

Creating enduring worth

Investec Limited Group and
Investec Bank Limited Group

Pillar III quarterly disclosure report – June 2023



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01

Overview of risk management, key prudential metrics And RWA



OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA

SCOPE OF PILLAR III DISCLOSURES

This document and tables encompass the Investec Limited group (the Group), including both regulated and unregulated entities, which is equivalent to the scope of the group controlling company as defined by the South African Prudential Authority for consolidated regulatory reporting purposes. Comparative tables related to the Investec Bank Limited group (the Bank) are also presented in this report, where these disclosures are considered to be meaningful to the user and are materially different from the Group. References to Investec in this report encompass both the Bank and Group.

OV1: OVERVIEW OF RWA

The following section provides an overview of the total RWA forming the denominator of the risk-based capital requirements.

R'million	Investec Limited Group			Investec Bank Limited Group		
	a	c	b	a	c	b
	RWA ⁽²⁾	MC ⁽¹⁾	RWA	RWA	MC	RWA
	30 June 2023	30 June 2023	31 March 2023	30 June 2023	30 June 2023	31 March 2023
1 Credit risk (excluding counterparty credit risk)	214 450	25 760	199 630	216 116	25 960	200 914
2 Of which: Standardised Approach (SA)	78 498	9 429	76 485	80 164	9 629	77 769
3 Of which: foundation internal ratings-based (FIRB) approach	1 860	223	18 079	1 860	223	18 079
4 Of which: supervisory slotting approach	24 402	2 931	24 599	24 402	2 931	24 599
5 Of which: internal ratings-based (AIRB) approach	109 690	13 177	80 467	109 690	13 177	80 467
6 Counterparty credit risk (CCR)	7 806	938	7 930	7 806	938	7 930
7 Of which: Standardised Approach for counterparty credit risk	7 806	938	7 930	7 806	938	7 930
8 Of which: IMM	—	—	—	—	—	—
9 Of which: other CCR	—	—	—	—	—	—
10 Credit valuation adjustment (CVA)	2 670	321	3 477	2 670	321	3 477
11 Equity positions under the simple risk weight approach and the Internal Model Method during the five-year linear phase-in period	14 425	1 733	14 283	10 380	1 247	10 437
12 Equity investments in funds - look-through approach	—	—	—	—	—	—
13 Equity investments in funds - mandate-based approach	—	—	—	—	—	—
14 Equity investments in funds - fall-back approach	—	—	—	—	—	—
15 Settlement risk	—	—	—	—	—	—
16 Securitisation exposures in banking book	1 655	199	1 668	1 655	199	1 668
17 Of which: securitisation IRB approach (SEC-IRBA)	1 049	126	1 016	1 049	126	1 016
18 Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	—	—	—	—	—	—
19 Of which: Securitisation Standardised approach (SEC-SA)	606	73	652	606	73	652
20 Market risk⁽⁶⁾	7 906	950	6 875	6 855	823	5 784
21 Of which Standardised Approach (SA)	1 598	192	1 811	547	66	720
22 Of which internal model approach (IMA)	6 308	758	5 064	6 308	758	5 064
23 Capital charge for switch between trading book and banking book	—	—	—	—	—	—
24 Operational risk⁽³⁾	32 152	3 862	32 152	26 942	3 236	26 942
25 Amounts below the thresholds for deduction (subject to 250% risk weight)⁽⁴⁾	17 724	2 129	17 585	3 876	466	4 111
26 Aggregate capital floor applied ⁽⁵⁾	—	—	—	—	—	—
27 Floor adjustment (before application of transitional cap)	—	—	—	—	—	—
28 Floor adjustment (after application of transitional cap)	—	—	—	—	—	—
29 Total	298 788	35 892	283 600	276 300	33 190	261 263

- (1) MC – The minimum capital requirements in column (c) are based on the SARB minimum total capital requirements for Investec of 12.0125%; however, excludes Investec's Pillar 2B add-on in line with the Banks Act Directive 5 of 2021.
- (2) RWA – Risk-weighted assets are calculated according to the Basel framework, including the 1.06 scaling factor for credit and equity exposures subject to the IRB approach, and as reported in accordance with the subsequent parts of this standard. Where the regulatory framework does not refer to RWA but directly to capital charges (e.g. for market risk and operational risk), RWA is derived by multiplying the capital charge by 12.5.
- (3) Operational risk is calculated using the SA and is driven by the levels of income over a three-year average period, applying specific factors applicable to the nature of the business generating the income.
- (4) The RWA in this line item relates to investments in significant financial entities and deferred tax assets below the 10% of the specified CET1 threshold.
- (5) The floor adjustment is calculated in line with the Banks Act Directive 3 of 2013.
- (6) Market risk RWAs for internal models approach (IMA) are calculated using the historical Value at Risk (VaR) approach.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA
CONTINUED

Period under review- Investec Limited group

Movements in RWAs are between the periods 31 March 2023 and 30 June 2023.

Risk-weighted assets (RWAs) increased by 5.4% from R283.6bn (March 2023) to R298.8bn (June 2023) predominantly within credit risk RWAs.

Credit risk RWAs (sum of line 1,6,10,16 and 25) increased by 6.1% or R14.0bn. The increase is largely driven by book growth and forex movements.

Equity risk RWAs increased by 1.0% or R141.5mn. The increase is due to MTM of listed investments.

Market risk RWAs increased by 15.0% or R1.0bn. The increase is primarily driven by an increase in exposure in Interest Rate Derivatives. Activity has increased due to the current interest rate hike cycle by the SARB as well as other central banks due to global inflation concerns.

Operational risk for Investec Limited remained unchanged at R32.2bn. This calculation is updated bi-annually in March and September and is based on a three-year rolling gross income before impairments average balance.

Investec has always held capital well in excess of regulatory requirements and continues to remain well capitalised.

KM1: KEY METRICS

The following section provides an overview of the key prudential regulatory metrics covering Investec Limited group's available capital and ratios, risk-weighted assets, leverage ratio, liquidity coverage ratio and net stable funding ratio of the Group's performance and trends over time:

R'million	a 30 June 2023	b 31 March 2023	c 31 December 2022	d 30 September 2022	e 30 June 2022
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	43 506	41 810	46 077	44 934	44 765
1a Fully loaded ECL accounting model ⁽³⁾	43 506	41 810	46 077	44 934	44 765
2 Tier 1	46 719	45 022	49 146	48 001	47 830
2a Fully loaded ECL accounting model Tier 1	46 719	45 022	49 146	48 001	47 830
3 Total capital	54 183	51 985	56 046	57 347	54 405
3a Fully loaded ECL accounting model total capital	54 183	51 985	56 046	57 347	54 405
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	298 788	283 600	329 436	319 416	305 583
4a Total risk-weighted assets (pre-floor)	298 788	283 600	329 436	319 416	305 583
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 (%) ⁽¹⁾	14.6	14.7	14.0	14.1	14.6
5a Fully loaded ECL accounting model Common Equity Tier 1	14.6	14.7	14.0	14.1	14.6
5b Common Equity Tier 1 (%) (pre-floor ratio)	14.6	14.7	14.0	14.1	14.6
6 Tier 1 ratio (%)	15.6	15.9	14.9	15.0	15.7
6a Fully loaded ECL accounting model Tier 1 (%)	15.6	15.9	14.9	15.0	15.7
6b Tier 1 ratio (5) (pre-floor ratio)	15.6	15.9	14.9	15.0	15.7
7 Total capital ratio (%) ⁽¹⁾	18.1	18.3	17.0	18.0	17.8
7a Fully loaded ECL accounting model total capital ratio (%)	18.1	18.3	17.0	18.0	17.8
7b Total capital ratio (%) (pre-floor ratio)	18.1	18.3	17.0	18.0	17.8
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	3.0
12 CET1 available after meeting the bank's minimum capital requirements (%)	6.5	6.7	6.0	6.1	6.6
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	721 362	696 319	674 891	674 247	634 297
14 Basel III leverage ratio (%) (row 2/row 13)	6.5	6.5	7.3	7.1	7.5
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	6.5	6.5	7.3	7.1	7.5
14b Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	6.5	6.5	7.3	7.1	7.5
Liquidity Coverage Ratio					
15 Total HQLA	113 453	116 421	116 145	102 879	112 410
16 Total net cash outflow	63 509	75 857	81 395	65 442	76 249
17 LCR ratio (%) ⁽²⁾	179.8	153.6	143.6	157.7	148.1
Net Stable Funding Ratio					
18 Total available stable funding	392 978	381 822	375 796	375 775	355 728
19 Total required stable funding	338 831	328 530	323 221	324 986	311 852
20 NSFR ratio	116.0	116.2	116.3	115.6	114.1

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 30 June 2023, 52% of the portfolio applies the AIRB approach, 29% applies the FIRB approach, with the remaining balance of 19% remaining on the standardised approach.

(2) Investec Limited's capital information included unappropriated profits at 30 June 2023. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would be 165bps lower (31 March 2023: 117bps lower) and the leverage ratio would be 72bps lower (31 March 2023: 49bps).

(3) The LCR ratio in row 17 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 15 divided by row 16.

(4) The key difference between the 'reported' basis and the 'fully loaded' basis primarily relates to capital instruments that previously qualified as regular capital, but do not fully qualify under PA regulations. These instruments continued to be registered on a reducing basis in the 'reported' figures until 2022. The fully loaded ratio and capital amounts throughout the KM1 template assumes full adoption of IFRS 9 and is based on Basel III capital requirements as fully phased in by 2022.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA
CONTINUED

KM1: KEY METRICS CONTINUED

The following section provides an overview of the key prudential regulatory metrics covering Investec Bank Limited Group's available capital and ratios, risk-weighted assets, leverage ratio, liquidity coverage ratio and net stable funding ratio of the bank's performance and trends over time:

	a	b	c	d	e
R'million	30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2022
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	47 126	44 798	45 876	47 115	44 672
1a Fully loaded ECL accounting model ⁽³⁾	47 126	44 798	45 876	47 115	44 672
2 Tier 1	49 836	47 508	48 436	49 675	47 232
2a Fully loaded ECL accounting model Tier 1	49 836	47 508	48 436	49 675	47 232
3 Total capital	57 880	55 436	56 343	57 744	52 627
3a Fully loaded ECL accounting model total capital	57 880	55 436	56 343	57 744	52 627
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	276 300	261 263	300 401	296 678	279 795
4a Total risk-weighted assets (pre-floor)	276 300	261 263	300 401	296 678	279 795
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 (%) ⁽¹⁾	17.1	17.1	15.3	15.9	16.0
5a Fully loaded ECL accounting model Common Equity Tier 1	17.1	17.1	15.3	15.9	16.0
5b Common Equity Tier 1 (%) (pre-floor ratio)	17.1	17.1	15.3	15.9	16.0
6 Tier 1 ratio (%)	18.0	18.2	16.1	16.7	16.9
6a Fully loaded ECL accounting model Tier 1 (%)	18.0	18.2	16.1	16.7	16.9
6b Tier 1 ratio (5) (pre-floor ratio)	18.0	18.2	16.1	16.7	16.9
7 Total capital ratio (%) ⁽¹⁾	20.9	21.2	18.8	19.5	18.8
7a Fully loaded ECL accounting model total capital ratio (%)	20.9	21.2	18.8	19.5	18.8
7b Total capital ratio (%) (pre-floor ratio)	20.9	21.2	18.8	19.5	18.8
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0
Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	3.0
12 CET1 available after meeting the bank's minimum capital requirements (%)	9.0	9.1	7.3	7.9	8.0
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	684 728	662 702	632 262	636 860	594 783
14 Basel III leverage ratio (%) (row 2/row 13)	7.3	7.2	7.7	7.8	7.9
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	7.3	7.2	7.7	7.8	7.9
14b Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	7.3	7.2	7.7	7.8	7.9
Liquidity coverage ratio					
15 Total HQLA	113 453	116 421	116 145	102 879	112 410
16 Total net cash outflow	63 509	75 857	81 395	65 442	76 249
17 LCR ratio (%) ⁽²⁾	179.8	153.6	143.6	157.7	148.1
Net stable funding ratio					
18 Total available stable funding	392 978	381 822	375 796	375 775	355 728
19 Total required stable funding	338 831	328 530	323 221	324 986	311 852
20 NSFR ratio	116.0	116.2	116.3	115.6	114.1

(1) Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 30 June 2023, 50% of the portfolio applies the AIRB approach, 28% applies the FIRB approach, with the remaining balance of 22% remaining on the standardised approach.

(2) Investec Bank Limited's capital information included unappropriated profits at 30 June 2023. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET 1 ratio would have been 221bps lower (March 2023: 164bps lower) and the leverage ratio would be 89bps lower (31 March 2023: 65bps).

(3) The LCR ratio in row 17 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 15 divided by row 16.

(4) The key difference between the 'reported' basis and the 'fully loaded' basis primarily relates to capital instruments that previously qualified as regular capital, but do not fully qualify under PA regulations. These instruments continued to be registered on a reducing basis in the 'reported' figures until 2022. The fully loaded ratio and capital amounts throughout the KM1 template assumes full adoption of IFRS 9 and is based on Basel III capital requirements as fully phased in by 2022.

02

Leverage ratio



LEVERAGE RATIO

LR1 – SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE

The purpose of the LR1 table below is to reconcile the total assets in the published financial statements to the leverage ratio exposure measure.

		a	a	a	a
		Investec Limited Group		Investec Bank Limited Group	
R'million		30 June 2023	31 March 2023	30 June 2023	31 March 2023
1	Total consolidated assets as per published financial statements ⁽¹⁾	662 428	639 947	619 682	599 071
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(580)	(2 433)	—	—
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	—	—	—	—
4	Adjustments for temporary exemption of central bank reserves (if applicable)	—	—	—	—
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	—	—	—	—
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—	—	—	—
7	Adjustment for eligible cash pooling transactions	—	—	—	—
8	Adjustments for derivative financial instruments	3 297	4 686	3 444	4 748
9	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	4 863	2 495	4 863	2 495
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	59 216	58 845	59 208	58 836
11	Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(2 192)	(2 177)	(2 133)	(2 120)
12	Other adjustments	(5 670)	(5 044)	(336)	(328)
13	Leverage ratio exposure measure	721 362	696 319	684 728	662 702

(1) Adjusted for impairments.

LEVERAGE RATIO
CONTINUED

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

The purpose of the LR2 table below is to provide a detailed breakdown of the components of the leverage ratio denominator.

R'million	a	a	a	a	
	Investec Limited Group	Investec Bank Limited Group	Investec Limited Group	Investec Bank Limited Group	
	30 June 2023	31 March 2023	30 June 2023	31 March 2023	
On-balance sheet exposures					
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	574 619	570 665	533 063	532 625
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	—	—	—	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	—	—	—	—
4	(Adjustment for securities received for cash variation margin provided in derivative transactions)	—	—	—	—
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)	(1 960)	(1 897)	(1 960)	(1 897)
6	(Asset amounts deducted in determining Basel III Tier 1 capital)	(5 903)	(5 323)	(509)	(551)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	566 756	563 445	530 594	530 177
Derivative exposures					
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	7 579	9 168	7 579	9 168
9	Add-on amounts for potential future exposure (PFE) associated with all derivatives transactions	14 016	15 658	14 016	15 658
10	(Exempted CCP leg of client-cleared trade exposures)	(7 417)	(9 082)	(7 417)	(9 082)
11	Adjusted effective notional amount of written credit derivatives	5 844	5 454	5 844	5 454
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—	—	—
13	Total derivative exposures (sum of rows 8 to 12)	20 022	21 198	20 022	21 198
Securities financing transaction exposures					
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	70 505	50 337	70 041	49 996
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—	—	—
16	CCR exposure for SFT assets	4 863	2 495	4 863	2 495
17	Agent transaction exposures	—	—	—	—
18	Total securities financing transaction exposures (sum of rows 14 to 17)	75 368	52 832	74 904	52 491
Other off-balance sheet exposures					
19	Off-balance sheet exposure at gross notional amount	127 528	125 111	127 446	125 026
20	(Adjustments for conversion to credit equivalent amounts)	(68 312)	(66 267)	(68 238)	(66 190)
21	(Specific and general provisions associated with off-balance sheet exposures that are deducted from Basel III Tier 1 capital)	—	—	—	—
22	Off-balance sheet items (sum of rows 19 to 21)	59 216	58 844	59 208	58 836
Capital and total exposures					
23	Tier 1 capital	46 719	45 022	49 836	47 508
24	Total exposures (sum of rows 7, 13, 18 and 22)	721 362	696 319	684 728	662 702
Leverage ratio					
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)⁽¹⁾	6.5	6.5	7.3	7.2
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) ⁽¹⁾	6.5	6.5	7.3	7.2
26	National minimum ratio requirements	4.0	4.0	4.0	4.0
27	Applicable leverage buffers	2.5	2.5	3.3	3.2

(1) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 165bps (31 March 2023: 117bps) and 221bps (31 March 2023: 164bps) lower respectively. The leverage ratio would be 72bps (31 March 2023: 49bps) and 89bps (31 March 2023: 65bps) lower respectively.

Liquidity risk



LIQUIDITY RISK

LIQUIDITY COVERAGE RATIO (LCR)

The purpose of the LIQ1 table below is to present the breakdown of a bank's cash outflows and cash inflows, as well as its available high-quality liquid assets (HQLA), as measured and defined according to the LCR standard.

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

R'million	a	b	a	b
	30 June 2023		31 March 2023	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets (HQLAs)				
1 Total HQLAs		113 453		116 421
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	125 183	11 401	118 936	11 034
3 Stable deposits	—	—	—	—
4 Less stable deposits	125 183	11 401	118 936	11 034
5 Unsecured wholesale funding, of which:	129 920	94 314	130 672	96 993
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	—	—	—	—
7 Non-operational deposits (all counterparties)	128 872	93 266	128 728	95 049
8 Unsecured debt	1 048	1 048	1 944	1 944
9 Secured wholesale funding	—	473	—	412
10 Additional requirements, of which:	86 985	14 060	87 831	16 012
11 Outflows related to derivative exposures and other collateral requirements	11 663	5 767	14 704	8 076
12 Outflows related to loss of funding on debt products	—	—	163	163
13 Credit and liquidity facilities	75 322	8 293	72 964	7 773
14 Other contractual funding obligations	216	216	301	301
15 Other contingent funding obligations	122 892	7 372	115 651	7 341
16 Total cash outflows		127 836		132 093
Cash inflows				
17 Secured lending	49 241	18 807	43 957	15 968
18 Inflows from fully performing exposures	49 739	41 273	43 397	35 788
19 Other cash inflows	4 099	4 247	4 084	4 482
20 Total cash inflow	103 079	64 327	91 438	56 238
	Total adjusted value		Total adjusted value	
21 Total HQLAs		113 453		116 421
22 Total net cash outflows		63 509		75 857
23 Liquidity coverage ratio (%)⁽¹⁾		179.8		153.6

(1) The LCR ratio in row 23 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 21 divided by row 22.

LIQUIDITY RISK CONTINUED

LIQUIDITY COVERAGE RATIO (LCR)

The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient HQLAs to survive a significant stress scenario lasting 30 calendar days. The values in the table are calculated as the simple average of the 91 calendar daily values over the period 1 April 2023 to 30 June 2023.

Key LCR principles:

- We remain fully compliant with regulatory requirements, and above the target set by the Board
- The structure and nature of deposits inside the 30-day window is the key driver of both the level and the volatility of the LCR. The weighted outflow is determined by the customer type of liabilities falling into the 30-day contractual bucket. In turn, these deposit characteristics determine the targeted level of HQLAs required to be held as a counterbalance to the modelled stressed outflows
- Only banking and/or deposit-taking entities are included, and the Group data represents an aggregation of the relevant individual net cash outflows and the individual HQLA portfolios.

The composition of HQLAs:

- HQLAs comprise primarily South African sovereign and central bank Rand-denominated securities and debt instruments, which are eligible for South African Reserve Bank (SARB) repos.
- On average, Level 2 assets contributed 2% of total HQLAs.
- Some foreign-denominated government securities are included in the HQLAs, subject to regulatory limitations.

Credit risk



CREDIT RISK
CONTINUED

CR8: RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER IRB

The purpose of this table is to present a flow statement explaining variations in the credit RWAs determined under the IRB approach.

	a	a	a	a	a
R'million	30 June 2023	31 March 2023	31 December 2022	30 September 2022	30 June 2022
1 RWA as at end of previous reporting period⁽¹⁾	123 145	153 068	150 358	145 979	147 867
2 Asset size	875	(2 802)	(634)	1 342	(1 522)
3 Asset quality	11 450	(422)	2 525	3 094	(677)
4 Model updates ⁽³⁾	155	(26 501)	1 113	—	—
5 Methodology and policy	—	—	21	(8)	22
6 Acquisitions and disposals	—	—	(159)	85	260
7 Foreign exchange movements	970	622	(481)	543	1 106
8 Other ⁽²⁾	(642)	(820)	325	(677)	(1 077)
9 RWA as at end of reporting period	135 953	123 145	153 068	150 358	145 979

(1) The table above excludes risk-weighted asset movements related to CCR exposures.

(2) Other represents movements not related to any of the specified rows above, such changes in RWAs due to changes in LGD percentages or maturity factor changes.

(3) March 2023 relates to the net impact of the benefit of migrating IPRE to AIRB and the migration of HVCRE from STD to FIRB: Slotting.

Market Risk



MARKET RISK
 CONTINUED

MR3: IMA VALUES FOR TRADING PORTFOLIOS⁽¹⁾

The table below displays the values (maximum, minimum, average, and period ending for the reporting period) resulting from the different types of models used for computing the regulatory capital charge at the Group level, before any additional capital charge is applied by the jurisdiction. Summary statistics were calculated on the 10-day VaR and sVaR figures for the quarter ended 30 June 2023. The 10-day figures were obtained by multiplying the one-day figures by SQRT(10).

R'million	a	a
	30 June 2023	31 March 2023
VaR (10-day 99%)		
1 Maximum value	84	62
2 Average value	53	45
3 Minimum value	28	25
4 Period end	45	52
Stressed VaR (10-day 99%)		
5 Maximum value	144	113
6 Average value	91	73
7 Minimum value	41	46
8 Period end	103	73

(1) There were no incremental and comprehensive risk capital charges under IMA and rows are therefore excluded from the table above.

