

more than banking

Access Bank (South Africa) Ltd

Pillar 3 Disclosure

30 September 2024

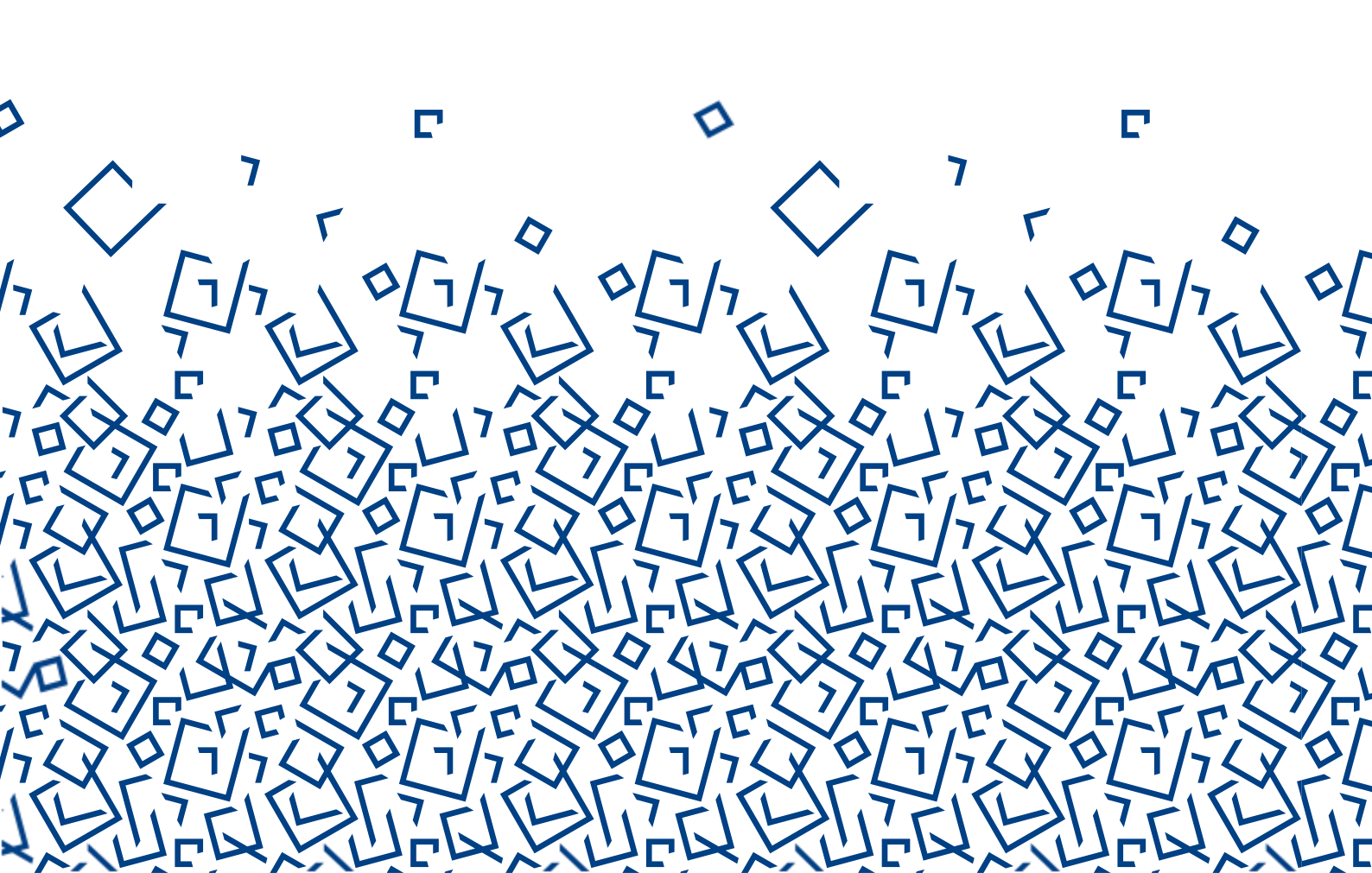


access
Bank



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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 and strategy

Our ambition is to become a top tier 2 player in South Africa and our strategy entails implementing a number of key steps to enable future growth.

Our existing capabilities in Business and Commercial Banking as well as Alliance Banking will be harnessed as anchor for our strategy. Corporate Banking combined with our Trade and Foreign Exchange offering go hand-in-hand with our focus on local and international businesses operating within the larger Access Bank Group footprint and will be integrated into our client offerings. Our retail offering is in its nascent stage and our goal is to leverage technology to create a strong retail offering in niche markets.

Our strategy will be delivered across four key business lines:

Business and Commercial Banking: The oldest and most developed of our operations as it has been a core element of the Bank's strategy for more than a decade. Our operational model is based on a relationship-centered approach where customers have direct access to relationship managers. However, this will be supported by appropriate technology to provide a more efficient experience for our customers. We understand that business owners need a mixture of personal advice on financial matters and efficient banking systems to manage their finances.

Corporate Banking: The corporate banking business services private and public companies with a turnover of more than R750 million. A key focus area is to identify companies operating in the same jurisdictions as Access Bank Plc across the world and provide them with comprehensive solutions.

A key enabler for the activities of our Corporate, Commercial and Business customers is trade and foreign exchange and are therefore considered key pillars of our strategy to operate in conjunction with the other business units.

Alliance Banking: We are the leading provider of alliance banking services in the South African financial industry with 15 years' experience in partnering to provide financial solutions to our alliance banking partners. We enable non-banks and Fintech enterprises to develop and provide payment and transactional solutions to their own client base through bespoke solutions. We offer white-labelling and co-branded banking products including account hosting, pre-paid card issuing, payments and collections aggregation and other value-added services.

Retail Banking: Our retail offering will start off with an emphasis on and within communities initially targeting the unbanked, diaspora, MSME and the employees of the businesses / corporates we bank. our goal is to create the foundation for our growth ambitions as a neo-bank offering customers appropriate services through digital channels and limited strategic physical locations.

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 2024-09-30

		T	T - 90	T - 180	T - 270	T - 360	f
		a	b	c	d	e	
		Risk weighted assets					Minimum capital requirements
		Sep 2024	Jun 2024	Mar 2024	Dec 2023	Sep 2023	Sep 2024
		R'000	R'000	R'000	R'000	R'000	R'000
1	Credit risk (excluding counterparty credit risk)	2 952 177	3 013 736	2 785 891	2 896 850	3 195 419	265 696
2	Of which: standardised approach (SA)	2 952 177	3 013 736	2 785 891	2 896 850	3 195 419	265 696
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)	24 666	15 871	21 988	21 994	11 128	2 220
7	Of which: standardised approach for counterparty credit risk	24 666	15 871	21 988	21 994	11 128	2 220
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	47 693	36 863	33 566	67 065	82 693	4 292
21	Of which: standardised approach (SA)	47 693	36 863	33 566	67 065	82 693	4 292
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	381 098	381 098	296 122	34 299
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	3 405 635	3 447 583	3 222 544	3 367 022	3 585 362	306 507

**KM1: KEY METRICS**

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

Period ended 2024-09-30

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
		Sep 2024	Jun 2024	Mar 2024	Dec 2023	Sep 2023
		R'000	R'000	R'000	R'000	R'000
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	541 146	597 330	639 810	624 287	784 228
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	541 146	597 330	639 810	624 287	784 228
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	578 765	643 232	706 642	690 222	848 380
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	3 775 727	3 894 114	3 222 544	3 574 267	3 585 362
4a	Total risk-weighted assets (Pre-floor)	3 775 727	3 894 114	3 222 544	3 574 267	3 585 362
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	14,33%	15,34%	19,85%	17,47%	21,87%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	-	-	-	-	-
5b	CET1 ratio (%) (Pre-floor ratio)	-	15,34%	19,85%	17,47%	21,87%
6	Tier 1 ratio (%)	14,33%	15,34%	19,85%	17,47%	21,87%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
6b	Tier 1 ratio (%) (pre-floor ratio)	-	-	-	-	-
7	Total capital ratio (%)	15,33%	16,52%	21,93%	19,31%	23,66%
7a	Fully loaded ECL accounting model total capital ratio (%)	-	-	-	-	-
7b	Total capital ratio (%) (pre-floor ratio)	-	15,34%	21,93%	19,31%	23,66%
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 (%)	-	-	-	-	-
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 (%)	6,83%	7,84%	12,35%	9,69%	14,37%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	6 306 017	7 400 884	5 908 236	6 055 498	5 925 769
14	Basel III leverage ratio (%) (row 2 / row 13)	8,58%	8,07%	10,83%	10,31%	13,23%
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	1 697 488	1 404 283	1 650 735	1 404 283
16	Total net cash outflow	902 615	887 669	902 615	1 001 640	902 615
17	LCR ratio (%)	155,58%	191,23%	155,58%	164,80%	155,58%
Net Stable Funding Ratio						
18	Total available stable funding	4 798 325	5 084 923	4 798 325	4 798 325	4 938 879
19	Total required stable funding	4 040 692	4 380 104	4 040 692	4 040 692	4 063 046
20	NSFR ratio	118,75%	116,09%	118,75%	118,75%	121,56%

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

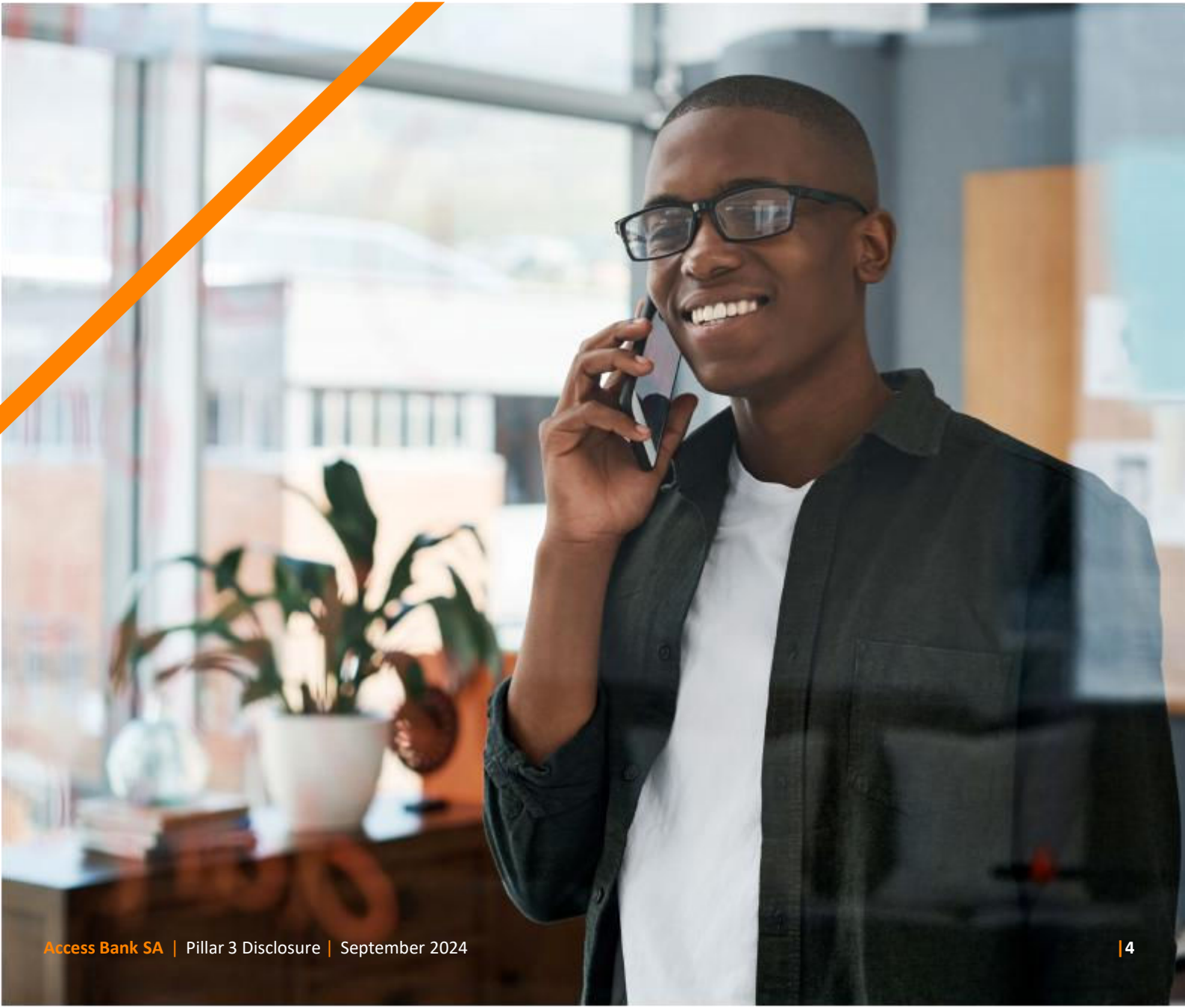
- ♦ Minimum Regulatory requirement for Liquidity Coverage ratio = 100.00%
- ♦ Minimum Regulatory requirement for Leverage ratio = 4.00%
- ♦ Minimum Regulatory requirement for Net stable funding ratio = 100.00%



LR1: LEVERAGE RATIO

Name of bank/ controlling company ACCESS BANK (SOUTH AFRICA) LIMITED
Period ended 2024-09-30

		30 Sep 2024	30 Jun 2024
LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE		R'000	R'000
1	Total consolidated assets as per published financial statements	6 317 666	7 421 219
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	13 498	10 547
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)	23 082	26 070
7	Other adjustments	(86 773)	(88 622)
8	Leverage ratio exposure	6 317 666	7 369 214





LR2: LEVERAGE RATIO
Name of bank/ controlling company ACCESS BANK (SOUTH AFRICA) LIMITED
Period ended 2024-09-30

		30 Sep 2024	30 Jun 2024
		R'000	R'000
LR2: LEVERAGE RATIO			
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	6 310 600	7 417 714
2	Asset amounts deducted in determining Basel III Tier 1 capital	(86 773)	(88 622)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	6 223 828	7 329 092
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	7 039	3 505
5	Add-on amounts for PFE associated with all derivatives transactions	13 525	10 547
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	20 564	17 316
Securities financing transaction exposures			
10	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	-
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	-	-
Other off-balance sheet exposures			
15	Off-balance sheet exposure at gross notional amount	165 094	188 258
16	(Adjustments for conversion to credit equivalent amounts)	(103 469)	(130 517)
17	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
18	Off-balance sheet items	61 625	57 741
Capital and total exposures			
19	Tier 1 capital	541 146	597 330
20	Total exposures	6 306 017	7 400 884
Leverage ratio			
21	Basel III leverage ratio	8,58%	8,07%

* 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 2024-09-30

		a	b
		Total unweighted value (average)	Total weighted value (average)
		R'000	R'000
High-quality liquid assets			
1	Total HQLA	1 980 654	1 980 654
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	1 171 440	117 144
3	Stable deposits	-	-
4	Less stable deposits	1 171 440	117 144
5	Unsecured wholesale funding, of which:	1 807 680	1 287 223
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	1 807 680	1 287 223
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	10 848	10 848
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	162 633	7 513
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	23 217	1 161
16	Total cash outflows	3 175 817	1 423 890
17	Secured lending (eg. reverse repos)	-	-
18	Inflows from fully performing exposures	340 068	326 706
19	Other cash inflows	3 545	3 545
20	Total cash inflows	343 613	330 251
			Total adjusted value
21	Total HQLA		1 980 654
22	Total net cash outflows		1 093 639
23	Liquidity Coverage Ratio (%)		181,11%

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 2024-09-30

		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	-	-	2 286 016	2 286 016
3	Other capital instruments	-	-	-	-
4	Retail deposits and deposits from small business customers				
5	Stable deposits	-	-	-	-
6	Less stable deposits	1 638 255	82 311	192 038	1 740 547
7	Wholesale funding				
8	Operational deposits	-	-	-	-
9	Other wholesale funding	2 969 395	30 000	20 000	642 044
10	Liabilities with matching interdependent assets				
11	Other liabilities				
12	NSFR derivative liabilities	-	-	9 247	-
13	All other liabilities and equity not included in the above categories	203 637	-	406 433	406 433
14	TOTAL ASF				5 075 040



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

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

Period ended 2024-09-30

		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)	449 711	-	-	87 630
16	Deposits held with other financial institutions for operational purposes	-	-	-	-
17	Performing loans and securities	2 123 544	92 855	1 012 844	1 399 902
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	1 434 511	-	-	215 177
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:	676 736	80 139	591 049	880 829
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:	12 298	12 716	335 682	230 700
23	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk	12 298	12 716	335 682	230 700
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	86 113	73 196
25	Assets with matching interdependent liabilities	-	-	-	-
26	Other assets	-	-	2 778 756	2 762 443
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	-	-	16 313	-
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-
31	All other assets not included in above categories	-	-	2 762 443	2 762 443
32	Off-balance sheet items	-	-	-	7 622
33	TOTAL RSF	-	-	-	4 257 597
34	Net Stable Funding Ratio (%) ¹	-	-	-	119,20%

¹ Minimum regulatory requirement for Net Stable Funding Ratio is 100%.

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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).