



FIRSTRAND

BASEL 3
COMMON
DISCLOSURE
TEMPLATES
as at 30 June 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 Basel III, the South African Reserve Bank has amended the *Regulations relating to banks* to include common disclosure templates for capital, leverage and liquidity.

contents

01

CAPITAL

FIRSTRAND LIMITED 02

- Composition of capital disclosure template
- Reconciliation of IFRS financial statements to regulatory capital and reserves
- Main features disclosure template

FIRSTRAND BANK LIMITED 08

- Composition of capital disclosure template (FirstRand Bank including foreign branches)
 - Reconciliation of IFRS financial statements to regulatory capital and reserves
-

02

LEVERAGE

Leverage ratio common disclosure template 13

- Summary comparison of accounting assets vs leverage ratio exposure measure 13
-

03

LIQUIDITY

Liquidity coverage ratio common disclosure template 15

capital

02 – 11

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE

R million	FirstRand Limited as at 30 June			
	2017	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	REFERENCE	2016
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1	8 016		a	8 008
2	86 778		b	78 778
3	843		c	2 630
4				
Public sector capital injections grandfathered until 1 January 2018				
5	1 069	3 781	d	677
6 CET1 capital before regulatory adjustments	96 706			90 093
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
7	–			–
8	863		e	929
9	879		f	639
10	183		g	331
11	158			308
12	591			430
13	–			–
14	–			–
15	5		h	9
16	–			–
17	–			–
18	–			–
19	–			–
20	–			–
21	–			–
22	–			–
23	–			–
24	–			–
25	–			–
26	1 537		i	493
Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
27	–			–
28	4 216			3 139
29 CET1 capital	92 490			86 954
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS				
30	–			–
31	–			–
32	–			–
33	2 259		j	2 711
34	2 716		k	1 976
35	–			–
36 AT1 capital before regulatory adjustments	4 975			4 687

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE continued

R million	FirstRand Limited as at 30 June			
	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	677		l	–
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	677			–
44 AT1 capital	4 298			4 687
45 Tier 1 capital (CET1 + AT1)	96 788			91 641
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)	17 317		m	14 852
49 of which: instruments issued by subsidiaries subject to phase out	4 678			6 410
50 Provisions	1 208			989
51 Tier 2 capital before regulatory adjustments	18 525			15 841
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	2 369		n	–
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	2 369			–
58 Tier 2 capital	16 156			15 841
59 Total capital (Tier 1 + Tier 2)	112 944			107 482
Risk weighted assets in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
60 Total risk weighted assets	738 386			698 732
CAPITAL RATIOS				
61 CET1 (as a percentage of risk weighted assets)	12.53%			12.44%
62 Tier 1 (as a percentage of risk weighted assets)	13.11%			13.12%
63 Total capital (as a percentage of risk weighted assets)	15.30%			15.38%
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)	4.55%			4.99%

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE continued

<i>R million</i>	FirstRand Limited as at 30 June			
	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	534			802
73 Significant investments in the capital of financials	3 671			3 541
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	2 025		o	1 532
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)	1 208			989
77 Cap on inclusion of provisions in Tier 2 under standardised approach	1 705			1 537
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	2 359			2 269
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 30 June 2017			
BALANCE SHEET AS IN PUBLISHED FINANCIAL STATEMENTS	UNDER REGULATORY SCOPE OF CONSOLIDATION*	REFERENCE**	
ASSETS			
Cash and cash equivalents	68 483	68 354	
Derivative financial instruments	35 459	35 549	
Commodities	14 380	14 380	
Investment securities	167 427	162 400	
Advances	893 106	893 106	
– Advances to customers	848 649		
– Marketable advances	44 457		
Accounts receivable	8 878	8 755	
Current tax asset	147	114	
Non-current assets and disposal groups held for sale	580	580	
Reinsurance assets	89	–	
Investments in subsidiary companies	–	399	
Investments in associates	5 924	5 924	
Investments in joint ventures	1 430	1 430	
Property, plant and equipment	17 512	17 510	
Intangible assets	1 686	1 494	
– Goodwill		863	e
– Intangibles		631	f
Investment properties	399	399	
Defined benefit post-employment asset	5	5	h
Deferred income tax asset	2 202	2 198	
– Relating to temporary differences		2 025	o
– Other than temporary differences		173	g
Total assets	1 217 707		
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	15 276	15 276	
Derivative financial instruments	44 403	44 403	
Creditors, accruals and provisions	17 014	16 950	
Current tax liability	277	267	
Liabilities directly associated with disposal groups held for sale	195	195	
Deposits	983 529	983 493	
– Deposits from customers	715 101		
– Debt securities	179 115		
– Asset-backed securities	35 445		
– Other	53 868		
Employee liabilities	9 884	9 839	
Other liabilities	6 385	6 385	
Amounts due to subsidiary companies	–	313	
Policyholder liabilities	3 795	–	
Tier 2 liabilities	18 933	14 948	m – n
Deferred income tax liability	832	749	
Total liabilities	1 100 523		
Equity			
Ordinary shares	56	56	a
Share premium	7 960	7 960	a
Reserves	100 868	86 641	
– Retained earnings		85 857	b [†]
– Accumulated other comprehensive income (and other reserves)		784	c
Capital and reserves attributable to ordinary equityholders	108 884	94 657	
NCNR preference shares	4 519	2 259	j
Capital and reserves attributable to equityholders of the group	113 403	96 916	
Non-controlling interests – CET1	3 781	630	d – i [†]
Non-controlling interests – AT1	–	2 039	k – l
Total equity	117 184	99 585	
Total equity and liabilities	1 217 707		

* Amounts included under regulatory scope of consolidation excludes balances related to insurance entities. Deduction for insurance entities included under national specific regulatory deductions on the composition of capital disclosure template.

** Reference to composition of capital table.

† Excludes unappropriated profits.

† Surplus minority capital included in regulatory adjustments totalling R439 million. Non-banking minority capital included under non-controlling interest – AT1.

MAIN FEATURES DISCLOSURE TEMPLATE

FirstRand Limited as at 30 June 2017																		
ORDINARY SHARE CAPITAL AND PREMIUM	NCNR PREFERENCE SHARES	FRB05	FRB11	FRBC21	FRBC22	FRB12	FRB13	FRB14	IFC (PRIVATE PLACEMENT)	FRB15	FRB16	FRB17	FRB18	FRB19	FRB20	FRB21	FRB22	
1 Issuer	FirstRand Limited	FirstRand Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	FirstRand Bank Limited	
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ZAE000066304	ZAE000060141	ZAG000031337	ZAG000102054	ZAG000052283	ZAG000052390	ZAG000116278	ZAG000116286	ZAG000116294	Not applicable	ZAG000124199	ZAG000127622	ZAG000127630	ZAG000135229	ZAG000135310	ZAG000135385	ZAG000140856	ZAG000141219
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	
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	
5 Post-transitional Basel III rules	CET1	Ineligible	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	
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	
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	
8 Amount recognised in regulatory capital (R million)	8 016	2 259	1 718	1 222	511	358	1 727	148	125	US\$172.5	2 000	1 750	601	1 500	500	645	1 000	1 250
9 Par value of instrument (R million)	8 016	4 519	2 110	1 500	628	440	1 727	148	125	US\$172.5	2 000	1 750	601	1 500	500	645	1 000	1 250
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	
11 Original date of issuance	1 April 1998	10 November 2004	23 June 2006	11 December 2012	22 April 2008	22 April 2008	2 June 2014	2 June 2014	2 June 2014	9 April 2014	6 March 2015	8 July 2015	8 July 2015	13 April 2016	14 April 2016	15 April 2016	24 November 2016	8 December 2016
12 Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	No maturity	No maturity	21 December 2023	11 December 2022	No maturity	No maturity	2 June 2024	2 June 2026	2 June 2026	11 April 2024	6 March 2025	8 July 2025	8 January 2027	13 April 2026	14 April 2026	15 April 2026	24 November 2026	8 December 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	11 December 2017	21 December 2018	21 December 2018	2 June 2019	2 June 2021	2 June 2021	9 April 2019	6 March 2020	8 July 2020	8 January 2022	13 April 2021	14 April 2021	15 April 2021	24 November 2021	8 December 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	Floating	Fixed	Floating	Floating	Floating	Fixed	Floating	Floating	Floating	Floating	Floating	Fixed	Floating	Floating	Floating
18 Coupon rate and any related index	Not applicable	75.56% of prime	8.5%	290 bps over 3-month jibar	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
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 30 June 2017																		
ORDINARY SHARE CAPITAL AND PREMIUM	NCNR PREFERENCE SHARES	FRB05	FRB11	FRBC21	FRBC22	FRB12	FRB13	FRB14	IFC (PRIVATE PLACEMENT)	FRB15	FRB16	FRB17	FRB18	FRB19	FRB20	FRB21	FRB22	
21 Existence of step up or other incentive to redeem	Not applicable	Not applicable	Yes	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No
22 Non-cumulative or cumulative	Non-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
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	Not applicable	Yes	Yes	Yes	Not applicable	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
32 If write-down, full or partial							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
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
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	Yes	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*	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

* Point of non-viability.

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (FIRSTRAND BANK INCLUDING FOREIGN BRANCHES)

R million	FirstRand Bank Limited* as at 30 June			
	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	56 131		b	51 131
3 Accumulated other comprehensive income (and other reserves)	730		c	1 614
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	73 669			69 553
COMMON EQUITY TIER 1 CAPITAL: REGULATORY ADJUSTMENTS				
7 Prudential valuation adjustments	–			–
8 Goodwill (net of related tax liability)	–			–
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	232		d	106
10 Deferred tax assets that rely on future probability excluding those arising from temporary differences (net of related tax liability)	123		e	172
11 Cash flow hedge reserve	158			308
12 Shortfall of provisions to expected losses	591			430
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)	–			1
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	1 104			1 017
29 CET1 capital	72 565			68 536
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.

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (FIRSTRAND BANK INCLUDING FOREIGN BRANCHES) continued

R million	FirstRand Bank Limited* as at 30 June			
	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)	74 065			70 336
TIER 2 CAPITAL AND PROVISIONS				
46 Directly issued qualifying Tier 2 instruments	13 506		g	11 525
47 Directly issued capital instruments subject to phase out from Tier 2	3 809		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	514			279
51 Tier 2 capital before regulatory adjustments	17 829			16 375
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	76			148
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	76			148
58 Tier 2 capital	17 753			16 227
59 Total capital (Tier 1 + Tier 2)	91 818			86 563
Risk weighted assets in respect of amounts subject to pre-Basel III treatment	–			–
of which:	–			–
of which:	–			–
60 Total risk weighted assets	591 174			561 575
CAPITAL RATIOS				
61 CET1 (as a percentage of risk weighted assets)	12.27%			12.20%
62 Tier 1 (as a percentage of risk weighted assets)	12.53%			12.52%
63 Total capital (as a percentage of risk weighted assets)	15.53%			15.41%
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)	4.03%			4.39%

* FirstRand Bank Limited including foreign branches.

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE (FIRSTRAND BANK INCLUDING FOREIGN BRANCHES) continued

<i>R million</i>	FirstRand Bank Limited* as at 30 June			
	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	278			420
73 Significant investments in the capital of financials	361			343
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of tax liability)	1 553		i	1 197
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)	514			279
77 Cap on inclusion of provisions in Tier 2 under standardised approach	514			507
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	2 418			2 319
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.

RECONCILIATION OF IFRS FINANCIAL STATEMENTS TO REGULATORY CAPITAL AND RESERVES

FirstRand Bank Limited as at 30 June 2017			
<i>R million</i>	BALANCE SHEET AS IN PUBLISHED FINANCIAL STATEMENTS	UNDER REGULATORY SCOPE OF CONSOLIDATION*	REFERENCE**
ASSETS			
Cash and cash equivalents	53 924	53 924	
Derivative financial instruments	35 098	35 098	
Commodities	14 380	14 380	
Investment securities	127 972	127 972	
Advances	799 419	799 419	
– Advances to customers	752 479		
– Marketable advances	46 940		
Accounts receivable	5 651	5 651	
Current tax asset	1	1	
Amounts due by holding company and fellow subsidiary companies	28 869	28 869	
Property and equipment	14 928	14 928	
Intangible assets	233	232	d
Deferred income tax asset	1 676	1 676	
– Relating to temporary differences		1 553	i
– Other than temporary differences		123	e
Total assets	1 082 151		
EQUITY AND LIABILITIES			
Liabilities			
Short trading positions	15 211	15 211	
Derivative financial instruments	43 660	43 660	
Creditors, accruals and provisions	13 079	13 079	
Current tax liability	123	123	
Deposits	876 690	876 690	
– Deposits from customers	653 260		
– Debt securities	170 594		
– Other	52 836		
Employee liabilities	8 840	8 840	
Other liabilities	4 225	4 225	
Amounts due to holding company and fellow subsidiary companies	14 580	14 580	
Tier 2 liabilities	18 370	17 315	
– Basel III – compliant Tier 2 instruments		13 506	g
– Non-compliant Basel III Tier 2 instruments		3 809	h
Total liabilities	994 778		
Equity			
Ordinary shares	4	4	a
Share premium	16 804	16 804	a
Reserves	67 565	56 861	
– Retained earnings		56 131	b
– Accumulated other comprehensive income (and other reserves)		730	c
Capital and reserves attributable to ordinary equityholders	84 373	73 669	
NCNR preference shares	3 000	1 500	f
Total equity	87 373	75 169	
Total equity and liabilities	1 082 151		

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

** Reference to composition of capital table.

leverage

13

LEVERAGE

LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

	FirstRand Limited	FirstRand Bank Limited*
	As at 30 June 2017	
<i>R million</i>		
ON-BALANCE SHEET EXPOSURES		
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1 148 543	1 018 100
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(2 522)	(947)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1 146 021	1 017 153
DERIVATIVE EXPOSURES		
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	11 484	11 619
5 Add-on amounts for PFE associated with all derivatives transactions	20 097	20 170
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)	(24)	(24)
8 (Exempted CCP leg of client-cleared trade exposures)	–	–
9 Adjusted effective notional amount of written credit derivatives	388	388
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11 Total derivative exposures (sum of lines 4 to 10)	31 945	32 153
SECURITIES FINANCING TRANSACTION EXPOSURES		
12 Gross SFT assets (with no recognition of netting) after adjusting for sale accounting transactions	34 463	34 463
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14 CCR exposure for SFT assets	1 807	1 807
15 Agent transaction exposures	–	–
16 Total securities financing transaction exposures (sum of lines 12 to 15)	36 270	36 270
OTHER OFF-BALANCE SHEET EXPOSURES		
17 Off-balance sheet exposure at gross notional amount	306 898	294 127
18 (Adjustments for conversion to credit equivalent amounts)	(240 886)	(230 675)
19 Off-balance sheet items (sum of lines 17 and 18)	66 012	63 452
CAPITAL AND TOTAL EXPOSURES		
20 Tier 1 capital	96 788	74 065
21 Total exposures (sum of lines 3, 11, 16 and 19)	1 280 248	1 149 028
LEVERAGE RATIO		
22 Basel III leverage ratio	7.56%	6.45%

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	1 217 707	1 082 151
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	(3 513)	(3 205)
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	1 807	1 807
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	66 012	63 452
7 Other adjustments	(1 765)	4 823
8 LEVERAGE RATIO EXPOSURE	1 280 248	1 149 028

* FirstRand Bank Limited including foreign branches.

liquidity

15

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 quarter ended 30 June 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)		165 154		150 115
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which:	250 780	21 166	238 248	19 913
3 Stable deposits				
4 Less stable deposits	250 780	21 166	238 248	19 913
5 Unsecured wholesale funding, of which:	344 952	177 541	292 651	146 389
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	118 179	29 545	107 292	26 823
7 Non-operational deposits (all counterparties)	218 400	139 625	177 004	111 211
8 Unsecured debt	8 372	8 372	8 356	8 356
9 Secured wholesale funding		4 774		4 774
10 Additional requirements, of which:	119 351	31 578	111 844	30 704
11 Outflows related to derivative exposures and other collateral requirements	13 844	13 884	13 748	13 748
12 Outflows related to loss of funding on debt products	–	–	–	–
13 Credit and liquidity facilities	105 466	17 693	98 096	16 956
14 Other contractual funding obligations	2 554	2 554	1 425	1 425
15 Other contingent funding obligations	281 749	12 134	273 593	11 726
16 Total cash outflows		249 747		214 932
CASH INFLOWS				
17 Secured lending (e.g. reverse repos)	30 631	4 101	30 631	4 101
18 Inflows from fully performing exposures	97 586	67 247	87 742	60 642
19 Other cash inflows	13 816	7 675	13 481	7 510
20 Total cash inflows	142 033	79 023	131 855	72 253
		TOTAL ADJUSTED VALUE[†]		TOTAL ADJUSTED VALUE[†]
21 Total HQLA		165 154		150 115
22 Total net cash outflows		170 855		142 679
23 Liquidity coverage ratio (%)		97		105

* 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 quarter ended 30 June 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.