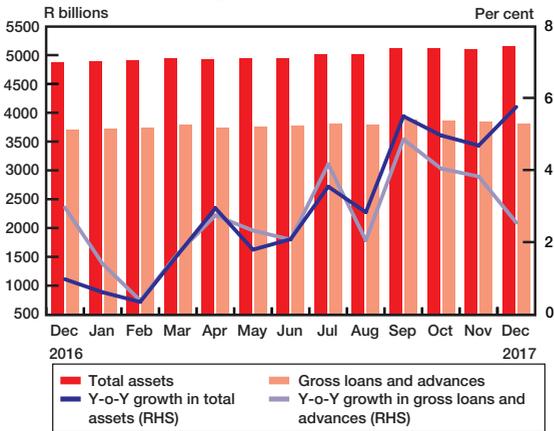


Bank Supervision Department

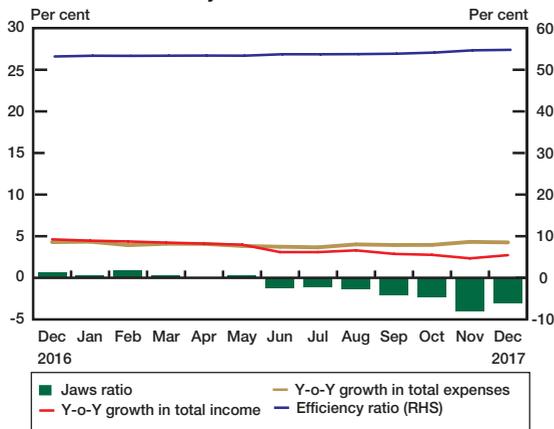
Selected South African banking sector trends

December 2017

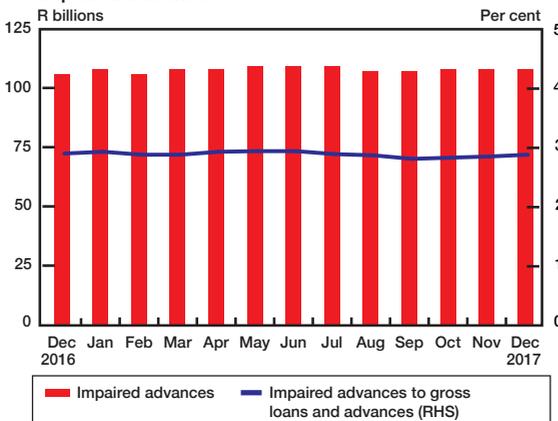
Total assets and gross loans and advances



Jaws and efficiency ratios



Impaired advances



Number of banks in South Africa

Registered banks	19
Mutual banks	3
Co-operative banks	3
Local branches of foreign banks	15
Foreign banks with approved local representative offices	31

Dec

	2016	2017	%
	Rbn1	Rbn1	Growth ¹

Balance sheet items Selected assets

Total assets

Total assets	4 877	5 157	5.8
Gross loans and advances	3 708	3 802	2.5
Homeloans	921	949	3.1
Commercial mortgages	273	289	5.7
Credit cards	106	111	4.9
Lease and instalment debtors	368	387	5.1
Overdrafts	182	207	13.7
Term loans	871	854	-1.9
Redeemable preference shares	101	107	5.6
Factoring accounts, trade and other bills and BA's	23	26	13.7
Loans granted/deposits placed under resale agreements	184	149	-19.3
Bank intra-group balances	161	192	19.4
Other	517	531	2.6
Investment and trading positions	437	503	15.1
Derivative financial instruments	207	275	32.7
Short term negotiable securities	257	289	12.3

Selected liabilities

Deposits, current accounts and other creditors	3 920	4 061	3.6
Current	805	850	5.6
Savings	228	243	6.7
Call	727	770	6.0
Fixed and notice	1 094	1 158	5.9
Negotiable certificates of deposit	455	489	7.4
Repurchase agreements	104	118	12.9
Other	507	433	-14.7

Derivative financial instruments and other trading liabilities	276	346	25.6
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Equity

Total equity	401	455	13.5
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Off-balance sheet items

Total off-balance sheet activities	1 304	1 276	-2.1
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Dec

	2016	2017
	%	%

Profitability²

Return on equity	17.64	15.96
Return on assets	1.31	1.31
Cost-to-income ratio	55.05	56.65
Net interest income to interest-earning assets	3.91	3.97
Non-interest revenue to total assets	2.32	2.39
Operating expenses to total assets	2.99	3.14
Profit/Loss (12 months) (Rbn)	80.02	84.67
Net interest income (12 months) (Rbn)	150.99	158.43
Non-interest income (12 months) (Rbn)	112.50	119.44
Operating expenses (12 months) (Rbn)	145.06	157.40

Liquidity

Liquid assets held to liquid-asset requirement	227.04	227.82
Short-term liabilities to total liabilities	56.68	55.48
Ten largest depositors to total funding	16.21	15.19
Liquidity coverage ratio (%)	109.55	119.02

Credit risk

Impaired advances ³ (Rbn)	105.96	108.01
Impaired advances to gross loans and advances	2.86	2.84
Specific credit impairments to impaired advances	43.88	42.57
Specific credit impairments to gross loans and advances	1.25	1.21

Capital adequacy

Total capital adequacy (%)	15.92	16.22
Tier 1 (T1) capital adequacy (%)	12.85	13.43
Common equity T1 capital adequacy (%)	12.42	12.88

Basel III leverage ratio

Leverage ratio ⁴	6.24	6.62
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1. Differences may occur due to rounding.
2. All ratios based on income statement information are smoothed i.e. 12 month moving averages.
3. Advances in respect of which a specific impairment was raised.
4. Formula: Tier 1 capital divided by exposure measure.

Please note this information is subject to change without notice. The data in this report is as at the end of the reporting month except for one bank.