

more than banking

Access Bank (South Africa) Ltd

Pillar 3 Disclosure

31 March 2024

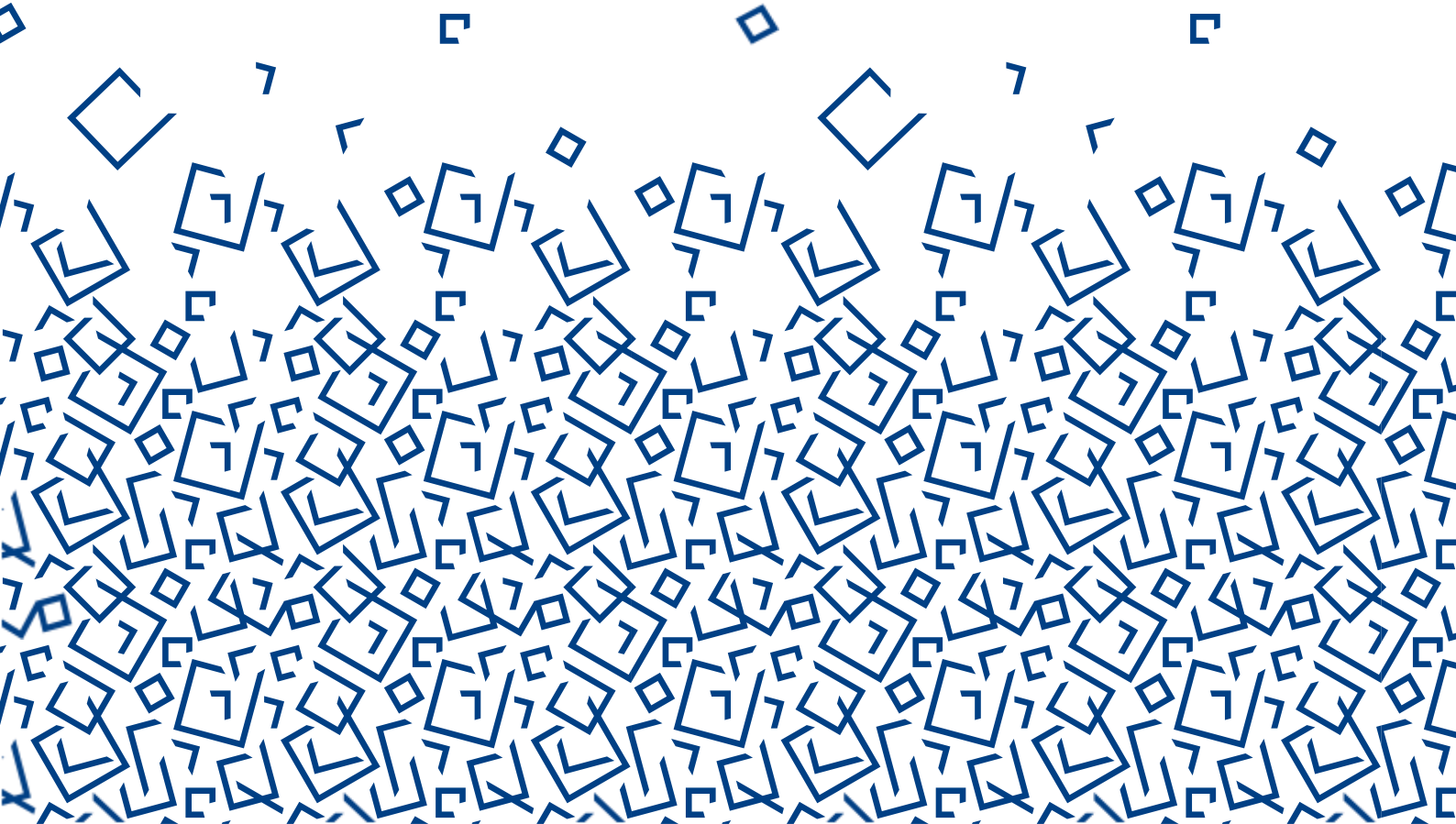


access
Bank



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◆ 1. Introduction

The objective of this document is to disclose comprehensive information about the Bank's risk exposures, capital adequacy, and risk management practices. These disclosures aim to provide a clear understanding of a Bank's financial health and risk management strategies.

The Pillar 3 report is compiled and published on a quarterly basis. It is internally verified and approved in alignment with the Bank's disclosure policy.

Please note that the Pillar 3 report has not been audited by the Bank's external auditors.

Business Profile

Access Bank (South Africa) Limited, established in 1947, is dedicated to developing and delivering comprehensive banking services to corporates, medium-sized businesses, and individuals. The Bank's unique approach combines retail, corporate, business, and alliance banking to meet diverse customer needs.

Business and Commercial Banking focuses on the fundamental aspects of business banking, including transactional banking, lending, and deposit services. It targets small and medium-sized business customers. To support international business transactions, Business and Commercial Banking is fully integrated with the Treasury and Global Transactional Services (GTS) division. Access Bank South Africa also offers risk and investment solutions from leading industry providers, encompassing both short-term and long-term insurance as well as investment management services. These solutions are delivered through three business suites located in key business centers across South Africa.

Global Transactional Services (GTS) is dedicated to providing professional and personalized foreign exchange services for small and medium-sized business customers. GTS offers a range of products, including spot and forward contracts, foreign currency accounts, letters of credit, foreign currency collection, cross-border payments, and exchange control applications.

Corporate Banking delivers innovative financial solutions to its customers, including working capital facilities, long-term debt solutions, trade finance solutions, and currency hedging strategies. The Bank supports importers and exporters of goods through letters of credit and other bespoke trade solutions.

Retail Banking launched in late 2021, aims to provide transactional products to individuals and micro-enterprises. Initially focusing on transactional banking and deposits, the segment plans to introduce loan financing by the end of 2022. To date, nine retail branches have been established across the country, along with one mobile banking unit.

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.



OV1: OVERVIEW OF RISK WEIGHTED ASSETS

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

Period ended 2024-03-31

		T	T - 90	T - 180	T - 270	T - 360	f
		a	b	c	d	e	
Risk weighted assets							Minimum capital requirements = 8%
		Mar-24	Dec-23	Sept-23	Jun-23	Mar-23	Mar-24
		R'000	R'000	R'000	R'000	R'000	R'000
1	Credit risk (excluding counterparty credit risk)	2 785 891	3 161 958	3 195 419	3 216 354	2 898 159	222 871
2	Of which: standardised approach (SA)	2 785 891	3 161 958	3 195 419	3 216 354	2 898 159	222 871
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)	21 988	21 994	11 128	17 916	16 425	1 759
7	Of which: standardised approach for counterparty credit risk	21 988	21 994	11 128	17 916	16 425	1 759
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	-	-	-	-	-	-
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	33 566	67 065	82 693	9 485	21 628	2 685
21	Of which: standardised approach (SA)	33 566	67 065	82 693	9 485	21 628	2 685
22	Of which: internal model approaches (IMA)	-	-	-	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-	-	-	-
24	Operational risk	381 098	381 098	296 122	296 122	296 122	30 488
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-	-	-	-
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)	3 222 544	3 632 116	3 585 362	3 539 877	3 232 335	257 803



**KM1: KEY METRICS**

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

Period ended 2024-03-31

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
		Mar-24	Dec-23	Sept-23	Jun-23	Mar-23
		R'000	R'000	R'000	R'000	R'000
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	639 810	674 135	784 228	844 575	982 441
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	639 810	674 135	784 228	844 575	982 441
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	706 642	740 070	848 380	909 699	1 076 972
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	3 222 544	3 632 116	3 585 362	3 539 877	3 232 335
4a	Total risk-weighted assets (Pre-floor)	3 222 544	3 632 116	3 585 362	3 539 877	3 232 335
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	19,85%	18,56%	21,87%	23,86%	30,39%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	-	-	-	-	-
5b	CET1 ratio (%) (Pre-floor ratio)	-	-	-	-	-
6	Tier 1 ratio (%)	19,85%	18,56%	21,87%	23,86%	30,39%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
6b	Tier 1 ratio (%) (pre-floor ratio)	-	-	-	-	-
7	Total capital ratio (%)	21,93%	20,38%	23,66%	25,70%	33,32%
7a	Fully loaded ECL accounting model total capital ratio (%)	-	-	-	-	-
7b	Total capital ratio (%) (pre-floor ratio)	-	-	-	-	-
Risk-based capital ratios 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 (%)	12,35%	11,06%	14,37%	16,36%	22,89%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	5 908 236	6 051 090	5 925 769	5 992 943	5 518 777
14	Basel III leverage ratio (%) (row 2 / row 13)	10,83%	11,14%	13,23%	14,09%	17,80%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	-	-	-	-	-
14b	Basel II leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-	-	-	-
Liquidity Coverage Ratio						
15	Total HQLA	1 404 283	1 650 735	1 404 283	1 712 397	1 866 469
16	Total net cash outflow	902 615	1 001 640	902 615	567 644	443 885
17	LCR ratio (%)	155,58%	164,80%	155,58%	301,67%	420,49%
Net Stable Funding Ratio						
18	Total available stable funding	4 798 325	4 798 325	4 938 879	5 091 564	4 513 371
19	Total required stable funding	4 040 692	4 040 692	4 063 046	4 232 676	3 782 471
20	NSFR ratio	118,75%	118,75%	121,56%	120,29%	119,32%

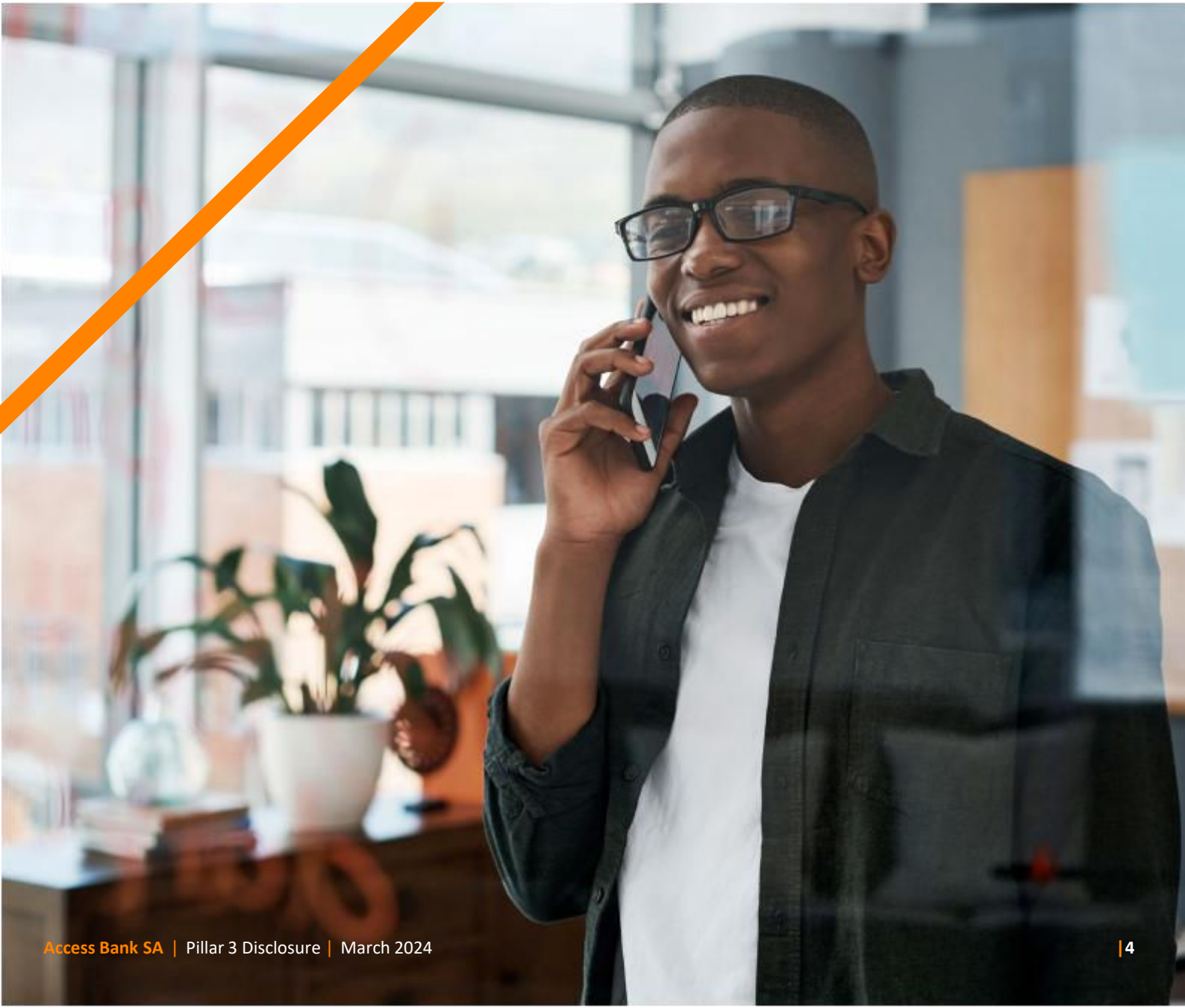
*** LCR UNWEIGHTED VALUE BASED ON 90DAYS AVERAGE**

- ♦ Minimum Regulatory requirement for Liquidity Coverage ratio = 100.00%
- ♦ Minimum Regulatory requirement for Leverage ratio = 4.00%
- ♦ Minimum Regulatory requirement for Net stable funding ratio = 100.00%



LR1: LEVERAGE RATIO
Name of bank/ controlling company ACCESS BANK (SOUTH AFRICA) LIMITED
Period ended 2024-03-31

		31-Mar-24	31-Dec-23
LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE		R'000	R'000
1	Total consolidated assets as per published financial statements	5 900 257	6 149 335
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	17 629	13 299
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)	54 928	138 226
7	Other adjustments	(90 778)	(94 515)
8	Leverage ratio exposure	5 882 036	6 206 345



**LR2: LEVERAGE RATIO**

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

Period ended 2024-03-31

		31-Mar-24	31-Dec-23
LR2: LEVERAGE RATIO		R'000	R'000
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	5 960 380	6 214 398
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(554 796)	(563 594)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	5 405 584	5 650 804
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3 881	4 064
5	Add-on amounts for PFE associated with all derivatives transactions	17 642	13 252
6	(Exempted CCP leg of client-cleared trade exposures)	-	-
7	Adjusted effective notional amount of written credit derivatives	-	-
8	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
9	Total derivative exposures	21 523	17 316
Securities financing transaction exposures			
10	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	400 000	400 000
11	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
12	CCR exposure for SFT assets	-	-
13	Agent transaction exposures	-	-
14	Total securities financing transaction exposures	400 000	400 000
Other off-balance sheet exposures			
15	Off-balance sheet exposure at gross notional amount	389 866	456 500
16	(Adjustments for conversion to credit equivalent amounts)	(334 938)	(318 274)
17	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
18	Off-balance sheet items	54 928	138 226
Capital and total exposures			
19	Tier 1 capital	639 810	674 612
20	Total exposures	5 882 036	6 206 345
Leverage ratio			
21	Basel III leverage ratio	10,88%	10,87%

* Minimum regulatory requirement for leverage ratio is 4.00%

**LIQ1: LIQUIDITY COVERAGE RATIO (LCR)**

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

Period ended 2024-03-31

		a	b
		Total unweighted value (average) ¹	Total weighted value (average)
		R'000	R'000
High-quality liquid assets			
1	Total HQLA	1 402 292	1 402 292
Cash flows			
2	Retail deposits and deposits from small business customers, of which:	695 906	69 591
3	Stable deposits	-	-
4	Less stable deposits	695 906	69 591
5	Unsecured wholesale funding, of which:	1 550 605	1 058 885
6	Operational deposits (all counter-parties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counter-parties)	1 550 605	1 058 885
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	462 851	60 117
11	Outflows related to derivative exposures and other collateral requirements	5 046	5 046
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	457 806	55 071
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	41 774	2 089
16	Total cash outflows	2 751 137	1 190 681
17	Secured lending (eg. reverse repos)	-	-
18	Inflows from fully performing exposures	233 441	220 017
19	Other cash inflows	6 489	6 489
20	Total cash inflows	239 930	226 506
			Total adjusted value
21	Total HQLA		1 402 292
22	Total net cash outflows		966 654
23	Liquidity Coverage Ratio (%)²		145,07%

¹LCR unweighted value based on 90 days average before run-off factor²Minimum regulatory requirement for LCR = 100%

**LIQ2: NET STABLE FUNDING RATIO (NSFR)**

Name of bank/ controlling company ACCESS BANK (SOUTH AFRICA) LIMITED
Period ended 2024-03-31

		Unweighted value by residential maturity			Weighted value
		< 6 months	≥ 6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) item		R'000	R'000	R'000	R'000
1	Capital				
2	Regulatory capital	-	-	2 244 091	2 244 091
3	Other capital instruments	-	-	-	-
4	Retail deposits and deposits from small business customers				
5	Stable deposits	-	-	-	-
6	Less stable deposits	1 590 801	23 194	140 139	1 592 735
7	Wholesale funding				
8	Operational deposits	-	-	-	-
9	Other wholesale funding	2 520 699	42 416	52 300	527 490
10	Liabilities with matching interdependent assets				
11	Other liabilities				
12	NSFR derivative liabilities	-	-	1 436	-
13	All other liabilities and equity not included in the above categories	220 556	-	414 841	414 841
14	TOTAL ASF				4 779 157



**LIQ2: NET STABLE FUNDING RATIO (NSFR)**

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

Period ended 2024-03-31

		Unweighted value by residential maturity			Weighted value
		< 6 months	≥ 6 months to < 1 year	≥ 1 year	
Required stable funding (RSF) item		R'000	R'000	R'000	R'000
15	Total NSFR High-quality liquid assets (HQLA)	862 649			99 817
16	Deposits held with other financial institutions for operational purposes	-	-	-	-
17	Performing loans and securities	1 318 275	96 783	1 244 199	1 451 746
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	675 468	-	-	101 320
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:	630 011	83 386	859 504	1 087 277
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:	12 797	13 397	384 695	263 148
23	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk	12 797	13 397	384 695	263 148
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	-	-	2 416 645	2 413 773
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	-	-	5 331	2 459
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-
31	All other assets not included in above categories	-	-	2 411 314	2 411 314
32	Off-balance sheet items				19 637
33	TOTAL RSF				3 984 973
34	Net Stable Funding Ratio (%) ¹				119,93%



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Access Bank South Africa Limited

Registration Number: 1947/025414/06. An Authorised Financial Services Provider (FSP 5865).

A Registered Credit Provider (NCRCP 6).