

365 days of possibilities

Investec Limited Group and Investec Bank Limited Group
Pillar III quarterly disclosure report – December 2022



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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
		31 December 2022	31 December 2022	30 September 2022	31 December 2022	31 December 2022	30 September 2022
1	Credit risk (excluding counterparty credit risk)	238 507	28 622	235 706	241 378	28 966	236 351
2	Of which: Standardised Approach (SA)	85 439	10 253	85 348	88 310	10 597	85 993
3	Of which: foundation internal ratings-based (FIRB) approach	100 330	12 040	99 648	100 330	12 040	99 648
4	Of which: supervisory slotting approach	6 914	830	6 084	6 914	830	6 084
5	Of which: internal ratings-based (AIRB) approach	45 824	5 499	44 626	45 824	5 499	44 626
6	Counterparty credit risk (CCR)	7 017	842	7 757	7 601	912	8 327
7	Of which: Standardised Approach for counterparty credit risk	7 017	842	7 757	7 601	912	8 327
8	Of which: IMM	—	—	—	—	—	—
9	Of which: other CCR	—	—	—	—	—	—
10	Credit valuation adjustment (CVA)	3 665	440	2 668	3 935	472	2 967
11	Equity positions under the simple risk weight approach and the Internal Model Method during the five-year linear phase-in period	22 340	2 681	15 832	10 614	1 274	11 541
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	1 451	174	1 916	1 451	174	1 916
17	Of which: securitisation IRB approach (SEC-IRBA)	753	90	1 180	753	90	1 180
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	—	—	—	—	—	—
19	Of which: Securitisation Standardised approach (SEC-SA)	698	84	736	698	84	736
20	Market risk⁽⁶⁾	8 385	1 007	7 561	6 839	821	6 821
21	Of which Standardised Approach (SA)	2 029	244	1 290	483	58	550
22	Of which internal model approach (IMA)	6 356	763	6 271	6 356	763	6 271
23	Capital charge for switch between trading book and banking book	—	—	—	—	—	—
24	Operational risk⁽³⁾	29 918	3 590	29 918	24 975	2 997	24 975
25	Amounts below the thresholds for deduction (subject to 250% risk weight)⁽⁴⁾	18 153	2 178	18 058	3 608	433	3 780
26	Aggregate capital floor applied ⁽⁵⁾	—	—	—	—	—	—
27	Floor adjustment (before application of transitional cap)	—	—	—	—	—	—
28	Floor adjustment (after application of transitional cap)	—	—	—	—	—	—
29	Total	329 436	39 534	319 416	300 401	36 049	296 678

(1) MC – The minimum capital requirements in column (c) are based on the SARB minimum total capital requirements for Investec of 12.0%; 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

Year under review- Investec Limited group

Movements in RWAs are between the periods 31 March 2022 and 31 December 2022.

Risk-weighted assets (RWAs) increased by 3.3% from R319.0bn (March 2022) to R329.4bn (December 2022) predominantly within equity risk RWAs.

Credit risk RWAs (sum of line 1,6,10,16 and 25) increased by 3.7% or R9.6bn. The increase is largely driven by book growth and forex movements.

Equity risk RWAs decreased by 15.7% or R4.2bn. The decrease is largely due to the disposal of the entire Ninety One equity investment held by Investec Limited to Investec Limited ordinary shareholder by way of a distribution in specie which was subsequent off-set by the repurchase of the Plc shares.

Market risk RWAs increased by 84.4% or R3.8bn. 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 increased by 4.0% or R1.1bn. This follows the bi-annual update of the 3-year rolling gross income before impairments average balance, which forms the basis of the calculation.

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

The South African Prudential Authority approved moving IPRE to the AIRB and HVCRE to the slotting approach effective 31 January 2023. On full adoption of these approaches, the CET1 ratios for Investec Limited and IBL will increase by approximately 200bps and 244bps respectively.

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 31 December 2022	b 30 September 2022	c 30 June 2022	d 31 March 2022	e 31 December 2021
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	46 077	44 934	44 765	44 790	45 576
1a Fully loaded ECL accounting model ⁽³⁾	46 077	44 934	44 765	44 790	45 576
2 Tier 1	49 146	48 001	47 830	47 854	48 957
2a Fully loaded ECL accounting model Tier 1	49 146	48 001	47 830	47 854	48 486
3 Total capital	56 046	57 347	54 405	55 945	57 218
3a Fully loaded ECL accounting model total capital	56 046	57 347	54 405	55 945	56 746
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	329 436	319 416	305 583	319 048	312 059
4a Total risk-weighted assets (pre-floor)	329 436	319 416	305 583	319 048	312 059
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 (%) ⁽¹⁾	14.0	14.1	14.6	14.0	14.6
5a Fully loaded ECL accounting model Common Equity Tier 1	14.0	14.1	14.6	14.0	14.6
5b Common Equity Tier 1 (%) (pre-floor ratio)	14.0	14.1	14.6	14.0	14.6
6 Tier 1 ratio (%)	14.9	15.0	15.7	15.0	15.7
6a Fully loaded ECL accounting model Tier 1 (%)	14.9	15.0	15.7	15.0	15.5
6b Tier 1 ratio (5) (pre-floor ratio)	14.9	15.0	15.7	15.0	15.7
7 Total capital ratio (%) ⁽¹⁾	17.0	18.0	17.8	17.5	18.3
7a Fully loaded ECL accounting model total capital ratio (%)	17.0	18.0	17.8	17.5	18.2
7b Total capital ratio (%) (pre-floor ratio)	17.0	18.0	17.8	17.5	18.3
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	0.3
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	2.8
12 CET1 available after meeting the bank's minimum capital requirements (%)	6.0	6.1	6.6	6.0	7.4
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	674 891	674 247	634 297	649 828	623 591
14 Basel III leverage ratio (%) (row 2/row 13)	7.3	7.1	7.5	7.4	7.9
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	7.3	7.1	7.5	7.4	7.8
14b Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	7.3	7.1	7.5	7.4	7.9
Liquidity Coverage Ratio					
15 Total HQLA	116 145	102 879	112 410	100 268	96 607
16 Total net cash outflow	81 395	65 442	76 249	72 513	63 573
17 LCR ratio (%) ⁽²⁾	143.6	157.7	148.1	138.9	153.8
Net Stable Funding Ratio					
18 Total available stable funding	375 796	375 775	355 728	355 250	355 892
19 Total required stable funding	323 221	324 986	311 852	315 554	307 319
20 NSFR ratio	116.3	115.6	114.1	112.6	115.8

(1) Capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited Group CET 1 ratio would be 122bps lower and total capital adequacy ratio would be 122bps lower at 31 December 2022.

(2) 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.

(3) 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 continue 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:

R'million	a	b	c	d	e
	31 December 2022	30 September 2022	30 June 2022	31 March 2022	31 December 2021
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	45 876	47 115	44 672	45 206	45 560
1a Fully loaded ECL accounting model ⁽³⁾	45 876	47 115	44 672	45 206	45 560
2 Tier 1	48 436	49 675	47 232	47 766	48 173
2a Fully loaded ECL accounting model Tier 1	48 436	49 675	47 232	47 766	48 020
3 Total capital	56 343	57 744	52 627	57 323	59 337
3a Fully loaded ECL accounting model total capital	56 343	57 744	52 627	57 323	59 183
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	300 401	296 678	279 795	286 903	260 694
4a Total risk-weighted assets (pre-floor)	300 401	296 678	279 795	286 903	260 694
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 (%) ⁽¹⁾	15.3	15.9	16.0	15.8	15.7
5a Fully loaded ECL accounting model Common Equity Tier 1	15.3	15.9	16.0	15.8	15.7
5b Common Equity Tier 1 (%) (pre-floor ratio)	15.3	15.9	16.0	15.8	15.7
6 Tier 1 ratio (%)	16.1	16.7	16.9	16.6	16.6
6a Fully loaded ECL accounting model Tier 1 (%)	16.1	16.7	16.9	16.6	16.5
6b Tier 1 ratio (5) (pre-floor ratio)	16.1	16.7	16.9	16.6	16.6
7 Total capital ratio (%) ⁽¹⁾	18.8	19.5	18.8	20.0	20.4
7a Fully loaded ECL accounting model total capital ratio (%)	18.8	19.5	18.8	20.0	20.4
7b Total capital ratio (%) (pre-floor ratio)	18.8	19.5	18.8	20.0	20.4
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	0.3
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	2.8
12 CET1 available after meeting the bank's minimum capital requirements (%)	7.3	7.9	8.0	7.8	8.4
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	632 262	636 860	594 783	608 062	589 748
14 Basel III leverage ratio (%) (row 2/row 13)	7.7	7.8	7.9	7.9	8.2
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	7.7	7.8	7.9	7.9	8.1
14b Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	7.7	7.8	7.9	7.9	8.2
Liquidity coverage ratio					
15 Total HQLA	116 145	102 879	112 410	100 268	96 607
16 Total net cash outflow	81 395	65 442	76 249	72 513	63 573
17 LCR ratio (%) ⁽²⁾	143.6	157.7	148.1	138.9	153.8
Net stable funding ratio					
18 Total available stable funding	375 796	375 775	355 728	355 250	355 892
19 Total required stable funding	323 221	324 986	311 852	315 554	307 319
20 NSFR ratio	116.3	115.6	114.1	112.6	115.8

(1) Capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Bank Limited Group CET 1 ratio would be 49bps lower and total capital adequacy ratio would be 49bps lower at 31 December 2022.

(2) 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.

(3) 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 continue 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		31 December 2022	30 September 2022	31 December 2022	30 September 2022
1	Total consolidated assets as per published financial statements ⁽¹⁾	609 124	611 651	563 031	571 375
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 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	(1 888)	(1 745)	—	—
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	12 287	9 907	12 524	9 916
9	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	1 601	2 472	1 601	2 472
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	57 492	55 400	57 483	55 391
11	Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(1 843)	(1 864)	(1 808)	(1 826)
12	Other adjustments	(1 885)	(1 574)	(570)	(468)
13	Leverage ratio exposure measure	674 891	674 247	632 262	636 860

(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		
	Investec Limited Group		Investec Bank Limited Group		
	31 December 2022	30 September 2022	31 December 2022	30 September 2022	
On-balance sheet exposures					
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	548 830	548 364	507 504	511 459
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)	(1 656)	(1 598)	(1 656)	(1 598)
6	(Asset amounts deducted in determining Basel III Tier 1 capital)	(2 071)	(1 840)	(722)	(695)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	545 103	544 926	505 126	509 166
Derivative exposures					
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	9 472	10 942	9 472	10 942
9	Add-on amounts for potential future exposure (PFE) associated with all derivatives transactions	13 551	13 931	13 551	13 931
10	(Exempted CCP leg of client-cleared trade exposures)	(7 074)	(7 091)	(7 074)	(7 091)
11	Adjusted effective notional amount of written credit derivatives	4 715	5 871	4 715	5 871
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—	—	—
13	Total derivative exposures (sum of rows 8 to 12)	20 664	23 653	20 664	23 653
Securities financing transaction exposures					
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	50 028	47 796	47 386	46 178
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—	—	—
16	CCR exposure for SFT assets	1 601	2 472	1 601	2 472
17	Agent transaction exposures	—	—	—	—
18	Total securities financing transaction exposures (sum of rows 14 to 17)	51 629	50 268	48 987	48 650
Other off-balance sheet exposures					
19	Off-balance sheet exposure at gross notional amount	120 052	118 252	119 966	118 163
20	(Adjustments for conversion to credit equivalent amounts)	(62 560)	(62 852)	(62 482)	(62 772)
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)	57 492	55 400	57 484	55 391
Capital and total exposures					
23	Tier 1 capital	49 146	48 001	48 436	49 675
24	Total exposures (sum of rows 7, 13, 18 and 22)	674 888	674 247	632 261	636 860
Leverage ratio					
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	7.3	7.1	7.7	7.8
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	7.3	7.1	7.7	7.8
26	National minimum ratio requirements	4.0	4.0	4.0	4.0
27	Applicable leverage buffers	3.3	3.1	3.7	3.8

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
	31 December 2022		30 September 2022	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets (HQLAs)				
1 Total HQLAs		116 145		102 879
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	102 067	10 207	98 560	9 856
3 Stable deposits	—	—	—	—
4 Less stable deposits	102 067	10 207	98 560	9 856
5 Unsecured wholesale funding, of which:	125 070	91 961	130 478	96 235
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	—	—	—	—
7 Non-operational deposits (all counterparties)	124 275	91 166	128 486	94 243
8 Unsecured debt	795	795	1 992	1 992
9 Secured wholesale funding	—	535	—	340
10 Additional requirements, of which:	89 341	18 629	85 205	16 702
11 Outflows related to derivative exposures and other collateral requirements	20 942	11 305	17 586	9 595
12 Outflows related to loss of funding on debt products	—	—	—	—
13 Credit and liquidity facilities	68 399	7 324	67 619	7 107
14 Other contractual funding obligations	447	447	416	416
15 Other contingent funding obligations	112 012	8 223	112 148	6 425
16 Total cash outflows		130 002		129 974
Cash inflows				
17 Secured lending	42 582	16 590	36 146	17 361
18 Inflows from fully performing exposures	34 316	26 889	49 059	42 054
19 Other cash inflows	4 642	5 127	4 895	5 117
20 Total cash inflow	81 540	48 606	90 100	64 532
	Total adjusted value		Total adjusted value	
21 Total HQLAs		116 145		102 879
22 Total net cash outflows		81 395		65 442
23 Liquidity coverage ratio (%)⁽¹⁾		143.6		157.7

(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 90 calendar daily values over the period 1 October 2022 to 31 December 2022.

The PA is of the view that the LCR COVID-19 relief measure is no longer necessary and the minimum LCR requirement was revised to 100% from 1 April 2022.

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 3% 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	31 December 2022	30 September 2022	30 June 2022	31 March 2022	31 December 2021
1 RWA as at end of previous reporting period⁽¹⁾	150 358	145 979	147 867	147 040	148 373
2 Asset size	(634)	1 342	(1 522)	(3 562)	(1 929)
3 Asset quality	2 525	3 094	(677)	(760)	(448)
4 Model updates	1 113	—	—	—	—
5 Methodology and policy	21	(8)	22	—	—
6 Acquisitions and disposals	(159)	85	260	5 585	799
7 Foreign exchange movements	(481)	543	1 106	(1 172)	754
8 Other ⁽²⁾	325	(677)	(1 077)	736	(509)
9 RWA as at end of reporting period	153 068	150 358	145 979	147 867	147 040

(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 as changes in RWAs due to changes in LGD percentages or maturity factor changes.

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 31 December 2022. The 10-day figures were obtained by multiplying the one-day figures by SQRT(10).

R'million	a	a
	31 December 2022	30 September 2022
VaR (10-day 99%)		
1 Maximum value	75	55
2 Average value	50	43
3 Minimum value	32	30
4 Period end	56	43
Stressed VaR (10-day 99%)		
5 Maximum value	159	152
6 Average value	97	98
7 Minimum value	56	50
8 Period end	101	104

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

