African Bank
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African Bank Holdings Limited
and African Bank Limited

Public Pillar III Disclosures in terms of the Banks Act, Regulation 43 as at 30 June 2018

CONTENTS

1. EXECUTIVE SUMMARY

1.1. OVERVIEW

African Bank Holdings Limited (ABH or the ABH Group) and its 100% held banking subsidiary, African Bank Limited ("ABL" or "the Bank") commenced business on 4 April 2016. ABH was capitalised with a cash subscription for ordinary shares in the amount of R10 billion and, in turn, ABH elected to capitalise ABL with the same amount, also in return for ordinary shares. An extended liability term structure was established as a result of the restructuring of the old African Bank that was placed under curatorship on 10 August 2014, and subsequently renamed Residual Debt Services Limited (in curatorship). (ABL acquired a portfolio of assets and liabilities from RDS in terms of the Restructuring, which included the more credit-worthy retail advances book.

Significant improvements in the credit underwriting and provisioning methodologies were immediately applied and continue to be applied in ABL, based on the changing dynamics of the market, the customer profile and the risk experience in respect of the retail advances on book.

The Bank is faced with a maturing liquidity profile as the liabilities acquired through the Restructuring begin to mature over the medium term. The available cash resources are sufficient to meet the short term maturity obligations over the next 12-18 months. To address the refinancing requirements in the subsequent periods, management are proactively engaging shareholders and funders to establish a shareholder support agreement for a significant period to allow African Bank to effectively re-enter the capital markets on a sustainable and cost effective basis.

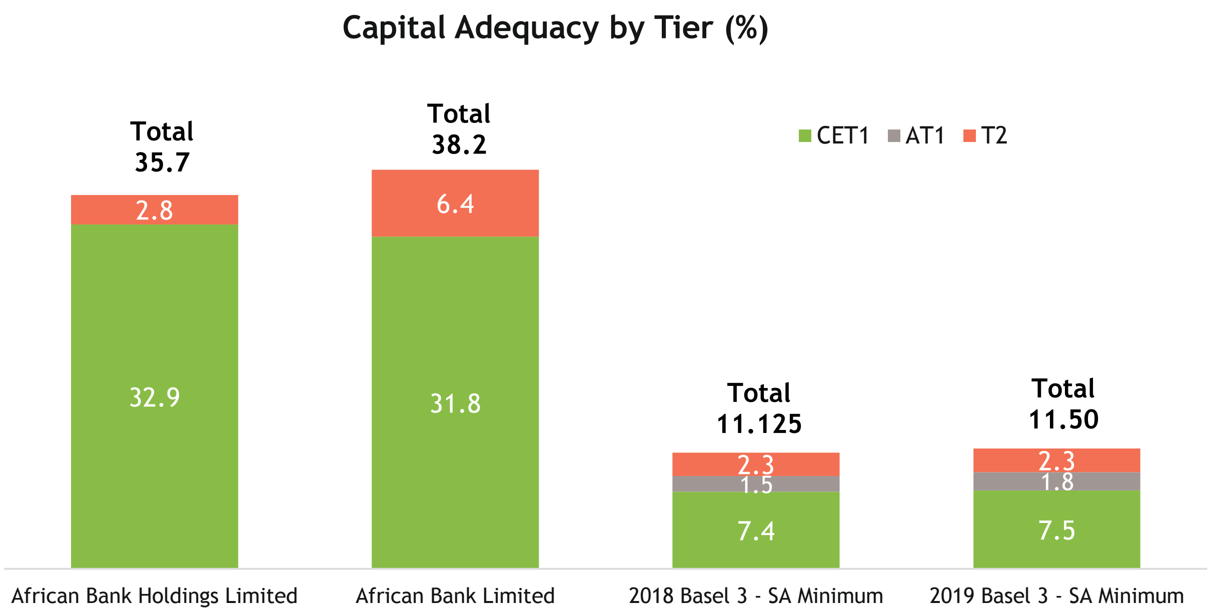
The overall balance sheet of ABL therefore remains strong, with advances well provided for, strong capital adequacy and available cash holdings, including available cash resources of R8.2 billion. Liquidity risk, interest rate risk and foreign exchange risks continue to be closely managed within a conservative risk appetite framework.

The overall impact of the strong balance sheet structure, as expressed in the conservative risk appetite, is evidenced in the various sections of this report which, as of 30 June 2018, include a Common Equity Tier 1 (CET1) ratio of 31.8%, a leverage ratio of 27.2%, a liquidity coverage ratio of 1,008% and a net stable funding ratio of 146% at the ABL level.

1.2. CAPITAL ADEQUACY RATIOS

The capital adequacy ratios and qualifying regulatory capital for ABH and ABL as at 30 June 2018 are set out in the graph and table below. The Group remains well capitalised with CET1 and Tier 1 ratios of 32.9% and 31.8% at a consolidated Group and Bank level respectively. The corresponding total capital adequacy ratios are 35.7% and 38.2% respectively.

The lower total capital adequacy for the ABH in comparison to that of ABL is as a result of the exclusion of the minority interest attributed to the Tier 2 capital issued at ABL in the computation of the total ABH capital adequacy ratio.



The following table sets out the regulatory capital adequacy ratios and composition of the regulatory capital

	African Bank Holdings Limited		African Bank Limited	
Rmillion	30 Jun 2018	30 Sep 2017	30 Jun 2018	30 Sep 2017
Regulatory capital adequacy ratios (%)				
CET1 capital ratio	32.9	30.0	31.8	29.9
Total capital ratio	35.7	32.9	38.2	36.2
Composition of qualifying regulatory capital				
Ordinary share capital	10 000	10 000	10 000	10 000
Regulatory adjustments	(707)	(1 336)	(1 290)	(1 596)
Common Equity Tier 1 capital (CET1)	9 293	8 664	8 710	8 404
Total qualifying subordinated debt	522	571	1 485	1 485
Portfolio Impairments	268	280	268	280
Tier 2 capital (T2)	790	851	1 753	1 765
Total regulatory capital	10 083	9 515	10 463	10 169

Refer to 6.2 of the detailed disclosure for a detailed breakdown of the above table

The increase in capital adequacy ratios from 30 September 2017, for both Group and Bank is primarily as a result of an overall increase in capital arising predominantly from an increase retained earnings driven by profits for the year and a reduction in the balance sheet driven by a reduction in derivative exposures and cash balances. Overall derivative exposures have decreased as a result of fewer derivative contracts. Cash balances have reduced as result of liability buy backs amounting to approximately R 1.9 billion, and redemptions of maturing wholesale liabilities. The advances book has increased marginally without materially affecting capital adequacy.

1.3. LEVERAGE RATIO

The Basel III leverage ratio is defined as the capital measure (Tier 1 capital) divided by the exposure measure (total exposures) and is expressed as a percentage. This measure acts as a backstop to the capital adequacy ratio, by acting as a floor to restrict the build-up of excessive leverage by banks.

The increase in the leverage ratio from 30 September 2017, for both Group and Bank is driven by the same factors responsible for the increase in the capital adequacy ratios.

	African Bank Holdings Limited		African Bank Limited	
Rmillion	30 Jun 2018	30 Sep 2017	30 Jun 2018	30 Sep 2017
Capital and total exposures				
Tier 1 capital	9 292	8 664	8 710	8 404
Total exposures	32 065	33 906	32 065	33 928
Basel III leverage ratio (%)	**29.0**	**25.6**	**27.2**	**24.8**
Basel III leverage ratio regulatory minimum requirement (%)	**4.0**	**4.0**	**4.0**	**4.0**

Refer to 7.2 of the detailed disclosure for a detailed breakdown of the above table

1.4. LIQUIDITY COVERAGE RATIO ("LCR")

The LCR is a 30-day stress test, which requires the Bank to hold sufficient high-quality liquidity assets (HQLA) to cover envisaged net outflows. These outflows are calibrated using prescribed Basel factors applied to assets and liabilities in a static run-off model. Basel definitions are used to identify high-quality liquid assets. The LCR as disclosed in this report represents a 3 month average LCR. The calculation is performed and reported to the SARB daily.

The decrease in the LCR from the 30 September 2017 was as a result of reduced holdings of surplus liquid assets, thereby reducing the total HQLA, while total net cash outflows reduced as a result lower derivative contracts margin balances, partially offset by higher outflows of maturing wholesale liabilities.

The LCR ratio of 1 008% percent remains significantly above the minimum 2018 requirement of 90 %

African Bank Limited Rmillion	Total weighted value (average) 30 Jun 2018	Total weighted value (average) 30 Sep 2017
Total high-quality liquid assets	1 666	3 687
Total net cash outflows	178	250
Liquidity coverage ratio (%)	**1 008%**	**1 740%**
Regulatory minimum requirement	90%	80%

Refer to 9.4 of the detailed disclosure for a detailed breakdown of the above table

1.5. NET STABLE FUNDING RATIO ("NSFR")

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding, over a one year period. This ratio is required to be greater than or equal to 100% on an on-going basis.

"Available stable funding" is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of such stable funding required of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet exposures.

The NSFR is designed to ensure closer matching of long-term asset cash flows with long-term funding cash flows. Full compliance for NSFR is required from January 2018.

The NSFR was stable compared to the prior period, as a result of the available stable funding and the required stable funding reducing primarily as a result of the liability buy backs of R1.9 billion. Available stable funding has reduced further as a result of available cash reserves being placed for comparatively shorter maturity periods.

	30 Jun 2018	30 Sep 2017
NSFR %	**146%**	**144%**
Available stable funding (Rmillion)	25 795	29 392
Required stable funding (Rmillion)	17 646	20 397

1.6. OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA

The following table presents a summary of key prudential metrics related to regulatory capital, leverage ratio and liquidity standards for African Bank Limited. Banks are required to disclose each metric's value using the corresponding standard's specifications for the reporting period-end (designated by T in the template on the next page) as well as the four previous quarter-end figures (T-1 to T-4).

Overview of risk management, key prudential metrics and RWA

Period ended:		Jun18	Mar18	Dec17	Sep17	Jun17
Rmillion		(T)	(T-1)	(T-2)	(T-3)	(T-4)
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	9 293	9 054	8 740	8 664	8 213
1a	Fully loaded ECL accounting model					
2	Tier 1	9 293	9 054	8 740	8 664	8 213
2a	Fully loaded accounting model Tier 1 (1)					
3	Total capital	10 083	9 845	9 552	9 515	9 767
3a	Fully loaded ECL accounting model total capital (1)					
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	28 223	26 816	27 458	28 911	30 015
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	32.93	33.76	31.83	29.97	27.36
5a	Fully loaded ECL accounting model CET1 (%)					
6	Tier 1 ratio (%)	32.93	33.76	31.83	29.97	27.36
6a	Fully loaded ECL accounting model Tier 1 ratio (%) (1)					
7	Total capital ratio (%)	35.73	36.71	34.78	32.91	32.55
7a	Fully loaded ECL accounting model total capital ratio (%) (1)					
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1.875	1.875	1.250	1.250	1.250
9	Countercyclical buffer requirement (%)	0.00	0.00	0.00	0.00	0.00
10	Bank D-SIB additional requirements (%)	0.00	0.00	0.00	0.00	0.00
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	1.875	1.875	1.250	1.250	1.250
12	CET1 available after meeting the bank's minimum capital requirements (%)	24.92	25.77	23.83	21.97	19.36
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	32 065	32 335	33 013	33 906	36 531
14	Basel III leverage ratio (%) (row 2/row 13)	28.98	28.00	26.47	25.55	22.48
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)(1)					
Liquidity Coverage Ratio						
15	Total HQLA	1 666	3 011	3 532	3 687	2 664
16	Total net cash outflow	178	238	250	142	358
17	LCR ratio (%)	1 008	1 915	1 546	1 740	1 912
Net Stable Funding Ratio						
18	Total available stable funding	25 795	26 221	27 273	29 392	32 796
19	Total required stable funding	17 646	18 116	18 946	20 397	20 891
20	NSFR ratio (%)	146	145	144	144	157

(1) African Bank Limited will adopt IFRS 9 for all financial periods commencing after 1 January 2018 and will report expected credit losses ("ECL") accordingly.

2. BASIS OF COMPILATION

The information contained in this report is based on the month end and in some instances average balances as contained in the regulatory returns. Accordingly, this information may not agree to the information contained in the respective sets of Annual Financial Statements, which are prepared on an IFRS basis.

The table below shows an analysis of advancers to customers as at 30 June 2018 and is included as a reference to the published annual financial statements.

Analysis of advances to customers as at 30 June 2018			
Rmillion	Term loans	Credit Cards	Total
Gross amount due by customers	22 107	8 872	26 979
Impairment attributable to acquired advances and deferred fees	(3 820)	(472)	(4 292)
Gross advances	**18 287**	**4 400**	**22 687**
Impairment and deferred fees attributable to originated advances	(2 904)	(642)	(3 546)
Net advances	**15 383**	**3 759**	**19 141**

Unless where otherwise indicated, all figures reported are reported in ZAR millions ("Rmillion")

3. SUPPLEMENTARY INFORMATION INCLUDING RISK MANAGEMENT

Additional information providing context for disclosures contained herein is included in the following documents published by the ABH Group, available on the investor relations portion of the Bank website at https://www.africanbank.co.za/ which contains information as listed under each report.

African Bank Holdings Limited Integrated Report 2017

- Overview and business model
- Material matters
- Strategy
- Governance and compliance
- People and remuneration

African Bank Holdings Limited: consolidated annual financial statements 30 September 2017, and

African Bank Limited: annual financial statements 30 September 2017

The reference to the various sections is given by way of a cross reference to the specific note in the annual financial statements of both African Bank Holdings Limited and African Bank Limited.

- Accounting policies (Note 1)
- Risk management approach (Note 26)
- Credit risk approach including approach to impairment provisioning (Note 26.1)
- Market risk (Note 26.2)
- Interest rate risk management (Note 26.2.1)
- Foreign currency risk management (note 26.2.2)
- Liquidity risk management (Note 26.3)

The ABH integrated report gives a comprehensive overview of the areas covered while the ABL and ABH Annual Financial Statements give further detail of the approach to risk management and the risk types. This information should be read in conjunction with the detailed information in this report.

4. PERIOD OF REPORTING

This report covers the period from 1 October 2017 to 30 June 2018 for the ABH Group and its 100% held banking subsidiary, ABL. Comparative disclosures are as at and for the year ended 30 September 2017.

5. SCOPE OF REPORTING

This report contains capital adequacy information for ABH and its 100% held banking subsidiary, ABL. The further disclosures for ABL include the leverage ratio, the liquidity coverage ratio, credit disclosures, liquidity disclosures and foreign exchange exposures, and also materially reflect the position of the ABH Group.

All subsidiaries are consolidated in the same manner for both accounting and supervisory reporting purposes. All companies are incorporated in the Republic of South Africa. The registered banking subsidiary of the Group, ABL, has no subsidiaries.

6. REGULATORY CAPITAL ADEQUACY

The capital adequacy ratios and qualifying regulatory capital for ABH and ABL as at 30 June 2018 are set out on the following two pages. The Group remains well capitalised with CET1 and Tier 1 ratios of 32.9% and 31.8% at a consolidated Group and Bank level respectively. The corresponding total capital adequacy ratios are 35.7% and 38.2% respectively.

The increase in capital adequacy ratios from 30 September 2017, for both Group and Bank is primarily as a result of an overall increase in capital arising predominantly from an increase retained earnings driven by profits for the year and a reduction in the balance sheet driven by a reduction in derivative exposures and cash balances. Overall derivative exposures have decreased as a result of fewer derivative contracts. Cash balances have reduced as result of liability buy backs amounting to approximately R 1.9 billion, and redemptions of maturing wholesale liabilities. The advances book has increased marginally without materially affecting capital adequacy.

The lower total capital adequacy for the ABH in comparison to that of ABL is as a result of the exclusion of the minority interest attributed to the Tier 2 capital issued at ABL in the computation of the total ABH capital adequacy ratio.

6.1. OVERVIEW OF RISK WEIGHTED ASSETS

The following table gives an overview of the risk weighted asset requirements at the respective reporting date. The predominant risk exposure for the Group is credit risk, which comprises loans, credit cards and interbank deposits.

Rmillion	African Bank Holdings Limited			African Bank Limited		
	RWA		Minimum capital requirements (1)	RWA		Minimum capital requirements (1)
	Jun-18	Sep-17	Jun-18	Jun-18	Sep-17	Jun-18
Credit risk (excluding counterparty credit risk)	**21 448**	**22 173**	**2 386**	**21 447**	**22 173**	**2 386**
Of which standardised approach (SA) (5)	21 448	22 173	2 386	21 447	22 173	2 386
Of which internal rating-based (IRB) approach	-	-	-	-	-	-
Counterparty credit risk	**12**	**327**	**1**	**12**	**327**	**1**
Of which standardised approach for counterparty credit risk (SA-CCR) (2)	12	327	1	12	327	1
Of which internal model method (IMM)	-	-	-	-	-	-
Market risk	**376**	**545**	**42**	**376**	**545**	**42**
Of which standardised approach (SA)	376	545	42	376	545	42
Of which internal model approach (IMM)	-	-	-	-	-	-
Operational risk	**3 387**	**3 469**	**377**	**3 291**	**3 373**	**366**
Of which basic indicator approach	-	-	-	-	-	-
Of which standardised approach (3)	3 387	3 469	377	3 291	3 373	366
Of which advanced measurement approach	-	-	-	-	-	-
Other risk (4)	**3 000**	**2 397**	**334**	**2 297**	**1 694**	**256**
Total	**28 223**	**28 911**	**3 140**	**27 423**	**28 112**	**3 051**

(1) The minimum capital requirement per risk category for 2018 is 11.125% which comprises the base minimum (8.00%) plus the Pillar 2A systemic risk add-on (1.250%) plus capital conservation buffer (1.875%)
(2) ABL currently applies the current exposure method to calculate counterparty credit risk
(3) ABL currently applies the alternative standardised approach in calculating its operational risk
(4) Other risk includes accounting other assets, deferred tax asset and threshold deduction items
(5) Refer below for a further split of credit risk exposures

Rmillion	African Bank Holdings Limited			African Bank Limited		
	RWA		Minimum capital requirements (1)	RWA		Minimum capital requirements (1)
	Jun-18	Sep-17	Jun-18	Jun-18	Sep-17	Jun-18
Of which standardised approach (SA)	**21 448**	**22 173**	**2 386**	**21 447**	**22 173**	**2 386**
Retail Exposures	15 496	15 385	1 724	15 496	15 385	1 724
Interbank Exposures	5 952	6 788	662	5 951	6 788	662

6.2. COMPOSITION OF REGULATORY CAPITAL

The qualifying regulatory capital and capital adequacy ratios for ABH and ABL as at 30 June 2018 are set out in the table below. The Group remains well capitalised with CET1 and Tier 1 ratios of 32.9% and 31.8% at a consolidated Group and Bank level respectively. The corresponding total capital adequacy ratios are 35.7% and 38.2% respectively.

Rmillion	African Bank Holdings Limited		African Bank Limited	
	30 Jun 2018	30 Sep 2017	30 Jun 2018	30 Sep 2017
Composition of qualifying regulatory capital				
Ordinary share capital	10 000	10 000	10 000	10 000
Accumulated profit	46	-	-	-
	10 046	10 000	10 000	10 000
Regulatory adjustments				
- Intangible assets in terms of IFRS	(71)	(75)	(71)	(75)
- Other regulatory adjustments	(682)	(1 261)	(1 219)	(1 521)
Common Equity Tier 1 capital (CET1)	**9 293**	**8 664**	**8 710**	**8 404**
Additional Tier 1 capital (AT1)	-	-	-	-
Tier 1 capital (T1)	**9 293**	**8 664**	**8 710**	**8 404**
Issued subordinated debt	1 485	1 485	1 485	1 485
Surplus capital attributable to minorities/third parties	(963)	(914)	-	-
Total subordinated debt	**522**	**571**	**1 485**	**1 485**
Portfolio Impairments	268	280	268	280
Tier 2 capital (T2)	**790**	**851**	**1 753**	**1 765**
Qualifying regulatory capital	**10 083**	**9 515**	**10 463**	**10 169**
CET1%	32.9	30.0	31.8	29.9
AT1%	0.0	0.0	0.0	0.0
T1%	32.9	30.0	31.8	29.9
T2%	3.0	2.9	6.4	6.3
Total capital adequacy %	**35.7**	**32.9**	**38.2**	**36.2**

7. LEVERAGE RATIO

Public disclosure of the leverage ratio (calculated using the prescribed leverage ratio template) and its components has been required since 1 January 2015. The Basel III leverage ratio is defined as the capital measure (Tier 1 capital) divided by the exposure measure (total exposures) and is expressed as a percentage. This measure acts as a backstop to the capital adequacy ratio (see section 6 above), by acting as a floor to restrict the build-up of excessive leverage by banks.

The increase in the leverage ratio from 30 September 2017, for both Group and Bank is driven by the same factors responsible for the increase in the capital adequacy ratios.

The exposure used in the calculation of the ratio (see 7.2) differs from the total assets as measured using IFRS as shown below.

7.1 SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE

		African Bank Holdings Limited		African Bank Limited	
Line #	Rmillion	30 Jun 2018	30 Sep 2017	30 Jun 2018	30 Sep 2017
1	Total consolidated assets as per published financial statements	31 027	32 954	30 063	32 324
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(964)	(651)	-	-
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	(125)	(537)	(125)	(537)
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-	-	-	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	141	314	141	314
7	Other adjustments (1)	1 986	1 826	1 986	1 826
8	Leverage ratio exposure	32 065	33 906	32 065	33 927

(1) Other adjustments reflect differences between regulatory and accounting basis of preparation (refer Basis of compilation). This impacted the values relating to general provisions and intangible assets.

7.2 LEVERAGE RATIO DISCLOSURE

		African Bank Holdings Limited		African Bank Limited	
Line #	Rmillion	30 Jun 2018	30 Sep 2017	30 Jun 2018	30 Sep 2017
	On-balance sheet exposures				
1	On-balance sheet items (excluding derivatives and Securities Financing Transactions ("SFTs")*, but including collateral)	31 987	33 456	31 986	33 477
2	Asset amounts deducted in determining Basel III Tier 1 capital	(71)	(75)	(71)	(75)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**31 916**	**33 381**	**31 915**	**33 402**
	Derivative exposures				
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	8	210	8	210
5	Add-on amounts for PFE associated with all derivatives transactions	-	1	-	1
6	Gross-up for derivatives collateral provided where deducted from the balance sheet asset pursuant to the operative accounting framework	-	-	-	-
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)**	**8**	**211**	**8**	**211**
	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	706	1 078	706	1 078
18	(Adjustments for conversion to credit equivalent amounts)	(565)	(764)	(565)	(764)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**141**	**314**	**141**	**314**
20	Tier 1 capital	9 292	8 664	8 710	8 404
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**32 065**	**33 906**	**32 065**	**33 927**
	Leverage ratio				
22	**Basel III leverage ratio**	**29.0%**	**25.6%**	**27.2%**	**24.8%**

** SFT's: Securities Financing Transactions (transaction where securities are used to borrow cash, or vice versa)*

8. LIQUIDITY MEASUREMENT

8.1 LIQUIDITY COVERAGE RATIO (LCR) – COMMON DISCLOSURE TEMPLATE

The LCR is a 30-day stress test, which requires the Bank to hold sufficient high-quality liquid assets to cover envisaged net outflows. These outflows are calibrated using prescribed Basel factors applied to assets and liabilities in a static run-off model. Basel definitions are used to identify high-quality liquid assets.

The decrease in the LCR from the 30 September 2017 was as a result of reduced holdings of surplus liquid assets, thereby reducing the total HQLA, while total net cash outflows reduced as a result lower derivative contracts margin balances, partially offset by higher outflows of maturing wholesale liabilities.%

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African Bank Limited Rmillion	Total unweighted value (average) (1)	Total weighted value (average) (1)	Total weighted value (average) (1)
	30 Jun 2018	30 Jun 2018	30 Sep 2017
Total high-quality liquid assets (HQLA) (see 7.4.1)		**1 666**	**3 687**
Cash outflows			
Retail deposits and deposits from small business customers, of which:	52	5	2
Stable deposits	-	-	-
Less-stable deposits	52	5	2
Unsecured wholesale funding, of which:	604	604	693
Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-
Non-operational deposits (all counterparties)	-	-	-
Unsecured debt	604	604	693
Secured wholesale funding	-	-	-
Additional requirements, of which:	-	-	-
Outflows related to derivative exposures and other collateral requirements	57	57	171
Outflows related to loss of funding on debt products	-	-	-
Credit and liquidity facilities	716	36	117
Other contractual funding obligations	239	12	15
Other contingent funding obligations	-	-	-
Total cash outflows	**1 611**	**713**	**999**
Cash inflows			
Secured lending (e.g. reverse repos)	-	-	-
Inflows from fully performing exposures	3 310	2 966	3 499
Other cash inflows	-	-	0
Total cash inflows	**3 310**	**2 966**	**3 499**
		Total Adjusted Value	Total Adjusted Value
Total HQLA		**1 666**	**3 687**
Total net cash outflows (2)		**178**	**250**
Liquidity coverage ratio (%) (3)		**1 008%**	**1 740%**

(1) The average numbers are calculated using the daily LCR figures for the quarter ended 30 June 2018
(2) ABL has a net cash inflow after applying the run-off factors; outflows for the purpose of the ratio are therefore deemed to be 25% of gross outflows
(3) There is no material difference between Bank and Group

8.1.1 Composition of high-quality liquid assets

The high-quality liquid assets include only those with a high potential to be converted easily and quickly into cash. There are three categories of high-quality liquidity assets with decreasing levels of quality: level 1, level 2A and level 2B assets.

Rmillion	30 Jun 2018	30 Sep 2017
Total level one qualifying high-quality liquid assets (1)	1 666	3 687
Cash	2	1
Qualifying central bank reserves	384	405
Specified debt securities issued in Rand by the central government of the RSA or the Reserve Bank	1 280	3 281

(1) ABL does not have any investments in level two high-quality liquid assets