14	IFC (private placement)	FRB15	FRB16	FRB17	FRB18	FRB19	FRB20	FRB21	FRB22	FRB23
1 Issuer	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000066304	ZAE000060141	ZAG000031337	ZAG000052283	ZAG000052390	ZAG000116278	ZAG000116286	ZAG000116294	Not applicable	ZAG000124199	ZAG000127622	ZAG000127630	ZAG000135229	ZAG000135310	ZAG000135385	ZAG000140856	ZAG000141219	ZAG000146754
3 Governing law(s) of the instrument	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law	South Africa Law
Regulatory treatment																		
4 Transitional Basel III rules	CET1	AT1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	CET1	Ineligible	Ineligible	Ineligible	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
6 Eligible at solo/group/group and solo	Group	Group	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo	Group & solo
7 Instrument type (types to be specified by each jurisdiction)	CET1	AT1	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
8 Amount recognised in regulatory capital (R million)	8 041	2 259	2 110	628	440	1 727	148	125	US\$172.5	2 000	1 750	601	1 500	500	645	1 000	1 250	2 750
9 Par value of instrument (R million)	8 041	4 519	2 110	628	440	1 727	148	125	US\$172.5	2 000	1 750	601	1 500	500	645	1 000	1 250	2 750
10 Accounting classification	Shareholders' equity	Shareholders' equity	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11 Original date of issuance	1 April 1998	10 November 2004	23 June 2006	22 April 2008	22 April 2008	02 June 2014	02 June 2014	02 June 2014	09 April 2014	06 March 2015	08 July 2015	08 July 2015	13 April 2016	14 April 2016	15 April 2016	24 November 2016	08 December 2016	20 September 2017
12 Perpetual or dated	Perpetual	Perpetual	Dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	No maturity	No maturity	21 December 2023	No maturity	No maturity	02 June 2024	02 June 2026	02 June 2026	11 April 2024	06 March 2025	08 July 2025	08 January 2027	13 April 2026	14 April 2026	15 April 2026	24 November 2026	08 December 2027	20 September 2027
14 Issuer call subject to prior supervisory approval	Not applicable	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	21 December 2018	21 December 2018	21 December 2018	02 June 2019	02 June 2021	02 June 2021	09 April 2019	06 March 2020	08 July 2020	08 January 2022	13 April 2021	14 April 2021	15 April 2021	24 November 2021	08 December 2022	20 September 2022
Tax and/or regulatory event call	Not applicable	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Redemption amount	Not applicable	Not applicable	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal	100% of principal
16 Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Coupons/dividends																		
17 Fixed or floating dividend/coupon	Floating	Floating	Fixed	Fixed	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Floating
18 Coupon rate and any related index	Not applicable	75.56% of prime	8.5%	12%	300 bps over 3 month jibar	225 bps over 3 month jibar	239 bps over 3 month jibar	10%	415 bps over US\$6 month libor	350 bps over 3 month jibar	350 bps over 3 month jibar	365 bps over 3 month jibar	400 bps over 3 month jibar	12.345%	400 bps over 3 month jibar	385 bps over 3 month jibar	390 bps over 3 month jibar	315 bps over 3 month jibar
19 Existence of a dividend stopper	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory

MAIN FEATURES DISCLOSURE TEMPLATE continued

FirstRand Limited as at 31 December 2017																		
	Ordinary share capital and premium	NCNR preference shares	FRB05	FRBC21	FRBC22	FRB12	FRB13	FRB14	IFC (private placement)	FRB15	FRB16	FRB17	FRB18	FRB19	FRB20	FRB21	FRB22	FRB23
21 Existence of step up or other incentive to redeem	Not applicable	Not applicable	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Cumulative	Cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23 Convertible or non-convertible	Not applicable	Not applicable	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger(s)									Contractual									
25 If convertible, fully or partially									Fully									
26 If convertible, conversion rate									Consistent with Clause 3.1.2 of Guidance Note 7									
27 If convertible, mandatory or optional conversion									Mandatory									
28 If convertible, specify instrument type convertible into									Ordinary shares									
29 If convertible, specify issuer of instrument it converts into									FirstRand Limited									
30 Write-down feature	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Yes	Yes	Yes	Not applicable	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31 If write-down, write-down trigger(s)						Contractual; replaced with statutory once implemented	Contractual; replaced with statutory once implemented	Contractual; replaced with statutory once implemented		Contractual; replaced with statutory once implemented	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual	Contractual. Replaced with statutory once implemented, however, SARB can still elect contractual
32 If write-down, full or partial						Full	Full	Full		Full	Full	Full	Full	Full	Full	Full	Full	Full
33 If write-down, permanent or temporary						Permanent	Permanent	Permanent		Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism						Not applicable	Not applicable	Not applicable		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NCNR preference shares	Subordinated debt	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured
36 Non-compliant transitioned features	Not applicable	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No
37 If yes, specify non-compliant features		Excludes loss absorbency requirement	Excludes loss absorbency requirement at PONV*	Excludes loss absorbency requirement at PONV*	Excludes loss absorbency requirement at PONV*	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

* Point of non-viability.

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE

R million

FirstRand Bank Limited*				
as at 31 December				
	2017	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	REFERENCE	2016
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1 Directly issued qualifying common share capital and share premium	16 808		a	16 808
2 Retained earnings	62 131		b	51 131
3 Accumulated other comprehensive income (and other reserves)	976		c	1 014
4 Directly issued capital subject to phase out from CET1 (only applicable to joint stock companies)				
Public sector capital injections grandfathered until 1 January 2018				
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-			-
6 CET1 capital before regulatory adjustments	79 915			68 953
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
7 Prudential valuation adjustments	368			-
8 Goodwill (net of related tax liability)	-			-
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	249		d	177
10 Deferred tax assets that rely on future probability excluding those arising from temporary differences (net of related tax liability)	131		e	70
11 Cash flow hedge reserve	752			353
12 Shortfall of provisions to expected losses	398			56
13 Securitisation gain on sale	-			-
14 Gains and losses due to changes in own credit risk on fair valued liabilities	-			-
15 Defined benefit pension fund net assets	-			-
16 Investments in own shares (if not already netted off paid in capital on reported balance sheet)	-			-
17 Reciprocal cross-holdings in common equity	-			-
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-			-
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-			-
20 Mortgage servicing rights (amount above 10% threshold)				
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-			-
22 Amount exceeding 15% threshold	-			-
23 of which: significant investments in the common stock of financials	-			-
24 of which: mortgage servicing rights				
25 of which: deferred tax assets arising from temporary differences	-			-
26 National specific regulatory adjustments	-			-
Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel III treatment	-			-
of which:	-			-
of which:	-			-
27 Regulatory adjustments applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-			-
28 Total regulatory adjustments to CET1	1 898			656
29 CET1 capital	78 017			68 297
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30 Directly issued qualifying AT1 instruments plus related stock surplus	-			-
31 of which: classified as equity under applicable accounting standards	-			-
32 of which: classified as liability under applicable accounting standards	-			-
33 Directly issued capital instruments subject to phase out from AT1	1 500		f	1 800
34 AT1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-			-
35 of which: instruments issued by subsidiaries subject to phase out	-			-
36 AT1 capital before regulatory adjustments	1 500			1 800

* FirstRand Bank Limited including foreign branches and subsidiaries.

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE continued

FirstRand Bank Limited* as at 31 December				
<i>R million</i>	2017	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	REFERENCE	2016
ADDITIONAL TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
37 Investments in own AT1 instruments	–			–
38 Reciprocal cross-holdings in AT1 instruments	–			–
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–			–
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–			–
41 National specific regulatory adjustments	–			–
Regulatory adjustments applied to AT1 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
42 Regulatory adjustments applied to AT1 due to insufficient Tier 2 to cover deductions	–			–
43 Total regulatory adjustments to AT1 capital	–			–
44 AT1 capital	1 500			1 800
45 Tier 1 capital (CET1 + AT1)	79 517			70 097
TIER 2 CAPITAL AND PROVISIONS				
46 Directly issued qualifying Tier 2 instruments	16 116		g	13 612
47 Directly issued capital instruments subject to phase out from Tier 2	3 178		h	4 571
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–			–
49 of which: instruments issued by subsidiaries subject to phase out	–			–
50 Provisions	615			441
51 Tier 2 capital before regulatory adjustments	19 909			18 624
TIER 2 CAPITAL: REGULATORY ADJUSTMENTS				
52 Investments in own Tier 2 instruments	–			–
53 Reciprocal cross-holdings in Tier 2 instruments	–			–
54 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–			–
55 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–			–
56 National specific regulatory adjustments	10			140
Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
57 Total regulatory adjustments to Tier 2 capital	10			140
58 Tier 2 capital	19 899			18 484
59 Total capital (Tier 1 + Tier 2)	99 416			88 581
Risk weighted assets in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
60 Total risk weighted assets	629 875			573 398
CAPITAL RATIOS				
61 CET1 (as a percentage of risk weighted assets)	12.39%			11.91%
62 Tier 1 (as a percentage of risk weighted assets)	12.62%			12.22%
63 Total capital (as a percentage of risk weighted assets)	15.78%			15.45%
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.25%			6.88%
65 of which: capital conservation buffer requirement	1.25%			0.63%
66 of which: bank specific countercyclical buffer requirement	0%			0%
67 of which: G-SIB buffer requirement	0%			0%
68 CET1 available to meet buffers (as a percentage of risk weighted assets)	4.12%			4.09%

* FirstRand Bank Limited including foreign branches and subsidiaries.

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE continued

FirstRand Bank Limited* as at 31 December				
<i>R million</i>	2017	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	REFERENCE	2016
NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)				
69 National CET1 minimum ratio	7.25%			6.88%
70 National Tier 1 minimum ratio	8.50%			8.13%
71 National total capital minimum ratio	10.75%			10.38%
AMOUNTS BELOW THE THRESHOLD FOR DEDUCTIONS (BEFORE RISK WEIGHTING)				
72 Non-significant investments in the capital of financials	229			260
73 Significant investments in the capital of financials	392			402
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	1 120		i	1 142
APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	631			496
77 Cap on inclusion of provisions in Tier 2 under standardised approach	615			441
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–			–
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2 599			2 353
CAPITAL INSTRUMENTS SUBJECT TO PHASE OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JAN 2018 AND 1 JAN 2022)				
80 Current cap on CET1 instruments subject to phase out arrangements				
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)				
82 Current cap on AT1 instruments subject to phase out arrangements				
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)				
84 Current cap on Tier 2 instruments subject to phase out arrangements				
85 Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)				

* FirstRand Bank Limited including foreign branches and subsidiaries.

RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES

FirstRand Bank Limited as at 31 December 2017			
	BALANCE SHEET AS IN PUBLISHED FINANCIAL STATEMENTS*	UNDER REGULATORY SCOPE OF CONSOLIDATION**	REFERENCE#
R million			
ASSETS			
Cash and cash equivalents	50 552	50 552	
Derivative financial instruments	53 364	53 364	
Commodities	15 489	15 489	
Investment securities	145 581	145 581	
Advances	839 866	839 866	
– Advances to customers	784 327		
– Marketable advances	55 539		
Accounts receivable	6 094	6 094	
Current tax asset	174	174	
Amounts due by holding company and fellow subsidiary companies	32 464	32 464	
Property and equipment	15 281	15 281	
Intangible assets	250	249	d
Deferred income tax asset	1 250	1 251	
– Relating to temporary differences		1 120	i
– Other than temporary differences		131	e
Total assets	1 160 365		
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	15 231	15 231	
Derivative financial instruments	57 406	57 406	
Creditors, accruals and provisions	13 170	13 170	
Current tax liability	46	46	
Deposits	932 699	932 699	
– Deposits from customers	687 092	687 092	
– Debt securities	195 934	195 934	
– Other	49 673	49 673	
Employee liabilities	7 480	7 480	
Other liabilities	4 274	4 274	
Amounts due to holding company and fellow subsidiary companies	18 101	18 101	
Tier 2 liabilities	19 491	19 294	
– Basel III – compliant Tier 2 instruments		16 116	g
– Non-compliant Basel III Tier 2 instruments		3 178	h
Total liabilities	1 067 898		
Equity			
Ordinary shares	4	4	a
Share premium	16 804	16 804	a
Reserves	72 659	63 107	
– Retained earnings		62 131	b
– Accumulated other comprehensive income (and other reserves)		976	c
Capital and reserves attributable to ordinary equityholders	89 467	79 915	
NCNR preference shares	3 000	1 500	f
Total equity	92 467	81 415	
Total equity and liabilities	1 160 365		

* FirstRand Limited including foreign branches and excluding subsidiaries.

** FirstRand Bank Limited including foreign branches and subsidiaries. Amounts included under regulatory scope of consolidation excludes unappropriated profits.

Reference to composition of capital table.

leverage

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LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

	FirstRand Limited	FirstRand Bank Limited*
	As at 31 December 2017	
<i>R million</i>		
ON-BALANCE SHEET EXPOSURES		
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1 201 534	1 081 535
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(4 542)	(3 009)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1 196 992	1 078 526
DERIVATIVE EXPOSURES		
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	16 073	16 964
5 Add-on amounts for PFE associated with all derivatives transactions	20 085	20 815
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(1 164)	(1 164)
8 (Exempted CCP leg of client-cleared trade exposures)	–	–
9 Adjusted effective notional amount of written credit derivatives	2 676	2 676
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11 Total derivative exposures (sum of lines 4 to 10)	37 670	39 291
SECURITIES FINANCING TRANSACTION EXPOSURES		
12 Gross SFT assets (with no recognition of netting) after adjusting for sale accounting transactions	37 449	37 418
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14 CCR exposure for SFT assets	1 415	1 415
15 Agent transaction exposures	–	–
16 Total securities financing transaction exposures (sum of lines 12 to 15)	38 864	38 833
OTHER OFF-BALANCE SHEET EXPOSURES		
17 Off-balance sheet exposure at gross notional amount	310 056	297 889
18 (Adjustments for conversion to credit equivalent amounts)	(242 183)	(232 540)
19 Off-balance sheet items (sum of lines 17 and 18)	67 873	65 349
CAPITAL AND TOTAL EXPOSURES		
20 Tier 1 capital	104 237	79 517
21 Total exposures (sum of lines 3, 11, 16 and 19)	1 341 399	1 221 999
LEVERAGE RATIO		
22 Basel III leverage ratio	7.77%	6.51%

SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE

	FirstRand Limited	FirstRand Bank Limited*
<i>R million</i>		
1 Total consolidated assets as per published financial statements**	1 291 692	1 160 365
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–	–
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–
4 Adjustments for derivative financial instruments	(15 915)	(14 816)
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	1 415	1 415
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	67 873	65 349
7 Other adjustments	(3 666)	9 686
8 LEVERAGE RATIO EXPOSURE	1 341 399	1 221 999

* FirstRand Bank Limited including foreign branches and subsidiaries.

** FirstRand Bank Limited including foreign branches and excluding subsidiaries.

liquidity

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LIQUIDITY COVERAGE RATIO COMMON DISCLOSURE TEMPLATE

The liquidity coverage ratio (LCR) is the first minimum standard for funding and liquidity under the Basel III regime. The objective of the LCR is to promote short-term resilience of a bank's liquidity risk profile by ensuring that the bank has sufficient unencumbered high quality liquid assets (HQLA) to survive the net cash outflows expected during a significant stress scenario for 30 calendar days.

Regulation 26(12)(a)(vi) requires banks to continuously meet their liquidity needs by calculating the LCR from 1 January 2015 on both a solo and consolidated basis. Regulation 43 (e), read with the relevant directives, specify quarterly disclosure of the LCR. LCR compliance is on a phased-in basis, beginning with a 60% minimum requirement from 1 January 2015 with 10% incremental increases each year to 100% on 1 January 2019. The requirement effective 1 January 2017 is 80%.

The group seeks to exceed the minimum LCR requirement in a sustainable manner and to hold a sufficient buffer to allow for volatility as determined by the group's own internal liquidity risk appetite.

FRB has applied for the committed liquidity facility (CLF) from the SARB for the calendar year 2017 as provided for under guidance note 6 of 2016. The CLF has been recognised as qualifying collateral for LCR purposes within the bank's HQLA and subject to prescribed haircuts as required by the SARB. The group actively manages the HQLA portfolio of level 1 and level 2 assets.

The average liquidity coverage ratios for the group and bank for the period ended 31 December 2017 are set out below. This differs to the prior financial year in that the below is based on daily averages for South Africa, London, Namibia and Botswana entities as opposed to monthly averages for all entities as disclosed previously.

R million	FirstRand Limited consolidated*		FirstRand Bank Limited SA*	
	Total unweighted value (average)**	Total weighted value (average)#	Total unweighted value (average)**	Total weighted value (average)#
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)		189 486		167 418
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which:	238 171	23 817	226 815	22 682
3 Stable deposits	-	-	-	-
4 Less stable deposits	238 171	23 817	226 815	22 682
5 Unsecured wholesale funding, of which:	360 107	191 416	294 941	147 990
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	118 964	29 741	111 048	27 762
7 Non-operational deposits (all counterparties)	236 775	157 307	179 676	116 011
8 Unsecured debt	4 368	4 368	4 217	4 217
9 Secured wholesale funding		3 868		3 868
10 Additional requirements, of which:	256 867	38 405	248 735	35 531
11 Outflows related to derivative exposures and other collateral requirements	10 668	10 668	10 357	10 357
12 Outflows related to loss of funding on debt products	135 532	6 777	135 532	6 777
13 Credit and liquidity facilities	110 668	20 961	102 847	18 398
14 Other contractual funding obligations	2 053	2 053	1 116	1 116
15 Other contingent funding obligations	183 826	7 125	179 146	6 891
16 Total cash outflows		266 684		218 077
CASH INFLOWS				
17 Secured lending (e.g. reverse repos)	118 464	89 874	98 077	74 012
18 Inflows from fully performing exposures	5 454	4 000	5 261	3 906
19 Other cash inflows	3 672	3 676	3 676	3 676
20 Total cash inflows	127 589	97 550	107 014	81 594
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
21 Total HQLA		189 486		167 418
22 Total net cash outflows		169 134		136 483
23 Liquidity coverage ratio (%)		112%		123%

* The consolidated LCR for the group (FSR) includes FRB's operations in South Africa and all registered banks and foreign branches within the group. The FirstRand Bank Limited LCR reflects its operations in South Africa.

** The LCR is calculated as a simple average of 91 days of daily observations over the period ended 31 December 2017 for FirstRand Bank South Africa and London branch, as well as for FNB Namibia and FNB Botswana. The remaining Africa and emerging markets banking entities including the India and Channel Island branches are based on the month-end or quarterly values. The figures are based on the regulatory submission to the South Africa Reserve Bank.

The weighted value has been calculated after the application of the respective haircuts for HQLA, outflows and inflows. The surplus HQLA holdings by subsidiaries and foreign branches in excess of the minimum required LCR of 80% which is not considered as fully transferable has been excluded in the calculation of the consolidated group LCR.