

introduction

In accordance with the Basel Pillar 3 framework and *Regulation 43 of the amended Regulations relating to banks*, the group is required to publish standardised disclosure templates that provide users with key quantitative and qualitative information that is comparable and consistent. This report includes the Pillar 3 disclosure templates as at 31 March 2019.

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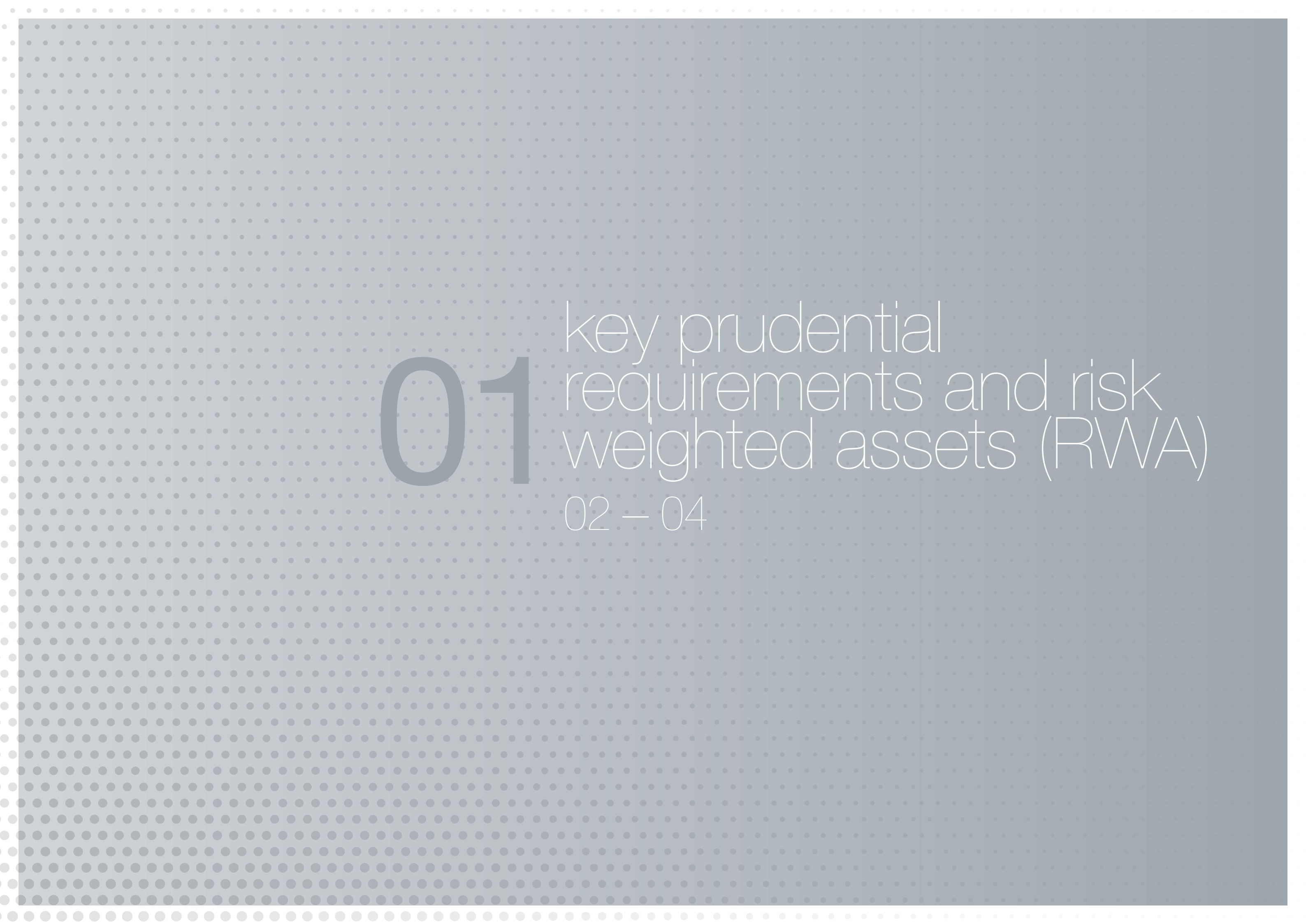
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01 key prudential
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KM1 – Key metrics (at consolidated group)




R million	FirstRand Limited				
	March 19	December 18	September 18	June 18	March 18
AVAILABLE CAPITAL (AMOUNTS)*					
1 Common Equity Tier 1	114 608	109 440	103 130	103 724	100 056
1a Fully loaded ECL accounting model	111 363	106 196	99 886		
2 Tier 1	121 990	115 107	108 237	108 840	104 033
2a Fully loaded ECL accounting model Tier 1	118 745	111 863	104 993		
3 Total capital	144 694	137 062	132 597	133 294	122 137
3a Fully loaded ECL accounting model total capital	145 831	138 199	133 225		
RISK WEIGHTED ASSETS (AMOUNTS)					
4 Total risk weighted assets	988 099	972 199	941 437	940 570	811 267
RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA*					
5 Common Equity Tier 1 (%)	11.6%	11.3%	11.0%	11.0%	12.3%
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	11.3%	10.9%	10.6%		
6 Tier 1 (%)	12.3%	11.8%	11.5%	11.6%	12.8%
6a Fully loaded ECL accounting model Tier 1 (%)	12.0%	11.5%	11.2%		
7 Total capital (%)	14.6%	14.1%	14.1%	14.2%	15.1%
7a Fully loaded ECL accounting model total capital (%)	14.7%	14.2%	14.2%		
ADDITIONAL CET1 BUFFER REQUIREMENTS AS A PERCENTAGE OF RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	1.875%	1.875%	1.875%	1.875%
9 Countercyclical buffer requirement (%)	0.189%	0.130%	0.068%	0.083%	–
10 Bank G-SIB and/or D-SIB additional requirements (%)**	–	–	–	–	–
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.689%	2.005%	1.943%	1.958%	1.875%
12 CET1 available after meeting the bank's minimum capital requirements (%)	2.95%	2.84%	2.89%	2.96%	3.93%
BASEL III LEVERAGE RATIO#					
13 Total Basel III leverage ratio exposure measure	1 709 341	1 657 140	1 632 157	1 588 478	1 371 042
14 Basel III leverage ratio (%) (row 2/row13)	7.1%	6.9%	6.6%	6.9%	7.6%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	6.9%	6.8%	6.4%		
LIQUIDITY COVERAGE RATIO					
15 Total HQLA	229 784	216 232	212 982	202 655	210 454
16 Total net cash outflow	207 334	176 586	171 146	176 642	207 376
17 LCR ratio (%)	111%	122%	124%	115%	101%
NET STABLE FUNDING RATIO					
18 Total available stable funding	1 079 458	1 039 693		957 588	
19 Total required stable funding	952 629	927 138		852 374	
20 NSFR ratio	113%	112%		112%	

* Excludes unappropriated profits.

** Not disclosed as it is confidential.

Based on month-end balances.

KEY DRIVERS: MARCH 2019 VS DECEMBER 2018

Risk-based capital ratios*		<p>Available capital</p> <ul style="list-style-type: none"> > Appropriation of profits (R5.0 billion). > AT1 issuance of R2.5 billion in March 2019. <p>Risk weighted assets</p> <ul style="list-style-type: none"> > Overall increase in RWA mainly relates to credit RWA.
Leverage ratio*		<ul style="list-style-type: none"> > An increase in Tier 1 capital, partly offset by an increase in total exposures. > Total exposure measure increased mainly due to an increase in on-balance sheet exposures.
Liquidity coverage ratio		<ul style="list-style-type: none"> > The reduction in the LCR was a result of business-as-usual seasonal trends. The group still exceeds the 100% minimum requirement for 2019.

* Reflects the transitional Day 1 impact of IFRS 9.

OV1 – Overview of RWA

R million

1	Credit risk (excluding counterparty credit risk)
2	– Standardised approach
5	– AIRB
16	Securitisation exposures in banking book
17	– IRB ratings-based approach
18	– IRB supervisory formula approach
19	– Standardised approach/simplified supervisory formula approach
	Total credit risk
6	Counterparty credit risk**
7	– Standardised approach
11	Equity positions in banking book under market-based approach#
15	Settlement risk
20	Market risk
21	– Standardised approach
22	– Internal model approach
24	Operational risk
	– Basic indicator approach
	– Standardised approach
	– Advanced measurement approach
25	Amounts below the thresholds for deduction (subject to 250% risk weight)
26	Floor adjustment
	Other assets
27	Total

FirstRand Limited			
As at 31 March 2019	As at 31 December 2018	As at 30 September 2018	As at 31 March 2019
RWA			Minimum capital requirements*
691 777	673 140	653 178	80 862
241 006	227 200	227 441	28 171
450 771	445 940	425 737	52 691
39 050	38 083	36 966	4 564
–	–	11	–
2 092	2 043	1 997	244
36 958	36 040	34 958	4 320
730 827	711 223	690 144	85 426
15 108	18 698	17 089	1 766
15 108	18 698	17 089	1 766
25 995	25 744	25 355	3 039
–	–	–	–
26 085	26 773	23 472	3 049
9 525	8 876	8 708	1 113
16 560	17 897	14 764	1 936
124 079	124 079	124 158	14 504
14 886	14 886	15 356	1 740
24 901	24 901	24 234	2 911
84 292	84 292	84 568	9 853
19 577	18 858	19 733	2 288
16 205	16 205	10 151	1 894
30 223	30 619	31 335	3 533
988 099	972 199	941 437	115 499

* Capital requirement calculated at 11.689% of RWA (December 2018: 11.255%). The minimum requirement excludes the bank-specific capital requirements, but includes the CCyB requirement. The difference to the BCBS base minimum (8%) relates to the buffer add-ons for Pillar 2A, CCyB and capital conservation as prescribed in the Regulations.

** The current exposure and standardised methods are applied to counterparty credit risk. The group does not apply the internal model method to counterparty credit risk (row 6 of OV1 template). Implementation for the standardised approach for counterparty credit risk (SA-CCR) is 1 October 2019.

Implementation for the capital requirements for equity investments in funds is 1 October 2019. Rows 12 – 14 of the OV1 template have, therefore, been excluded from this table.

CR8 – RWA flow statements of credit risk exposures under AIRB

<i>R million</i>		RWA
1	RWA at 31 December 2018*	445 940
2	Asset size	5 912
3	Asset quality	(1 081)
4	Model updates	–
5	Methodology and policy	–
6	Acquisitions and disposals	–
7	Foreign exchange movements	–
8	Other	–
9	RWA at 31 March 2019*	450 771

* The RWA represents credit risk exposures excluding securitisation exposure per OV1 table on page 3.

MR2 – RWA flow statements of market risk exposures under IMA*

<i>R million</i>		VaR	sVaR	RWA
1	RWA at 31 December 2018*	8 467	9 430	17 897
2	Movement in risk levels	(1 856)	519	(1 337)
3	Model updates/changes	–	–	–
4	Methodology and policy	–	–	–
5	Acquisitions and disposals	–	–	–
6	Foreign exchange movements	–	–	–
7	Other	–	–	–
8	RWA at 31 March 2019*	6 611	9 949	16 560

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



02 leverage
06

LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure*

<i>R million</i>	As at 31 March 2019	
	FirstRand Limited	FirstRand Bank Limited**
1 Total consolidated assets as per published financial statements	1 645 573	1 276 585
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	(9 936)	(9 363)
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	1 754	1 754
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	77 263	76 187
7 Other adjustments	(5 313)	9 486
8 Leverage ratio exposure	1 709 341	1 354 649

* Based on month-end balances.

** FirstRand Bank Limited including foreign branches.

LR2 – Leverage ratio common disclosure template*

<i>R million</i>	FirstRand Limited		FirstRand Bank Limited**	
	As at 31 March 2019	As at 31 December 2018	As at 31 March 2019	As at 31 December 2018
ON-BALANCE SHEET EXPOSURES				
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1 597 547	1 534 047	1 229 677	1 188 707
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(32 681)	(31 897)	(18 011)	(17 605)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1 564 866	1 502 150	1 211 666	1 171 102
DERIVATIVE EXPOSURES				
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	4 640	4 871	4 175	4 199
5 Add-on amounts for PFE associated with all derivatives transactions	21 719	26 542	22 022	26 984
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–	–	–
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–	–	–	–
8 (Exempted CCP leg of client-cleared trade exposures)	–	–	–	–
9 Adjusted effective notional amount of written credit derivatives	3 671	3 799	3 671	3 799
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(2 883)	(3 135)	(2 883)	(3 135)
11 Total derivative exposures (sum of lines 4 to 10)	27 147	32 077	26 985	31 847
SECURITIES FINANCING TRANSACTION EXPOSURES				
12 Gross SFT assets (with no recognition of netting) after adjusting for sale accounting transactions	38 311	46 348	38 057	46 348
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–	–	–
14 CCR exposure for SFT assets	1 754	1 188	1 754	1 188
15 Agent transaction exposures	–	–	–	–
16 Total securities financing transaction exposures (sum of lines 12 to 15)	40 065	47 536	39 811	47 536
OTHER OFF-BALANCE SHEET EXPOSURES				
17 Off-balance sheet exposure at gross notional amount	352 524	345 957	325 433	316 889
18 (Adjustments for conversion to credit equivalent amounts)	(275 261)	(270 580)	(249 246)	(246 409)
19 Off-balance sheet items (sum of lines 17 and 18)	77 263	75 377	76 187	70 480
CAPITAL AND TOTAL EXPOSURES				
20 Tier 1 capital	121 990	115 107	91 071	85 816
21 Total exposures (sum of lines 3, 11, 16 and 19)	1 709 341	1 657 140	1 354 649	1 320 965
LEVERAGE RATIO				
22 Basel III leverage ratio	7.1%	6.9%	6.7%	6.5%

* Based on month-end balances.

** FirstRand Bank Limited including foreign branches.



03 liquidity
08

LIQ1: Liquidity coverage ratio (LCR)

R million

	FirstRand Limited consolidated*		FirstRand Bank Limited South Africa*	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)		258 039		199 125
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which:	344 006	30 652	249 571	24 957
3 Stable deposits	53 552	1 607	–	–
4 Less stable deposits	290 454	29 045	249 571	24 957
5 Unsecured wholesale funding, of which:	394 117	214 327	320 384	167 878
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	99 589	24 897	99 589	24 897
7 Non-operational deposits (all counterparties)	283 649	178 552	211 206	133 393
8 Unsecured debt	10 879	10 878	9 589	9 588
9 Secured wholesale funding		3 194		3 194
10 Additional requirements, of which:	277 247	39 985	242 886	37 084
11 Outflows related to derivative exposures and other collateral requirements	10 933	10 933	10 401	10 401
12 Outflows related to loss of funding on debt products	139 020	6 951	127 866	6 393
13 Credit and liquidity facilities	127 294	22 101	104 619	20 290
14 Other contractual funding obligations	990	990	980	980
15 Other contingent funding obligations	209 638	8 239	191 580	7 424
16 Total cash outflows		297 387		241 517
CASH INFLOWS				
17 Secured lending (e.g. reverse repos)	3 465	3 465	3 465	3 465
18 Inflows from fully performing exposures	112 032	85 138	87 343	64 728
19 Other cash inflows	2 877	2 605	2 732	2 460
20 Total cash inflows	118 374	91 208	93 540	70 653
21 Total HQLA**		229 784		199 125
22 Total net cash outflow#		207 334		170 864
23 Liquidity coverage ratio (%)†		111%		117%

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

** The weighted 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 100% which is not considered as fully transferable has been excluded in the calculation of the consolidated LCR.

The regulatory cap on inflows is applied per entity and is reflected in total net cash outflows. The total cash inflows balance is prior to the application of the cap.

† The LCR is calculated as a simple average of 90 days of daily observations over the period ended 31 March 2019 for FirstRand Bank Limited South Africa and London branch. The remaining international banking entities including Aldermore, and 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 Prudential Authority.