(iv) copies of any other information or documentation at the disposal of such a bank, controlling company or subsidiary that relates to matters that may or are likely to have a material impact on the supervisory duties of the Registrar in terms of the provisions of the Act or these Regulations;

(b) shall submit in writing to the Registrar qualitative information relating to-

(i) major shareholders of the relevant bank or controlling company;

(ii) the group structure based on-

(A) the business line structure; and

(B) the legal structure;

(iii) the respective main business activities conducted by the entities included in the consolidated return, including relevant matters relating to-

(A) services and products;

(B) markets;

(C) geographical regions;

(D) sectors;

(iv) the composition of the respective boards of directors of the respective significant entities included in the consolidated return and the respective roles and responsibilities of the respective boards of directors, including information relating to committees appointed by the board;

(v) the respective management structures of the respective significant entities included in the consolidated return, and the respective main responsibilities of such senior management;

(vi) the business model or strategy adopted by the relevant bank or controlling company and whether or not the financial activities conducted within the banking group-

(A) cut across legal entities; or

(B) are conducted autonomously within individual financial entities;

(vii) the control structure adopted by the relevant bank or controlling company, including matters relating to-

(A) accounting policies;

(B) internal audit;

(C) the compliance function;

(D) outsourcing;

(E) external audit and the interaction between internal and external audit,

and whether or not the respective adopted control functions are globally controlled or locally controlled within individual financial entities;

(viii) the strategy adopted by the relevant bank or controlling company in respect of risk, including-

(A) the group's appetite for risk;

(B) the principal risks the group is willing to incur;

(C) any specified or board approved limits relating to risk positions;

(D) the manner in which risks are monitored and controlled, that is, whether or not risk are monitored and controlled on-

(i) a global basis;

(ii) a business line basis;

(E) the frequency with which risk information has to be reported to the respective boards of directors and senior management of-

(i) the controlling company;

(ii) the relevant entities included in the reporting group of entities;

(ix) the strategy adopted by the relevant bank or controlling company in respect of-

(A) the entity or entities within the banking group primarily responsible to manage or hold any excess capital and reserve funds in the group;

(B) the monitoring of capital in relation to the risks incurred by the various entities included in the reporting group;

(C) the allocation of capital amongst the various entities included within the reporting group,

(x) the strategy adopted by the relevant bank or controlling company in respect of funding and liquidity management, including the extent to which liquidity management is centralised or managed on a business or legal entity basis;

(xi) the strategy adopted by the relevant bank or controlling company in respect of contingency planning, including the extent to which contingency planning is centralised or managed on a business or legal entity basis;

(xii) the strategy adopted by the relevant bank or controlling company in respect of intragroup transactions and transactions with related persons or entities, including whether or not-

(A) limits are imposed in respect of intragroup transactions and transactions with related persons or entities;

(B) intragroup transactions and transactions with related persons or entities are conducted on an arm's-length basis;

(xiii) the strategy adopted by the relevant bank or controlling company in respect of concentration risk, including whether or not limits are imposed in respect of concentration risk,

which qualitative information shall be submitted in writing to the Registrar within 120 days of the financial year-end of the relevant bank or controlling company or whenever requested in writing by the Registrar.

(c) shall at the request of the Registrar submit in writing a detailed list or supporting return, which list or supporting return-

(i) shall provide additional information to the Registrar in respect of matters related to the consolidated return or consolidated supervision;

(ii) shall separately reflect all investments or interests held by the bank or controlling company in-

(A) regulated subsidiaries;

(B) unregulated subsidiaries;

(C) regulated joint ventures;

(D) unregulated joint ventures;

(E) regulated associates;

(F) unregulated associates;

(G) specified special-purpose institutions included in the consolidated financial statements or consolidated return of the relevant bank or controlling company;

(H) companies bought-in during the period specified by the Registrar;

(I) any other entity specified in writing by the Registrar.

(iii) shall in respect of each relevant investment or interest specified in subparagraph (ii) above clearly indicate-

(A) the nature of business conducted by the relevant entity, that is, the main activity of business such as banking, securities trading, insurance, portfolio management, property holding or development, or other;

(B) the country in which the entity is incorporated;

(C) whether the entity conducts business as principal or agent, or both as principal and agent;

(D) the relevant regulatory authority/supervisor the rules of which apply to the relevant entity, that is, the name of the authority or supervisor responsible for the supervision of the entity;

(E) the latest date in respect of which audited financial statements are available;

(F) in the case of a regulated entity-

(i) the minimum capital requirement/solvency amount determined in accordance with the rules or regulations of the relevant authority or supervisor responsible for the supervision of the relevant entity;

(ii) the amount of qualifying capital and reserve funds determined in accordance with the rules or regulations of the relevant authority or supervisor responsible for the supervision of the relevant entity;

(iii) any surplus or shortfall amount, that is, the difference between the entity's qualifying capital and reserve funds and the required amount of capital and reserve funds.

(G) the aggregate amount of-

(i) any direct or indirect exposures granted by other group entities to the relevant entity;

(ii) any direct or indirect exposures granted by the relevant entity to other group entities,

(iv) shall in respect of each relevant bank in the reporting group clearly indicate the relevant approaches or methods implemented by the said banks for the measurement of their exposures to credit risk, market risk and operational risk.

Provided that when the bank or controlling company is unable to obtain the information required in terms of the provisions of this paragraph (b), the bank or controlling company shall in writing report to the Registrar the reasons for being unable to obtain the required information and by which date the bank or controlling company expects to obtain the required information.

(9) Matters specifically related to a bank or controlling company's consolidated exposure to market risk

(a) Subject to the provisions of subregulations (3), (4) and (7), based on a bank or controlling company's consolidated exposure to market risk, the said bank or controlling company shall calculate and maintain the relevant minimum required consolidated amount of capital and reserve funds for market risk, provided that-

(i) when the said bank or controlling company, as the case may be, and any relevant related or associated financial entity manage their exposure to and calculate their relevant required amount of capital and reserve funds in respect of market risk on a global consolidated basis, and the bank or controlling company complies with the relevant minimum requirements relating to offsetting of positions or exposures specified in regulation 28, the said bank or controlling company may report short positions and long positions in exactly the same instrument on a net basis and apply offsetting between relevant positions in accordance with the relevant requirements specified in regulation 28 no matter-

(A) where the said positions are booked;

(B) whether or not the relevant instruments relate to currency exposure, commodity exposure, equity exposure or an exposure relating to a debt instrument,

provided that notwithstanding anything to the contrary contained in the Act or these Regulations, including this subregulation (9), subject to such conditions as may be specified in writing by the Registrar, the Registrar may at any time direct the bank or controlling company no longer to apply netting or offsetting in respect of such globally held positions or exposures as may be specified in writing by the Registrar;

For example, when obstacles exist for the quick repatriation of profits from a foreign subsidiary or when legal or procedural difficulties arise relating to the timely management of risks on a global consolidated basis the Registrar may direct the bank or controlling company not to apply netting or offsetting in respect of globally held positions or exposures specified by the Registrar.

(ii) when the relevant bank or controlling company assesses its exposure to foreign exchange risk on a global consolidated basis in terms of the shorthand method envisaged in regulation 28(7)(d)(iii) and finds it impractical to include in its consolidated exposure the actual currency positions of marginal operations, the said bank or controlling company may include as a proxy in its consolidated foreign-exchange exposure the approved internal limit in respect of each relevant currency for the said marginal operation, provided that the said bank or controlling company-

(A) shall have in place robust procedures to monitor actual positions against the said approved limits;

(B) shall add to its calculated net open position in each currency the said internal limit of the said marginal operation without any regard to sign.

(b) Notwithstanding the provision of this subregulation (9), in order to ensure that no relevant position or exposure escapes supervision or measurement, the Registrar shall at all times retain the right to obtain selected information relating to and/or to monitor the exposure to market risk of individual entities on a non-consolidated basis.

(10) Matters specifically related to the calculation of the consolidated amount of qualifying capital and reserve funds

When a bank or controlling company calculates its consolidated amount of qualifying capital and reserve funds as envisaged in section 70A of the Act, the bank or controlling company-

(a) may in the case of any minority interest arising from the consolidation of less than wholly owned banks, securities firms or other financial entities, based on the availability of the amount arising from the said minority interest to the said bank or controlling company and the members of the relevant banking group, and subject to such further conditions as may be specified in writing by the Registrar, include in its consolidated amount of qualifying capital and reserve funds such percentage of or amount relating to the said minority interest as may be specified in writing by the Registrar after consultation with the relevant bank or controlling company.

For example, when-

(i) capital relating to a minority interest is not readily available to other entities within a banking group; or

(ii) the financial strength of minority shareholders is questionable,

the reporting bank or controlling company, as the case may be, shall after consultation with the Registrar and in order to ultimately determine the bank or controlling company's qualifying amount of capital and reserve funds adjust the relevant minority interest amount that may be included in the consolidated capital and reserve funds of the relevant bank or controlling company by such a percentage of or amount relating to the relevant minority interest as may be specified in writing by the Registrar;

(b) as a minimum, shall in the case of-

(i) any majority owned or controlled financial entity or activity; or

(ii) any significant minority owned or controlled financial entity or activity,

which financial entity or activity in the case of a majority owned or controlled financial entity is not fully consolidated, or in the case of a significant minority owned or controlled financial entity is not pro-rata consolidated-

(A) deduct from its consolidated capital and reserve funds-

(i) any equity or other regulatory capital instrument invested in the said majority owned or controlled entity, or significant minority owned or controlled entity,

(ii) any relevant capital shortfall relating to the said majority owned or controlled financial entity,

provided that the relevant bank or controlling company shall deduct from its primary share capital and reserve funds fifty per cent of the relevant amount to be deducted, and from its secondary capital and reserve funds the remaining fifty per cent of the relevant amount to be deducted; and

(B) remove from its balance sheet any assets and liabilities or commitments, and any third-party investments in respect of the said majority owned or controlled entity, or significant minority owned or controlled entity.

(c) as a minimum, shall in the case of-

(i) any reciprocal crossholding of capital held between the said bank or controlling company and any other entity deduct from its consolidated amount of capital and reserve funds the said amount relating to such crossholding of capital since reciprocal crossholdings-

(A) do not represent externally generated capital;

(B) may cause difficulties experienced in a particular entity quickly to transmit to other entities within the banking group;

(ii) any equity or other regulatory capital instruments held in any-

(A) subsidiary that conducts insurance business; or

(B) insurance entity in respect of which the said bank or controlling company holds a significant minority interest,

subject to the provisions of paragraph (d) below, deduct from its consolidated amount of capital and reserve funds the said amount relating to such investment, and the said bank or controlling company shall subsequently remove from its balance sheet any relevant assets, liabilities or third party investments relating to such insurance subsidiary or entity;

(iii) any investment in-

(A) a majority owned or controlled commercial entity; or

(B) a commercial entity in respect of which the said bank or controlling company holds a significant minority interest,

which investment exceeds 15 per cent of the sum of the issued primary and secondary capital and reserve funds of the reporting bank or controlling company, as reported in items 36, 63 and 72 of the form BA 700, deduct from its consolidated amount of capital and reserve funds the said excess amount relating to such investment, that is, the bank or controlling company shall deduct from its consolidated amount of capital and reserve funds the relevant amount that exceeds the said 15 per cent threshold, provided that when the aggregate amount of individual investments in commercial entities envisaged in this subparagraph (iii) exceeds 60 per cent of the sum of the said issued primary and secondary capital and reserve funds of the relevant bank or controlling company, as reported in items 36, 63 and 72 of the form BA 700, the reporting bank or controlling company, as the case may be, shall in addition to the said excess amount deducted in respect of the 15 per cent threshold deduct from its consolidated amount of capital and reserve funds the excess amount relating to the 60 per cent threshold, that is, the relevant amount that exceeds the said 60 per cent threshold;

Provided that the relevant bank or controlling company shall deduct from its primary share capital and reserve funds fifty per cent of the relevant amount to be deducted in terms of the provisions of this paragraph (c), and from its secondary capital and reserve funds the remaining fifty per cent of the said amount to be deducted.

(d) may in the case of a majority owned or controlled insurance entity, subject to such conditions as may be specified in writing by the Registrar, include in its consolidated amount of qualifying capital and reserve funds any surplus capital held by the said majority owned or controlled insurance entity, that is, the amount by which the bank or controlling company's investment in the said majority owned or controlled insurance entity exceeds the insurance entity's required amount of capital and reserve funds, provided that-

(i) the Registrar-

(A) shall only in limited circumstances grant approval for a bank or controlling company to include in its consolidated amount of capital and reserve funds such surplus capital held in the said majority owned or controlled insurance entity;

(B) shall not grant approval for a bank or controlling company to include in its consolidated amount of capital and reserve funds such surplus capital held when matters relating to legal, regulatory, tax or external credit assessment are likely to restrict the ability of the relevant majority owned or controlled insurance entity to freely transfer amounts relating to such surplus capital;

(ii) when the Registrar grants approval for a bank or controlling company to include in its consolidated amount of capital and reserve funds such surplus amount of capital and reserve funds, the bank or controlling company-

(A) shall deduct from its consolidated amount of capital and reserve funds the lesser amount of its investment in or the relevant regulatory required amount of capital and reserve funds of the said insurance entity;

(B) shall risk weight the surplus amount as an equity investment;

(C) shall continuously monitor the transferability and any potential restrictions on the transferability of the said surplus amount;

(D) shall in the case when the interest of the bank or controlling company in the said majority owned or controlled insurance entity is less than 100 per cent include in its consolidated amount of capital and reserve funds only the bank or controlling company's proportionate share of the said surplus amount;

(e) shall in no case include in its consolidated amount of capital and reserve funds any surplus capital held by an insurance entity in respect of which the said bank or controlling company holds a significant minority interest;

(f) shall deduct from its consolidated amount of capital and reserve funds any capital shortfall relating to any majority owned or controlled insurance entity;

(g) shall deduct from its consolidated primary capital and reserve funds any remaining goodwill relating to-

(i) any relevant entity subject to the deduction method or approach; or

(ii) any relevant majority owned or controlled entity;

(h) shall in all cases apply and adhere to any relevant limit or ratio specified in regulation 38(9) in respect of capital and reserve funds, that is, any limit or ratio specified in regulation 38(9) shall *mutatis mutandis* apply to the consolidated amount of capital and reserve funds of a bank or controlling company.

(11) Matters specifically related to a bank or controlling company's required amount of capital and reserve funds

(a) As a minimum, a bank or controlling company's aggregate consolidated required amount of capital and reserve funds in terms of these Regulations shall be equal to the sum of amounts calculated in accordance with the relevant requirements specified in these Regulations, which amounts shall be based on the reporting bank or controlling company's consolidated exposure to-

(i) credit risk;

(ii) market risk;

(iii) operational risk; and

(iv) such other risk exposure as may be specified in these Regulations.

(b) Notwithstanding anything to the contrary contained in the Act or these Regulations, when a bank or controlling company calculates its consolidated required amount of capital and reserve funds-

(i) a bank or controlling company that adopted the standardised approach for the measurement of its exposure to credit risk as envisaged in regulation 38(2)(a)(i) read with the relevant provisions specified in regulations 23(8) and 23(9) shall risk weight any relevant investment in-

(A) a majority owned or controlled commercial entity; or

(B) a commercial entity in respect of which the bank or controlling company holds a significant minority interest,

which investment does not exceed 15 per cent of the consolidated amount of issued primary and secondary capital and reserve funds of the reporting bank or controlling company, as reported in items 36, 63 and 72 of the form BA 700, at no less than 100 per cent;

(ii) a bank or controlling company that adopted the IRB approach for the measurement of its exposure to credit risk as envisaged in regulation 38(2)(a)(ii) read with the relevant provisions specified in regulations 23(10) to 23(14) shall risk weight any relevant investment in-

(A) a majority owned or controlled commercial entity; or

(B) a commercial entity in respect of which the bank or controlling company holds a significant minority interest,

which investment does not exceed 15 per cent of the consolidated amount of issued primary and secondary capital and reserve funds of the reporting bank or controlling company as reported in items 36, 63 and 72 of the form BA 700, in accordance with the relevant requirements relating to equity instruments specified in regulation 31, provided that the relevant risk weight relating to the said investment shall in no case be less than 100 per cent.

(c) Unless specifically otherwise provided in these Regulations, whenever a bank or controlling company calculates its consolidated required amount of capital and reserve funds in accordance with the relevant requirements specified in these Regulations and subsequently wishes to determine the related consolidated amount of risk-weighted exposure, the bank or controlling company, as the case may be, shall, based on the formula specified below, convert the said consolidated required amount of capital and reserve funds to the relevant required amount of consolidated risk-weighted exposure.

RWE = K x 12,5

where:

**RWE** is the required consolidated amount of risk-weighted exposure

**K** is the consolidated required amount of capital and reserve funds calculated in accordance with the relevant requirements specified in these Regulations

*(12) Foreign-owned banks*

Normally the parent institution or controlling company of an entity that conducts the business of a bank in the Republic, which parent institution or controlling company is incorporated in a country outside the Republic, shall be subject to the rules and regulations of the relevant consolidating supervisor of the relevant banking group, that is, normally the consolidation of entities within a banking group in respect of which the parent institution or controlling company is incorporated in a country outside the Republic shall be based on the rules and regulations of the relevant consolidating supervisor of the relevant banking group, provided that-

(a) as a minimum, unless specifically otherwise provided in this regulation 36 or specified in writing by the Registrar, for the solo supervision of an entity that conducts the business of a bank in the Republic the said entity shall be subject to the relevant provisions contained in the Act and in these Regulations;

(b) the Registrar may after consultation with a relevant consolidating supervisor specify in writing that sub-consolidation of specified entities from a specified entity in the relevant group, downwards, shall apply in accordance with the relevant requirements specified in these Regulations.

*(13) Exemption or exclusion from consolidation*

(a) A bank or controlling company may in writing apply to the Registrar to exclude from consolidation in terms of the requirements specified in this regulation 36 certain financial entities or interests, financial activities or non-financial entities held within the relevant banking group, provided that the bank or controlling company, as the case may be, shall in its application to the Registrar provide detailed motivation to exclude from consolidation the said financial entity or interest, financial activity or non-financial entity, which motivation may include that-

(i) the inclusion of the said financial entity or activity, or non-financial entity, is inappropriate or may be misleading;

(ii) the bank or controlling company's interest was acquired as a result of debt previously extended and the acquired interest is held on a temporary basis;

(iii) consolidation of the said entity or interest-

(A) is prohibited by law; or

(B) due to legal constraints, is restricted;

(iv) the aggregate amount of assets relating to such a financial entity, interest or activity, or non-financial entity, amounts to less than 1 per cent of the consolidated assets of the banking group that are subject to consolidated supervision and the risk profile of such a financial entity, interest or activity, or non-financial entity, as the case may be, does not materially affect the risk profile of the said banking group.

(b) The Registrar may grant approval to exclude from consolidation for such time and subject to such conditions as may be specified in writing by the Registrar such financial entity, interest or activity, or non-financial entity as may be specified in writing by the Registrar, provided that-

(i) in all cases the Registrar shall obtain from the relevant bank or controlling company, or a relevant supervisory authority, sufficiently detailed information in order for the Registrar-

(A) to assess the risks incurred by the relevant entity;

(B) to be satisfied that the relevant entity is sufficiently capitalized and does not constitute a material risk to the safety and soundness of the relevant bank or controlling company;

(ii) in the case of-

(A) any majority owned or controlled financial entity or activity; or

(B) any significant minority owned or controlled financial entity or activity,

the bank or controlling company shall in addition to the amounts specified in subregulation (10)(b) above deduct from its consolidated amount of capital and reserve funds such amounts as may be specified in writing by the Registrar.

*(14) Credit concentration risk and related matters*

(a) In accordance with the provisions of section 73 of the Act read with the relevant requirements specified in regulations 24(6) to 24(8), and 39(1) to 39(5), and notwithstanding anything to the contrary contained in these Regulations, for the calculation of the relevant reporting bank or controlling company's consolidated exposure to credit concentration risk, the said bank or controlling company, as the case may be, shall on a fully consolidated basis include in the calculation of its exposure to credit concentration risk any relevant exposure granted to or utilised by a counterparty of the relevant bank or controlling company and its relevant associates;

(b) As a minimum, a bank or controlling company shall have in place robust board approved policies, processes, procedures and systems-

(i) amongst other things, to comply with the relevant requirements specified in section 73 of the Act read with the relevant provisions specified in this regulation 36 and in regulations 24(6) to 24(8), and 39(1) to 39(5), including any relevant requirement relating to matters such as-

(A) concentration risk;

(B) effective risk management; and

(C) sound corporate governance.

(ii) that enable the senior management of the relevant bank or controlling company-

(A) to identify on a timely basis concentrations within the credit portfolio of the said bank or controlling company;

(B) to continuously monitor and manage the bank or controlling company's exposure to concentration risk;

(C) to conduct appropriate stress testing or scenario analysis, including stress testing in respect of-

(i) adverse events such as a material decline in the creditworthiness of a counterparty or group of related persons;

(ii) potential loss arising from a series of material changes in key risk factors;

(iii) any relevant assumptions made in respect of diversification benefits or correlation;

(iii) to continuously comply with any-

(A) prescribed reporting requirements relating to concentration risk; or

(B) prescribed or board-approved capital requirements or limits relating to concentration risk.

(c) As a minimum, a bank or controlling company-

(i) shall continuously comply with the relevant requirements envisaged in paragraph (b) above, which requirements may relate to the bank or controlling company's exposure to-

(A) a single borrower;

(B) a group of related borrowers;

(C) any person that is related or connected to the relevant bank or controlling company;

(D) a specific geographical area;

(E) a particular industry sector;

(F) a specific service provider.

(ii) shall obtain the prior written approval of the Registrar in respect of any exposure to a person that in the opinion of the relevant bank or controlling company should be exempted from a specific requirement in respect of concentration risk contained in the Act or Regulations, provided that the relevant bank or controlling company-

(A) shall in its application to the Registrar provide detailed reasons why the said exposure should be regarded as an exempt exposure, which reasons, for example, may include that the relevant person is subject to requirements specified in relation to consolidated supervision;

(B) shall comply with such conditions as may be specified in writing by the Registrar in respect of any exempt exposure, which conditions may relate to matters such as-

(i) the risk weighting of the relevant exposure;

(ii) a minimum required amount of capital and reserve funds;

(iii) public disclosure.

(d) Unless expressly otherwise provided in this regulation 36 or the form BA600, a large exposure in respect of a particular person relates to the aggregate credit exposure of the relevant reporting bank or controlling company, and any related person, to the said person in respect of-

(i) all asset items or on-balance sheet exposure included in the form BA100, including all loans and advances or investments;

(ii) the said person's liabilities in respect of any outstanding acknowledgements of debt;

(iii) all off-balance sheet items or contingent liabilities included in the form BA110, including any committed undrawn facility;

(iv) any counterparty exposure arising from any derivative instrument or unsettled transaction such as a swap, option or futures contract;

(v) any relevant exposure arising from a repo-style transaction.

*(15) Matters specifically related to connected lending or lending to a related person*

(a) In order to prevent any potential abuse arising from connected lending or lending to a related person, every bank and every controlling company shall have in place robust processes, procedures, systems and board-approved policies that, as a minimum, comply with the relevant requirements specified in regulation 24(9), and such further requirements as may be specified in writing by the Registrar.

*(16) Matters specifically related to intragroup transactions or exposure*

(a) A bank or controlling company shall have in place robust board-approved policies and risk-management processes and procedures relating to intragroup transactions or exposure, which policies, processes and procedures-

(i) shall duly address matters relating to-

(A) cross-shareholding;

(B) any trading activities in terms of which one entity within the banking group deals with or on behalf of another entity within the banking group;

(C) any central management function in respect of the liquidity structure or requirements within the relevant banking group;

(D) guarantees, loans or commitments provided to or received from any entity within the banking group;

(E) any management or other service arrangement, such as internal audit or back-office services, provided to or received from any entity within the banking group;

(F) any material exposure to a major shareholder of the bank or controlling company, including any guarantee, loan or commitment;

(G) any exposure arising from the placement of funds or assets of clients with any other entity within the banking group;

(H) any purchase or sale of assets between entities within the banking group;

(I) any transfer of risk between entities within the banking group, including any reinsurance;

(J) any relevant risk arising from double or multiple gearing of funds;

(ii) shall ensure that intragroup transactions or exposures are duly documented, reported and accounted for;

(iii) shall ensure that intragroup transactions or exposures are subject to appropriate oversight by the board of directors and senior management of the relevant bank or controlling company;

(iv) shall ensure adequate control in respect of any transfer mechanism adopted within the relevant banking group, including any transfer mechanism relating to-

(A) capital;

(B) funding;

(C) risk; or

(D) income.

(v) shall be sufficiently robust to ensure that-

(A) both sides of bilateral transactions can be analysed and that the relevant bank or controlling company identifies, monitors and controls the nature and extent of the intragroup transaction or exposure;

(B) the board of directors and senior management of the relevant bank or controlling company have an adequate understanding of the incurred risks and any subsequent changes in the said risk profile due to an intragroup transaction or exposure.

(b) When the Registrar is of the opinion that the bank or controlling company's policies, processes, procedures and systems relating to intragroup transactions or exposures are inadequate, the Registrar may-

(i) require the bank or controlling company to deduct from its capital and reserve funds such amount relating to such transactions or exposure as may be specified in writing by the Registrar;

(ii) require the bank or controlling company to obtain adequate collateral in respect of the relevant exposure;

(iii) in addition to any limit specified in the Act specify limits in respect of intragroup transactions or exposures;

(iv) in writing specify such further conditions as the Registrar in the circumstances deems appropriate.

*(17) Matters related to corporate governance, risk management and internal controls*

Without derogating from the provisions contained in regulation 39 and in subregulations (3) to (16) above, in order to promote and maintain sound standards in respect of corporate governance, risk management and internal controls, every bank and every controlling company shall have in place board-approved policies and comprehensive risk-management processes and procedures, which policies, processes and procedures-

(a) shall include comprehensive and robust know-your-customer standards that-

(i) include robust customer identification, verification and acceptance requirements throughout the banking group;

(ii) assist the bank or controlling company in its processes to prudently manage any related or interconnected risk exposure;

(iii) contribute to the safety and soundness of the reporting bank or controlling company;

(iv) prevent the bank or controlling company from being used for any money laundering or other unlawful activity;

(b) shall be sufficiently robust to ensure that-

(i) the relevant bank or controlling company-

(A) continuously-

(i) achieves the objectives relating to sound corporate governance and effective risk management, and complies with the relevant minimum requirements specified in regulation 39;

(ii) monitors account activity for potential suspicious transactions;

(iii) shares all relevant information relating to risk exposure and customer identification with relevant entities within the banking group;

(iv) receives relevant information relating to risk exposure incurred by any foreign operation;

(v) assesses the bank or controlling company's aggregate exposure to risk, including any risk incurred as a result of the bank or controlling company's cross border electronic banking business;

(vi) assesses the banking group's overall capital adequacy in relation to its risk profile;

(vii) maintains adequate levels of capital and reserve funds;

(B) establishes-

(i) an independent internal audit function;

(ii) an independent compliance function;

(iii) a centralised process in order to-

(aa) coordinate and issue appropriate risk and customer identification policies and procedures on a groupwide basis;

(bb) coordinate the sharing of all relevant information;

(C) does not enter into or continue a correspondent banking relationship with a shell bank located in a foreign jurisdiction, that is, a bank-

(i) with no physical presence in the country in which the bank is authorised to conduct banking business;

(ii) not subject to adequate solo or consolidated supervision;

(D) duly documents and maintains all relevant information, including information relating to-

(i) risks incurred by the entities included in the banking group;

(ii) the nature and extent of banking business and other financial services conducted within the banking group;

(iii) the ownership structure;

(E) is able to provide such information or submit such returns as may be-

(i) specified in writing by the Registrar; or

(ii) prescribed in these Regulations;

(F) publishes timely, reliable and sufficiently detailed information in respect of-

(i) any concentration risk, including the bank or controlling company's approach to the management of concentration risk;

(ii) any intragroup transactions or exposure, including the bank or controlling company's approach to the management of intragroup transactions or exposure;

(G) complies with any prescribed disclosure requirements.

(ii) every relevant foreign branch, subsidiary or operation of the bank or controlling company implements and applies-

(A) Anti-Money Laundering and Combating Terrorist Financing (AML/CFT) measures consistent with the relevant Financial Action Task Force (FATF) Recommendations issued from time to time;

(B) the higher of AML/CFT standards issued in the Republic of South Africa or the relevant host country,

Provided that when the relevant foreign branch, subsidiary or operation is unable to implement and apply the aforesaid measures or standards, the relevant bank or controlling company shall in writing inform the Registrar accordingly;

(iii) in relation to any cross-border correspondent banking or other similar relationship, the bank or controlling company-

(A) has in place robust due diligence procedures and measures;

(B) gathers sufficient information about a respondent institution, *inter alia*-

(i) to fully understand the nature of the respondent's business;

(ii) to determine the reputation of the relevant institution;

(iii) to determine the quality of supervision, including whether it has been subject to any money laundering or terrorist financing investigation or regulatory action;

(iv) to ensure that the respondent institution does not permit its accounts to be used by a shell bank;

(C) assesses the respondent institution's anti-money laundering and terrorist financing controls;

(D) obtains the required approval from its senior management, before it establishes any new correspondent relationship;

(E) duly documents the respective responsibilities of each relevant institution;

(F) with respect to any "payable-through account", is satisfied that the respondent bank has duly verified the identity of and performed on-going due diligence on any customer that has direct access to accounts of the correspondent, and that it is able to provide relevant customer identification data upon request to the correspondent bank;

(iv) all relevant policies, processes and procedures are subject to regular and robust processes of independent review;

(c) shall ensure an appropriate segregation of duties, that is, an entity or person responsible for the origination of a transaction or position, for example, shall not be responsible for the subsequent evaluation and performance measurement of the said transaction or position;

(d) shall promote the principles of an integrated approach to risk management, that is, as a minimum, the said policies, processes and procedures-

(i) shall create an awareness of and accountability for the risks incurred in the banking group to which the bank or controlling company belongs;

(ii) shall ensure appropriate oversight by the board of directors and senior management of the relevant bank or controlling company;

(iii) shall promote the development of-

(A) standardised definitions relating to material risk exposure;

(B) appropriate risk reports for use by the board of directors and senior management of the bank or controlling company;

(C) adequate integrated risk systems that promotes an appropriate balance between-

(i) any potential benefits derived from diversification; and

(ii) any correlation between risk factors;

(iv) shall ensure that-

(A) an appropriate set of common risk factors is specified within the banking group;

(B) appropriate risk management committees or structures are established;

(v) shall ensure the appropriate assessment of-

(A) any potential losses associated with the bank or controlling company's various risk exposures;

(B) any potential risk concentration,

(vi) shall duly capture all relevant matters relating to the bank or controlling company's cross-border electronic business such as internet banking, including-

(A) requirements to conduct appropriate due diligence and risk assessments prior to the bank or controlling company engaging in cross-border electronic business;

(B) appropriate consultation and information sharing with all relevant regulatory and supervisory authorities;

(C) a requirement to obtain all relevant regulatory or supervisory approval;

(D) matters relating to legal requirements such as-

(i) legal jurisdiction;

(ii) choice of law;

(iii) consumer protection;

(iv) disclosure requirements;

(v) reporting requirements;

(E) matters relating to strategic risk, reputational risk or operational risk;

(e) shall ensure-

(i) proper oversight by the management and board of directors of the relevant bank or controlling company of any foreign operation, including any foreign branch of a bank, joint venture or subsidiary;

(ii) that the senior management and board of directors of any foreign operation adhere to all relevant fit and proper standards issued from time to time.

*(18) Matters specifically related to solo consolidation*

Solo consolidation-

(a) may be allowed by the Registrar only in exceptional cases;

(b) is deemed to serve as a substitute for solo or unconsolidated reporting, and as such no bank shall apply solo consolidation in respect of any subsidiary unless specific approval was obtained from the Registrar to apply such solo consolidation;

(c) aims to include in the required information only those subsidiaries-

(i) which are so closely related to the activities of the relevant reporting bank that the subsidiaries may in substance be deemed equivalent to operating divisions of the relevant bank;

(ii) in respect of which-

(A) the interest of the bank is no less than 75 per cent, that is, the bank has control over the relevant subsidiary and is in a position to pass a special resolution when necessary;

(B) the bank has the right to appoint or remove a majority of the members of the board of directors of the relevant subsidiary;

(C) the management of the subsidiary is subject to the effective direction of the bank;

(D) robust internal controls are in place in order to ensure that the subsidiary's business is conducted in a prudent manner;

(E) no legal or other restrictions exist that may prevent surplus capital from being paid to the parent bank;

(F) the incurred risks mainly relate to the parent bank;

(iii) that are mainly funded by the bank, that is, there are little or no competing claims from other creditors, or other liabilities can easily be repaid from the proceeds of assets held by the bank;

(d) shall in the case of a bank that adopted-

(i) the internal ratings-based approach for the measurement of the bank's exposure to credit risk;

(ii) the internal models approach for the measurement of the bank's exposure to market risk; or

(iii) the advanced measurement approach for the measurement of the bank's exposure to operational risk,

be applied only in respect of subsidiaries that are subject to and included in the results of the relevant approach or model adopted by the relevant reporting bank;

(e) shall not be applied in respect of banks within a banking group, that is, in no case shall a bank be solo consolidated with any other bank.

(19) Instructions relating to the completion of the return are furnished with reference to certain item descriptions and line item numbers appearing on the form BA 600, as follows:

| ***Line item number*** | |
|---|---|
| 2 | This item shall reflect the relevant amount of risk-weighted exposure relating to any surplus capital approved by the Registrar in respect of any insurance entity, that is, the relevant amount of risk weighted exposure relating to the difference between the amount invested in an insurance entity and the said insurance entity's required amount of capital and reserve funds, which surplus amount shall be risk weighted in accordance with the relevant requirements relating to equity investments. |
| 6 | This item shall reflect any additional required amount of capital and reserve funds specified by the Registrar in accordance with the relevant requirements specified in regulation 38(4), including any additional required amount of capital and reserve funds in respect of concentration risk. |
| 9 | This item shall reflect the relevant amount of surplus capital as envisaged in item 2 above, which amount has been approved by the Registrar in accordance with the relevant provisions specified in subregulation (10)(d) above. |
| 10 | This item shall reflect any approved adjustment made to the consolidated qualifying amount of capital and reserve funds of the relevant reporting bank or controlling company provided that when requested by the Registrar the said bank or controlling company shall in writing submit to the Registrar an analysis of the said amount. |
| 13 to 17 | These items shall indicate whether or not the relevant reporting bank or controlling company complies with the relevant prescribed ratio, prudential requirement or reporting requirement specified in these Regulations. |
| 19 to 29 | These items shall reflect the relevant required information relating to any majority owned or controlled financial entity or financial entity in respect of which the reporting bank or controlling company holds a significant minority interest, which majority owned or controlled financial entity or financial entity in respect of which the reporting bank or controlling company holds a significant minority interest is either fully consolidated, consolidated on a pro-rata basis or otherwise aggregated in order to, amongst other things, determine the said reporting bank or controlling company's required amount of capital and reserve funds. |

19 Irrespective of their significance, this item shall reflect the relevant required aggregate amounts relating to **all** relevant registered banks included in the relevant reporting group, the required details of which banks-

(a) unless otherwise directed in writing by the Registrar or specified in this regulation 36 shall be based on the relevant required information submitted by the relevant bank to its relevant supervisor;

(b) shall separately be shown in the space provided below line item 19.

20 This item shall reflect the relevant required aggregate amounts relating to all eliminations made in respect of intra-group balances held between banks reported in item 19, that is, item 20 shall not include any intra-group balance other than an intra-group balance relating to a bank included in item 19, which intra-group eliminations-

(a) shall include-

(i) any relevant amount added back in respect of an intra-group impairment;

(ii) any relevant amount relating to any issued instrument qualifying as capital and reserve funds of any other bank in the relevant reporting banking group;

(iii) any relevant amount relating to non-qualifying capital and reserve funds;

(iv) any relevant amount relating to a prescribed deduction against capital and reserve funds;

(b) shall not include any amount relating to a minority interest approved by the Registrar to qualify as capital and reserve funds of the relevant consolidated group,

provided that the relevant reporting bank or controlling company shall include any intra-group balances relating to entities other than banks in item 28 below.

21 This item, amongst other things, shall reflect the net amount of qualifying capital and reserve funds relating to all registered banks within the relevant reporting banking group.

22 This item shall reflect the relevant required aggregate amounts relating to all registered bank controlling companies within the relevant reporting banking group, the relevant required details of which controlling companies shall separately be shown in the space provided below line item 22.

23 This item shall reflect the relevant required aggregate amounts relating to all significant financial entities within the relevant reporting banking group, other than any amount relating to a bank or controlling company, the relevant required details of which significant financial entities shall separately be shown in the space provided below line item 23, which significant financial entities-

(a) shall include-

(i) any relevant significant entity conducting securities trading activities;

(ii) any relevant significant joint venture;

(b) shall exclude any insurance entity the required details of which shall be reported in item 25,

provided that the relevant reporting bank or controlling company shall include the relevant required aggregate amounts relating to non-significant entities in item 27.

24 This item shall reflect the relevant required aggregate amounts relating to all significant commercial entities within the relevant reporting banking group, the required details of which commercial entities shall separately be shown in the space provided below line item 24.

25 In order to facilitate a reconciliation to the consolidated forms BA 100 and BA 120 of total assets, total net income after taxation and total shareholders funds, this item shall reflect the relevant required aggregate amounts relating to all significant insurance entities, the required details of which insurance entities shall separately be shown in the space provided below line item 25.

26 This item shall reflect the relevant required aggregate amounts relating to all special-purpose institutions involved in securitisation schemes, the relevant financial information of which special-purpose institutions, in terms of Financial Reporting Standards issued from time to time, is required to be consolidated into the financial information of the relevant reporting group provided that the relevant reporting bank or controlling company shall separately report the relevant required information relating to the said special-purpose institutions in the space provided below line item 26.

27 This item shall reflect the relevant required aggregate amounts relating to all non-significant entities included in the group financial statements of the relevant reporting bank or controlling company, as the case may be, that is, the aggregate amount relating to all entities included in the group financial statements of the relevant reporting bank or controlling company, other than amounts already included in items 19 to 26, shall be reported in this item 27, including any amount relating to any non-significant insurance or commercial entity.

28 This item shall reflect the relevant required aggregate amounts relating to all eliminations made in respect of intra-group balances, other than intra-group balances reported in item 20, including in the case of a non-bank any relevant amount relating to-

(a) any qualifying capital and reserve funds;

(b) prescribed deductions against capital and reserve funds; or

(c) non-qualifying capital and reserve funds.

30 This item shall reflect-

(a) in column 13 the relevant equivalent amount of risk weighted exposure relating to any additional required amount of capital and reserve funds in respect of a group large exposure reported in items 39 to 45;

(b) in columns 18 to 21-

(i) any reduction in the consolidated qualifying amount of capital and reserve funds related to goodwill included in the consolidated accounts of the relevant reporting bank or controlling company; and

(ii) any differences between any relevant reporting requirements specified in these Regulations and in Financial Reporting Standards issued from time to time,

provided that at the written request of the Registrar the reporting bank or controlling company, as the case may be, shall submit in writing to the Registrar a detailed breakdown of the respective items and amounts included in this item 30.

***Column number relating to items 19 to 31***

1 Based on the relevant keys specified in footnotes 1 and 2 of the form BA 600, this column shall indicate-

(a) whether the approach adopted by a relevant host supervisor or other supervisor for the calculation of the minimum required amount of capital and reserve funds, for example, is based on the relevant requirements specified in the 1988 Capital Accord or the Revised Framework for capital measurement and capital standards originally issued by the Basel Committee in July 1988 and June 2004, respectively, as amended from time to time;

(b) whether or not the rules and regulations of the relevant regulator or supervisor are deemed equivalent to the provisions of the Act and the Regulations.

2 This column shall reflect the actual or effective percentage held in the relevant entity by the relevant reporting bank or controlling company, and its associates.

3 This column shall reflect the current book value of the investment of the relevant bank or controlling company in the relevant entity.

4 This column shall reflect the current year-to-date amount of net income after tax for the relevant period relating to the current financial year provided that item 29, column 4, shall be equal to item 87, column 8 or 9, as the case may be, of the form BA 120.

5 This column shall reflect the total assets of the relevant reporting entity provided that item 29, column 5, shall be equal to item 54, column 6 or 7, as the case may be, of the form BA 100.

6 to 11 These columns shall reflect the relevant required amounts of risk weighted exposure of the relevant group or entity, calculated in accordance with the relevant requirements specified in these Regulations or, in the case of a regulated entity in respect of which the aggregation or deduction method is applied, subject to the prior written approval of and such conditions as may be specified in writing by the Registrar, the rules and regulations of the relevant host supervisor or other supervisor the rules and regulations of which are deemed by the Registrar to be equivalent to the provisions contained in the Act and in these Regulations.

12 In order to avoid any double counting of risk or required amount of capital and reserve funds this column shall reflect the aggregate amount of risk weighted exposure between or relating to intra-group entities ultimately required to be included in the consolidated required amount of capital and reserve funds of the relevant reporting bank or controlling company, as the case may be, that is-

(a) this column shall reflect the total amount of risk weighted exposure relating to credit risk, operational risk, equity risk or other risk, as envisaged in columns 6 to 11, in respect of any intra-group exposure between intra-group entities ultimately required to be included in the consolidated required amount of capital and reserve funds;

(b) no amount relating to risk weighted intra-group exposure in respect of an exposure or entity ultimately excluded from the consolidated required amount of capital and reserve funds, such as an insurance entity, shall be included in this column 12.

13 This column shall reflect the relevant equivalent amount of risk weighted exposure relating to any additional required amount of capital and reserve funds specified by the Registrar or a relevant host supervisor provided that in addition to the aforementioned required amount the reporting bank or controlling company, as the case may be, shall report in item 30 any further required amount of capital and reserve funds in respect of large exposures, calculated in items 44 and 45 of the form BA 600.

15 This column shall reflect the relevant aggregate amount of shareholders equity calculated and disclosed in accordance with the relevant requirements specified in Financial Reporting Standards issued from time to time provided that item 29, column 15, shall be equal to item 87, column 6 or 7, as the case may be, of the form BA 100.

16 This column shall reflect the aggregate amount of issued qualifying and non-qualifying capital instruments or reserve funds not already included in column 15.

17 This column shall reflect the aggregate amount of items included in columns 15 and 16 not eligible as consolidated qualifying capital and reserve funds in terms of the relevant provisions contained in the Act or Regulations, or in relevant cases specified in writing by the Registrar, the rules and regulations of a relevant host supervisor, which disqualification from consolidated qualifying capital and reserve funds, for example, may relate to a prescribed prudential limit, provided that the reporting bank or controlling company, as the case may be, shall eliminate any relevant amount relating to intra-group capital instruments not qualifying as capital in item 20 and 28 respectively.

18 This column shall reflect the aggregate amount of items constituting deductions against capital and reserve funds in terms of the provisions of these Regulations or when relevant the rules and regulations of a relevant host supervisor or other supervisor, including any specified deduction arising from a shortfall when expected loss is compared to an allowance for credit impairment, provided that the reporting bank or controlling company, as the case may be-

(a) shall as part of the eliminations respectively envisaged in items 20 and 28 appropriately adjust any relevant amount relating to a deduction that arises from an intra-group investment or exposure;

(b) shall deduct in item 30, column 18, any relevant goodwill arising from a consolidation of accounts.

19 This column shall reflect the relevant amount of qualifying capital and reserve funds of the reporting bank or controlling company.

22 In respect of every relevant entity this column shall reflect the relevant capital adequacy ratio of the said entity calculated in accordance with the relevant rules and regulations of the relevant supervisor.

23 In respect of every relevant entity this column shall reflect the relevant minimum required capital adequacy ratio prescribed by the relevant supervisor.

***Column number relating to items 32 to 38***

1 In respect of the relevant intra-group entity, this column shall reflect the aggregate amount or cost of the investment made by the relevant bank or controlling company and its related persons in the said intra-group entity.

2 In respect of the relevant intra-group entity, this column shall reflect the aggregate gross amount of all on-balance sheet exposures other than investments reported in column 1 of the relevant bank or controlling company and its related persons to the said intra-group entity.

4 In respect of the relevant intra-group entity, this column shall reflect the aggregate gross amount of all off-balance sheet exposures of the relevant bank or controlling company and its related persons, calculated in accordance with the relevant requirements specified in Financial Reporting Standards issued from time to time.

6 and 7 In order to facilitate an analysis of variances, based on the relevant requirements specified above for the completion of columns 1 to 5, these columns shall reflect the relevant aggregate gross amount of exposure reported by the relevant bank or controlling company in the form BA 600 for the preceding reporting period, that is, the relevant aggregate amount reported in column 6 for the current reporting period shall be equal to the relevant amount reported in column 3 of the preceding reporting period whilst the relevant aggregate amount reported in column 7 for the current reporting period shall be equal to the relevant amount reported in column 5 of the preceding reporting period.

10 to 12 In respect of the relevant intra-group entities, these columns shall indicate the response of the relevant reporting bank or controlling company to the respective questions listed in notes 2a to 2c at the bottom of the section relating to intra-group exposure provided that-

(a) in respect of the said questions the said reporting bank or controlling company, as the case may be, shall indicate a response of "yes" with a numeric 1 and a response of "no" with a numeric 2;

(b) at the written request of the Registrar, the relevant reporting bank or controlling company shall in writing submit to the Registrar such additional information as may be specified in writing by the Registrar. For example, when loans or advances are not extended to intra-group entities at arms length, the relevant reporting bank or controlling company shall in writing submit to the Registrar such additional information relating to such intra-group exposure as may be specified in writing by the Registrar.

***Line item number***

39 to 41 Based on the relevant requirements specified in section 73 of the Act read with the relevant requirements specified in regulations 24(6) to 24(8), these items shall reflect any exposure to a person in excess of the percentage of the consolidated net amount of qualifying capital and reserve funds specified in the said regulations 24(6) to 24(8).

43 In order to prevent any double counting of a required amount of capital and reserve funds relating to large exposures, this item shall reflect the aggregate amount of additional capital and reserve funds already held by individual entities in the banking group relating to a person reported in items 39 to 41 in respect of which an additional required amount of capital and reserve funds is separately calculated in the said items 39 to 41.

44 This item shall reflect the aggregate additional required amount of capital and reserve funds to be held by the relevant consolidating bank or controlling company, due to a large exposure to a person reported in items 39 to 41.

45 This item shall reflect the relevant equivalent amount of risk weighted exposure relating to the additional required amount of capital and reserve funds for large exposures reported in item 44, which equivalent amount of risk weighted exposure shall be the same amount as the amount reported in item 30, column 13.

***Column number relating to items 39 to 44***

2 This column shall reflect the aggregate amount of the reporting bank or controlling company's on-balance sheet exposure to a person, other than any on-balance sheet exposure arising from a derivative instrument or repo-style transaction, which on-balance sheet exposure amount shall be gross of any valuation adjustment or credit impairment.

3 This column shall reflect the aggregate amount of the reporting bank or controlling company's off-balance sheet exposure to a person, other than any off-balance sheet exposure arising from a derivative instrument or repo-style transaction, which off-balance sheet exposure amount shall include any amount relating to an irrevocable commitment or committed undrawn facility, prior to the application of any specified credit conversion factor.

4 This column shall reflect the aggregate amount of the reporting bank or controlling company's exposure to a person arising from any relevant repurchase or resale transaction or agreement.

5 This column shall reflect the aggregate amount of the reporting bank or controlling company's exposure to a person arising from any transaction in a derivative instrument, calculated in accordance with the relevant requirements specified in regulations 23(15) to 23(19).

8 This column shall reflect the aggregate additional required amount of capital and reserve funds in respect of concentration risk arising from a large exposure to a private-sector non-bank person, calculated in accordance with the relevant requirements specified in regulations 24(6) to 24(8) read with the relevant requirements specified in subregulation (14) above, and such further requirements as may be specified in writing by the Registrar.

## FOREIGN OPERATIONS OF SOUTH AFRICAN BANKS

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**FOREIGN OPERATIONS OF SOUTH AFRICAN BANKS**
(Confidential and not available for inspection by the public)
Name of entity.....
Quarter ended: ..... (yyyy-mm-dd)

**BA 610**
Quarterly
Currency:.....
Country:.....
Host supervisor:.....
Rules applied[1]: .....

**A. BALANCE SHEET** (All amounts to be rounded off to the nearest '000)

| **Assets** | Line no. | Banking 1 | Trading 2 | Total[2] 3 |
|---|---|---|---|---|
| Cash and balances with central bank | 1 | | | |
| Short term negotiable securities | 2 | | | |
| Loans and advances to customers (item 4 less item 17) | 3 | | | |
| Gross loans and advances (total of items 5 to 16) | 4 | | | |
| Home loans | 5 | | | |
| Commercial Mortgages | 6 | | | |
| Credit cards | 7 | | | |
| Lease and instalment debtors | 8 | | | |
| Overdrafts | 9 | | | |
| Redeemable preference shares and other equivalent instruments | 10 | | | |
| Trade other bills and bankers acceptances | 11 | | | |
| Term loans | 12 | | | |
| Loans granted/ deposits placed under resale agreements | 13 | | | |
| Loans and advances to banks | 14 | | | |
| Foreign currency loans and advances to non-banks | 15 | | | |
| Other loans to customers and clients | 16 | | | |
| **Less**: credit impairments | 17 | | | |
| Investment and trading securities (total of items 19 to 23, less item 24) | 18 | | | |
| Equities - Listed | 19 | | | |
| Equities - Unlisted | 20 | | | |
| Commodities | 21 | | | |
| Government and government - guaranteed securities | 22 | | | |
| Other dated securities | 23 | | | |
| **Less**: credit impairments | 24 | | | |
| Derivative financial instruments | 25 | | | |
| Pledged assets | 26 | | | |
| Investment in subsidiary companies | 27 | | | |
| Investments in associates and joint ventures | 28 | | | |
| Non current assets held for sale | 29 | | | |
| Intangible assets | 30 | | | |
| Investment property | 31 | | | |
| Property and equipment | 32 | | | |
| Current income tax receivables | 33 | | | |
| Deferred income tax assets | 34 | | | |
| Other assets | 35 | | | |
| **TOTAL ASSETS** (total of items 1 to 3, 18 and 25 to 35) | 36 | | | |

1. **Reserve Bank, or host supervisor when the rules of a foreign supervisor were applied.**
2. **Actual balance at month-end.**

**A. BALANCE SHEET** (All amounts to be rounded off to the nearest '000)

| Liabilities | Line no. | Banking | Trading | Total[1] |
|---|---|---|---|---|
| | | 1 | 2 | 3 |
| Deposits, current accounts and other creditors (total of items 38 to 46) | 37 | | | |
| Current accounts | 38 | | | |
| Savings and deposits | 39 | | | |
| Call deposits | 40 | | | |
| Fixed and notice deposits | 41 | | | |
| Negotiable certificates of deposits | 42 | | | |
| Other deposits and loan accounts | 43 | | | |
| Deposits received under repurchase agreements | 44 | | | |
| Interbank funding | 45 | | | |
| Foreign currency funding from non-banks | 46 | | | |
| Derivative financial instruments and other trading liabilities | 47 | | | |
| Term debt instruments (total of item 49 plus 50) | 48 | | | |
| Qualifying as capital | 49 | | | |
| Other | 50 | | | |
| Non current liabilities held for sale | 51 | | | |
| Provisions | 52 | | | |
| Other liabilities | 53 | | | |
| **TOTAL LIABILITIES** (total of items 37, 47, 48 and 51 to 53) | 54 | | | |

| Equity | Line no. | Banking | Trading | Total[1] |
|---|---|---|---|---|
| | | 1 | 2 | 3 |
| Total equity attributable to equity holders | 55 | | | |
| Preference shareholders | 56 | | | |
| **TOTAL EQUITY** (total of items 55 and 56) | 57 | | | |
| **TOTAL EQUITY AND LIABILITIES** (total of items 54 and 57) | 58 | | | |
| **Memorandum Items** | | | | |
| **Analysis of counterparties (item 3** - Loans and advances to customers) | 59 | | | |
| Loans and advances to non-bank customers | 60 | | | |
| Loans and advances to banks ( item 14 ) | 61 | | | |
| of which: | | | | |
| Intra group | 62 | | | |
| Interbank | 63 | | | |
| **Analysis of counterparties (item 37)** - Deposits, current accounts and other creditors | 64 | | | |
| Sovereign, including central banks | 65 | | | |
| Public sector entities | 66 | | | |
| Local sector entities | 67 | | | |
| Banks (total of items 69 and 70) | 68 | | | |
| of which: | | | | |
| Intra group | 69 | | | |
| Interbank | 70 | | | |
| Securities firms | 71 | | | |
| Corporate customers | 72 | | | |
| Retail customers | 73 | | | |
| Other | 74 | | | |

1. **Actual balance at month-end.**

**B. OFF BALANCE SHEET ACTIVITIES** (All amounts to be rounded off to the nearest '000)

| Description of item | Line no. | Banking | Trading | Total[1] |
|---|---|---|---|---|
| | | 1 | 2 | 3 |
| Guarantees | 75 | | | |
| Letters of credit | 76 | | | |
| Customers' indebtedness for acceptances | 77 | | | |
| Committed undrawn facilities (including unutilised draw-down facilities) | 78 | | | |
| Underwriting exposures (including revolving underwriting exposures) | 79 | | | |
| Credit-derivative instruments | 80 | | | |
| Committed capital expenditure | 81 | | | |
| Operating lease commitments | 82 | | | |
| Other contingent liabilities | 83 | | | |
| **TOTAL** (of items 75 to 83) | 84 | | | |

**1. Actual balance at month-end.**

**C. INCOME STATEMENT** (All amounts to be rounded off to the nearest '000)

| Description of item | Line no. | Current quarter | | | Current year to date | | |
|---|---|---|---|---|---|---|---|
| | | Banking | Trading | Total[1] | Banking | Trading | Total[1] |
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| Interest and similar income (total of items 86, 87 and 98, less item 99) | 85 | | | | | | |
| Short-term negotiable securities | 86 | | | | | | |
| Loans and advances to customers (total of items 88 to 97) | 87 | | | | | | |
| Homeloans | 88 | | | | | | |
| Commercial mortgages | 89 | | | | | | |
| Credit cards | 90 | | | | | | |
| Lease instalment debtors | 91 | | | | | | |
| Overdrafts | 92 | | | | | | |
| Redeemable preference shares and other equivalent instruments issued to provide credit | 93 | | | | | | |
| Trade, other bills and bankers acceptances | 94 | | | | | | |
| Term loans | 95 | | | | | | |
| Factoring accounts | 96 | | | | | | |
| Other | 97 | | | | | | |
| Government and other dated securities | 98 | | | | | | |
| **Less**: interest income on trading assets allocated to trading revenue | 99 | | | | | | |
| Interest expense and similar charges (total of items 101, 109 and 110, less item 111) | 100 | | | | | | |
| Deposits, current accounts and other (total of items 102 to 104 and 107 to 108) | 101 | | | | | | |
| Current accounts | 102 | | | | | | |
| Savings and deposits | 103 | | | | | | |
| Term and other deposits (total of items 105 and 106) | 104 | | | | | | |
| Fixed and notice deposits | 105 | | | | | | |
| Other | 106 | | | | | | |
| Negotiable certificates of deposits | 107 | | | | | | |
| Other deposits and loans | 108 | | | | | | |
| Other liabilities | 109 | | | | | | |
| Term debt instruments | 110 | | | | | | |
| **Less**: interest expense on trading liabilities allocated to trading revenue | 111 | | | | | | |
| **Net interest income** (item 85 less item 100) | 112 | | | | | | |

1. Actual balance at month-end.

**C. INCOME STATEMENT** (All amounts to be rounded off to the nearest '000)

| Description of item | Line no. | Current quarter | | | Current year to date | | |
|---|---|---|---|---|---|---|---|
| | | Banking | Trading | Total[1] | Banking | Trading | Total[1] |
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| Net fee and commission income | 113 | | | | | | |
| Dividend income | 114 | | | | | | |
| Net trading income / (loss) (total of items 116 to 121) | 115 | | | | | | |
| Foreign exchange | 116 | | | | | | |
| Debt securities | 117 | | | | | | |
| Commodities | 118 | | | | | | |
| Derivative instruments | 119 | | | | | | |
| Equities | 120 | | | | | | |
| Other | 121 | | | | | | |
| Other gains less losses | 122 | | | | | | |
| Other operating income / (loss) | 123 | | | | | | |
| **Non interest revenue** (total of items 113 to 115, 122 and 123) | 124 | | | | | | |
| **Gross operating income / (loss)** (total of items 112 and 124) | 125 | | | | | | |
| Credit losses | 126 | | | | | | |
| Operating expenses (including indirect taxation) (total of items 128 to 136) | 127 | | | | | | |
| Staff | 128 | | | | | | |
| Computer processing | 129 | | | | | | |
| Communication and travel | 130 | | | | | | |
| Occupation and accommodation | 131 | | | | | | |
| Marketing | 132 | | | | | | |
| Fees and insurances | 133 | | | | | | |
| Office equipment and consumables | 134 | | | | | | |
| Auditors remuneration | 135 | | | | | | |
| Other | 136 | | | | | | |
| **Operating profit/ (loss) before non-trading and capital items** (total of item 125 less items 126 and 127) | 137 | | | | | | |
| Non-trading and capital items | 138 | | | | | | |
| Share of profit / (loss) of associates and joint ventures | 139 | | | | | | |
| **Profit / (loss) before income tax** (total of items 137 to 139) | 140 | | | | | | |
| Direct taxation | 141 | | | | | | |
| **Profit / (loss) for the period/ year** (item 140 less item 141) | 142 | | | | | | |

**1. Actual balance at month-end.**

**D. CAPITAL ADEQUACY**

(All amounts to be rounded off to the nearest '000')

| Summary information in respect of capital adequacy | Line no. | Risk exposure | | | | | |
|---|---|---|---|---|---|---|---|
| | | Credit | Operational | Market | Equity | Other | Total |
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| **Required capital adequacy ratio** | | | | | | | |
| Minimum prescribed capital adequacy ratio (percentage) | 143 | | | | | | |
| Additional requirement specified by the Registrar/ foreign supervisor (percentage) | 144 | | | | | | |
| Minimum required capital adequacy ratio (total of items 143 and 144) | 145 | | | | | | |
| **Risk weighted exposure** | | | | | | | |
| Risk weighted exposure equivalent amount prior to concentration risk | 146 | | | | | | |
| Risk equivalent amount in respect of concentration risk | 147 | | | | | | |
| Aggregate risk weighted exposure equivalent amounts (total of items 146 and 147) | 148 | | | | | | |
| **Minimum required capital and reserve funds** | | | | | | | |
| Minimum required capital and reserve funds based on risk-weighted exposure (Item 145 multiplied with item 148) | 149 | | | | | | |
| Additional capital requirement specified by the Registrar/ foreign supervisor[1] | 150 | | | | | | |
| ***Subtotal*** *(total of items 149 and 150)* | 151 | | | | | | |
| Minimum amount of required capital and reserve funds specified in relevant legislation | 152 | | | | | | |
| Minimum required capital and reserve funds in respect of the reporting entity[2] | 153 | | | | | | |

| | | Primary capital and reserve funds | Secondary capital and reserve funds | Tertiary capital | Total (of col 1 to 3) |
|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 |
| **Qualifying capital and reserve funds** | | | | | |
| Issued capital and reserve funds | 154 | | | | |
| Non-qualifying capital and reserve funds | 155 | | | | |
| Prescribed deductions against capital and reserve funds | 156 | | | | |
| Aggregate amount of qualifying capital and reserve funds (item 154 less items 155 and 156) | 157 | | | | |
| **Excess / (shortfall)** (item 157 column 4 less item 153 column 6) | 158 | | | | |

| | | Prescribed limit or ratio | Ratio of reporting entity |
|---|---|---|---|
| | | 1 | 2 |
| **Memorandum items:** | | | |
| Total capital adequacy ratio | 159 | | |
| Primary capital and reserve funds adequacy ratio | 160 | | |
| Non-redeemable non-cumulative preference shares as % of total primary capital and reserve funds | 161 | | |
| Secondary capital and reserve funds and tertiary capital as % of primary capital and reserve funds | 162 | | |
| Subordinated term debt as % of primary capital and reserve funds | 163 | | |
| Hybrid instruments as % of primary capital and reserve funds | 164 | | |
| Host capital ratio[3] | 165 | | |
| Host minimum required ratio | 166 | | |

**1. Including any relevant required amount relating to an imposed capital floor (not to duplicate any requirement reported in item 144).**
**2. Greater of item 151 or 152.**
**3. Actual ratio, based on the rules of the relevant foreign/host supervisor.**

| **Reconciliation between qualifying capital and reserve funds and accounting equity and reserves** | **Line no.** | **Primary capital and reserve funds** | **Secondary capital and reserve funds** | **Tertiary capital** | **Non qualifying capital and reserve funds** | **Total included in Section A** (total of columns 1 to 4) |
|---|---|---|---|---|---|---|
| | | **1** | **2** | **3** | **4** | **5** |
| Share capital and premium | 167 | | | | | |
| Retained earnings | 168 | | | | | |
| Other reserve funds | 169 | | | | | |
| Minority interests | 170 | | | | | |
| Subordinated debt instruments qualifying as capital | 171 | | | | | |
| General allowance for credit impairment qualifying as capital[1] | 172 | | | | | |
| Prescribed deductions against capital and reserve funds | 173 | | | | | |
| **Total** | 174 | | | | | |
| **Memorandum Items:** | | | | | | |
| Eligible provisions in excess of expected loss[1, 2] | 175 | | | | | |
| Expected loss in excess of eligible provisions[1, 2] | 176 | | | | | |

1. **Refer to regulation 23(22).**
2. **Relates to the IRB approach only.**

**E. 1 CREDIT RISK** (All amounts to be rounded off to the nearest '000)

| **Standardised approach:** | | **Credit risk exposure** | | | | | | | **Credit impairment related information** | | **Credit risk classification** | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Summary of credit exposure and risk weighted exposure** | **Line no.** | **On-balance sheet exposure** | **Off-balance sheet exposure** | **Repurchase and Resale agreements** | **Derivative instruments** | **Total credit exposure** (total of col. 1 to 4) | **Total credit exposure post CRM** | **Risk weighted exposure** | **Impaired advances** | **Specific credit impairment** | **Special mention** | **Sub-standard** | **Doubtful** | **Loss** |
| **Based on asset class** | | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** |
| **Corporate exposure** (total of items 178 and 179) | 177 | | | | | | | | | | | | | |
| Corporate | 178 | | | | | | | | | | | | | |
| SME corporate | 179 | | | | | | | | | | | | | |
| **Public sector entities** | 180 | | | | | | | | | | | | | |
| **Local governments and municipalities** | 181 | | | | | | | | | | | | | |
| **Sovereign** (including central government and central bank) | 182 | | | | | | | | | | | | | |
| **Banks** | 183 | | | | | | | | | | | | | |
| **Securities firms** | 184 | | | | | | | | | | | | | |
| **Retail exposure** (total of items 186 to 189) | 185 | | | | | | | | | | | | | |
| Residential mortgages (including any home equity line of credit) | 186 | | | | | | | | | | | | | |
| Retail revolving credit | 187 | | | | | | | | | | | | | |
| Retail - other | 188 | | | | | | | | | | | | | |
| SME retail | 189 | | | | | | | | | | | | | |
| **Other assets** | 190 | | | | | | | | | | | | | |
| **Securitisation and resecuritisation exposure** | 191 | | | | | | | | | | | | | |
| **Total** (of items 177, 180 to 185, 190 and 191 ) | 192 | | | | | | | | | | | | | |

**E. 2 CREDIT RISK**

(All amounts to be rounded off to the nearest '000)

| **Standardised and/or IRB approach:**<br>**Credit concentration risk: large exposure to a person**[1]<br>**Name of person** | **Line no.** | **Asset class**[2] | **Total credit exposure**[3]**: exposures exceeding 10% of qualifying capital and reserve funds per person** | **Total credit exposure**[3]**: exposures exceeding 25% of qualifying capital and reserve funds per person** | **Credit risk mitigation** | **Risk weighted value**[4] **of net exposure** |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| **Private-sector non bank: total** | 193 | | | | | |
| (Specify) | 194 | | | | | |
| | 195 | | | | | |
| | 196 | | | | | |
| **Bank/regulated securities firm: total** | 197 | | | | | |
| (Specify) | 198 | | | | | |
| | 199 | | | | | |
| | 200 | | | | | |
| **Other: total** | 201 | | | | | |
| Specify) | 202 | | | | | |
| | 203 | | | | | |
| | 204 | | | | | |
| | 205 | | | | | |
| **Total** (of items 193, 197 and 201) | 206 | | | | | |

1. Refer to section 73 of the Act and regulations 24(6) to 24(8).
2. Based on the following specified keys: 1 = Corporate; 2 = SME corporate; 3 = Public sector entities; 4 = Local government and municipalities; 5 = Sovereign (including central governments and central bank); 6 = Banks; 7 = Securities firms; 8 = Retail; 9 = SME retail 10 = Securitisation or resecuritisation exposure
3. Before the application of any credit conversion factor, credit risk mitigation or volatility adjustment.
4. After the application of a scaling factor of 1.06 in the case of the IRB approach.

**E.3 CREDIT RISK** (All amounts to be rounded off to the nearest '000)

| IRB approach : Summary of credit exposure and risk weighted exposure Based on asset class | Line no. | Credit Risk Exposure | | | | | | | | | | | | Credit Impairments | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | On-balance sheet exposure | Off-balance sheet exposure | Repurchase and resale agreements | Derivative instruments | Total credit extended[3] pre CRM (col. 1 to 4) | Total credit exposure post CRM | Credit exposure (i.e. EAD) | | Average PD % | Average LGD % | Risk weighted exposure[4] | Expected loss | Impaired advances | Specific credit impairments |
| | | | | | | | | Performing EAD | Defaulted EAD | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| **Corporate exposure** (total of items 208 to 211) | 207 | | | | | | | | | | | | | | |
| Corporate | 208 | | | | | | | | | | | | | | |
| Specialised lending | 209 | | | | | | | | | | | | | | |
| SME corporate | 210 | | | | | | | | | | | | | | |
| Purchased receivables - corporate | 211 | | | | | | | | | | | | | | |
| **Public sector entities** | 212 | | | | | | | | | | | | | | |
| **Local governments and municipalities** | 213 | | | | | | | | | | | | | | |
| **Sovereign** (including central government and central bank) | 214 | | | | | | | | | | | | | | |
| **Banks** | 215 | | | | | | | | | | | | | | |
| **Securities firms** | 216 | | | | | | | | | | | | | | |
| **Retail exposure** (total of items 218 to 222) | 217 | | | | | | | | | | | | | | |
| Residential mortgages (including any home equity line of credit) | 218 | | | | | | | | | | | | | | |
| Retail revolving credit | 219 | | | | | | | | | | | | | | |
| Retail - other | 220 | | | | | | | | | | | | | | |
| SME retail | 221 | | | | | | | | | | | | | | |
| Purchased receivables - retail | 222 | | | | | | | | | | | | | | |
| **Other assets** | 223 | | | | | | | | | | | | | | |
| **Securitisation and resecuritisation exposure** | 224 | | | | | | | | | | | | | | |
| **Total** (of items 207, 212 to 217, 223 and 224) | 225 | | | | | | | | | | | | | | |

**1. Foundation IRB approach**
**2. Advanced IRB approach**
**3. Not on a EAD basis**
**4. After the application of a scaling factor of 1.06.**

**F. LIQUIDITY RISK[1]**

(All amounts to be rounded off to the nearest '000)

| Description of item | Line no. | Total | Next day | 2 days to 1 month | More than 1 month to 2 months | More than 2 months to 3 months | More than 3 months | Non contractual |
|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Contractual maturity of assets | 226 | | | | | | | |
| Contractual maturity of liabilities | 227 | | | | | | | |
| On-balance sheet contractual mismatch (item 226 less item 227) | 228 | | | | | | | |
| Cumulative on-balance sheet contractual mismatch | 229 | | | | | | | |
| BaU[1] maturity of assets | 230 | | | | | | | |
| BaU[1] maturity of liabilities | 231 | | | | | | | |
| On-balance sheet BaU mismatch (item 230 less item 231) | 232 | | | | | | | |
| Cumulative on-balance sheet BaU mismatch | 233 | | | | | | | |
| Stressed[1] maturity of assets | 234 | | | | | | | |
| Stressed[1] maturity of liabilities | 235 | | | | | | | |
| On-balance sheet stress mismatch (item 234 less item 235) | 236 | | | | | | | |
| Cumulative on-balance sheet stress mismatch | 237 | | | | | | | |
| Total available stress funding | 238 | | | | | | | |
| Funding received from 10 largest depositors | 239 | | | | | | | |

1. **Refer to regulation 26 and the form BA300 for the relevant detailed directives.**

**G. MARKET RISK**

(All amounts to be rounded off to the nearest '000)

| Description of item | Line no. | Standardised approach | | | Internal models approach[1] | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | General risk | Specific risk | Options | VaR[1, 2] | sVaR[1, 3] | Specific risk add-on | Incremental risk charge[1] | (of col. 1 to 7) |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Interest rate risk | 240 | | | | | | | | |
| Equity position risk | 241 | | | | | | | | |
| Foreign exchange risk | 242 | | | | | | | | |
| Commodities risk | 243 | | | | | | | | |
| Other | 244 | | | | | | | | |
| Total (of items 240 to 244) | 245 | | | | | | | | |
| Risk-weighted exposure equivalent amount (item 245 multiplied by 12.5)[4] | 246 | | | | | | | | |

1. Calculated in accordance with the relevant requirements specified in regulation 28(8) read with the relevant requirements specified in this regulation 37.
2. Greater of 60 day average VaR multiplied by the specified multiplication factor or previous day's VaR.
3. Greater of 60 day average sVaR multiplied by the specified multiplication factor or latest sVaR.
4. Based on the higher of the relevant home or host capital requirement.

**H. INTEREST-RATE RISK: BANKING BOOK**

(All amounts to be rounded off to the nearest '000)

| Static repricing gap | Line no. | Up to 1 month | More than 1 month to 3 months | More than 3 month to 6 months | More than 6 month to 12 months | More than 12 month to 3 years | More than 3 years to 5 years | More than 5 years to 10 years | More than 10 years | Non-rate sensitive items | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Assets, including derivative instruments | 247 | | | | | | | | | | |
| Liabilities and capital and reserve funds, including derivative instruments | 248 | | | | | | | | | | |
| Net static gap, including derivative instruments (item 247 minus item 248) | 249 | | | | | | | | | | |

## I. EQUITY RISK IN THE BANKING BOOK

(All amounts to be rounded off to the nearest '000)

| Standardised approach for credit risk[1] | Line no. | Exposure value | Risk weighting | Risk weighted exposure | Capital requirement |
|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 |
| Equities - listed and unlisted | 250 | | 100% | | |
| Private equity and venture capital | 251 | | 150% | | |

1. Including the simplified standardised approach for credit risk.

(All amounts to be rounded off to the nearest '000)

| IRB approach for credit risk<br>Market based approach | Line no. | Exposure value | Risk weighting | Risk weighted exposure[1] | Capital requirement |
|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 |
| **Simple risk weight method** (total of items 253 and 254) | 252 | | | | |
| Equities - listed | 253 | | 300% | | |
| Equities - unlisted | 254 | | 400% | | |

| | | Exposure value | Risk weighting floor | Risk weighted exposure[1] | | Capital requirement |
|---|---|---|---|---|---|---|
| | | | | Without limit[2] | With limit[3] | |
| | | 1 | 2 | 3 | 4 | 5 |
| **Internal models approach** (total of items 256 and 257) | 255 | | | | | |
| Equities - listed | 256 | | 200% | | | |
| Equities - unlisted | 257 | | 300% | | | |
| ***Memorandum item:*** | | | | | | |
| Diversified amount | 258 | | | | | |

1. After the application of a scaling factor of 1.06.
2. Means the relevant risk weighted exposure amount prior to the application of the specified risk weighting floor, if relevant.
3. Means the relevant risk weighted exposure amount after the application of the specified risk weighting floor, when relevant.

(All amounts to be rounded off to the nearest '000)

| IRB approach for credit risk<br>PD/LGD approach | Line no. | Exposure value | | Average risk weighted exposure[1] | Capital requirement |
|---|---|---|---|---|---|
| | | Total | In respect of which the 1,5 scaling factor applies | | |
| | | 1 | 2 | 3 | 4 |
| Total (of items 260 and 261) | 259 | | | | |
| Total of performing categories | 260 | | | | |
| Total of default categories | 261 | | | | |

1. After the application of a scaling factor of 1.06.

**J. 1 OPERATIONAL RISK**

(All amounts to be rounded off to the nearest '000)

| Summary information relating to required capital and reserve funds and risk weighted exposure | Line no. | Gross income | | | Loans and advances[1] | | | Relevant risk exposure | Percentage requirement | Capital requirement |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Financial year -3 | Financial year -2 | Financial year -1 | Year -3 | Year -2 | Year -1 | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Basic indicator approach** | 262 | | | | | | | | 15% | |
| **Standardised approach[1]: gross income derived from-** (total of items 264 to 271) | 263 | | | | | | | | | |
| Corporate finance | 264 | | | | | | | | 18% | |
| Trading and sales | 265 | | | | | | | | 18% | |
| Retail brokerage | 266 | | | | | | | | 12% | |
| Commercial banking | 267 | | | | | | | | 15% | |
| Retail banking | 268 | | | | | | | | 12% | |
| Payment and settlement | 269 | | | | | | | | 18% | |
| Agency services | 270 | | | | | | | | 15% | |
| Asset management | 271 | | | | | | | | 12% | |
| **Alternative standardised approach[1]** (total of items 273 to 276) | 272 | | | | | | | | | |
| Commercial banking[1, 2] | 273 | | | | | | | | 15% | |
| Retail banking[1, 2] | 274 | | | | | | | | 12% | |
| Commercial banking and retail banking[1, 3] | 275 | | | | | | | | 15% | |
| Business lines other than commercial banking and retail banking[1, 4] | 276 | | | | | | | | 18% | |
| **Advanced measurement approach** | 277 | | | | | | | | | |
| **Capital requirement in respect of operational risk** (total of items 262, 263, 272 and 277) | 278 | | | | | | | | | |
| **Risk weighted exposure equivalent amount** | 279 | | | | | | | | | |

1. A bank that obtained the approval of the Registrar to apply the alternative standardised approach shall instead of items 263 to 271 complete the relevant items specified in items 272 to 276. Refer to the relevant directives specified in regulation 33(8)(c).
2. Refer to regulation 33(8)(c)(ii)(A).
3. Refer to regulation 33(8)(c)(ii)(B).
4. Refer to regulation 33(8)(c)(ii)(C).