



HBZ Bank Limited

(A subsidiary of Habib Bank AG Zurich)

South Africa

Quarterly Public Disclosure September 2024

in terms of Banks Act, Regulation 43

HBZ Bank Limited

1 BASIS OF COMPILATION

The following information is compiled in terms of Regulation 43 relating to banks, issued under Section 90 of the Banks Act, No 94 of 1990 (as amended) ("the Regulations"), which incorporates the Basel Pillar III requirements on market discipline.

All disclosures presented below are consistent with those disclosed in accordance with IFRS Accounting Standards (IFRS Accounting Standards), unless otherwise stated. In the main, differences between IFRS and information disclosed in terms of the Regulations relate to the definition of capital and the calculation and measurement thereof.

These disclosures have been prepared in compliance with HBZ Bank Limited's (the 'Bank') disclosure policy.

2 SCOPE OF REPORTING

This report covers the Quarterly results of the Bank as at 30 September 2024.

The Bank is a registered bank that specialises in commercial banking and trade finance and is a wholly owned subsidiary of Habib Bank AG Zurich, which is incorporated in Switzerland. HBZ Bank Limited does not have any subsidiaries or a bank-controlling company in South Africa.

3 KEY PRUDENTIAL INFORMATION

3.1 Overview of risk management, key prudential metrics

The Bank's key prudential metrics relating to regulatory capital, leverage ratio, liquidity ratios and risk weighted assets as at 30 September 2024 are disclosed below.

	AVAILABLE CAPITAL (AMOUNTS) R'000	30 Sep 24	30 Jun 24	31 Mar 24	31 Dec 23	30 Sep 23
1	Common Equity Tier 1 (CET1)	593 096	593 077	593 057	593 031	592 996
1a	Fully loaded ECL accounting model	593 096	593 077	593 057	593 031	592 996
2	Tier 1	593 096	593 077	593 057	593 031	592 996
2a	Fully loaded accounting model Tier 1	593 096	593 077	593 057	593 031	592 996
3	Total capital	605 571	604 638	606 812	609 732	600 019
3a	Fully loaded ECL accounting model total capital	605 571	604 638	606 812	609 732	600 019
	RISK-WEIGHTED ASSETS (AMOUNTS) R'000					
4	Total risk-weighted assets (RWA)	3 465 261	3 314 403	3 142 620	3 207 659	3 220 194
4a	Total risk-weighted assets (pre-floor)	3 465 261	3 314 403	3 142 620	3 207 659	3 220 194
	RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA					
5	CET1 ratio (%)	17,12%	17,89%	18,87%	18,49%	18,41%
5a	Fully loaded ECL accounting model CET1 (%)	17,12%	17,89%	18,87%	18,49%	18,41%
5b	CET1 ratio (%) (pre-floor)	17,12%	17,89%	18,87%	18,49%	18,41%
6	Tier 1 ratio (%)	17,12%	17,89%	18,87%	18,49%	18,41%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17,12%	17,89%	18,87%	18,49%	18,41%
6b	Tier 1 ratio (%) (pre-floor)	17,12%	17,89%	18,87%	18,49%	18,41%
7	Total capital ratio (%)	17,48%	18,24%	19,31%	19,01%	18,63%
7a	Fully loaded ECL accounting model total capital ratio (%)	17,48%	18,24%	19,31%	19,01%	18,63%
7b	Total capital ratio (%) (pre-floor)	17,48%	18,24%	19,31%	19,01%	18,63%

3.1 Overview of risk management, key prudential metrics (continued)

	AVAILABLE CAPITAL (AMOUNTS) R'000	30 Sep 24	30 Jun 24	31 Mar 24	31 Dec 23	30 Sep 23
ADDITIONAL CET1 BUFFER REQUIREMENTS AS A PERCENTAGE OF RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2,50%	2,50%	2,50%	2,50%	2,50%
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank G-Sib and/orD-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row8 + row 9 + row 10)	2,50%	2,50%	2,50%	2,50%	2,50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	12,62%	13,39%	14,37%	13,99%	13,91%
BASEL III LEVERAGE RATIO						
13	Total Basel III leverage ratio measure	9 307 932	9 171 630	9 160 297	8 785 193	8 595 769
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	6%	6%	6%	7%	7%
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	6%	6%	6%	7%	7%
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	7%	7%	7%	7%	7%
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	7%	7%	7%	7%	7%
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	7%	7%	7%	7%	7%
LIQUIDITY COVERAGE RATIO						
15	Total High Quality Liquid Assets (HQLA)	5 437 858	5 400 082	5 455 053	4 552 469	4 813 321
16	Total net cash outflow	586 000	859 650	643 662	470 743	537 040
17	LCR ratio (%)	928%	628%	848%	967%	896%
NET STABLE FUNDING RATIO						
18	Total available stable funding	5 950 205	5 895 355	6 063 222	5 995 651	5 723 671
19	Total required stable funding	2 153 588	1 998 882	2 022 514	1 989 044	1 964 008
20	NSFR ratio (%)	276%	295%	300%	301%	291%

The Bank did not apply a transitional arrangement for expected credit losses and thus the fully loaded ECL accounting model will not differ from regulatory capital.

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3.2 Overview of Risk Management Approach and Risk Weighted Assets (RWA)

An effective and robust Risk and Control Framework is a prerequisite to the success and stability of a bank. The Bank recognises that effective risk management is fundamental to the ability of the business to generate sustainable profits, safeguard its reputation, create a competitive edge and achieve an optimal risk-reward profile.

The risk philosophy of the Bank is to keep risks to a minimum through a clear policy of broad diversification in terms of geography and product mix, and by spreading the Bank's credit and trade financing activities over a wide range of customers, with the emphasis on secured, short-term, self-liquidating lending.

Risk Assessment

The Board of Directors review the relevant risk areas on an annual basis. The risk assessment is based on exposure data and risk analysis, which are provided by the risk department of the Bank. This covers liquidity risk, market risk, credit risk, concentration risk, operational risk and other risk types as are relevant. For its risk assessment the Board takes into consideration mitigating factors such as the effectiveness of the system of internal controls.

Stress testing is conducted for any material risks facing the bank (i.e. credit, liquidity, profitability, solvency risks). Stress tests of these material risks are tied to the assets in the portfolio, as well as to prevailing economic and market conditions and probe for portfolio-specific weaknesses. The frequency of stress testing is conducted at least quarterly. However, a sudden change in the economic outlook may prompt the Bank to revise the parameters of some stress tests, or if the Bank has become exposed to a particular risk area, it may be necessary to carry out more stress tests.

For a more detailed overview of Risk Management, please refer to the Risk Management section included in the annual financial statements available at www.hbzbank.co.za

The following table provides an overview of the risk weighted asset requirements at the respective reporting date.

Overview of RWA

		RWA		MINIMUM CAPITAL REQUIREMENTS
		Sep 24 R'000	Jun 24 R'000	Sep 24 R'000
1	Credit risk (excluding counterparty credit risk)	2 490 483	2 405 717	292 632
2	Of which: standardised approach (SA)	2 490 483	2 405 717	292 632
3	Of which: foundation internal-ratings based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal-ratings based (A-IRB) approach	-	-	-
6	Counterparty credit risk (CCR)	45 430	9 281	5 338
7	Of which: standardised approach for counterparty credit risk	45 430	9 281	5 338
8	Of which: IMM	-	-	-
9	Of which: other CCR	-	-	-
10	Credit Valuation Adjustment (CVA)	24 356	4 479	2 862
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase -in period	-	-	-
12	Equity investments in funds - look through approach	-	-	-
13	Equity investments in funds - mandate based approach	-	-	-
14	Equity investments in funds - full back approach	-	-	-
15	Settlement risk	-	-	-

3.2 Overview of Risk Management Approach and Risk Weighted Assets (RWA) (continued)

Overview of RWA (continued)

		RWA		MINIMUM CAPITAL REQUIREMENTS
		Sep 24	Jun 24	Sep 24
		R'000	R'000	R'000
16	Securitisation exposures in the banking book	-	-	-
17	Of which: securitisation IRB approach (SEC-IRBA)	-	-	-
18	Of which: securitisation external- ratings based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	10 429	5 640	1 225
21	Of which: standardised approach (SA)	10 429	5 640	1 225
22	Of which: internal model approach (IMA)	-	-	-
23	Capital Charge for switch between trading book and banking book	-	-	-
24	Operational risk	769 224	769 224	90 384
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	125 339	120 062	14 727
26	Output Floor applied			
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	3 465 261	3 314 403	407 168

4 LIQUIDITY RISK

Liquidity risk results from being unable to meet commitments, repayments and withdrawals timeously and cost effectively.

The Bank controls liquidity at source, ensuring a wide deposit base, simplifying the product range and centralising the Treasury function. The Bank directly matches all major deposits with inter-bank placements and keeps a large proportion of the funds short-term to buffer against unexpected cash flow requirements. This is enhanced through an Asset and Liability Committee (ALCO) and an Assets and Liabilities Management (ALM) process which addresses liquidity risk pro-actively. The focused range of products offered by the Bank facilitates the management of this risk. There is an effective computerized system in place to monitor the Bank's liquidity on a daily basis.

The liquidity management process includes a Contingency Funding Plan and Recovery Plan which takes into account various stress test scenarios and funding sources.

Stress testing is conducted for any material risks facing the bank (i.e. credit, liquidity, profitability, solvency risks). Stress tests of these material risks are tied to the assets in the portfolio, as well as to prevailing economic and market conditions and probe for portfolio-specific weaknesses. The frequency of stress testing is conducted at least quarterly. However, a sudden change in the economic outlook may prompt the Bank to revise the parameters of some stress tests, or if the Bank has become exposed to a particular risk area, it may be necessary to carry out more stress tests.

The Bank complies with Basel III principles relating to liquidity risk management, specifically the liquidity coverage ratio and the net stable funding ratio. As with interest rate risk the focused range of products offered by the Bank facilitates the management of liquidity risk.

In terms of Regulation 43(1)(e)(iii)(F) of the Regulations relating to Banks, minimum disclosure on the Liquidity Coverage Ratio of the Bank is required on a quarterly basis. This announcement meets the on-going reporting requirement for quarterly disclosure in terms of Pillar 3 of the Basel III capital accord.

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4.1 Liquidity Coverage Ratio

	TOTAL UNWEIGHTED VALUE R'000	TOTAL WEIGHTED VALUE R'000
HIGH-QUALITY LIQUID ASSETS		
1 Total HQLA	5 437 858	5 437 858
CASH OUTFLOWS		
2 Retail deposits and deposits from small business customers, of which:	1 847 677	184 768
3 Stable deposits	-	-
4 Less stable deposits	1 847 677	184 768
5 Unsecured wholesale funding, of which:	4 493 228	1 438 511
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7 Non-operational deposits (all counterparties)	4 493 228	1 438 511
8 Unsecured debt	-	-
9 Secured wholesale funding	-	-
10 Additional requirements, of which:	580 551	42 060
11 Outflows related to derivative exposures and other collateral requirements	-	-
12 Outflows related to loss of funding on debt products	-	-
13 Credit and liquidity facilities	580 551	42 060
14 Other contractual funding obligations	-	-
15 Other contingent funding obligations	-	-
16 TOTAL CASH OUTFLOWS	6 921 456	1 665 339
CASH INFLOWS		
17 Secured lending (e.g. reverse repos)	-	-
18 Inflows from fully performing exposures	1 447 283	1 079 339
19 Other cash inflows	-	-
20 TOTAL CASH INFLOWS	1 447 283	1 079 339
		TOTAL ADJUSTED VALUE
21 Total HQLA		5 437 858
22 Total net cash outflows		586 000
23 Liquidity Coverage Ratio (%)		928%

4.2 Net Stable Funding Ratio (NSFR)

SEPTEMBER 2024		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
AVAILABLE STABLE FUNDING (ASF) ITEM (R'000)						
1	Capital:	593 138	-	-	-	593 138
2	Regulatory capital	593 138	-	-	-	593 138
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	3 218 006	-	-	2 896 205
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	3 218 006	-	-	2 896 205
7	Wholesale funding:	-	4 040 009	814 892	-	2 427 451
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	4 040 009	814 892	-	2 427 451
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	380 932	-	29 520	33 411
12	NSFR derivative liabilities	-	-	-	29 520	-
13	All other liabilities and equity not included in the above categories	-	380 932	-	-	33 411
14	Total ASF	593 138	7 638 947	814 892	29 520	5 950 205
REQUIRED STABLE FUNDING (RSF) ITEM						
15	Total NSFR high-quality liquid assets (HQLA)	-	601 414	-	-	9 626
16	Deposits held at other financial institutions for operational purposes	-	909 016	25 000	-	153 228
17	Performing loans and securities:	-	3 577 029	894 540	1 748 807	792 560
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	2 688 827	712 651	1 748 807	257 514
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	888 202	181 889	-	535 046
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of greater than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	1 146 767	974 752
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-

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4.2 Net Stable Funding Ratio (NSFR) (continued)

SEPTEMBER 2024		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
26	Other assets:	-	33 662	-	207 084	194 395
27	Other short-term unsecured instruments and transactions with a residual maturity of less than one year	-	33 662	-	-	16 831
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	NSFR derivative assets	-	-	-	30 834	1 314
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	176 250	176 250
32	Off-balance sheet items	-	-	-	581 555	29 027
33	Total RSF					2 153 588
34	Net Stable Funding Ratio (%)					276%

JUNE 2024		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
AVAILABLE STABLE FUNDING (ASF) ITEM (R'000)						
1	Capital:	593 138	-	-	-	593 138
2	Regulatory capital	593 138	-	-	-	593 138
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	3 236 846	-	-	2 913 161
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	3 236 846	-	-	2 913 161
7	Wholesale funding:	-	4 149 758	628 354	-	2 389 056
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	4 149 758	628 354	-	2 389 056
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	345 517	-	8 360	-
12	NSFR derivative liabilities	-	-	-	8 360	-
13	All other liabilities and equity not included in the above categories	-	345 517	-	-	-
14	Total ASF	593 138	7 732 121	628 354	8 360	5 895 355

4.2 Net Stable Funding Ratio (NSFR) (continued)

JUNE 2024

		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
REQUIRED STABLE FUNDING (RSF) ITEM						
15	Total NSFR high-quality liquid assets (HQLA)	-	837 631	-	-	9 351
16	Deposits held at other financial institutions for operational purposes	-	591 788	210 100	-	198 221
17	Performing loans and securities:	-	4 894 115	681 949	778 322	930 002
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	3 865 210	350 228	778 322	249 688
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1 028 905	331 721	-	680 314
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of greater than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	748 173	635 947
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	-	29 905	-	189 990	196 583
27	Other short-term unsecured instruments and transactions with a residual maturity of less than one year	-	29 905	-	-	14 953
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	NSFR derivative assets	-	-	-	9 507	1 147
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	180 483	180 483
32	Off-balance sheet items	-	-	-	575 672	28 778
33	Total RSF					1 998 882
34	Net Stable Funding Ratio (%)					295%

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5 CREDIT VALUE ADJUSTMENT (CVA) DISCLOSURE

Risk Management objectives and policies

The Bank has policies in place to detail its processes relating to risk management. The goal is to maximise the Bank's risk-adjusted return by maintaining risk exposures within acceptable parameters.

Major objectives of credit risk management are to put in place sound credit approval processes for informed risk-taking and procedures for effective risk identification, monitoring and measurement.

Derivative financial instruments

Derivatives are classified as financial assets when their fair value is positive, or as financial liabilities when their fair value is negative.

Measurement

There are two bases of measurement, namely amortised cost and fair value.

- Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual terms of the instrument.
- Amortised cost and effective interest rate
The amortised cost of a financial instrument is the amount at which the financial instrument is measured on initial recognition.

Collateral

The Bank may require collateral in respect of the credit risk present in derivative transactions. The amount of credit risk is principally the positive fair value of the contract. Collateral may be in the form of cash or in the form of a lien over a client's assets, entitling the Bank to make a claim for current and future liabilities.

Commitments under derivative instruments

The Bank enters into forward exchange contracts in the normal course of business.

Management of interest rate risk

Derivative financial instruments are modelled and reported based on their contractual repricing or maturity characteristics.

Management of market risk

Market risk is governed by board-approved policies that cover management, identification, measurement and monitoring.

Market risk limits, including value at risk and stress trigger limits, are approved at board level and reviewed periodically, but at least annually.

Management/Governance Structures

The Bank has governance structures in place that support risk-based decision making and oversight. The Board has delegated the oversight of risk management to its Board Committees (Capital Adequacy & Risk Committee and Audit Committee).

Management governance structures are in place (Executive committee and Risk management committee) reporting to the Board Committees on a quarterly basis. The lines of responsibilities are clearly defined and supported by the combined assurance model that defines the roles, responsibilities and accountability for the combined assurance process.

Standardized Approach to CVA

The Bank only executes the plain vanilla FX Forward transactions with the market counterparties for the purpose of covering the open exposure against client deals and to manage the excess liquidity. Considering the nature of transactions, the Bank has chosen the prescribed Standardized Approach to calculate the capital charge against CVA.

Calculation Criteria for SA-CVA

- Over the counter (OTC) Derivatives are executed under the International Swaps and Derivatives Association (ISDA) Agreement with the counterparties
- There is no margin call below the agreed minimum transfer amount (MTA) as per Credit Approved Annexure (CSA) being part of ISDA Agreement with counterparties
- No Collateral to be held below the agreed MTA
- No netting agreement is in place with the counterparties
- No Contracts are executed more than 1 year of maturity
- The Bank does not hedge the risk due to low materiality of exposure and higher hedging cost

5.1 RWA flow statements of CVA risk exposures under SA-CVA

	R'000
1 Total RWA for CVA at previous quarter-end	4 479
2 Total RWA for CVA at end of reporting period	24 356

6 LEVERAGE RATIO

In terms of Regulation 43(1)(e)(iii)(G), the Bank is required to provide a summarised comparison of the accounting assets and the regulatory leverage ratio differences, as well as the Leverage Ratio positions of the Bank, as at 30 September 2024. The leverage ratios are reported to the Prudential Authority as part of the Bank's monthly submissions. These are set out below:

6.1 Summarised comparison of accounting assets and leverage ratio exposure measure

	30 Sep 24 R'000	30 Jun 24 R'000
1 Total consolidated assets as per published financial statements	9 724 874	9 537 645
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	-	-
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7 Adjustments for eligible cash pooling transactions	-	-
8 Adjustments for derivative financial instruments	(30 834)	(9 507)
9 Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	-	-
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	(377 609)	(321 353)
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12 Other adjustments	(8 499)	(32 155)
13 Leverage ratio exposure measure	9 307 932	9 171 630

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6.2 Leverage ratio

	30 Sep 24	30 Jun 24	
	R'000	R'000	
ON-BALANCE SHEET EXPOSURES			
1	On-balance sheet exposures(excluding derivatives and securities financing transactions (SFTs), but including collateral)	9 112 485	8 952 466
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts Deducted in determining Tier 1 capital and regulatory adjustments)	(49 890)	(46 878)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	9 062 595	8 905 588
DERIVATIVE EXPOSURES			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	29 349	2 027
9	Add-on amounts for potential future exposure associated with all derivatives transactions	12 042	9 696
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of rows 8 to 12)	41 391	11 723
SECURITIES FINANCING TRANSACTION EXPOSURES			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
OTHER OFF-BALANCE SHEET EXPOSURES			
19	Off-balance sheet exposure at gross notional amount	581 555	575 672
20	(Adjustments for conversion to credit equivalent amounts)	(377 609)	(321 353)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	203 946	254 319

6.2 Leverage ratio (continued)

		30 Sep 24	30 Jun 24
		R'000	R'000
CAPITAL AND TOTAL EXPOSURES			
23	Tier 1 capital	593 096	593 077
24	Total exposures (sum of rows 7, 13, 18 and 22)	9 307 932	9 171 630
LEVERAGE RATIO			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	6%	6%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6%	6%
26	National minimum leverage ratio requirement	4%	4%
27	Applicable leverage buffers	-	-
DISCLOSURE OF MEAN VALUES			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-	-
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-	-
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6%	6%
31a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6%	6%