PILLAR 3 DISCLOSURE
MARCH 2022

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1. Introduction

The purpose of this document is to disclose both qualitative and quantitative information regarding the Bank's capital adequacy position, risk profile and risk management practices in terms of the Basel III requirements under Regulation 43 of the regulations relating to banks.

In terms of Regulation 43(1) (e) (iii) of regulations relating to banks, minimum disclosure on capital adequacy of the bank is required on a quarterly basis. This announcement meets the on-going report requirement for quarterly disclosure in terms of Pillar 3 of the Basel III capital accord.

The Pillar 3 report is produced and published quarterly. This report is verified and approved internally in line with the Bank's disclosure policy.

The Pillar 3 report has not been audited by the Bank's external auditors.

Business Profile

Access Bank (South Africa) Limited (The Bank) began in 1947 and is focused on developing and delivering banking services to corporates, medium-sized businesses and individuals, driven by a unique combination of retail, corporate, business and alliance banking.

Business and Commercial Banking is focused on the cornerstones of business banking (transactional banking, lending and deposit services) and targets the small and medium sized business customer. To facilitate international business transactions Business and Commercial banking is fully integrated with the Treasury and Global Transactional Services ("GTS") business (see below). Access Bank South Africa also offers risk and investment solutions from leading providers in the industry which includes short and long term insurance as well as investment management services. These solutions are delivered through three business suites situated in key business centres across South Africa.

The Bank's GTS business is focused on providing professional and personalised foreign exchange (import and export) services to the small and medium sized business customer. GTS's range of products include spot and forward contracts, foreign currency accounts, letters of credit, collection of foreign currency, cross border payments and exchange control applications.

Corporate Banking provides innovative financial solutions to their customers which include working capital facilities, long-term debt solutions, trade finance solutions and currency hedging solutions.

The Bank provides financing to importers and exporters of goods through letters of credit and other bespoke trade solutions.

Retail Banking is a new segment of the bank launched in later part of 2021 to provide transactional products to individuals and micro enterprises. The initial focus is on transactional banking and deposits, but loan financing will be introduced in 2022. Three retail branches were opened (two in Gauteng and one in Cape Town) and one mobile banking unit was launched.

Restrictions on transfer of funds or regulatory capital

There are currently no restrictions or other major impediments on the transfer of funds or capital within the Bank.

2. Capital Management

The Bank is subject to minimum capital requirements as defined in the Banks Act and Regulations pertaining to Banks.

The Risk Management Committee considers the various risks faced by the Bank and analyses the need to hold capital against these risks whilst taking account of the regulatory requirements. In addition, the level of capital required to support the Bank's targeted business growth is taken into consideration.

The objective of the Bank's capital management approach is to ensure the maintenance of sound capital ratios, taking all the above requirements into account, whilst producing appropriate returns to shareholders. The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the banking industry in which the Bank operates;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The capital of the Bank consists of Tier 1 capital and Tier 2 in the form of IFRS general provision. Capital adequacy and the use of regulatory capital are monitored by ALCCO, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the South African Reserve Bank (SARB), for supervisory purposes. The required information is filed with the SARB on a monthly basis.

The Bank maintains a ratio of total regulatory capital to its risk-weighted assets above a minimum level agreed with the SARB which takes into account the risk profile of the Bank.

The Bank met the minimum required capital adequacy ratio requirement as at the 30 September 2021 with a total capital adequacy of 34.76% and a Tier 1 capital adequacy of 27.16%, exceeding minimum regulatory requirements.

The regulatory capital requirements are strictly observed when managing economic capital. The Bank's regulatory capital comprises two tiers:

- Tier 1 capital: share capital and share premium, less accumulated losses. The book value of intangible assets is deducted in arriving at Tier 1 capital; and
- Tier 2 capital: IFRS 9 general provisions and capital qualifying debt instruments

Regulatory Capital and Risk weighted assets – Table 2.1	R'000
	31-Mar-22
Ordinary Share Capital	1,909,971
Share Premium	-308,650
Revaluation Reserves	-2,821
Total common equity tier 1 capital and unimpaired reserve funds	**1,598,500**
Retained Earnings/(Loss)	(943,057)
Regulatory deductions against common equity tier 1 capital	(88,047)
Total common equity tier 1 capital after regulatory adjustments	**567,395**
Tier 2 capital	
Portfolio impairment	12,233
Long-term debt instrument (Debentures)	**183,161**
Regulatory deductions against Tier 2 capital	(36,632)
Total qualifying capital and reserve funds	**726,156**
Risk Weighted Assets	**2,088,883**
Total Capital adequacy ratio	34.7629%
Tier 1 Capital adequacy ratio	27.1626%

Required capital adequacy ratios and amounts - Table 2.2	31-Mar-22	
	Percentages	Rand amounts (R'000)
	Common Equity Tier 1	Common Equity Tier 1
Base minimum (2)	4.5000%	**94,000**
Add-on: systemic risk add-on (Pillar 2A)	0.5000%	**10,444**
Add-on: countercyclical buffer (5)	0.0000%	-
Add-on: conservation buffer (6)	2.5000%	**52,222**
	7.5000%	**156,666**

Composition of risk weighted assets and required regulatory capital- Table 2.3	Composition of Risk Weighted Assets	Base Minimum Required Regulatory Capital
31-Mar-22	**R'000**	**R'000**
Risk weighted exposure		
Credit Risk *	1,527,328	137,460
Counter party risk****	49,655	4,469
Operational Risk **	276,017	24,842
Market Risk ***	7,124	641
Other Assets	228,743	20,587
Equity Risk	15	1
Total	**2,088,883**	**187,999**

** RWA and required regulatory capital in terms of **credit risk** are measured using the standardised approach.*

*** RWA and required regulatory capital in terms of **operational risk** are measured using the standardised approach.*

**** RWA and required regulatory capital in terms of **market risk** are measured using the standardised approach.*

***** RWA and required regulatory capital in terms of **counterparty risk** are measured using the current exposure method under the standardised approach.*

Capital Structure

The Bank has one class of ordinary shares which carry no right to fixed income. The unissued shares are under the control of the directors subject to notification to and specific approval by Access Bank, until the next Annual General Meeting.

Capital Structure – Table 2.4	Mar-22
	R'000
Authorised	
1 000 000 000 ordinary shares of R1 each (par value)	1,000,000
Issued	
Ordinary Share Capital	1,909,971
Share Premium	
Share Premium	(308,650)
Term-debt instruments	
Debentures	146,528

OVERVIEW OF RISK WEIGHTED ASSETS (OV1) DISCLOSURE TEMPLATE

ANNEXURE A

Name of bank/ controlling company .... ACCESS BANK (SOUTH AFRICA) LIMITED

Period ended 2022-03-31

		T	T - 90	T - 180	T - 270	T - 360	f
		a	b	c	d	e	
		RWA					Minimum capital requirements = 8%
		Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Mar-22
1	**Credit risk (excluding counterparty credit risk)**	**1,756,086**	**1,752,929**	**1,711,162**	**1,695,785**	**1,806,600**	**140,487**
2	Of which: standardised approach (SA)	1,756,086	1,752,929	1,711,162	1,695,785	1,806,600	140,487
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)**	**49,655**	**151,237**	**101,095**	**34,474**	**53,064**	**3,972**
7	Of which: standardised approach for counterparty credit risk	49,655	151,237	101,095	34,474	53,064	3,972
8	Of which: Internal Model Method (IMM)						
9	Of which: other CCR						
10	Credit valuation adjustment (CVA)						
11	Equity positions under the simple risk weight approach						
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**	**0**	**0**	**0**	**0**	**0**	**0**
17	Of which: securitisation internal ratings-based 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**	**7,124**	**18,537**	**11,440**	**7,611**	**3,494**	**570**
21	Of which: standardised approach (SA)	7,124	18,537	11,440	7,611	3,494	570
22	Of which: internal model approaches (IMA)						
23	Capital charge for switch between trading book and banking book						
24	**Operational risk**	**276,017**	**276,017**	**259,568**	**259,568**	**254,483**	**22,081**
25	Amounts below the thresholds for deduction (subject to 250% risk weight)						
26	Floor adjustment						
27	**Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)**	**2,088,883**	**2,198,721**	**2,083,265**	**1,997,438**	**2,117,642**	**167,111**

KEY METRICS DISCLOSURE TEMPLATE
ANNEXURE A - KM1
Name of bank/ controlling company ......ACCESS BANK (SOUTH AFRICA) LIMITED
Period ended 2022-03-31

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
	Available capital (amounts)	**Mar-22**	**Dec-21**	**Sep-21**	**Jun-21**	**Mar-21**
1	**Common Equity Tier 1 (CET1)**	567,395	269,551	340,011	385,270	61,312
1a	Fully loaded ECL accounting model					
2	**Tier 1**	567,395	269,551	340,011	385,270	61,312
2a	Fully loaded ECL accounting model Tier 1					
3	**Total capital**	**726,156**	**427,312**	**495,767**	**582,969**	**74,924**
3a	Fully loaded ECL accounting model total capital					
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	2,088,883	2,198,721	2,083,265	1,997,438	2,117,642
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	27.16%	12.26%	16.32%	19.29%	2.90%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)					
6	Tier 1 ratio (%)	27.16%	12.26%	16.32%	19.29%	2.90%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)					
7	**Total capital ratio (%)**	34.76%	19.43%	23.80%	29.19%	3.54%
7a	Fully loaded ECL accounting model total capital ratio (%)					
	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 (%)	0%	0%	0%	0%	0%
10	Bank G-SIB and/or D-SIB additional requirements (%)					
11	**Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)**	**2.50%**	**2.50%**	**2.50%**	**2.50%**	**2.50%**
12	CET1 available after meeting the bank's minimum capital requirements (%)	19.66%	5.26%	9.32%	12.29%	0.00%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	4,383,928	4,678,834	3,228,374	3,148,217	3,054,003
14	Basel III leverage ratio (%) (row 2 / row 13)	12.94%	5.76%	10.53%	12.24%	2.01%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)					
	Liquidity Coverage Ratio					
15	Total HQLA	1,718,332	1,038,149	477,785	400,547	225,644
16	Total net cash outflow	150,187	130,163	140,282	150,317	140,073
17	LCR ratio (%)	1144.13%	797.58%	340.59%	266.47%	161.09%
	Net Stable Funding Ratio					
18	Total available stable funding	3,600,504	3,601,478	3,103,280	3,094,005	2,493,400
19	Total required stable funding	2,736,899	2,585,151	2,463,551	2,447,174	2,500,524
20	NSFR ratio	131.55%	139.31%	125.97%	126.43%	99.72%

* **LCR UNWEIGHTED VALUE BASED ON 90DAYS AVERAGE**

- Minimum Regulatory requirement for Liquidity Coverage ratio = 80.00% (COVID)
- Minimum Regulatory requirement for Leverage ratio = 4.00%
- Minimum Regulatory requirement for Net stable funding ratio = 100.00%

LEVERAGE RATIO DISCLOSURE TEMPLATE
ANNEXURE A
Name of bank/ controlling company ....ACCESS BANK (SOUTH AFRICA) LIMITED
Period ended 2022-03-31

Annexure A - LR1

Table 1

Summary comparison of accounting assets vs leverage ratio exposure measure		Mar-22	Dec-21
	Item	R'000	R'000
1	Total consolidated assets as per published financial statements	4,353,800	4,574,930
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	40,052	95,513
5	Adjustment for securities financing transactions (ie repos and similar secured lending)		
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off- balance sheet exposures)	72,335	92,382
7	Other adjustments	(82,258)	(83,991)
8	**Leverage ratio exposure**	**4,383,928**	**4,678,834**

Table 2

	Leverage ratio common disclosure template - LR2	Leverage ratio framework	
		Mar-22	Dec-21
	Item	R'000	R'000
	On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	4,344,131	4,520,196
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-82,258	-83,991
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**4,261,872**	**4,436,205**
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	9,673	55,931
5	Add-on amounts for PFE associated with all derivatives transactions	40,048	94,316
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting		
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		
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
11	**Total derivative exposures (sum of lines 4 to 10)**	**49,721**	**150,247**
	Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions		
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
14	CCR exposure for SFT assets		
15	Agent transaction exposures		
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**-**	**-**
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	232,289	251,083
18	(Adjustments for conversion to credit equivalent amounts)	-159,954	-158,701
19	**Off-balance sheet items (sum of lines 17 and 18)**	**72,335**	**92,382**
	Capital and total exposures		
20	**Tier 1 capital**	**567,395**	**269,551**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**4,383,928**	**4,678,834**
	Leverage ratio		
22	**Basel III leverage ratio**	**12.94%**	**5.76%**

*** Minimum Regulatory requirement for Leverage ratio = 4.00%**

3. Liquidity risk

The purpose of this document is to disclose both qualitative and quantitative information regarding the Bank's Liquidity position, in specific the Liquidity Coverage Ratio in terms of the Basel III requirements under Regulation 43 of the regulations relating to banks.

In terms of Regulation 43(1)(e)(iii)(F) of 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 report requirement for quarterly disclosure in terms of Pillar 3 of the Basel III capital accord.

The Pillar 3 report is produced and published quarterly. This report is verified and approved internally in line with the Bank's disclosure policy.
The Pillar 3 report has not been audited by the Bank's external auditors.

Liquidity risk is defined as the risk of not being able to generate sufficient cash to meet the Bank's commitment to lenders, depositors and other creditors at any point in time. The management of liquidity is primarily designed to ensure that depositors' funding requirements can be met and that the Bank has sufficient funding in place to ensure payment of daily transactions.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Bank's short-, medium- and long-term funding and liquidity management requirements. The Bank manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Liquidity risk management is essentially inseparable from the core banking activities of advances growth and profitability management. Liquidity risk management form an integral part of proactive asset and liability management, which is managed by the Bank's Asset, Liability and Capital Committee (ALCCO).

Stress scenarios and testing have been undertaken thereby allowing the Bank to identify and be prepared for such eventualities. These scenarios have ensured that the Bank is well prepared to manage any liquidity risks that may occur.

The Liquidity Ratios, i.e. Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), introduced by Basel III are monitored and managed by the Bank's Asset, Liability and Capital Committee (ALCCO). The Liquidity Coverage Ratio has been fully implemented from 01 January 2015 and the minimum requirement is set at 80% for June 2021 under the COVID pandemic for the LCR .

Liquidity Coverage Ratio – Table 2.1

	R'000 31-Mar-22
High Quality Liquid Assets	1,609,694
Net Cash Outflows	173,450
Minimum Required Liquidity Coverage Ratio	100%
Actual Liquidity Coverage Ratio	**928.04%**

LIQUIDITY COVERAGE RATIO (LCR) DISCLOSURE TEMPLATE
ANNEXURE A - LIQ1
Name of bank/ controlling company .... ACCESS BANK (SOUTH AFRICA) LIMITED
Period ended 2022-03-31

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA	1,718,332	1,718,332
Cash outflows			
2	**Retail deposits and deposits from small business customers, of which:**		
3	Stable deposits		
4	Less stable deposits	679,423	67,942
5	**Unsecured wholesale funding, of which:**		
6	networks of cooperative banks		
7	Non-operational deposits (all counter-parties)	737,817	468,198
8	Unsecured debt		
9	**Secured wholesale funding**		
10	**Additional requirements, of which:**		
11	requirements	39,708	39,708
12	Outflows related to loss of funding on debt products		
13	Credit and liquidity facilities	234,933	21,544
14	**Other contractual funding obligations**	-	-
15	**Other contingent funding obligations**	67,129	3,356
16	**TOTAL CASH OUTFLOWS**	**1,759,010**	**600,749**
17	Secured lending (eg. reverse repos)		
18	Inflows from fully performing exposures	826,304	802,078
19	Other cash inflows	11,089	11,089
20	**TOTAL CASH INFLOWS**	**837,393**	**813,167**
			Total adjusted value
21	**Total HQLA**		1,718,332
22	**Total net cash outflows**		150,187
23	**Liquidity Coverage Ratio (%)**		**1144.13%**

*** Minimum Regulatory requirement for Liquidity Coverage ratio = 90.00% (COVID)**

***LCR UNWEIGHTED VALUE BASED ON 90DAYS AVERAGE BEFORE RUN-OFF FACTOR**

NET STABLE FUNDING RATIO (NSFR) DISCLOSURE TEMPLATE
ANNEXURE B - LIQ2
Name of bank/ controlling company .... ACCESS BANK (SOUTH AFRICA) LIMITED
Period ended 2022-03-31

	(In currency amount)	Unweighted value by residential maturity			Weighted value
		< 6 months	≥ 6 months to < 1 year	≥1 year	
	Available stable funding (ASF) item				
1	**Capital:**				
2	Regulatory capital			1,793,893	1,793,893
3	Other capital instruments				
4	**Retail deposits and deposits from small business customers**				
5	Stable deposits				
6	Less stable deposits	1,085,838	47,880	2,061	1,022,407
7	**Wholesale funding:**				
8	Operational deposits				
9	Other wholesale funding	1,491,611	526,890	40,000	695,697
10	**Liabilities with matching interdependent assets**				
11	**Other liabilities**				
12	NSFR derivative liabilities			47,349	-
13	All other liabilities and equity not included in the above categories	175,686	18,750	79,132	88,507
14	**TOTAL ASF**				**3,600,504**

	(In currency amount)	Unweighted value by residential maturity			Weighted value
		< 6 months	≥ 6 months to < 1 year	≥1 year	
	Required stable funding (RSF) item				
15	**Total NSFR High-quality liquid assets (HQLA)**	**145,504**			**80,465**
16	Deposits held with other financial institutions for operational purposes				
17	**Performing loans and securities:**	**840,386**	**82,562**	**1,104,203**	**1,046,144**
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	723,730			108,559
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:**	**101,468**	**66,844**	**601,216**	**595,189**
21	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk				
22	**Performing residential mortgages, of which:**	**15,188**	**15,718**	**502,987**	**342,395**
23	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk	15,188	15,718	502,987	342,395
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:**	**-**	**-**	**1,657,400**	**1,600,383**
27	Physical traded commodities, including gold				
28	Assets posted as initial margin for derivative contracts and distribution to default funds of CCPs				
29	NSFR derivative assets			57,017	-
30	NSFR derivative liabilities before deduction of variation margin posted				
31	All other assets not included in above categories			1,600,383	1,600,383
32	**Off-balance sheet items**				**9,907**
33	**TOTAL RSF**				**2,736,899**
34	**NET STABLE FUNDING RATIO %**				**131.55%**

***Minimum Regulatory Requirement for Net Stable Funding Ratio = 100%**