(ii) In the case of a bank or controlling company reporting on a consolidated basis, the specified amount shall be 25 per cent of the consolidated net amount of qualifying capital and reserve funds of the said reporting bank or controlling company, as the case may be, as reported in item 88 of the form BA 700, at the latest date for which the relevant statement was submitted;

(iii) In the case of a foreign institution that conducts the business of a bank through a branch in the Republic, the specified amount shall be 25 per cent of the qualifying capital and reserve funds of the said foreign institution that conducts the business of a bank through its branch in the Republic;

(iv) In the case of a branch of a bank, the specified amount shall be 25 per cent of the qualifying common equity tier 1 capital and reserve funds, additional tier 1 capital and reserve funds and tier 2 capital and reserve funds of the parent bank in the Republic, as reported in item 88 of the form BA 700, as at the month-end preceding the reporting date to which the form BA 210 relates.

(8) *Matters specifically related to exempt exposure*

For purposes of this regulation 24, exempt exposure includes any exposure specified in writing by the Registrar, which exempt exposure shall be reported under "other exposures", in item 72 or 295, as the case may be, of the form BA 210.

(9) *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 to ensure, among other things, that-

(i) the bank or controlling company, as the case may be, lends money to a related person on an arm's-length basis, that is, no exposure to a connected or related person of a bank or controlling company shall be extended on terms or under conditions more favourable than a corresponding loan or exposure to a person not related or connected to the said reporting bank or controlling company, which terms or conditions may relate to matters such as credit assessment, tenor, interest rate or a requirement for collateral, unless the related person is an employee of the bank or controlling company and the relevant loan or exposure that is granted on beneficial terms forms part of that person's remuneration package;

(ii) no person benefiting from a particular loan or exposure is responsible for the preparation of the loan assessment or credit decision, or the subsequent management of the exposure or any relevant matter related to that exposure;

(iii) the monitoring and the reporting of individual and aggregate exposure(s) to related persons are subject to an independent credit review process;

(iv) any transaction with a related person and the write-off of any related-party exposure exceeding one per cent of the bank or controlling company's qualifying common equity tier 1 capital and reserve funds, as reported in item 64 of the form BA 700, or otherwise posing special risks, is subject to the prior written approval of the board of directors of that bank or controlling company;

(v) any extension of credit to a related person is duly documented and monitored;

(vi) the bank or controlling company takes appropriate steps to control or mitigate any risk arising from an exposure granted to a related person.

(b) When the Registrar is of the opinion that the bank or controlling company's policies, processes, procedures and systems related to connected lending or lending to a related person are inadequate, the Registrar may require the relevant bank or controlling company-

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

(ii) to obtain adequate collateral in respect of the relevant exposure.

(c) For the purposes of this regulation 24 "related person" means a related person as defined in regulation 36(6).

(10) Instructions relating to the completion of the quarterly form BA 210 are furnished with reference to the headings and item descriptions of certain columns and line item numbers appearing on form BA 210, as follows:

Columns relating to credit risk mitigation: standardised approach, items 1 to 21

Column number	Description
1	**Original credit and counterparty exposure** In respect of the specified asset class this column shall reflect the relevant aggregate credit exposure amount relating to the reporting bank's- (a) on-balance-sheet exposure, gross of any valuation adjustment or credit impairment; (b) off-balance-sheet exposure, including amounts in respect of irrevocable commitments, prior to the application of any relevant credit-conversion factor; (c) exposure in respect of derivative instruments, calculated in accordance with the relevant requirements specified in regulations 23(15) to 23(19); (d) exposure in respect of any repurchase or resale agreement.
2	**Net exposure after netting** In respect of the specified asset class this column shall reflect the reporting bank's net credit exposure amount after the risk reducing effect of any netting agreement that complies with the relevant requirements specified in regulations 23(7)(a), 23(9)(a), 23(17) or 23(18) has been taken into consideration.
3	**Unfunded credit protection: guarantees** In respect of the specified asset class this column shall reflect the aggregate amount in respect of guarantees obtained as credit protection, which amount shall include any adjustment in respect of any mismatch between the relevant credit exposure and the protection obtained.
4	**Unfunded credit protection: credit derivative instruments** In respect of the specified asset class this column shall reflect the aggregate amount in respect of credit derivative instruments obtained as credit protection, which amount shall include any adjustment in respect of any mismatch between the relevant credit exposure and the protection obtained.

Column number	Description
5	**Funded credit protection: Collateral - simple method** In respect of the specified asset class this column shall reflect the aggregate amount in respect of collateral obtained by the reporting bank, which collateral complies with the relevant requirements specified in regulation 23(9)(b).
7 and 8	**Redistribution of net exposure after netting: inflows** In respect of the specified asset class this column shall reflect the aggregate net amount, that is, the relevant amount after the effect of netting has been taken into consideration, in respect of protected credit exposure that are redistributed to the asset class relating to the protection provider, including any redistribution in similar asset classes or sub-portfolios, or any transfer of exposure from the IRB approach to the standardised approach.
9 and 10	**Redistribution of net exposure after netting: outflows** In respect of the specified asset class this column shall reflect the aggregate net amount, that is, the relevant amount after the effect of netting has been taken into consideration, in respect of protected credit exposure that are deducted or redistributed from the original obligor's exposure class to the asset class relating to the protection provider, including any redistribution in similar asset classes or sub-portfolios, or any transfer of exposure to the IRB approach.
12	**Volatility adjustment in respect of exposure** In respect of the specified asset class this column shall reflect the relevant volatility adjustment that relates to the reporting bank's relevant credit exposure amount.
13	**Adjusted value of financial collateral obtained** In respect of the specified asset class this column shall reflect the relevant adjusted value of financial collateral obtained by the reporting bank in respect of its exposure to credit risk.
14 to 17	**Memorandum items in respect of financial collateral** In respect of the specified asset class these columns shall reflect the relevant required adjustments specified on the form BA 210 relating to financial collateral obtained by the reporting bank in respect of its exposure to credit risk.

Column number	Description
18	**Credit exposure value post credit risk mitigation** In respect of the specified asset class this column shall reflect the reporting bank's relevant credit exposure amount, which credit exposure amount- (a) shall not incorporate the effect of any relevant credit conversion factor relating to an off-balance-sheet item; (b) shall incorporate the effect of any relevant adjustment relating to financial collateral or other eligible credit risk mitigation instrument obtained by the reporting bank in respect of its said exposure to credit risk.

Columns relating to restructured credit exposure: standardised approach, items 22 to 42

Column number	Description
1	**Actual number of restructured credit exposure transactions in this reporting quarter** In respect of the specified asset class this column shall reflect the aggregate number of transactions in respect of which the reporting bank allowed a restructuring of the relevant credit exposure.
2	**Exposure value of restructured credit exposure transactions in this reporting quarter** In respect of the specified asset class this column shall reflect the aggregate drawn amount relating to transactions in respect of which the reporting bank allowed a restructuring of the relevant credit exposure.
3	**Restructured credit exposure as percentage of asset class exposure and total credit exposure** In respect of the specified asset class this column shall reflect the relevant percentage calculated by dividing the aggregate drawn amount relating to restructured credit exposure by the aggregate gross drawn amount in respect of the relevant asset class.

Items relating to credit risk classification and impairment: standardised approach

Item number	Description
43 to 63	***Credit risk classification and impairment*** Based on, amongst other things, the relevant requirements specified in subregulation (5), a bank shall complete items 43 to 63 of the form BA 210.

Columns relating to credit risk classification and impairment: standardised approach, items 43 to 63

Column number	Description
1, 4, 7 and 10	**Gross exposure** Based on the specified asset classes, these columns shall reflect the aggregate amount in respect of the reporting bank's gross credit exposure.
2, 5, 8 and 11	**Collateral** Based on the specified asset classes and the relevant requirements specified in subregulation (4), these columns shall reflect the aggregate amount in respect of collateral obtained by the reporting bank in respect of the bank's gross credit exposure.
3, 6, 9 and 12	**Specific credit impairment** Based on the specified asset classes, these columns shall reflect the aggregate amount in respect of specific credit impairment raised by the reporting bank in accordance with financial reporting standards issued from time to time.

Items relating to credit concentration risk– large exposure to a person: standardised approach

Item number	Description
64 to 77	***Credit concentration risk – large exposure to a person*** Based on, amongst other things, the relevant requirements specified in subregulations (6) to (8), a bank that adopted the standardised approach for the measurement of the bank's exposure to credit risk shall complete items 64 to 77 of the form BA 210.

Columns relating to credit concentration risk– large exposure to a person: standardised approach, items 64 to 77

Column number	Description
2	**On-balance-sheet exposure** This column shall reflect the aggregate amount in respect of the reporting bank's on-balance-sheet credit exposure to a person, other than any credit exposure arising from a derivative instrument or repo-style transaction, which amount shall be gross of any valuation adjustment or credit impairment.
3	**Off-balance-sheet exposure** This column shall reflect the aggregate amount in respect of the reporting bank's off-balance-sheet credit exposure to a person, other than any credit exposure arising from a derivative instrument or repo-style transaction, including any relevant exposure amount in respect of an irrevocable commitment, prior to the application of any relevant credit conversion factor.

Column number	Description
4	**Repurchase and resale agreements** This column shall reflect the aggregate amount in respect of any credit exposure to a person arising from a repurchase or resale agreement concluded with the said person by the reporting bank.
5	**Derivative instruments** This column shall reflect the aggregate amount in respect of any credit exposure to a person arising from a transaction concluded in respect of a derivative instrument, calculated in accordance with the relevant requirements specified in regulations 23(15) to 23(19).
9	**Total credit exposure as a percentage of qualifying capital and reserve funds** This column shall reflect the relevant required percentage by dividing the total credit exposure amount to a person reported in column 6 by the aggregate amount of qualifying tier 1 and tier 2 capital and reserve funds of the reporting bank as reported in item 88 of the form BA 700.
10	**Additional capital requirement** This column shall reflect the aggregate additional required amount of capital and reserve funds in respect of concentration risk arising from an exposure to a private-sector non-bank person, calculated in accordance with the relevant requirements specified in subregulations (6) to (8) read with the relevant provisions of section 73 of the Act, and such further requirements as may be specified in writing by the Registrar.
11	**Eligible financial collateral** This column shall reflect the current market value of eligible financial collateral obtained by the reporting bank after the effect of any relevant haircut has been taken into consideration.
12 and 13	**Unfunded credit protection** These columns shall reflect the relevant required aggregate amounts in respect of unfunded eligible credit protection obtained by the reporting bank in respect of the bank's relevant exposure to credit risk.
14	**Redistribution of reduced exposure: outflows** This column shall reflect the aggregate amount after the effect of netting has been taken into consideration in respect of protected credit exposure that are deducted or redistributed from the original obligor's exposure class to the asset class relating to the protection provider, including any redistribution in similar asset classes or sub-portfolios.

Column number	Description
15	**Redistribution of reduced exposure: inflows** This column shall reflect the aggregate amount after the effect of netting has been taken into consideration in respect of protected credit exposure that are redistributed to the asset class relating to the protection provider, including any redistribution in similar asset classes or sub-portfolios.
16	**Specific credit impairment** This column shall reflect the aggregate amount relating to any specific credit impairment raised by the reporting bank in accordance with the relevant requirements of financial reporting standards issued from time to time.
17	**Net exposure after credit risk mitigation** In respect of any relevant credit exposure to a person, this column shall reflect the reporting bank's net exposure amount after the effect of any relevant netting, credit risk mitigation or redistribution of exposure due to risk mitigation, and the application of any relevant credit-conversion factor, have been taken into consideration.
18	**Risk weighted value of net exposure** In respect of any relevant credit exposure to a person, this column shall reflect the reporting bank's relevant risk weighted net exposure amount, that is, the sum of the various types of exposure to the said person, multiplied by the respective risk weights.

Items relating to credit concentration risk– sectoral distribution: standardised approach

Item number	Description
78 to 90	Sectoral distribution Based on, amongst others, the relevant specified sectors or industries, read with the relevant directives contained in the Standard Industrial Classification of all Economic Activities issued by Statistics South Africa from time to time, a bank that adopted the standardised approach for the measurement of its exposure to credit risk shall complete the information specified in items 78 to 90.

Columns relating to credit concentration risk– sectoral distribution: standardised approach, items 78 to 94

Column number	Description
1	**On-balance-sheet exposure** Based on the specified sectors, this column shall reflect the aggregate amount in respect of the reporting bank's on-balance-sheet credit exposure, other than any credit exposure arising from a repurchase or resale agreement, or derivative instrument, which amount shall be gross of any valuation adjustment or credit impairment.
2	**Off-balance-sheet exposure** Based on the specified sectors, this column shall reflect the aggregate amount in respect of the reporting bank's off-balance-sheet credit exposure, other than any credit exposure arising from a repurchase or resale agreement, or derivative instrument, including any relevant exposure amount in respect of an irrevocable commitment, prior to the application of any relevant credit conversion factor.
3	**Repurchase and resale agreements** Based on the specified sectors, this column shall reflect the aggregate amount in respect of any credit exposure arising from a repurchase or resale agreement concluded by the reporting bank.
4	**Derivative instruments** Based on the specified sectors, this column shall reflect the aggregate amount in respect of any credit exposure arising from derivative instruments.
8	**Risk weighted value of net exposure** Based on the specified sectors, this column shall reflect the reporting bank's relevant risk weighted net exposure amount, that is, the sum of the various types of credit exposure relating to counterparties assigned to the said sector, multiplied by the respective risk weights.
10 and 11	**Credit impairment** Based on the specified sectors, these columns shall respectively reflect the aggregate amount relating to specific credit impairment and portfolio credit impairment raised by the reporting bank in accordance with the relevant requirements of financial reporting standards issued from time to time.

Items relating to credit concentration risk- Herfindahl-Hirschman Index (HHI): standardised approach

Item number	Description
95 to 111	**Wholesale HHI** In order to identify potential concentration in the reporting bank's relevant credit portfolios, the bank shall, based on its risk weighted assets calculated in accordance with the relevant requirements specified in these Regulations, calculate its relevant Herfindahl-Hirschman Index, which index- (a) is defined as HHI = S (proportion of total value)^2 (b) shall in the case of wholesale exposure be based on specified industries; (c) may range in value, with the most diversified portfolio reflecting a calculated value close to zero and the most concentrated portfolio reflecting a calculated value close or equal to 100 per cent.
112 to 117	**Retail HHI** In order to identify potential concentration in the reporting bank's relevant credit portfolios, the bank shall, based on its risk weighted assets calculated in accordance with the relevant requirements specified in these Regulations, calculate its relevant Herfindahl-Hirschman Index- (a) which risk weighted assets shall be divided by the relevant number of clients in order to determine the relevant average amount of risk weighted assets per client; (b) which index is defined as HHI = S (proportion of total value)^2 (c) which index shall in the case of retail exposure be based on specified products; (d) which index may range in value, with the most diversified portfolio reflecting a calculated value close to zero and the most concentrated portfolio reflecting a calculated value close or equal to 100 per cent.

Columns relating to credit concentration risk – geographical distribution: standardised approach, items 118 to 174

Column number	Description
1	**On-balance-sheet exposure** Based on the specified geographical areas, this column shall reflect the aggregate amount in respect of the reporting bank's on-balance-sheet credit exposure, other than any credit exposure arising from a repurchase or resale agreement, or derivative instrument, which amount shall be gross of any valuation adjustment or credit impairment.
2	**Off-balance-sheet exposure** Based on the specified geographical areas, this column shall reflect the aggregate amount in respect of the reporting bank's off-balance-sheet credit exposure, other than any credit exposure arising from a repurchase or resale agreement, or derivative instrument, including any relevant exposure amount in respect of an irrevocable commitment, prior to the application of any relevant credit conversion factor.
3	**Repurchase and resale agreements** Based on the specified geographical areas, this column shall reflect the aggregate amount in respect of any credit exposure arising from a repurchase or resale agreement concluded by the reporting bank.
4	**Derivative instruments** Based on the specified geographical areas, this column shall reflect the aggregate amount in respect of any credit exposure arising from derivative instruments.
8	**Risk weighted value of net exposure** Based on the specified geographical areas, this column shall reflect the reporting bank's relevant risk weighted net exposure amount, that is, the sum of the various types of credit exposure relating to the relevant counterparties assigned to the specified geographical area, after the effects of netting, other forms of eligible credit risk mitigation, redistribution effects or relevant credit conversion factors have been taken into consideration, multiplied by the respective risk weights.
10 and 11	**Credit impairment** Based on the specified geographical areas, these columns shall respectively reflect the aggregate amount relating to specific credit impairment and portfolio credit impairment raised by the reporting bank in accordance with the relevant requirements of financial reporting standards issued from time to time.

Columns relating to credit concentration risk – 20 largest exposures in debt and with equity exposure: standardised approach, items 194 to 214

Column number	Description
1	**Debt exposure** This column shall reflect the aggregate amount relating to the reporting bank's twenty largest debt exposures, which debt exposures also have equity exposure of which the relevant amounts are included in columns 2 to 4, calculated as the sum of any- (a) on-balance-sheet exposure, gross of any valuation adjustment or credit impairment; (b) off-balance-sheet exposure, including any relevant amount relating to an irrevocable commitment, prior to the application of any relevant credit-conversion factor; (c) exposure in respect of any repurchase or resale agreement; and (d) exposure in respect of any relevant derivative instrument, calculated in accordance with the relevant requirements specified in regulations 23(15) to 23(19); which debt exposure amount reported in column 1 shall exclude the book value of any investment held by the reporting bank deemed to be an equity exposure in accordance with the relevant requirements specified in regulation 31.
2	**Equity exposure** This column shall reflect the relevant aggregate equity exposure amount relating to the reporting bank's twenty largest debt exposures which also have equity exposure, gross of any valuation adjustment or credit impairment, including any publicly or privately held instrument deemed to be an equity exposure in accordance with the relevant requirements specified in regulation 31.

Columns relating to watch list: standardised approach, items 215 to 228

Column number	Description
2	**Exposure amount** This column shall reflect the aggregate gross credit exposure amount in respect of the relevant obligor included in the reporting bank's watch list.
3	**Risk weighted value of net exposure** This column shall reflect the reporting bank's relevant risk weighted net credit exposure amount, that is, the sum of the various types of credit exposure relating to the relevant counterparties on the bank's watch list, after the effects of netting, other forms of eligible credit risk mitigation, redistribution effects or relevant credit conversion factors have been taken into consideration, multiplied by the respective risk weights.

Columns relating to credit risk mitigation: IRB approach, items 229 to 256

Column number	Description
1	**Original credit and counterparty exposure** In respect of the specified asset class this column shall reflect the relevant aggregate credit exposure amount relating to the reporting bank's- (a) on-balance-sheet exposure, gross of any valuation adjustment or credit impairment; (b) off-balance-sheet exposure, including amounts in respect of irrevocable commitments, prior to the application of any relevant credit-conversion factor; (c) exposure in respect of derivative instruments, calculated in accordance with the relevant requirements specified in regulations 23(15) to 23(19); (d) exposure in respect of any repurchase or resale agreement.
2	**Net exposure after netting agreements** In respect of the specified asset class this column shall reflect the reporting bank's net credit exposure amount after the risk reducing effect of any netting agreement that complies with the relevant requirements specified in regulations 23(12)(a), 23(14)(a) or 23(17) to 23(19) has been taken into consideration.

Columns relating to credit risk mitigation: IRB approach, items 229 to 256

Column number	Description
3	**Unfunded credit protection: guarantees** In respect of the specified asset class this column shall reflect the relevant aggregate nominal amount in respect of guarantees obtained as credit protection, other than guarantees obtained that are subject to the provisions of regulations 23(12)(g) or 23(14)(f) relating to double default- (a) which amount shall exclude any relevant adjustment in respect of any mismatch between the relevant credit exposure and the protection obtained; (b) which protection has not already been incorporated into an estimate of LGD; (c) the relevant value of which protection shall in no case exceed the value of the relevant exposure to which it relates.
4	**Unfunded credit protection: credit derivative instruments** In respect of the specified asset class this column shall reflect the relevant aggregate nominal amount in respect of credit-derivative instruments obtained as credit protection, other than credit-derivative instruments obtained that are subject to the provisions of regulation 23(12)(g) or 23(14)(f) relating to double default- (a) which amount shall exclude any relevant adjustment in respect of any mismatch between the relevant credit exposure and the protection obtained; (b) which protection has not already been incorporated into an estimate of LGD; (c) the relevant value of which protection shall in no case exceed the value of the relevant exposure to which it relates.

Columns relating to credit risk mitigation: IRB approach, items 229 to 256

Column number	Description
5 and 6	**Redistribution of net exposure after netting: inflows** In respect of the specified asset class these columns shall include the aggregate net amount, that is, the relevant amount after the effect of netting has been taken into consideration, in respect of protected credit exposure that are deducted or redistributed from the relevant obligor's exposure class to the asset class relating to the relevant protection provider, including any redistribution in similar asset classes or sub-portfolios, or any transfer of exposure from the standardised approach to the IRB approach.
7 and 8	**Redistribution of net exposure after netting: outflows** In respect of the specified asset class these columns shall include the aggregate net amount, that is, the relevant amount after the effect of netting has been taken into consideration, in respect of protected credit exposure that are redistributed to the asset class relating to the protection provider, including any redistribution in similar asset classes or sub-portfolios, or any transfer of exposure from the IRB approach to the standardised approach.
10	**Credit risk mitigation subject to double default: guarantees** In respect of the specified asset class this column shall reflect the aggregate nominal amount in respect of guarantees qualifying as credit protection in accordance with the relevant requirements relating to double default specified in regulation 23(12)(g) or 23(14)(f), which amount shall exclude any adjustment in respect of any mismatch between the relevant credit exposure and the protection obtained and which protection has not already been incorporated into an estimate of LGD.
11	**Credit risk mitigation subject to double default: credit derivative instruments** In respect of the specified asset class this column shall reflect the aggregate nominal amount in respect of credit derivative instruments qualifying as credit protection in accordance with the relevant requirements relating to double default specified in regulation 23(12)(g) or 23(14)(f), which amount shall exclude any adjustment in respect of any mismatch between the relevant credit exposure and the protection obtained and which protection has not already been incorporated into an estimate of LGD.

Column number	Description
13	**Unfunded credit protection: guarantees** In respect of the specified asset class this column shall reflect the aggregate nominal amount in respect of guarantees obtained as credit protection, other than guarantees obtained that are subject to the provisions of regulation 23(12)(g) or 23(14)(f) relating to double default, which amount shall exclude any adjustment in respect of any mismatch between the relevant credit exposure and the protection obtained and which protection has been incorporated into an estimate of LGD.
14	**Unfunded credit protection: credit derivative instruments** In respect of the specified asset class this column shall reflect the aggregate nominal amount in respect of credit-derivative instruments obtained as credit protection, other than credit-derivative instruments obtained that are subject to the provisions of regulation 23(12)(g) or 23(14)(f) relating to double default, which amount shall exclude any adjustment in respect of any mismatch between the relevant credit exposure and the protection obtained and which protection has been incorporated into an estimate of LGD.
15 to 17	**Eligible financial collateral** In respect of the specified asset class, these columns shall reflect the current market value of eligible financial collateral obtained by the reporting bank as protection against an exposure to credit risk, including any eligible financial collateral subject to adjustment due to a maturity or currency mismatch, the respective aggregate amounts of which shall separately be reported as specified on the form BA 210.
18 to 20	**Other eligible collateral** In respect of the specified asset class, these columns shall reflect the current market value of any eligible collateral, other than eligible financial collateral, obtained by the reporting bank as protection against an exposure to credit risk, including any relevant residential real estate or commercial real estate, the respective aggregate amounts of which shall separately be reported as specified on the form BA 210.

Columns relating to restructured credit exposure: IRB approach, items 257 to 284

Column number	Description
1	**Actual number of restructured credit exposure transactions in this reporting quarter** In respect of the specified asset class this column shall reflect the aggregate number of transactions in respect of which the reporting bank allowed a restructuring of the relevant credit exposure.
2	**Exposure value of restructured credit exposure transactions in this reporting quarter** In respect of the specified asset class this column shall reflect the aggregate drawn amount relating to transactions in respect of which the reporting bank allowed a restructuring of the relevant credit exposure.
3	**Restructured credit exposure as percentage of asset class exposure and total credit exposure** In respect of the specified asset class this column shall reflect the relevant percentage calculated by dividing the aggregate drawn amount relating to restructured credit exposure by the aggregate gross drawn amount in respect of the relevant asset class.

Items relating to credit concentration risk– large exposure to a person: IRB approach

Item number	Description
285 to 300	***Credit concentration risk – large exposure to a person*** Based on, amongst other things, the relevant requirements specified in subregulations (6) to (8), a bank that adopted the IRB approach for the measurement of the bank's exposure to credit risk shall complete items 285 to 300 of the form BA 210.

Columns relating to credit concentration risk – large exposure to a person: IRB approach, items 285 to 300

Column number	Description
2	**On-balance-sheet exposure** This column shall reflect the aggregate amount in respect of the reporting bank's on-balance-sheet credit exposure to a person, other than any credit exposure arising from a derivative instrument or repo-style transaction, which amount shall be gross of any valuation adjustment or credit impairment.
3	**Off-balance-sheet exposure** This column shall reflect the aggregate amount in respect of the reporting bank's off-balance-sheet credit exposure to a person, other than any credit exposure arising from a derivative instrument or repo-style transaction, including any relevant exposure amount in respect of an irrevocable commitment, prior to the application of any relevant credit conversion factor.
4	**Repurchase and resale agreements** This column shall reflect the aggregate amount in respect of any credit exposure to a person arising from a repurchase or resale agreement concluded with the said person by the reporting bank.
5	**Derivative instruments** This column shall reflect the aggregate amount in respect of any credit exposure to a person arising from a transaction concluded in respect of a derivative instrument, calculated in accordance with the relevant requirements specified in regulations 23(15) to 23(19).
9	**Total credit exposure as a percentage of qualifying capital and reserve funds** This column shall reflect the relevant required percentage by dividing the relevant total credit exposure amount reported in column 6 by the relevant amount of qualifying tier 1 and tier 2 capital and reserve funds of the reporting bank as reported in item 88 of the form BA 700.
14	**Eligible financial collateral** This column shall reflect the current market value of eligible financial collateral obtained by the reporting bank after the effect of any relevant haircut has been taken into consideration.

Column number	Description
15	**Other eligible collateral** In respect of the relevant person this column shall reflect the current market value of any eligible collateral, other than eligible financial collateral, obtained by the reporting bank as protection against a large exposure to credit risk, including any relevant residential real estate or commercial real estate.
16 and 17	**Unfunded credit protection** These columns shall reflect the aggregate amount in respect of unfunded eligible credit protection obtained by the reporting bank in respect of the bank's relevant large exposure to credit risk.
18	**Redistribution of reduced exposure: outflows** This column shall reflect the aggregate amount after the effect of netting has been taken into consideration in respect of protected credit exposure that are deducted or redistributed from the original obligor's exposure class to the asset class relating to the protection provider, including any redistribution in similar asset classes or sub-portfolios.
19	**Redistribution of reduced exposure: inflows** This column shall reflect the aggregate amount after the effect of netting has been taken into consideration in respect of protected credit exposure that are redistributed to the asset class relating to the protection provider, including any redistribution in similar asset classes or sub-portfolios.
20	**Specific credit impairment** This column shall reflect the aggregate amount relating to any specific credit impairment raised by the reporting bank in accordance with the relevant requirements of financial reporting standards issued from time to time.

Items relating to credit concentration risk – sectoral distribution: IRB approach

Item number	Description
301 to 314	**Sectoral distribution** Based on, amongst others, the relevant specified sectors or industries, read with the relevant directives contained in the Standard Industrial Classification of all Economic Activities issued by Statistics South Africa from time to time, a bank that adopted the IRB approach for the measurement of its exposure to credit risk shall complete the relevant information specified in items 301 to 314.

Columns relating to credit concentration risk – sectoral distribution: IRB approach, items 301 to 317

Column number	Description
1	**On-balance-sheet exposure** Based on the specified sectors, this column shall reflect the aggregate amount in respect of the reporting bank's on-balance-sheet credit exposure, other than any credit exposure arising from a repurchase or resale agreement, or derivative instrument, which amount shall be gross of any valuation adjustment or credit impairment.
2	**Off-balance-sheet exposure** Based on the specified sectors, this column shall reflect the aggregate amount in respect of the reporting bank's off-balance-sheet credit exposure, other than any credit exposure arising from a repurchase or resale agreement, or derivative instrument, including any relevant exposure amount in respect of an irrevocable commitment, prior to the application of any relevant credit conversion factor.
3	**Repurchase and resale agreements** Based on the specified sectors, this column shall reflect the aggregate amount in respect of any credit exposure arising from a repurchase or resale agreement concluded by the reporting bank.
4	**Derivative instruments** Based on the specified sectors, this column shall reflect the aggregate amount in respect of any credit exposure arising from derivative instruments.
11	**Risk weighted value** Based on the specified sectors, this column shall reflect the reporting bank's relevant aggregate risk weighted credit exposure amount calculated in accordance with the relevant IRB approach adopted by the bank for the measurement of its exposure to credit risk.
13	**Specific credit impairment** This column shall reflect the aggregate amount relating to any specific credit impairment raised by the reporting bank in accordance with the relevant requirements of financial reporting standards issued from time to time.

Items relating to credit concentration risk- Herfindahl-Hirschman Index (HHI): IRB approach

Item number	Description
318 to 334	**Wholesale HHI** In order to identify potential concentration in the reporting bank's relevant credit portfolios, the bank shall, based on its risk weighted assets calculated in accordance with the relevant requirements specified in these Regulations, calculate its relevant Herfindahl-Hirschman Index, which index- (a) is defined as HHI = S (proportion of total value)^2 (b) shall in the case of wholesale exposure be based on specified industries; (c) may range in value, with the most diversified portfolio reflecting a calculated value close to zero and the most concentrated portfolio reflecting a calculated value close or equal to 100 per cent.
335 to 340	**Retail HHI** In order to identify potential concentration in the reporting bank's relevant credit portfolios, the bank shall, based on its risk weighted assets calculated in accordance with the relevant requirements specified in these Regulations, calculate its relevant Herfindahl-Hirschman Index- (a) which risk weighted assets shall be divided by the relevant number of clients in order to determine the relevant average amount of risk weighted assets per client; (b) which index is defined as HHI = S (proportion of total value)^2 (c) which index shall in the case of retail exposure be based on specified products; (d) which index may range in value, with the most diversified portfolio reflecting a calculated value close to zero and the most concentrated portfolio reflecting a calculated value close or equal to 100 per cent.

Columns relating to credit concentration risk – geographical distribution: IRB approach, items 341 to 397

Column number	Description
1	**On-balance-sheet exposure** Based on the specified geographical areas, this column shall reflect the aggregate amount in respect of the reporting bank's on-balance-sheet credit exposure, other than any credit exposure arising from a repurchase or resale agreement, or derivative instrument, which amount shall be gross of any valuation adjustment or credit impairment.
2	**Off-balance-sheet exposure** Based on the specified geographical areas, this column shall reflect the aggregate amount in respect of the reporting bank's off-balance-sheet credit exposure, other than any credit exposure arising from a repurchase or resale agreement, or derivative instrument, including any relevant exposure amount in respect of an irrevocable commitment, prior to the application of any relevant credit conversion factor.
3	**Repurchase and resale agreements** Based on the specified geographical areas, this column shall reflect the aggregate amount in respect of any credit exposure arising from a repurchase or resale agreement concluded by the reporting bank.
4	**Derivative instruments** Based on the specified geographical areas, this column shall reflect the aggregate amount in respect of any credit exposure arising from derivative instruments.
11	**Risk weighted value** Based on the specified geographical areas, this column shall reflect the reporting bank's relevant aggregate risk weighted credit exposure amount calculated in accordance with the relevant IRB approach adopted by the bank for the measurement of its exposure to credit risk.
14 and15	**Credit impairment** Based on the specified geographical areas, these columns shall respectively reflect the relevant aggregate amount relating to specific credit impairment and portfolio credit impairment raised by the reporting bank in accordance with the relevant requirements of Financial Reporting Standards issued from time to time.

Columns relating to credit concentration risk – 20 largest exposures in debt and with equity exposure: IRB approach, items 417 to 437

Column number	Description
1	**Debt exposure** This column shall reflect the aggregate amount relating to the reporting bank's twenty largest debt exposures, which debt exposures also have equity exposure of which the relevant amounts are included in columns 2 to 4, calculated as the sum of any- (a) on-balance-sheet exposure, gross of any valuation adjustment or credit impairment; (b) off-balance-sheet exposure, including any relevant amount relating to an irrevocable commitment, prior to the application of any relevant credit-conversion factor; (c) exposure in respect of any repurchase or resale agreement; and (d) exposure in respect of any relevant derivative instrument, calculated in accordance with the relevant requirements specified in regulations 23(15) to 23(19); which debt exposure amount reported in column 1 shall exclude the book value of any investment held by the reporting bank deemed to be an equity exposure in accordance with the relevant requirements specified in regulation 31.
2 to 4	**Equity exposure** These columns shall reflect the relevant required aggregate equity exposure amounts relating to the reporting bank's twenty largest debt exposures which also have equity exposure, gross of any valuation adjustment or credit impairment, including any publicly or privately held instrument deemed to be an equity exposure in accordance with the relevant requirements specified in regulation 31.
6	**PD (%)** In respect of the reporting bank's relevant exposure to an obligor in respect of whom the relevant debt exposure amount is included in column 1, this column shall reflect the reporting bank's relevant internally calculated PD ratio, which PD ratio shall be expressed as a percentage and shall be rounded to two decimal places.

Column number	Description
7	**Expected loss** In respect of the reporting bank's relevant exposure to an obligor in respect of whom the relevant debt exposure amount is included in column 1, this column shall reflect the reporting bank's relevant expected loss amount, calculated in accordance with the relevant requirements specified in these Regulations.

Columns relating to watch list: IRB approach, items 438 to 452

Column number	Description
5	**Risk weighted value of EAD** In respect of the total credit exposure amount relating to the relevant obligor included in the reporting bank's watch list, this column shall reflect the relevant risk weighted amount, calculated in accordance with the relevant requirements specified in these Regulations.
6	**Specific credit impairment** In respect of the relevant obligor included in the reporting bank's watch list, this column shall reflect the relevant aggregate amount relating to any specific credit impairment raised by the reporting bank in accordance with the relevant requirements of Financial Reporting Standards issued from time to time.

CREDIT RISK **BA 220**
(Confidential and not available for inspection by the public) **Six monthly**
Name of bank: ....
Six months ended: ....(yyyy/mm/dd) Country:

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

Standardised and IRB approaches: Assets bought-in Companies acquired and immovable assets bought-in Name of company or description of asset	Line no.	Date bought in/acquired[1]	Number of shares held	Type of shares held	Percentage interest held	Historic cost to date	Market value at date of return	Net asset value of company	Credit facilities provided by bank to each company		Attributable share of profit/(loss)
									Granted	Utilised	
		1	2	3	4	5	6	7	8	9	10
Companies[1] - total	1										
(Specify)	2										
	3										
	4										
	5										
Immovable assets[2] - total	6										
(Specify)	7										
	8										
	9										
	10										
	11										
Total (of items 1 and 6)	12										

1. Report separate details in respect of all investments in companies bought-in, including the date on which the approval for the acquisition of the company was obtained from the Registrar, and the nature of business.
2. Report separate details of any immovable asset bought-in, in respect of which the historic cost to date exceeds 1 per cent of the reporting bank's qualifying capital and reserve funds reported in item 88 of the form BA 700 as at the month-end preceding the month to which this form BA 220 relates, and which asset has not been disposed of at the end of the reporting period.

25. Credit risk - Directives and interpretations for completion of the six-monthly return concerning credit risk (Form BA 220)

(1) The content of the return is confidential and not available for inspection by the public.

(2) The purpose of the return is to obtain selected information in respect of assets bought-in.

(3) The relevant calculation of the reporting bank's required amount of capital and reserve funds in respect of assets bought-in is contained in the form BA 200. Instead of providing any information related to the required amount of capital and reserve funds in respect of assets bought-in, the form BA 220 merely provides selected credit risk related information in respect of such assets bought-in.

(4) Instructions relating to the completion of the six-monthly form BA 220 are furnished with reference to specific headings and item descriptions appearing on the form BA 220, as follows:

Item number

1 to 5 **Companies acquired**

These items shall reflect the relevant aggregate amounts relating to companies acquired or bought-in during the preceding five years in order to protect an investment, loan or advance and which companies have not been disposed of at the end of the reporting period. After a lapse of five years any relevant company bought-in shall no longer be regarded as an asset bought-in to protect an advance or investment, and shall be reclassified to the appropriate asset class.

6 to 11 **Immovable assets**

These items shall reflect the relevant aggregate amounts relating to immovable assets acquired or bought-in during the preceding five years in order to protect a loan or advance and which immovable assets have not been disposed of at the end of the reporting period. After a lapse of five years any relevant asset bought-in shall no longer be regarded as an asset bought-in to protect a loan or advance, and shall be reclassified to the appropriate asset class.

LIQUIDITY RISK

Page no.

LIQUIDITY RISK
(Confidential and not available for inspection by the public)
Name of bank…………………………………………………
Month ended………………………………………………… (yyyy-mm-dd)

BA 300
Monthly

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

Contractual balance sheet mismatch	Line no.	Total	Next day	2 to 7 days	8 days to 1 month	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years to 10 years	More than 10 years	Non contractual
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Contractual maturity of assets (items 2 to 4)	1															
Advances	2															
Trading, hedging and other investment instruments	3															
Other assets	4															
Contractual maturity of liabilities (items 6 to 9)	5															
Stable deposits	6															
Volatile deposits	7															
Trading and hedging instruments	8															
Other liabilities	9															
On-balance sheet contractual mismatch (item 1 less item 5)	10															
Cumulative on-balance sheet contractual mismatch	11															
Off-balance sheet exposure to liquidity risk	12															
of which: Liquidity facilities provided to off-balance sheet vehicles	13															
Undrawn commitments (items 15 to 17)	14															
Unutilised portion of irrevocable lending facilities	15															
Unutilised portion of irrevocable letters of credit	16															
Indemnities and guarantees	17															

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

Business as usual (BaU) balance sheet mismatch[1]	Line no.	Total	Next day	2 to 7 days	8 days to 1 month	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years to 10 years	More than 10 years	Indeterminate maturity
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
BaU maturity of assets (items 19 to 21)	18															
Advances	19															
Trading, hedging and other investment instruments	20															
Other assets	21															
BaU maturity of liabilities (items 23 to 26)	22															
Stable deposits	23															
Volatile deposits	24															
Trading and hedging instruments	25															
Other liabilities	26															
On-balance sheet BaU mismatch (item 18 less item 22)	27															
Cumulative on-balance sheet BaU mismatch	28															
Off-balance-sheet exposure to liquidity risk	29															
of which: Liquidity facilities provided to off-balance sheet vehicles	30															
Undrawn commitments (items 32 to 34)	31															
Unutilised portion of irrevocable lending facilities	32															
Unutilised portion of irrevocable letters of credit	33															
Indemnities and guarantees	34															

1. Please separately submit assumptions made and any other relevant information.

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

Bank-specific stress mismatch[1]	Line no.	Total[2]	Next day	2 to 7 days	8 days to 1 month	More than 1 month to 2 months	More than 2 months to 3 months
		1	2	3	4	5	6
Stressed maturity of assets (items 36 to 38)	35						
Advances	36						
Trading, hedging and other investment instruments	37						
Other assets	38						
Stressed maturity of liabilities (items 40 to 43)	39						
Stable deposits	40						
Volatile deposits	41						
Trading and hedging instruments	42						
Other liabilities	43						
On-balance sheet stress mismatch (item 35 less item 39)	44						
Cumulative on-balance sheet stress mismatch	45						
Stressed outflows arising from off-balance-sheet exposure[3]	46						
of which: Liquidity facilities provided to off-balance sheet vehicles	47						
Undrawn commitments (items 49 to 51)	48						
Unutilised portion of irrevocable lending facilities	49						
Unutilised portion of irrevocable letters of credit	50						
Indemnities and guarantees	51						
Cumulative stressed outflows	52						

1. **Please separately submit assumptions made and any other relevant information.**
2. **Means the total for the specified item, and not the mathematical total of the specified columns.**
3. **Report as absolute amounts.**

CONTINUES ON PAGE 482—PART 4

Government Gazette
Staatskoerant
REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

Regulation Gazette No. 9872 *Regulasiekoerant*

Vol. 570 Pretoria, 12 December / Desember 2012 No. 35950

PART 4 OF 8

35950

9771682584003

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

Available sources of stress funding	Line no.	Total[1]	Next day	2 to 7 days	8 days to 1 month	More than 1 month to 2 months	More than 2 month to 3 months
		1	2	3	4	5	6
Realisable by forced sale (total of items 54 to 56)	53						
Investment securities classified as available for sale	54						
Unencumbered trading securities	55						
Assets available for securitisation vehicles	56						
FX market liquidity	57						
Available repo facilities (item 59 plus item 60 minus item 61)	58						
Ringfenced portfolio of prudential liquid securities	59						
25% of liquid assets held	60						
Current utilisation under Reserve Bank allotment	61						
Estimated unutilised interbank funding capacity	62						
Unsecured funding lines	63						
Secured funding lines	64						
Drawdown capacity in respect of call loans	65						
Other funding	66						
Total available liquidity (total of items 53, 57, 58 and 62 to 66)	67						

1. **Means the total for the specified item, and not the mathematical total of the specified columns.**

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

Concentration of deposit funding	Line no.	Total[1]	Next day	2 to 7 days	8 days to 1 month	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 12 months	Longer than 12 months
		1	2	3	4	5	6	7	8	9
Funding supplied by associates of the reporting bank	68									
Ten largest depositors	69									
Ten largest financial institutions funding balances	70									
Ten largest government and parastatals funding balances	71									
Negotiable paper funding instruments	72									
of which: issued for a period not exceeding twelve months	73									
of which: issued for a period exceeding five years	74									

1. **Means the total for the specified item, as well as the mathematical total of the specified columns.**

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

Foreign exchange contractual maturity ladder (converted to ZAR)	Line no.	Total	Next day	2 to 7 days	8 days to 1 month	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year	Non contractual
		1	2	3	4	5	6	7	8	9	10
FX assets (total of items 76 to 80)	75										
USD	76										
EUR	77										
GBP	78										
Other	79										
ZAR leg of FX derivatives	80										
FX liabilities (total of items 82 to 86)	81										
USD	82										
EUR	83										
GBP	84										
Other	85										
ZAR leg of FX derivatives	86										
ZAR funding position of FX exposures (item 75 less item 81)	87										

Anticipated change in business[1]	Line no.	Total	During next 6 months	More than 6 months to 1 year
		1	2	3
Expected incremental change due to change in assets (total of items 89 to 91)	88			
Advances	89			
Trading, hedging and other investment instruments	90			
Other assets	91			
Expected incremental change due to change in liabilities (total of items 93 to 96)	92			
Stable deposits	93			
Volatile deposits	94			
Trading and hedging instruments	95			
Other liabilities	96			
Expected funding inflows / (outflows) to fund change in business (item 88 less item 92)	97			

1. During the next 12 months

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

Liquidity coverage ratio (LCR): High-quality liquid assets	**Line no.**	**Total**	**Specified factor**[6]	**Weighted total** (col.1 * 2)
		1	2	3
Total qualifying high-quality liquid assets (total of items 99 and 109 to 112)	98			
Total level one high-quality liquid assets[1] (total of items 100 to 104)	99			
Cash	100		100%	
Specified marketable securities from sovereigns, central banks, public sector entities, and multilateral development banks	101		100%	
Qualifying central bank reserves[2]	102		100%	
Specified debt securities issued in Rand by the central government of the RSA or the Reserve Bank	103		100%	
Specified debt securities issued in foreign currency by the central government of the RSA or the Reserve Bank	104		100%	
Total level two high-quality liquid assets[3] (total of items 106 to 108)	105			
Specified marketable securities from sovereign, central bank, and public sector entities	106		85%	
Specified corporate bonds	107		85%	
Other qualifying items[4] (please specify)	108		85%	
Total qualifying level two high-quality liquid assets[5]	109			
Committed Central Bank facility	110		As specified by the Registrar	
Foreign currency liquid assets	111			
Additional level two high-quality liquid assets	112			

1. **Refer to regulation 26(12)(b).**
2. **Means such percentage or amount of central bank reserves as may be determined by the Governor of the Reserve Bank from time to time.**
3. **Refer to regulation 26(12)(b).**
4. **Relates to consolidated reporting only. Include in this line item 108 the aggregate amount of instruments qualifying as level two high-quality liquid assets for entities established in jurisdictions other than the RSA.**
5. **Qualifying level two high-quality liquid assets shall not exceed two-thirds of the bank's total qualifying level one high-quality liquid assets. This item 109 shall be equal to item 105 only when item 105 is less than or equal to two-thirds of item 99.**
6. **Or such factor as may be directed in writing by the Registrar.**

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

Liquidity coverage ratio (LCR): Cash outflows[1]	**Line no.**	**Total**	**Specified factor**[4]	**Weighted total** (col.1 * 2)
		1	2	3
Retail deposits (total of items 114 and 118)	113			
Demand deposit and qualifying term deposits with residual maturity or notice period within 30 days (total of items 115 to 117)	114			
Stable deposits	115		5%	
Less stable deposits	116		10%	
Other[2] (please specify)	117		Specified by the Registrar	
Term deposit with residual maturity greater than 30 days subject to withdrawal with a significant penalty, or no legal right to withdraw[3]	118		Specified by the Registrar	

1. **Based on the respective requirements specified in regulation 26(12)(d).**
2. **Means such category of retail deposits that is subject to such a run-off factor as may be directed in writing by the Registrar.**
3. **Means such category of term deposits that is subject to such a run-off factor as may be directed in writing by the Registrar.**
4. **Or such factor as may be directed in writing by the Registrar.**

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

Liquidity coverage ratio (LCR): Cash outflows[1]	Line no.	Total	Specified factor[3]	Weighted total (col.1 * 2)
		1	2	3
Unsecured wholesale funding (total of items 120 to 127)	119			
Stable funding from small business	120		5%	
Less stable funding from small business	121		10%	
Specified term deposit with residual maturity greater than 30 days	122		Specified by the Registrar	
Legal entities with specified operational relationship	123		25%	
Portion of specified corporate deposits with specified operational relationship covered by deposit insurance	124		5%	
Specified funding from cooperative banks in an institutional network	125		25%	
Specified non-financial corporates, sovereigns, central banks and public-sector entities	126		75%	
Other legal entities	127		100%	
Secured funding (total of items 129 to 132)	128			
Secured funding backed by level one high-quality liquid assets	129		0%	
Secured funding backed by level two high-quality liquid assets	130		15%	
Secured funding from specified counterparties not backed by level one or level two high-quality liquid assets	131		25%	
Other secured funding	132		100%	
Other expected outflows (total of items 134 to 139, 144, and 149 to 151)	133			
Net payable amount related to specified derivative transactions	134		100%	
Outflow related to collateral for specified downgrade	135		100%	
Valuation changes on posted collateral securing derivative transactions that is comprised of level two high-quality liquid assets	136		20%	
Specified funding related to asset-backed securities or other structured financing instruments	137		100%	
Sum of liabilities from maturing funding related to asset-backed commercial paper, conduits, securities investment vehicles and other similar financing facilities, and required liquidity related to assets that may be returned	138		100%	
Committed undrawn credit and/ or liquidity facilities (total of items 140 to 143)	139			
Retail or small business	140		5%	
Credit facilities to non-financial corporates, sovereigns and central banks, public sector entities and multilateral development banks	141		10%	
Liquidity facilities to non-financial corporates, sovereigns and central banks, public sector entities and multilateral development banks	142		100%	
Other legal entities	143		100%	
Uncommitted undrawn credit and/ or liquidity facilities[2] (total of items 145 to 148)	144		Specified by the Registrar	
Retail or small business	145			
Credit facilities to non-financial corporates, sovereigns and central banks, public sector entities and multilateral development banks	146			
Liquidity facilities to non-financial corporates, sovereigns and central banks, public sector entities and multilateral development banks	147			
Other legal entities	148			
Specified contractual lending obligations	149		100%	
Other specified outflows, such as dividend payments (please specify)	150		100%	
Other[2] (please specify)	151		Specified by the Registrar	
Total outflows (total of items 113, 119, 128 and 133)	152			

1. Based on the respective requirements specified in regulation 26(12)(d).

2. Relates only to such items, instruments or facilities, and such factors, as may be directed in writing by the Registrar from time to time.

3. Or such factor as may be directed in writing by the Registrar.

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

Liquidity coverage ratio (LCR): Cash inflows[1]	**Line no.**	**Total**	**Specified factor**[3]	**Weighted total** (col.1 * 2)
		1	**2**	**3**
Resale and securities borrowing agreements (total of items 154 to 156)	153			
- with level one high-quality liquid assets as collateral	154		0%	
- with level two high-quality liquid assets as collateral	155		15%	
- with assets other than level one or level two high-quality liquid assets as collateral	156		100%	
Credit or liquidity facilities	157		0%	
Specified net inflows (total of items 159 to 161)	158			
- from retail and small business	159		50%	
- from wholesale clients other than financial institutions	160		50%	
- from financial institutions	161		100%	
Specified deposits held at financial institutions for operational purposes	162		0%	
Specified deposits held at a centralised institution in a cooperative banking network	163		0%	
Net receivable amount from derivative instruments	164		100%	
Other contractual cash inflows[2]	165			
Total inflows (total of items 153; 157; 158; and 162 to 165)	166			

1. **Based on the respective requirements specified in regulation 26(12)(e).**
2. **Relates only to such inflows and such factors as may be directed in writing by the Registrar from time to time.**
3. **Or such factor as may be directed in writing by the Registrar.**

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

Calculation of liquidity coverage ratio (LCR)	**Line no.**	**Total**
		1
Total outflows (item 152, column 3)	167	
Total inflows (item 166, column 3)	168	
Total net cash outflows (item 167 minus min[item 168, 75% of item 167])	169	
		LCR
		1
Liquidity coverage ratio (item 98 divided by item 169, multiplied with 100)	170	

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

Net stable funding ratio (NSFR): Available stable funding[1]	**Line no.**	**Total**	**Specified factor**[3]	**Weighted total** (col.1 * 2)
		1	2	3
Total available stable funding (total of items 172 to 179)	171			
Capital after all relevant deductions, including common equity tier 1 capital and reserve funds, additional tier 1 capital and reserve funds and tier 2 capital and reserve funds	172		100%	
Specified amount of preferred securities with an effective remaining maturity of one year or longer not included in item 172	173		100%	
Specified amount of secured and unsecured borrowings and liabilities with effective remaining maturities of one year or longer	174		100%	
Specified amount of stable demand deposits and/or term deposits with residual maturities of less than one year from retail and small business	175		90%	
Specified amount of less stable demand deposits and/or term deposits with residual maturities of less than one year from retail and small business	176		80%	
Unsecured wholesale funding, non-maturity deposits and/or term deposits with a residual maturity of less than one year, from non-financial corporate, sovereigns, central banks, multilateral development banks and public-sector entities	177		50%	
Specified amount of stable deposits from cooperative banks required by law[2]	178		Specified by the Registrar	
Other liabilities and equity not included elsewhere	179		0%	

1. Based on the respective requirements specified in regulation 26(14)(b).

2. As may be directed in writing by the Registrar from time to time.

3. Or such factor as may be directed in writing by the Registrar.

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

Net stable funding ratio (NSFR): Required stable funding[1]	Line no.	Total	Specified factor[3]	Weighted total (col.1 * 2)
		1	2	3
Total required stable funding related to on-balance-sheet items (total of items 181 to 196)	180			
Unencumbered cash	181		0%	
Specified unencumbered short-term unsecured instruments and transactions with outstanding maturities of less than one year	182		0%	
Specified unencumbered securities with remaining maturities of less than one year	183		0%	
Specified unencumbered securities with offsetting reverse repurchase or resale transactions	184		0%	
Specified unencumbered loans to financial entities with effective remaining maturities of less than one year that are not renewable	185		0%	
Specified unencumbered marketable securities with residual maturities of one year or longer representing claims on or claims guaranteed by specified counterparties assigned a zero per cent risk-weight	186		5%	
Specified unencumbered corporate bonds or covered bonds (when allowed in a particular jurisdiction) rated AA- or higher with residual maturities of one year or longer meeting specified conditions	187		20%	
Specified unencumbered marketable securities with residual maturities of one year or longer representing claims on or claims guaranteed by specified counterparties assigned a twenty per cent risk-weight	188		20%	
Unencumbered gold	189		50%	
Specified unencumbered listed equity securities, not issued by financial institutions or their affiliates or associates	190		50%	
Specified unencumbered corporate bonds and covered bonds (when allowed in a particular jurisdiction) that meet specified conditions	191		50%	
Specified unencumbered loans to specified non-financial counterparties with a remaining maturity of less than one year	192		50%	
Unencumbered residential mortgages of any maturity that qualify for a risk weight of thirty five per cent or lower	193		65%	
Specified unencumbered loans, excluding loans to financial institutions, with a remaining maturity of one year or longer, that qualify for a risk weight of thirty five per cent or lower	194		65%	
Specified unencumbered retail or small business loans with a remaining maturity of less than one year, other than those that qualify for the aforesaid RSF of sixty five per cent	195		85%	
All other assets not included elsewhere, including assets encumbered for more than 1 year	196		100%	
Total required stable funding related to off-balance-sheet items (total of items 198 and 199)	197			
Conditionally revocable and irrevocable credit and liquidity facilities	198		5%	
Other contingent funding obligations[2]	199		Specified by the Registrar	
Total required stable funding (total of items 180 and 197)	200			

1. **Based on the respective requirements specified in regulation 26(14)(c).**
2. **As may be directed in writing by the Registrar from time to time.**
3. **Or such factor as may be directed in writing by the Registrar.**

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

Calculation of net stable funding ratio (NSFR)	Line no.	Total
		1
Total available stable funding (item 171)	201	
Total required stable funding (item 200)	202	
		NSFR
		1
Net stable funding ratio (item 201 divided by item 202, multiplied with 100)	203	

26. Liquidity risk – Directives, definitions and interpretations for completion of monthly return concerning liquidity risk (Form BA 300)

(1) The content of the relevant return is confidential and not available for inspection by the public.

(2) The purpose of the return, among other things, is to determine-

(a) at the reporting date, in respect of specified time buckets-

(i) the contractual mismatch between assets and liabilities;

(ii) the "business-as-usual" mismatch between assets and liabilities;

(iii) the bank-specific stress mismatch;

(b) in respect of a crisis scenario, the quantity and sources of funding available to the reporting bank;

(c) in respect of funding sources, the reporting bank's potential concentration risk, that is, to identify those sources of funding that are of such significance that the withdrawal thereof may cause liquidity problems;

(d) in respect of significant currencies, the reporting bank's exposure to foreign exchange;

(e) the expected change in the bank's balance sheet.

(3) A bank shall retain an audit trail in respect of the underlying data relating to the base models supporting the relevant form BA 300, which audit trail-

(a) shall provide a reconciliation between the total assets and the total liabilities reported on the form BA 300 and the total assets and the total liabilities contained in the reporting bank's general ledger systems, which reconciliation-

(i) shall be made available to the Registrar on request;

(ii) shall not be included in the form BA 300;

(b) shall contain adequate explanations in respect of any reconciliation differences.

(4) Unless specifically otherwise provided, any position reported on the form BA 300 shall be included in the relevant time bucket based on the position's remaining term to contractual maturity. In the case of a product with multiple maturity dates, the reporting bank shall assume that-

(a) cash inflows will occur only at the latest residual contractual maturity date;

(b) cash outflows will occur at the earliest residual contractual maturity date.

(5) Whenever specified or relevant, all amounts reported on the form BA 300 in respect of a specified bucket shall represent the respective total amounts relating to, amongst others-

(a) assets, which total amount of assets shall be gross of any related impairment, allowance or provision for loss;

(b) liabilities; or

(c) derivative instruments, which total amount shall be the aggregate present value amount of the relevant cash flow amounts.

(6) Whenever relevant, unless specifically otherwise stated, a bank-

(a) shall include any asset or liability item with no maturity profile in the bucket titled "non contractual" or "indeterminate maturity", as the case may be;

(b) shall in accordance with Financial Reporting Standards issued from time to time translate to the reporting currency any asset or liability item denominated in foreign currency;

(c) shall report all inflows and outflows as positive amounts.

(7) Whenever relevant, for purposes of reporting on the form BA 300 of-

(a) specified asset classes, the category titled-

(i) "advances" shall include-

(A) all loans or advances made by the reporting bank, whether asset-backed or unsecured;

(B) all advances originated by the reporting bank through transactional banking facilities, such as overdrafts;

(C) any structured finance loans;

(ii) "trading, hedging and investment instruments" shall include-

(A) any financial market investment instrument, collateral deposits and unlisted equity investments;

(B) any relevant derivative position or instrument;

(C) any asset held in terms of a trading or investment activity of the reporting bank;

(iii) "other assets" shall include all assets other than the asset items envisaged in subparagraphs (i) and (ii) above, including-

(A) any debit balance in respect of items in transit arising from timing differences in external settlement processes; and

(B) fixed assets, and intangible assets such as goodwill, patents and trademarks, which assets, by virtue of their nature, shall be regarded as non-contractual or of indeterminate maturity, as the case may be.

(b) specified liability classes, the category titled-

(i) "volatile deposits" shall include any deposit likely to be quickly withdrawn in a stress situation, including deposits received from government, parastatal institutions such as the Public Investment Commissioner, financial institutions, asset managers, pension fund managers, banks or other private sector financial institutions, or private individuals;

(ii) "stable deposits", whenever referred to in items 1 to 97 of the form BA 300, shall include any deposit deemed by the reporting bank to be less liquid, that is, deposits other than volatile deposits, including deposits received from government, parastatal institutions such as the Public Investment Commissioner, financial institutions, asset managers, pension fund managers, banks or other private sector financial institutions, or private individuals;

Provided that in respect of subparagraphs (i) and (ii)-

(A) a bank shall duly document the specific definitions and/or criteria applied by the bank to distinguish between "stable deposits" and "volatile deposits" and, at the request of the Registrar, the bank shall in writing submit to the Registrar the said specific definitions and/or criteria;

(B) the Registrar may from time to time issue directives in respect of criteria to be applied by banks in order to distinguish between "stable deposits" and "volatile deposits";

(iii) "trading and hedging instruments" shall include-

(A) any financial market instrument, collateral liabilities and unlisted equity instruments;

(B) any liability arising from a trading or investment activity of the reporting bank;

(C) any relevant derivative position or instrument;

(iv) "other liabilities" shall include all liabilities other than the liability items or instruments envisaged in subparagraphs (i) to (iii) above, including any relevant amount related to a non-funding related liability,

(c) items relating to maturity-

(i) "next day" shall include any item with a legal right for the relevant amount to be paid or received on the business day immediately following the reporting date;

(ii) "2-7 days" shall include any item with a legal right for the relevant amount to be paid or received from the second business day up to and including the seventh day immediately following the reporting date;

(iii) "non contractual" or "indeterminate maturity", as the case may be, shall include any item or position in respect of which no right or obligation in respect of maturity exists, including items such as deferred tax or provisions for non-performing assets.

(8) Matters relating to a bank's contractual balance sheet position

(a) In order to determine, among other things, the extent to which a bank makes use of maturity transformation in terms of its current contracts, and to identify the gaps between the contractual inflows and contractual outflows of liquidity within specified time bands, a bank shall complete the section of the form BA 300 that relates to its contractual balance sheet on a static gap basis with all relevant cash flows being reported strictly on the basis of an item's residual or remaining contractual term to maturity, provided that-

(i) the bank shall include accounts such as current accounts, savings accounts and transmission accounts in the next day bucket;

(ii) the bank shall classify any marketable instrument tradable in a secondary market into an appropriate time bucket based on the said instrument's remaining contractual maturity;

(iii) the bank shall report the relevant required information without applying any behavioural or other assumption to the relevant required contractual inflows and contractual outflows.

(b) In order to monitor-

(i) securities movements that mirror corresponding cash flows as well as the contractual maturity of collateral swaps and any uncollateralised stock lending or borrowing, where stock movements occur without any corresponding cash flows, a bank shall separately report all relevant required information related to securities flows;

(ii) collateral received from customers that the bank is permitted to rehypothecate, and the relevant amount of such collateral that is rehypothecated at each relevant reporting date, a bank shall separately report the relevant required details related to the said collateral.

(9) Matters relating to a bank's business as usual balance sheet mismatch

A bank-

(a) shall in the completion of the section of the form BA 300 that relates to its business as usual balance sheet apply the same going-concern behavioural or other relevant assumptions as in the bank's ALCO process, that is, the reported amounts shall be based on and be reconcilable to the bank's ALCO model;

(b) shall obtain the prior written approval of its board of directors or board approved committee in respect of any assumption and reasoning applied in respect of the bank's ALCO process;

(c) shall on request submit to the Registrar any board approved assumption applied by the bank in respect of the bank's ALCO process;

(d) shall duly document any related policies, procedures and underlying workings in respect of the relevant business as usual balance sheet;

(e) shall report the business as usual balance sheet on a static gap basis.

(10) Matters related to a bank-specific stress mismatch

A bank-

(a) shall obtain the prior written approval of its board of directors or board approved committee in respect of any going-concern behavioural or other relevant assumption and reasoning applied in respect of the bank-specific stress mismatch;

(b) shall on request submit to the Registrar all relevant board approved assumptions and reasoning applied in respect of the bank-specific stress mismatch;

(c) shall have in place sufficiently robust early warning indicators to identify the emergence of increased risk or vulnerabilities in its liquidity position or funding needs;

(d) shall regularly perform robust liquidity stress tests or scenario analyses, which stress tests or scenario analyses shall be based on the bank's relevant strategic and business plans-

(i) in order to ensure that-

(A) the bank has in place an adequate framework that satisfactorily accounts for the liquidity risk inherent in its individual products and business lines;

(B) the bank estimates and understands the potential behavioural aspects related to the repayment of assets and the withdrawal of deposits under a bank specific stress scenario;

(C) the bank duly identifies the potential sources of liquidity strain;

(D) the bank's incentives at business level are aligned with the overall risk tolerance of the bank;

(E) the bank duly considers the amount of liquidity it may need to satisfy contingent obligations;

(F) the bank duly considers and understands the potential impact of any plausible severe and prolonged liquidity disruption;

(ii) in order to identify and quantify the bank's exposure to possible future liquidity stresses;

(iii) to analyse possible impacts on the bank's cash flows, liquidity positions, profitability, and solvency;

(iv) the results of which stress tests or scenario analyses-

(A) shall be thoroughly discussed and understood by the bank's senior management;

(B) shall form the basis for taking remedial or mitigating action-

(i) to limit the bank's liquidity exposure;

(ii) to timely build up a liquidity cushion;

(iii) to timely adjust the bank's liquidity profile according to the bank's risk tolerance approved by the bank's board of directors;

(C) shall be appropriately linked to and play a key role in shaping the bank's contingency funding plan, which, among other things, shall outline policies for managing a range of stress events and clearly set out strategies for addressing liquidity shortfalls in emergency situations;

(e) shall duly document any related policies, procedures and underlying workings in respect of its relevant stress mismatch;

(f) shall report the bank-specific stress mismatch on a static gap basis.

(11) Matters related to potential concentration of funding

(a) Specified minimum requirements

As a minimum, in order to identify potential sources of funding that are of such significance that the withdrawal thereof may cause liquidity problems, a bank shall separately report the relevant required information related to significant counterparties, significant instruments or products, and significant currencies, provided that-

(i) in all relevant cases, the bank shall continuously monitor both the absolute percentage of the specified funding exposures relative to the bank's total balance sheet size, as well as all significant increases in any potential concentration;

(ii) in the case of secured and unsecured funding from counterparties, the bank shall aggregate the respective amounts related to all relevant types of liabilities to a particular counterparty or group of connected, associated or affiliated counterparties, and all other relevant direct borrowings;

(iii) in relevant cases the requirements specified in this subregulation (11) shall be applied on a solo and consolidated basis;

(iv) for purposes of this subregulation (11),

(A) a significant counterparty-

(i) means a single counterparty or group of connected, associated or affiliated counterparties representing in aggregate more than one per cent of the bank's total balance sheet as reported in item 54 of the form BA 100;

(ii) includes intra-group deposits and deposits from related parties, the relevant required information of which shall be reported separately from other relevant significant counterparties;

(B) a significant instrument or product means a single instrument or product or group of similar instruments or products that in aggregate amount to more than one per cent of the bank's total balance sheet as reported in item 54 of the form BA 100, that is, the requirements for a significant type of instrument or product shall apply for each relevant individually significant funding instrument or product, as well as for groups of similar types of instruments or products;

(C) a significant currency means the aggregate liabilities denominated in that currency amount to two per cent or more of the bank's total liabilities as reported in item 79 of the form BA 100, provided that in respect of funding denominated in foreign currency, the bank shall in addition to any relevant requirement specified in this subregulation (11) comply with the relevant requirements specified in subregulation (15) below;

(12) Matters related to the calculation of a bank's liquidity coverage ratio (LCR)

(a) Specified minimum requirements

As a minimum, in order to promote the short-term resilience of a bank's liquidity risk profile and ensure that the bank continuously maintains an adequate level of unencumbered level one and level two high-quality liquid assets that can be converted into cash to meet the bank's liquidity needs over a 30 calendar day time horizon under a significantly severe liquidity stress scenario, a bank shall calculate and maintain a Liquidity Coverage Ratio (LCR) in accordance with the relevant requirements specified in this subregulation (12), provided that-

(i) in addition to the relevant requirements specified in this subregulation (12), a bank shall comply with such further or other conditions or requirements related to LCR as may be specified in writing by the Registrar;

(ii) between 1 January 2013 and 31 December 2014 banks, controlling companies and the Registrar shall apply the relevant requirements specified in this subregulation (12) to monitor the readiness of relevant banks and controlling companies to implement and fully comply with the said requirements and any subsequent amendments thereto as a minimum standard from 1 January 2015;

(iii) in all relevant cases the requirements specified in this subregulation (12) shall be applied on a solo and consolidated basis, provided that-

(A) a bank shall have in place policies, processes and procedures-

(i) to capture any relevant liquidity transfer restrictions;

(ii) to monitor the rules and regulations in the jurisdictions in which the group operates, and to assess the liquidity implications for the group as a whole;

(B) when calculating its consolidated LCR, a bank or controlling company shall not recognise any excess liquidity in any relevant cross-border entity when there is reasonable doubt regarding the availability of such liquidity or the transferability of liquid assets, which availability, transferability or flow of funds, for example, may be affected by liquidity transfer restrictions such as ring-fencing measures, non-convertibility of local currency or foreign exchange controls, that is, any surplus of liquid assets held at a legal entity level shall only be included in the consolidated portfolio of liquid assets if those assets are freely available to the consolidating entity in times of stress;

(C) in the case of consolidation, a bank may include in its portfolio of qualifying liquid assets, assets or instruments held to meet legal entity requirements to the extent that the related risks as measured by the legal entity's net cash outflows are also reflected in the consolidated LCR;

(D) in the case of consolidation or solo reporting of relevant entities, subject to the prior written approval of and such conditions as may be specified in writing by the Registrar, a bank may apply the rules and/ or regulations of relevant host supervisors in respect of the treatment of retail or small business deposits of relevant entities operating in those jurisdictions;

(E) in all relevant cases the bank shall actively monitor and control its liquidity risk exposures and funding needs at the level of each material individual legal entitiy, foreign branch or subsidiary, and the group as a whole, taking into account any relevant legal, regulatory or operational limitation that may affect the transferability of liquidity;

(iv) for purposes of this subregulation (12), unencumbered means not pledged, either explicitly or implicitly, to secure, collateralise or credit-enhance any transaction, or not otherwise subject to any further commitment, provided that-

(A) assets or instruments received in reverse repo, resale and/ or securities financing transactions-

(i) that are held at the bank;

(ii) that have not been rehypothecated; and

(iii) that are legally and contractually available for the bank's use,

may be included in the bank's relevant portfolio of high-quality liquid assets.

(B) assets or instruments that qualify as high-quality liquid assets that have been pledged to a central bank to secure facilities shall not be regarded as pledged except to the extent that such assets or instruments are required to secure facilities actually utilised;

(C) a bank may hedge the price risk associated with ownership of the relevant assets or instruments, and still include the assets in the relevant pool of high-quality liquid assets, provided that if the bank chooses to hedge the associated risks, the bank shall take into account, that is, in the relevant market value applied to each relevant asset or instrument, the cash outflow that would arise if the hedge was to be closed out early, that is, in the event of the asset being sold;

(D) client pool securities or cash received from a repo backed by client pool securities shall not qualify as liquid assets of the relevant reporting bank or controlling company;

(v) the bank shall manage its business in such a manner that a least sixty per cent of the bank's portfolio of qualifying high-quality liquid assets consists of level one high-quality liquid assets, that is, the bank's portfolio of qualifying high-quality liquid assets may consist of between sixty and one hundred per cent of level one high-quality liquid assets, but level two high-quality liquid assets shall in no case exceed forty per cent of the bank's aggregate portfolio of level one and level two high-quality liquid assets, provided that the bank shall manage its business in such a manner that-

(A) the limit related to level two high-quality liquid assets duly takes into account the impact on the amounts held in cash or other level one or level two assets or instruments caused by secured funding transactions or collateral swaps maturing within 30 calendar days undertaken with any level two assets, that is, the limit related to level two high-quality liquid assets shall effectively include cash or other level one high-quality liquid assets generated by secured funding transactions or collateral swaps maturing within 30 days;

(B) the bank's portfolio of level two high-quality liquid assets is as far as possible well diversified in terms of type of assets, type of issuer related to, for example, the economic sector in which it participates, and any specific counterparty or issuer;

(C) the aforesaid limits are adhered to and maintained after all relevant haircuts have been applied;

(vi) while the bank has to report its LCR in Rand on a solo and consolidated basis, the bank has to continuously meet its liquidity needs in each relevant currency, and the bank shall therefore maintain high-quality liquid assets consistent with the distribution of the bank's liquidity needs by currency, that is-

(A) the bank shall ensure that it is able to generate the required liquidity in the currency and jurisdiction in which the relevant net cash outflows may arise;

(B) the bank shall monitor and report to its senior management the bank's LCR by currency to ensure that all relevant currency mismatches are duly managed;

(C) the bank shall take into account the risk that its ability to swap currencies and access the relevant foreign exchange markets may erode rapidly under stressed conditions, and that sudden, adverse exchange rate movements may sharply widen existing mismatched positions and alter the effectiveness of any foreign exchange hedges that the bank may have in place;

(D) since foreign exchange may constitute a material component of a bank's exposure to liquidity risk, and in order to duly monitor and manage the bank's overall level and trend of currency exposure, a bank shall separately assess the impact on its LCR of each significant currency, provided that the bank shall on request submit to the Registrar in writing all relevant LCR calculations and assessments in respect of each significant currency;

(vii) the bank shall have in place sufficiently robust policies, processes and procedures-

(A) to ensure that-

(i) the bank manages all relevant mismatches within the aforesaid 30-day period;

(ii) the bank has sufficient level one and level two high-quality liquid assets available to meet any potential cashflow mismatches throughout the said 30-day period;

(iii) the bank's internal stress tests also cover time horizons longer than the 30 calendar day time horizon envisaged in this subregulation (12);

(B) to test-

(i) that the scenario and assumptions underlying the net cash outflows envisaged in this subregulation (12) are adequate for the bank's specific business activities;

(ii) the level of liquidity the bank may have to hold beyond the level of high-quality liquid assets envisaged in this subregulation (12);

(C) to periodically monetise a portion of the assets or instruments in the relevant portfolio through repo or outright sale to the market in order to test the bank's access to the market, the effectiveness of its processes for monetisation, and the usability of the assets, as well as to minimise the risk of negative signalling during a period of stress;

(viii) only assets or instruments that can be easily and immediately converted into cash at little or no loss of value and that contain specified fundamental and market-related characteristics shall qualify as high-quality liquid assets, which assets or instruments typically-

(A) constitute eligible instruments for intraday liquidity needs and overnight liquidity facilities from the Central Bank, provided that Central Bank eligibility does not in itself mean that an asset or instrument qualify as a high-quality liquid asset;

(B) raise confidence in the safety and soundness of liquidity risk management in the relevant bank, and the banking system;

(ix) the aforesaid fundamental characteristics, as a minimum, mean-

(A) low credit and market risk, that is, for example-

(i) assets or instruments that are less risky tend to have higher liquidity;

(ii) a high credit standing of an issuer and a low degree of subordination increases an asset or instrument's liquidity;

(iii) low duration, low volatility, low inflation risk and denomination in a convertible currency with low foreign exchange risk enhance an asset or instrument's liquidity;

(B) ease and certainty of valuation, that is, for example-

(i) an asset or instrument's liquidity increases if market participants are more likely to agree on its valuation;

(ii) the pricing formula of the asset or instrument does not contain strong assumptions;

(iii) the relevant inputs into the pricing formula are publicly available;

(C) low correlation with risky assets, that is, for example, the asset or instrument is not subject to wrong-way risk, that is, highly correlated risk;

(D) the asset or instrument is listed on a developed and recognised exchange;

(x) the aforesaid market-related characteristics, as a minimum, mean-

(A) the existence of an active and sizable market, which may be evidenced by factors such as a large number of market participants, high trading volume and historical evidence of market breadth, that is, price impact per unit of liquidity, and market depth, that is, units of the asset that can be traded for a given price impact;

(B) the presence of committed market makers, which may be evidenced by factors such as available quotes for buying and/or selling of the liquid asset or instrument;

(C) low market concentration, that is, a diverse group of buyers and sellers exists that increases the reliability of the asset or instrument's liquidity;

(D) evidence of historic flight to quality, that is, historically, the market has shown tendencies to move into these types of assets or instruments during a systemic crisis;

(xi) all high-quality liquid assets or instruments shall be managed as part of that portfolio of assets or instruments-

(A) which assets or instruments shall at all times-

(i) be available for the bank to convert into cash to fill any funding gap that may arise between cash inflows and outflows during the said period of stress;

(ii) be unencumbered;

(iii) be under the control of the specific function or functions responsible for managing the bank's liquidity risk, which is typically the bank's treasurer;

(B) which assets or instruments-

(i) shall not be co-mingled with or used as hedges on trading positions, be designated as collateral or be designated as credit enhancements in structured transactions or be designated to cover operational costs, such as rents or salaries;

(ii) shall be managed with the clear and sole intent for use as a source of contingent funds;

(xii) in order to allow a bank time to adjust its portfolio of qualifying high-quality liquid assets, when a qualifying asset or instrument is subsequently disqualified, for example, due to a rating downgrade, the bank may retain the asset or instrument in its portfolio of qualifying liquid assets for 30 calendar days following the date that the asset or instrument became so disqualified.

(b) Specific matters related to level one and level two high-quality liquid assets

No asset or instrument shall qualify as-

(i) a level one high-quality liquid asset as envisaged in section 1 of the Act unless the said asset or instrument constitutes-

(A) a marketable instrument that, as a minimum-

(i) is assigned a zero per cent risk-weight in terms of the provisions of the Standardised Approach specified in regulation 23(8) of these Regulations;

(ii) trades in large, deep and active repo or cash markets, characterised by a low level of concentration;

(iii) has a proven record as a reliable source of liquidity in all relevant markets, including the repurchase, resale or sale markets, even during stressed market conditions; and

(iv) does not constitute an obligation of a financial institution or any of its associated or affiliated entities;

(B) a debt security issued in Rand by the central government of the RSA or the Reserve Bank; or

(C) a debt security issued in foreign currency by the central government of the RSA or the Reserve Bank, to the extent that holding of such debt matches the currency needs of the bank's operation;

(ii) a level two high-quality liquid asset as envisaged in section 1 of the Act unless the said asset or instrument constitutes-

(A) a marketable instrument that, as a minimum-

(i) is assigned a twenty per cent risk-weight in terms of the provisions of the Standardised Approach specified in regulation 23(8) of these Regulations;

(ii) trades in large, deep and active repo or cash markets, characterised by a low level of concentration;

(iii) has a proven record as a reliable source of liquidity in all relevant markets, including the repurchase, resale or sale markets, even during stressed market conditions, that is, the maximum decline in the price or increase in the haircut of the relevant instrument over a 30-day period during a relevant period of significant liquidity stress did not exceed ten per cent; and

(iv) does not constitute an obligation of a financial institution or any of its associated or affiliated entities;

(B) a corporate bond that, as a minimum-

(i) is not issued by a financial institution or any of its associated or affiliated entities;

(ii) has a credit rating from an eligible institution of at least AA- or, in the absence of a credit assessment by an eligible institution, is internally rated with a probability of default (PD) corresponding to an external credit rating of at least AA-, provided that in the case of a split rating the bank shall determine the appropriate rating in accordance with the relevant requirements specified in regulation 23(5) of these Regulations;

(iii) trades in large, deep and active repo or cash markets, characterised by a low level of concentration; and

(v) has a proven record as a reliable source of liquidity in all relevant markets, including the repurchase, resale or sale markets, even during stressed market conditions, that is, the maximum decline in the price or increase in the haircut of the relevant instrument over a 30-day period during a relevant period of significant liquidity stress did not exceed ten per cent;

Provided that for purposes of this subregulation (12), corporate bonds shall only include plain vanilla instruments, the valuation of which shall be readily available based on standard methods and shall not depend on private knowledge, that is, complex structured products or subordinated debt are explicitly excluded from the definition of level two high-quality liquid assets.

(c) *Matters related to the calculation of a bank's relevant amount of net cash outflow*

Based on the relevant requirements specified in this subregulation (12), a bank shall continuously calculate its expected total net cash outflows as the difference between total expected cash outflows and total expected cash inflows as envisaged in these Regulations, provided that-

(i) the bank's relevant calculation shall be based on a specified stress scenario applied for the subsequent 30 calendar days, that is-

(A) the bank's total expected cash outflows shall be equal to the outstanding balances of specified categories or types of liabilities and off-balance-sheet commitments, multiplied by the relevant run-off or drawn-down rates specified in this paragraph (c);

(B) the bank's total expected cash inflows shall be equal to the outstanding balances of specified categories of contractual receivables, multiplied by the specified rates at which the said receivables are expected to flow in under the said stress scenario, provided that the bank's total expected cash inflows shall be limited to seventy five per cent of the bank's total expected cash outflows, that is:

$$\text{Total net cash outflows over the next 30 calendar days} = \text{outflows} - \min\{\text{inflows}; 75\% \text{ of outflows}\}$$

(ii) when the bank calculates its LCR, the bank shall not double count any relevant item, that is, when the bank, for example, includes a high-quality liquid asset in the numerator, that asset cannot also be included as part of cash inflows;

(iii) when an item may be counted in multiple outflow categories, such as a committed liquidity line granted to cover debt maturing within the 30 calendar day period, the bank only has to assume up to the maximum contractual outflow for that product.

(d) Matters related to the calculation of a bank's total expected cash outflows

Based on the relevant requirements specified in this subregulation (12), including, in particular, the categories of funding and other liabilities or potential liabilities, and run-off or drawdown factors, specified below, a bank shall continuously calculate its expected or potential total cash outflows, for which purposes-

(i) retail deposits mean deposits placed with the bank by a natural person, which retail deposits shall include all relevant demand deposits and term deposits, provided that-

(A) deposits received from legal entities, sole proprietorships or partnerships shall be included in the bank's wholesale deposit category;

(B) the bank shall divide its retail deposits between "stable" and "less stable" retail deposits;

(C) in respect of the aforesaid stable retail deposits, that is, deposits that are fully covered by an effective deposit insurance scheme or by a public guarantee that provides equivalent protection, and where-

(i) the depositors have other established relationships with the bank that make deposit withdrawal highly unlikely; or

(ii) the deposits are in transactional accounts, such as accounts where salaries are automatically deposited,

the bank shall apply a run-off factor of no less than five per cent.

Based on the aforesaid, the mere existence of deposit insurance alone shall not be sufficient to classify a deposit as "stable".

(D) an effective deposit insurance scheme as envisaged hereinbefore means a scheme-

(i) that guarantees that it has the ability to make prompt payouts; and

(ii) for which the coverage is clearly defined; and

(iii) of which public awareness is high.

Provided that-

(aa) the deposit insurer in an effective deposit insurance scheme shall have formal legal powers to fulfil its mandate and shall be operationally independent, transparent and accountable;

(bb) an explicit and legally binding sovereign deposit guarantee that effectively functions as deposit insurance may be regarded as an effective deposit insurance scheme;

(E) when the bank is unable to readily identify the retail deposits that qualify as "stable" retail deposits, the bank shall allocate the relevant full amount to the "less stable" retail deposits category;

(F) in respect of the aforesaid less stable retail deposits, that is, for example, deposits that are not covered by an effective deposit insurance scheme or sovereign deposit guarantee, high-value deposits, deposits from sophisticated or high net worth individuals, deposits that can be withdrawn quickly, such as internet deposits, and foreign currency deposits, the bank shall apply a run-off factor of no less than ten per cent;

(G) to capture depositor behaviour in a period of stress, the Registrar may require a bank in writing to add further reporting categories of deposits with specified run-off factors and/ or apply a run-off factor higher than the percentages specified hereinbefore;

(ii) fixed or time retail deposits with a residual maturity or withdrawal notice period of more than 30 days may be excluded from the bank's calculation of LCR, provided that-

(A) the depositor shall have no legal right to withdraw the deposit within the said 30-day horizon of the LCR;

(B) subject to such conditions as may be specified in writing by the Registrar, and the bank's sole discretion, the bank may allow a depositor to early withdraw the deposit, provided that-

(i) the withdrawal shall be subject to a penalty substantially higher than the loss of interest;

(ii) when the bank allows early withdrawal without applying the aforesaid penalty or despite the clause that states the depositor has no legal right to withdraw, the bank shall for purposes of its LCR regard the entire category of those funds as demand deposits, regardless of the remaining term to maturity;

(iii) unsecured wholesale funding, in respect of which the bank shall apply the relevant run-off factors specified in subparagraphs (iv) to (ix) below-

(A) shall include-

(i) liabilities and general obligations that are raised from non-natural persons, such as legal entities, including sole proprietorships and partnerships, and that are not collateralised by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution;

(ii) all relevant funding that is callable within or with an earliest possible contractual maturity date within the LCR's horizon of 30 days, such as maturing term deposits and unsecured debt securities, as well as funding with an undetermined maturity;

(iii) all relevant funding with options that are exercisable at the investor's discretion within the LCR's horizon of 30 calendar days;

(iv) all relevant liabilities in respect of which the market is likely to expect redemption before the relevant legal final maturity date;

(B) shall exclude-

(i) wholesale funding that is callable by fund providers subject to a contractually defined and binding notice period beyond the 30-day horizon;

(ii) obligations related to derivative instruments or contracts;

(iv) in respect of unsecured wholesale funding provided by small business customers, that is, deposits and other extensions of funds made by non-financial small business customers that are managed as retail exposures, and which are generally considered as having liquidity risk characteristics similar to retail accounts, the bank shall follow an approach similar to the approach for retail deposits, that is, the bank shall, based on the relevant criteria specified hereinbefore for retail deposits, distinguish between-

(A) a stable portion of unsecured wholesale funding provided by small business customers, in respect of which the bank shall apply a run-off factor of no less than five per cent; and

(B) a less stable portion of unsecured wholesale funding provided by small business customers, in respect of which the bank shall apply a run-off factor of no less than ten per cent,

Provided that-

(i) this category of unsecured wholesale funding provided by non-financial small business customers shall only include small business customers in respect of which the total aggregate amount of funding raised from one customer and its relevant associates or affiliates, on a gross consolidated basis, is less than R7.5 million;

(ii) term deposits from small businesses shall be treated in accordance with the relevant requirements specified hereinbefore for term retail deposits;

(v) subject to the provisions of subparagraph (vi) below, in respect of unsecured wholesale funding received from financial and non-financial wholesale customers with specific operational relationships,

(A) which customers have an established operational relationship with the bank upon which it has a substantive dependency, such as clearing, custody or cash management relationships in which the customer is reliant on the bank to perform these services as an independent third party intermediary in order to fulfil its normal banking activities over the next 30 days; and

(B) which funding or deposits-

(i) are by-products of the underlying services provided by the bank; and

(ii) are not sought in the wholesale market in the sole interest of offering interest income; and

(iii) are priced below the market in comparison to deposits of a similar duration and held in specifically designated accounts,

the bank shall apply a run-off factor of twenty five per cent, provided that in respect of the portion of the unsecured wholesale funding provided by non-financial corporate customers, sovereigns, central banks and public sector entities with operational relationships that is fully covered by deposit insurance the bank may apply a run-off factor of five per cent;

(vi) in respect of unsecured wholesale funding received from financial and non-financial wholesale customers with specific operational relationships as envisaged in subparagraph (v) above,

(A) a clearing relationship means a service arrangement that enables customers to transfer funds or securities indirectly through direct participants in domestic settlement systems to final recipients,

(i) which services are limited to-

(aa) transmission, reconciliation and confirmation of payment orders;

(bb) daylight overdraft, overnight financing and maintenance of post-settlement balances; and

(cc) determination of intra-day and final settlement positions;

(ii) which clearing and related services shall be provided in terms of a legally binding agreement to institutional customers;

(B) a custody relationship means the provision of safekeeping, reporting, processing of assets and/or the facilitation of the operational and administrative elements of related activities on behalf of customers in the process of their transacting and retaining financial assets,

(i) which services are limited to-

(aa) the settlement of securities transactions;

(bb) the transfer of contractual payments;

(cc) the processing of collateral;

(dd) the execution of foreign currency transactions;

(ee) the receipt of dividends and other income;

(ff) client subscriptions and redemptions;

(gg) scheduled distributions of client funds and the payment of fees, taxes and other expenses;

(hh) the holding of related cash balances and the provision of ancillary cash management services;

(ii) which custody related services may, subject to the prior written approval of and such conditions as may be specified in writing by the Registrar, be extended to asset and corporate trust servicing, treasury, escrow, funds transfer, stock transfer and agency services, including payment and settlement services, trade financing, and depository receipts;

(iii) which custody related services exclude correspondent banking related services;

(iv) which custody related services shall be provided in terms of a legally binding custodial services or other similar agreement to institutional customers;

(C) a cash management relationship means the provision of cash management and related services to customers, that is, the provision of cash management services related to products and services provided to a customer to manage its cash flows, assets and liabilities, and conduct financial transactions necessary to the customer's ongoing operations,

(i) which services are limited to-

(aa) the provision of information or of information systems used to manage the customer's financial transactions;

(bb) payment remittance;

(cc) collection and aggregation;

(dd) payroll administration;

(ee) control over the disbursement of funds;

(ff) automated payments; and

(gg) other transactions that facilitate financial operations;

(ii) which cash management and related services shall be provided in terms of a legally binding agreement to institutional customers;

(D) only the specific amount of deposits utilised for the said operational functions shall be subject to the run-off factor of twenty five per cent, that is, any excess balance that may be withdrawn and still leave sufficient funds to fulfil the said operational requirements shall be excluded from the aforesaid category of funding;

(E) deposits that are subject to the outflow factor of twenty five per cent at the bank holding the deposit shall be subject to a zero per cent inflow assumption for the depositing bank, since these funds are considered to remain with the bank conducting the operational activity;

(F) if the relevant deposit arises from correspondent banking, that is, an arrangement in terms of which one bank (correspondent) holds deposits owned by another bank (respondent) and provides payment and other services in order to settle foreign exchange transactions, such as nostro and vostro accounts used for the provision of clearing and settlement of payments, the bank shall, for purposes of determining the relevant run-off factor, treat the deposit as if there was no operational relationship;

(G) if the deposit arises from the provision of prime brokerage services, that is, a package of services offered to large active investors, particularly hedge funds, which services usually include-

(i) clearing, settlement and custody;

(ii) consolidated reporting;

(iii) margin, repo or synthetic financing;

(iv) securities lending;

(v) capital introduction; and

(vi) risk analytics,

the bank shall, for purposes of determining the relevant run-off factor, treat the deposit as if there was no operational relationship;

(vii) subject to the prior written approval of and such conditions as may be specified in writing by the Registrar, in respect of unsecured wholesale funding related to an institutional network of cooperative banks or similar institutions, that is, a group of legally autonomous banks or similar institutions with a statutory framework of cooperation with common strategic focus and brand where specific functions are performed by central institutions and/or specialised service providers, the relevant central institution and/or specialised central service providers may apply a run-off rate of twenty five per cent in respect of deposits of member institutions that are placed-

(A) due to statutory minimum deposit requirements, which are registered at the relevant regulators; or

(B) in the context of common task sharing and legal, statutory or contractual arrangements, Provided that-

(i) both the bank that received the funds and the bank that deposited the funds shall participate in the same institutional network's mutual protection scheme against illiquidity and insolvency of its members;

(ii) the depositing bank or institution shall apply a zero per cent inflow assumption in respect of the relevant deposited funds, since the funds are considered to remain with the relevant centralised institution;

(iii) correspondent banking activities are excluded from this category and shall be subject to a run-off factor of one hundred per cent;

(iv) funds placed with a central institution and/or specialised service provider for any reason other than-

(aa) the aforesaid reasons; or

(bb) for operational functions of clearing, custody, or cash management as envisaged in subparagraphs (v) and (vi) above,

shall be subject to a run-off factor of one hundred per cent;

(viii) in respect of unsecured wholesale funding from-

(A) non-financial corporate customers, other than small business customers as envisaged hereinbefore;

(B) domestic and foreign sovereign, central bank and public sector entities that are not specifically held for operational purposes as envisaged hereinbefore; and

(C) multilateral development banks,

the bank shall apply a run-off factor of seventy five per cent;

(ix) in respect of unsecured wholesale funding from institutions or persons other than the institutions or persons specified hereinbefore, including-

(A) funds received from all relevant-

(i) banks;

(ii) securities firms;

(iii) insurance companies;

(iv) fiduciaries, that is, a legal entity that is authorised to manage assets on behalf of a third party, including all relevant asset management entities such as hedge funds, pension funds and other collective investment vehicles;

(v) beneficiaries, that is, a legal entity that receives, or may become eligible to receive, benefits under a will, insurance policy, retirement plan, annuity, trust, or other relevant contract;

(vi) conduits and/ or special purpose vehicles; and

(vii) affiliated entities of the bank,

(B) all relevant notes, bonds and other debt securities issued by the bank, regardless of the holder, unless the bond was sold exclusively in the retail market and held in a retail account, in which case the instrument may be treated in accordance with the requirements related to the retail deposit category,

the bank shall apply a run-off factor of one hundred per cent;

(x) secured funding means those liabilities and general obligations that are collateralised by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution, provided that-

(A) the bank shall assume that its ability to continue to transact repurchase agreements, resale agreements and other securities financing transactions is limited to transactions backed by specified high-quality liquid assets;

(B) the bank shall treat collateral swaps and/ or similar transactions as repurchase or resale agreements;

(C) in respect of all outstanding secured funding transactions with maturities within the envisaged 30 calendar day stress horizon, based on the amount of funds raised through the relevant transaction and not the value of the underlying collateral, the bank-

(i) shall apply a zero per cent reduction in funding availability related to maturing transactions backed by level one high-quality liquid assets;

(ii) shall apply a fifteen per cent reduction in funding availability related to maturing transactions backed by level two high quality liquid assets;

(iii) shall, in recognition that the Central Government of the RSA, the Reserve Bank or public sector entities that qualify for a risk weight of twenty per cent or lower in terms of the Standardised Approach for the measurement of the bank's exposure to credit risk in terms of the provisions of regulation 23(8) of these Regulations are unlikely to withdraw secured funding from the bank during a time of market-wide stress, apply a twenty five per cent reduction in funding availability related to maturing transactions with or backed by instruments of the aforesaid persons, entities or institutions, other than instruments or assets qualifying as level one or level two high quality liquid assets;

(iv) shall apply a one hundred per cent reduction in funding availability related to all other relevant maturing transactions;

(D) the bank shall, based on the relevant requirements specified in item (C) above, read with the provisions of this item (D), add to its expected cash outflows the relevant amounts specified in table 1 below:

Table 1

Outstanding maturing secured funding	**Amount to add to cash outflows**
Backed by level one high-quality liquid assets	0%
Backed by level two high-quality liquid assets	15%
Secured funding transactions with Central Government of RSA, Reserve Bank or public sector entities that are 20% or lower risk weighted and not backed by level one or level two high-quality liquid assets	25%
All others	100%

(xi) the bank shall apply a run-off factor of one hundred per cent in respect of any relevant net payable amount related to known payable and receivable amounts arising from derivative instruments, which net payable amount, when relevant, shall also take into consideration relevant level one and level two high-quality liquid assets serving as collateral, to the extent that this collateral is not already counted in the bank's available amount of level one and level two high-quality liquid assets, that is, as already stated hereinbefore, relevant instruments shall in no case be double counted;

(xii) the bank shall apply a run-off factor of one hundred per cent of the relevant amount of collateral that will have to be posted for, or contractual cash outflows generated by, any downgrade up to and including a 3-notch downgrade by an eligible institution, that is, for each contract with "downgrade triggers", the bank shall assume that one hundred per cent of the additionally required collateral shall be posted or cash outflow shall occur for any downgrade up to and including a 3-notch downgrade of the bank's relevant long-term credit rating, provided that the bank shall assume that triggers linked to the bank's short-term rating shall be triggered at the appropriate long-term rating in accordance with the relevant published ratings criteria;

(xiii) the bank shall apply a run-off factor of twenty per cent of the value of level two high-quality liquid assets posted as collateral to cover a potential loss of market value in respect of derivative or other transactions, that is, a bank posting collateral to cover any relevant mark-to-market exposure shall add to the relevant stock of posted level two high-quality liquid assets twenty per cent of the value of all such level two high-quality liquid assets, which twenty per cent shall be calculated off the relevant notional amount required to be posted as collateral after any other relevant haircuts have been applied;

(xiv) the bank shall apply a run-off factor of one hundred per cent in respect of funding related to asset-backed securities or other structured financing instruments, that is, when the aforesaid instruments are issued by the bank itself, the bank shall assume that the re-financing market will not exist, causing a complete outflow of the related funding maturing within the said 30-day period;

(xv) the bank shall apply a run-off factor of one hundred per cent in respect of maturing funding related to asset-backed commercial paper, conduits, securities investment vehicles and other similar financing facilities, and one hundred per cent of the required liquidity related to assets that may be returned, that is-

(A) a bank with structured financing facilities in place that include the issuance of short term debt instruments such as asset backed commercial paper shall duly consider-

(i) the inability to refinance maturing debt; and

(ii) the existence of derivatives or derivative-like components contractually written into the documentation associated with the structure that may cause the "return" of assets in a financing arrangement, or that require the originator to provide liquidity, effectively ending the financing arrangement within the said 30-day period;

(B) when the bank conducts structured financing activities through a special purpose entity or vehicle, the bank shall, in determining its relevant requirement for high quality liquid asset, look through the structure to the maturity of the debt instruments issued by the special purpose entity or vehicle, and any embedded options in financing arrangements that may potentially trigger the "return" of assets or the need for liquidity, irrespective whether or not the special purpose entity or vehicle is consolidated;

(C) based on the relevant requirements specified in this subparagraph (xv), a bank shall determine its relevant requirements in accordance with the requirements specified in table 2 below:

Table 2

Potential risk	Required high-quality liquid assets
Debt maturing within the calculation period	100% of the maturing amount
Embedded options in financing arrangements that allow for the return of assets or potential liquidity support	100% of the amount of assets that may be returned, or the liquidity required

(xvi) the bank shall in respect of any relevant committed undrawn credit or liquidity facility, that is, for example, any relevant explicit contractual agreement or obligation to extend funds at a future date to retail or wholesale counterparties, apply a drawdown factor of-

(A) five per cent in respect of any committed undrawn credit or liquidity facility to retail or small business customers;

(B) ten per cent in respect of any committed undrawn credit facility to non-financial corporates, sovereigns and central banks, public sector entities and multilateral development banks;

(C) one hundred per cent in respect of any committed undrawn liquidity facility to non-financial corporates, sovereigns and central banks, public sector entities, and multilateral development banks;

(D) one hundred per cent in respect of any committed undrawn credit or liquidity facility to any other legal entity, including, for example, financial institutions such as banks, securities firms and insurance companies, conduits and special purpose vehicles, fiduciaries as envisaged hereinbefore, beneficiaries as envisaged hereinbefore, and other entities not included elsewhere in the categories specified above,

Provided that-

(i) for purposes of this subregulation (12),

(aa) the bank shall include all relevant committed facilities that are contractually irrevocable or conditionally revocable, which off-balance sheet facilities or funding commitments may have long or short-term maturities, since customers drawing on facilities of any maturity in a stressed environment are unlikely to be able to quickly pay back the relevant funds borrowed;

(bb) the bank shall exclude from this category any revocable facility that is unconditionally cancellable by the bank, which facility shall be included in the category "other contingent funding liabilities";

(cc) a liquidity facility includes any relevant committed, undrawn back-up facility put in place expressly for the purpose of refinancing the debt of a customer in situations where such a customer is unable to obtain its ordinary course of business funding requirements, such as pursuant to a commercial paper programme, in the financial markets, the relevant amount of which liquidity facility shall include any available unused capacity to issue financing that may mature within the said 30-day horizon, but shall exclude the portion of the liquidity line that is backing securities issued that do not mature within the said 30-day window period;

(dd) any general working capital facility for corporate entities, such as revolving credit facilities for general corporate and/or working capital purposes, shall be classified as a credit facility and not as a liquidity facility;

(ii) the relevant undrawn portion of the aforesaid facilities may be calculated net of any relevant high-quality liquid assets posted as collateral by the relevant counterparty to secure the facility only if the bank is legally entitled and operationally capable to re-use the collateral in further cash raising transactions once the facility is drawn, and there is no undue correlation between the probability of drawing the facility and the market value of the collateral, provided that, as stated hereinbefore, eligible collateral may be netted against the outstanding amount of the relevant line only if that collateral is not included in the bank's relevant portfolio of high-quality liquid assets, that is, no instrument shall be double-counted;

(iii) a bank that acts as a liquidity provider is not required to double count for any maturing financing instrument envisaged in subparagraphs (xiv) and (xv) above, and any relevant related liquidity facility for consolidated programs;

(xvii) the bank shall apply an outflow rate of one hundred per cent in respect of any relevant contractual lending obligation to extend funds to a financial institution within the said 30 calendar day period, not included elsewhere in this subregulation (12);

(xviii) the bank shall apply an outflow rate of one hundred per cent in respect of the relevant excess amount by which the aggregate amount of all contractual obligations to extend funds to retail and non-financial corporate clients within the said 30 calendar days, not included elsewhere in this subregulation (12), exceeds fifty per cent of the aggregate amount of contractual inflows due in the next 30 calendar days from those clients, that is, when the aggregate amount of all contractual obligations to extend funds to retail and non-financial corporate clients within the next 30 calendar days, not included elsewhere in this subregulation (12), exceeds fifty per cent of the total contractual inflows due in the next 30 calendar days from those clients, the bank shall report that difference as a one hundred per cent outflow of funds;

(xix) the bank shall apply such run-off factors or outflow rates in respect of such other relevant contingent funding obligations, and calculated in such a manner, as may be directed in writing by the Registrar, which contingent funding obligations may be either contractual or non-contractual obligations, and-

(A) which contingent funding obligations are not lending commitments;

(B) which non-contractual contingent funding obligations include associations with, or sponsorship of, products sold or services provided that may require the support or extension of funds in the future under stressed conditions;

(C) which non-contractual obligations may be embedded in financial products and instruments sold, sponsored, or originated by the bank that may give rise to unplanned balance sheet growth arising from support given for reputational risk considerations, such as, for example, products and instruments for which the relevant customer or holder has specific expectations regarding the liquidity and marketability of the product or instrument and for which failure to satisfy customer expectations in a commercially reasonable manner may cause material reputational damage to the bank, or otherwise impair its ongoing viability;

(D) which other contingent funding obligations may include-

(i) uncommitted undrawn credit or liquidity facilities;

(ii) guarantees;

(iii) letters of credit;

(iv) other trade finance instruments;

(v) non-contractual obligations such as-

(aa) potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities;

(bb) structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes; and (cc) managed funds that are marketed with the objective of maintaining a stable value such as money market mutual funds or other types of stable value collective investment funds;

(xx) the bank shall apply an outflow rate of one hundred per cent in respect of other contractual cash outflows within the next 30 calendar days, such as dividend payments, provided that any relevant outflow related to operating costs shall be excluded from the provisions of this subregulation (12).

(e) Matters related to the calculation of a bank's total expected cash inflows

Based on the relevant requirements specified in this subregulation (12), a bank shall continuously calculate its expected or potential total cash inflows, for which purposes-

(i) the bank shall include only contractual inflows from outstanding exposures that are fully performing, and in respect of which the bank has no reason to expect a default within the envisaged 30-day time horison;

(ii) the bank shall manage its business in such a manner that its liquidity position is at no stage overly dependent on the expected inflows from one or a limited number of wholesale counterparties;

(iii) the bank-

(A) shall assume that maturing resale or securities borrowing agreements secured by level one high-quality liquid assets will be rolled-over, and will therefore not give rise to any cash inflows, that is, in respect of maturing resale or securities borrowing agreements secured by level one high-quality liquid assets, the bank shall apply an inflow factor of zero per cent;

(B) shall, due to the reduction of funds extended against the relevant collateral, assume an inflow of fifteen per cent in respect of maturing resale or securities lending agreements secured by level two high-quality liquid assets;

(C) shall assume no roll-over in respect of maturing resale or securities borrowing agreements secured by assets other than level one or level two high-quality liquid assets, and as such assume to receive back one hundred per cent of the cash related to such agreements, Provided that,

(i) when the collateral obtained through resale or securities borrowing agreements, or collateral swaps, which agreements or contracts mature within the said 30-day horizon, is re-used, that is, rehypothecated, and is subsequently tied up for 30 days or longer to cover the relevant short positions, the bank shall assume that such resale or securities borrowing arrangements will be rolled-over, and as such the bank shall apply an inflow factor of zero per cent to reflect the need to continue to cover the short position or to re-purchase the relevant securities, which respective aforesaid scenarios may be summarised as follows:

Maturing resale agreement backed by the following:	Assumed inflow rate if collateral is not used to cover short positions:	Assumed inflow rate if collateral is used to cover short positions:
Level one high-quality liquid assets	0%	0%
Level two high-quality liquid assets	15%	0%
All other collateral	100%	0%

(ii) irrespective of the aforesaid applied assumptions, the bank shall continuously manage its collateral in such a manner that the bank is able to fulfil any obligation to return collateral whenever the relevant counterparty decides not to roll-over the resale or securities lending transaction;

(iv) the bank shall, in order to-

(A) reduce the contagion risk of liquidity shortages at one bank causing shortages at other banks;

(B) reflect the risk that other banks may not be in a position to honour credit lines; or

(C) reflect the risk that other banks may decide to incur the legal and reputational risk involved in not honouring their commitments, to conserve their own liquidity or reduce their exposure to that bank, apply an inflow factor of zero per cent in respect of any relevant line of credit, liquidity facility or other contingent funding facility that the bank may hold at any other relevant institution for its own purposes;

(v) the bank shall, in respect of all relevant types of secured or unsecured transactions with retail, small business or wholesale clients, apply to the amounts specified below, the respective inflow factors specified below, provided that-

(A) as stated hereinbefore, when considering any relevant loan payment, the bank shall only include inflows in respect of fully performing loans;

(B) in the case of relevant inflows from retail and small business customers, the bank shall assume that it will receive all fully performing contractual inflows, and at the same time continue to extend loans to retail and small business customers at a rate equal to fifty per cent of the relevant contractual inflow amount, that is, the bank shall in the case of retail and small business customers assume a net inflow of fifty per cent of the relevant aggregate contractual inflow amount;

(C) in the case of relevant inflows from wholesale clients, the bank shall assume-

(i) that it will receive all fully performing contractual wholesale cash inflows from financial institutions and continue to extend loans to financial institutions at a rate of zero per cent of the relevant aggregate inflow amount, that is, the bank shall assume a net inflow from financial institutions equal to one hundred per cent of the relevant aggregate contractual inflow amount;

(ii) that it will receive all fully performing contractual wholesale cash inflows from all relevant wholesale clients other than financial institutions, including clients such as non-financial corporates, sovereigns, central banks and public sector entities, and continue to extend loans to such clients at a rate of fifty per cent of the relevant aggregate inflow amount, that is, the bank shall assume a net inflow from wholesale clients other than financial institutions equal to fifty per cent of the relevant aggregate contractual inflow amount, Provided that the bank shall include all relevant inflows from maturing securities in the same category as inflows from financial institutions.

(vi) the bank shall apply an inflow factor of zero per cent in respect of any relevant deposits held at other financial institutions for operational purposes, as envisaged in paragraph (d)(vi) above, including all relevant deposits for clearing, custody, and cash management purposes;

(vii) the bank shall apply an inflow factor of zero per cent in respect of any relevant deposits held at a centralised institution in a cooperative banking network, which deposits shall be assumed to remain at that centralised institution, that is, the relevant depositing bank shall apply an inflow factor of zero per cent in respect of any relevant deposits held at a centralised institution in a cooperative banking network;

(viii) the bank shall apply an inflow factor of one hundred per cent in respect of any relevant net receivable amount related to derivative instruments, which amount shall also be net of any relevant level one or level two high-quality liquid assets serving as collateral, to the extent that the said collateral is not already included in the bank's portfolio of level one and level two high-quality liquid assets;

(ix) the bank shall apply such inflow factors in respect of such other relevant contractual cash inflows, and calculated and disclosed in such a manner, as may be directed in writing by the Registrar, which other contractual cash inflows shall exclude any relevant cash inflow related to any non-financial revenue.

(f) Formulae for the calculation of LCR

Based on the relevant requirements specified in this subregulation (12), a bank shall calculate its LCR in accordance with the formula specified below:

$$\text{LCR} = \frac{\text{Unencumbered level one and level two high-quality liquid assets}}{\text{Net cash outflow during the next 30 calendar days}} \times 100$$

Provided that:

(i) all relevant level one and level two high-quality liquid assets shall be included in the aforesaid formula at their respective market values, after all relevant haircuts have been applied;

(ii) the bank shall apply to the current market value of each relevant level two high-quality liquid asset a haircut of no less than 15 per cent, or such a higher haircut percentage as may be specified in writing by the Registrar;

(iii) the bank's total net cash outflows shall be calculated for a period of 30 consecutive calendar days in accordance with the relevant requirements specified in this subregulation (12);

(iv) whilst the bank is required to calculate and report its relevant LCR in Rand, in order to better manage and understand its potential currency mismatches, the bank shall also monitor its respective LCRs in each significant currency, for which purposes-

(A) a currency shall be deemed to be significant when the aggregate liabilities denominated in that currency amount to two per cent or more of the bank's total liabilities;

(B) all relevant cash flows shall be based on the relevant currency in which the counterparties are obliged to deliver or settle the contract;

(C) the bank shall calculate the relevant net foreign exchange cash outflow amount net of any relevant foreign exchange hedge contract;

(D) the bank shall continuously evaluate its ability to raise funds in foreign currency markets and transfer any liquidity surplus from one currency to another and across jurisdictions and legal entities;

(E) bank shall calculate its LCR in each significant currency through the application of the formula specified below:

$$\text{Foreign currency LCR} = \frac{\text{Unencumbered high-quality liquid assets in each significant currency}}{\text{Net cash outflow during the next 30 calendar days in each significant currency}} \times 100$$

(13) Available sources of stress funding and related matters

A bank-

(a) shall obtain the prior written approval of its board of directors or board approved committee in respect of any assumption made relating to the realisable value of assets under a forced sale scenario;

(b) shall on request submit to the Registrar all relevant board approved assumptions and reasoning applied in respect of the realisable value of assets under a forced sale scenario;

(c) shall ensure appropriate diversification in both the tenor and source of its funding;

(d) shall, notwithstanding the relevant requirements specified in regulation 27 relating to minimum liquid assets, maintain a liquidity cushion, made up of unencumbered liquid assets, to protect the bank against liquidity stress events, including potential losses of unsecured and typically available secured funding sources;

(e) shall ensure that its policies, processes, systems and procedures relating to liquidity risk management are sufficiently robust to effectively manage the bank's –

(i) ongoing liquidity needs, including any relevant intraday liquidity requirements;

(ii) collateral positions.

(14) Matters related to the calculation of a bank's net stable funding ratio (NSFR)

(a) Specified minimum requirements

As a minimum, in order to promote a bank's resilience over a one year time horison and ensure that the bank continuously maintains a specified minimum amount of stable sources of funding relative to the liquidity profile of the bank's assets and the potential for contingent liquidity needs arising from the bank's off-balance sheet commitments, and in order to limit a bank's potential over-reliance on short-term wholesale funding, a bank shall calculate a Net Stable Funding Ratio (NSFR) in accordance with and comply with the relevant requirements specified in this subregulation (14), provided that-

(i) in addition to the relevant requirements specified in this subregulation (14), a bank shall comply with such further or other conditions or requirements related to the NSFR as may be directed or specified in writing by the Registrar;

(ii) between 1 January 2013 and 31 December 2017 banks, controlling companies and the Registrar shall apply the relevant requirements specified in this subregulation (14) to monitor the readiness of relevant institutions to implement and fully comply with the said requirements and any subsequent amendments thereto as a minimum standard from 1 January 2018;

(iii) in all relevant cases, the requirements specified in this subregulation (14) shall apply on a solo and consolidated basis, provided that-

(A) in the case of consolidation or solo reporting of relevant entities, subject to the prior written approval of and such conditions as may be specified in writing by the Registrar, a bank may apply the rules or regulations of relevant host supervisors in respect of the treatment of retail or small business deposits of relevant entities operating in those jurisdictions;

(iv) for purposes of this subregulation (14)-

(A) stable funding means the portion of those types and amounts of equity and liabilities expected to be reliable sources of funds over a one-year time horison under conditions of extended stress;

(B) the relevant required amount of funding is a function of the liquidity characteristics of various types of assets held by the bank, the bank's off-balance-sheet contingent exposures and/or the activities pursued by the bank;

(C) an extended bank-specific stress scenario means a scenario in which the bank encounters, and investors and customers become aware of-

(i) a significant decline in the bank's profitability or solvency arising from heightened credit risk, market risk or operational risk, and/or other risk exposures;

(ii) a potential downgrade in a debt, counterparty credit or deposit rating issued by an eligible institution; and/or

(iii) a material event that calls into question the reputation or credit quality of the bank;

(D) in order not to create an environment in which banks rely on the Reserve Bank or other relevant central bank as a source of funding, extended borrowing from central bank lending facilities, outside regular open market operations, falls outside the scope of this subregulation (14) and the calculation of the NSFR;

(E) unless specifically otherwise stated, the respective definitions applicable to the bank's calculation of LCR in terms of the provisions of subregulation (12) shall *mutatis mutandis* apply to the calculation of the bank's NSFR in terms of the provisions of this subregulation (14).

(b) *Matters related to the calculation of a bank's available amount of stable funding (ASF)*

Based on the relevant requirements specified in this subregulation (14), a bank shall continuously calculate its relevant available amount of stable funding (ASF), which available amount of stable funding-

(i) shall include-

(A) the relevant amounts related to the bank's capital sources;

(B) the bank's preferred securities with maturity equal to or longer than one year;

(C) the bank's liabilities with effective maturities of one year or longer;

(D) that portion of non-maturity deposits and/or term deposits with maturities of less than one year that the bank expects to remain with the bank for an extended period notwithstanding an idiosyncratic stress event, which assumptions and reasoning applied by the bank shall on request be submitted in writing to the Registrar; and

(E) that portion of wholesale funding with maturities of less than one year that the bank expects to remain with the bank for an extended period notwithstanding an idiosyncratic stress event, which assumptions and reasoning applied by the bank shall on request be submitted in writing to the Registrar;

(ii) shall be calculated by first assigning the respective carrying values of specified equity and liabilities to the relevant category specified in table 3 below, where-after the relevant assigned amounts shall be multiplied by the relevant ASF factors specified in table 3, and the bank's total ASF shall be the relevant sum of the respective weighted amounts:

Table 3

Components of Available Stable Funding and the associated ASF factors	
Components of ASF category	**ASF factor**
The total amount of capital after all relevant deductions, including common equity tier 1 capital and reserve funds, additional tier 1 capital and reserve funds and tier 2 capital and reserve funds The total amount of any preferred securities with an effective remaining maturity of one year or longer not included in secondary capital and reserve funds, taking into account any explicit or embedded options that would reduce the expected maturity to less than one year The total amount of secured and unsecured borrowings and liabilities, including term deposits, with effective remaining maturities of one year or longer, excluding any instruments with explicit or embedded options that would reduce the expected maturity to less than one year[1]	100%
Stable non-maturity (demand) deposits and/or term deposits with residual maturities of less than one year provided by retail customers and small business customers, as defined in subregulation (12) for the calculation of the bank's LCR	90%
Less stable non-maturity (demand) deposits and/or term deposits with residual maturities of less than one year provided by retail and small business customers, as defined in subregulation (12) for the calculation of the bank's LCR	80%
Unsecured wholesale funding, non-maturity deposits and/or term deposits with a residual maturity of less than one year provided by non-financial corporates, sovereigns, central banks, multilateral development banks and public-sector entities	50%
Stable deposits from cooperative banks that are required by law to be placed at the central organisation, and are legally constrained within the cooperative bank network as minimum deposit requirements	Specified in writing by the Registrar
All other liabilities and equity categories not included in the aforementioned categories	0%

1. **Including those options exercisable at the investor's discretion within the one-year horizon, provided that, when determining the maturity of an instrument, the bank shall assume that investors will redeem a call option at the earliest possible date.**

(c) *Matters related to the calculation of a bank's required amount of stable funding (RSF)*

Based on the relevant requirements specified in this subregulation (14), a bank shall continuously calculate its relevant required amount of stable funding (RSF),

(i) which required amount of stable funding shall be the relevant aggregate amount of-

(A) the sum of the value of the assets specified in table 4 below, multiplied by the relevant required stable funding (RSF) factor specified in table 4 and assigned to each relevant asset category;

Table 4

Details of asset categories and the associated RSF factors	
RSF category	**RSF factor**
Cash immediately available to meet obligations, not currently encumbered as collateral and not held for planned use as contingent collateral, salary payments, or any other reason Unencumbered short-term unsecured instruments and transactions with outstanding maturities of less than one year, such as short-term government and corporate bills, notes and obligations; commercial paper; negotiable certificates of deposits; reserves with the Reserve Bank; bankers acceptances; money market mutual funds; etc. Unencumbered securities with stated remaining maturities of less than one year with no embedded options that would increase the expected maturity to more than one year Unencumbered securities held where the bank or relevant institution has an offsetting reverse repurchase or resale transaction when the security on each transaction has the same unique identifier, such as ISIN number or CUSIP Unencumbered loans to financial entities with effective remaining maturities of less than one year that are not renewable and for which the lender has an irrevocable right to call	0%
Unencumbered marketable securities with residual maturities of one year or longer representing claims on or claims guaranteed by sovereigns, central banks, BIS, IMF, EC, non-central government public sector entities or multilateral development banks that are assigned a zero per cent risk-weight in terms of the provisions of the standardised approach specified in regulation 23(8) of these Regulations, provided that active repo or sale-markets exist for these securities	5%
Unencumbered corporate bonds or covered bonds (when allowed in the particular jurisdiction) rated AA- or higher with residual maturities of one year or longer satisfying all of the specified conditions for level two high-quality liquid assets in the calculation of a bank's LCR	20%

Details of asset categories and the associated RSF factors	
RSF category	**RSF factor**
Unencumbered marketable securities with residual maturities of one year or longer representing claims on or claims guaranteed by sovereigns, central banks, non-central government public sector entities that are assigned a twenty per cent risk-weight in terms of the provisions of the standardised approach specified in regulation 23(8) of these Regulations, provided that the securities meet all of the specified conditions for level two high-quality liquid assets in the calculation of a bank's LCR	
Unencumbered gold Unencumbered equity securities, not issued by financial institutions or their affiliates or associates, listed on a recognised exchange and included in a large cap market index Unencumbered corporate bonds and covered bonds (when allowed in the particular jurisdiction) that meet all of the following conditions: • Central bank eligibility for intraday liquidity needs and overnight liquidity shortages in relevant jurisdictions • Not issued by financial institutions or their affiliates or associates (except in the case of covered bonds when allowed in the particular jurisdiction) • Not issued by the respective bank or institution itself, or its affiliates or associates • Low credit risk, that is, assets with a credit assessment from an eligible institution of A+ to A-, or if not rated by an eligible institution, are internally rated with a PD corresponding to an eligible external credit assessment of A+ to A- • Traded in large, deep and active markets characterised by a low level of concentration Unencumbered loans to non-financial corporate clients, sovereigns, central banks and public-sector entities with a remaining maturity of less than one year	50%
Unencumbered residential mortgages of any maturity that qualify for a risk weight of thirty five per cent or lower in terms of the provisions of the standardised approach specified in regulation 23(8) of these Regulations Other unencumbered loans, excluding loans to financial institutions, with a remaining maturity of one year or longer, that qualify for a risk weight of thirty five per cent or lower in terms of the provisions of the standardised approach specified in regulation 23(8) of these Regulations	65%

Details of asset categories and the associated RSF factors	
RSF category	**RSF factor**
Unencumbered loans to retail customers, that is, natural persons, and small business customers as defined in subregulation (12) for the calculation of LCR, with a remaining maturity of less than one year, other than those assets that qualify for the aforesaid RSF factor of sixty five per cent	85%
All other assets not included elsewhere	100%

plus

(B) the sum of the specified off-balance-sheet or potential liquidity exposures, multiplied by the required stable funding (RSF) factor specified in table 5 and assigned to each relevant off-balance-sheet exposure category:

Table 5

Details of off-balance-sheet categories and associated RSF factors	
RSF category	**RSF factor**
Conditionally revocable and irrevocable credit and liquidity facilities to any client	5% of the currently undrawn portion
Other contingent funding obligations, including- • unconditionally revocable uncommitted credit and liquidity facilities • guarantees • letters of credit • other trade finance instruments • non-contractual obligations such as: o potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities o structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes o managed funds that are marketed with the objective of maintaining a stable value such as money market mutual funds or other types of stable value collective investment funds	Specified in writing by the Registrar

(ii) which required amount of stable funding is based on the principle that-

(A) assets that are more liquid and more readily available to serve as a source of extended liquidity in a stressed environment are assigned lower RSF factors, and require less stable funding, than assets considered less liquid in such circumstances, and require more stable funding;

(B) RSF factors assigned to various types of assets serve as parameters approximating the amount of a particular asset that could not be monetised through sale or use as collateral in a secured borrowing on an extended basis during a liquidity event lasting one year, which amounts are expected to be supported by stable funding;

(C) since some off-balance-sheet exposures may cause significant liquidity drains during times of market or idiosyncratic stress, a bank shall establish and maintain a buffer of stable funding to protect the bank during a period of such market or idiosyncratic stress,

Provided that-

(i) in the case of secured funding arrangements against assets of the bank, which funding arrangements mature within the one-year horison, the bank shall look through the secured funding transaction to determine the asset to be used to settle the transaction at the maturity date, and use the corresponding RSF factor for that asset, that is, when the bank, for example, will receive cash, then the RSF of that transaction would be zero per cent, and when the bank will receive another asset, the bank shall use the RSF factor for that relevant asset;

(ii) the bank shall apply a RSF factor of one hundred per cent in respect of any encumbered asset on its balance sheet, unless the remaining time in the encumbrance period is less than one year, in which case the bank shall regard the assets as unencumbered;

(iii) in the case of amortising loans, the bank may allocate the portion that becomes due within the one-year horizon to the "less than a year" residual maturity category.

(d) *Formula for the calculation of the NSFR*

Based on the relevant requirements specified in this subregulation (14), a bank shall calculate its NSFR in accordance with the formula specified below:

$$\frac{\text{Available amount of stable funding}}{\text{Required amount of stable funding}} \quad X \quad 100$$

(15) Matters relating to a bank's foreign exchange contractual maturity ladder

In order for the Registrar to assess the reporting bank's foreign currency liquidity needs and the mismatch between foreign currency assets and foreign currency liabilities, the bank shall report to the Registrar separate information relating to its foreign currency contractual maturity ladder, provided that-

(a) when the bank's gross foreign exchange liability exposure exceeds 2.5 per cent of the bank's funding liabilities, which funding liabilities shall be calculated in accordance with the provisions of paragraph (b) below, the bank shall report to the Registrar the ZAR equivalent amount in respect of individual currencies at the month-end closing rate;

(b) in order to determine the said amount in respect of the bank's funding related liabilities, the bank shall base its calculation on the relevant amount reported in item 55 of the form BA 100, that is, deposits, current accounts and other creditors;

(c) in all cases, all relevant reported foreign currency amounts shall include the relevant amounts relating to the bank's forward exchange contracts, that is, FECs.

(16) Conditions subject to which negotiable certificates of deposit, promissory notes or instruments of similar characteristics may be issued

The issue of negotiable certificates of deposit, promissory notes or instruments of similar characteristics specified in a directive issued by the Registrar from time to time in terms of section 6(6) of the Act, and contemplated in section 79(1)(c) of the Act, shall be subject to the conditions specified below:

(a) The instruments shall not be issued for a period exceeding ten years, which period is the original maturity of the instrument, unless-

(i) the instruments are issued in accordance with conditions specified by the Registrar; or

(ii) on prior application, the Registrar has in writing authorised a deviation from the prescribed period.

(b) The total amount relating to such instruments issued by a bank for a period not exceeding 12 months, which period is the original maturity of the instrument, and not yet repaid at the reporting date, shall not exceed twenty per cent of the total amount of funding related liabilities to the public, determined in accordance with the requirements specified in subregulation (15)(b), as at the reporting date immediately preceding the current reporting date.

(c) Notwithstanding the provisions of paragraph (b) above, the total amount relating to such instruments issued by a bank and not yet repaid at the reporting date may not exceed thirty per cent of the total amount of funding related liabilities to the public, determined in accordance with the requirements specified in subregulation (15)(b), as at the reporting date immediately preceding the current reporting date.

(17) Instructions relating to the completion of the monthly return concerning liquidity risk are furnished with reference to the item descriptions and line item numbers appearing on the form BA 300, as follows:

Line item number

6 This item shall include the aggregate amount of deposits received that are unlikely to be withdrawn within a short period of time, excluding any amount relating to an item included in item 9.

7 This item shall include the aggregate amount of deposits received that may be withdrawn within a short period of time.

13 This item shall include the aggregate amount of liquidity facilities provided by the reporting bank to any off-balance sheet vehicle. For example, when the reporting bank acts as a liquidity provider in respect of a special-purpose institution in an asset-backed securitisation structure, the bank shall include in item 13 the aggregate amount relating to a liquidity facility provided by the reporting bank to the said special-purpose institution.

15 to 17 These items shall include the relevant required aggregate amounts in respect of irrevocable commitments granted by the reporting bank to provide funds, provided that no amount in respect of a commitment to provide funds, which commitment may unconditionally be cancelled by the reporting bank at any time, shall be included in any of the aforementioned items.

18 to 28 Based on the relevant directives specified above in respect of items 1 to 9, these items shall reflect the relevant required aggregate amounts relating to the maturity or run-off of assets and liabilities of the reporting bank under normal operating conditions, instead of being based on the contractual maturity profile of the relevant asset and liability items.

35 to 43 Based on the relevant directives specified above in respect of items 1 to 9, these items shall reflect the relevant required aggregate amounts relating to a bank-specific stress, as determined by way of factual experience or simulation or both, performed by the reporting bank in respect of all relevant asset and liability items under a bank-specific stress scenario.

The simulated stress mismatch shall include stress modification approved by the bank's board of directors or board-approved committee, or assumptions made by the reporting bank in respect of the business as usual mismatch, which simulated stress mismatch aims to provide an indication of the potential deterioration in the reporting bank's business as usual liquidity position under a bank specific stress scenario.

46 This item shall include any amount relating to a stress outflow that may arise from off-balance sheet exposures, such as liquidity calls in respect of off-balance sheet commitments relating to a special-purpose institution.

53 to 67 These items shall reflect the relevant required aggregate amounts in respect of funding sources available to the reporting bank under a bank-specific stress scenario, before taking into consideration any dispensation that may be granted by the Reserve Bank.

54 This item shall reflect, amongst others, the aggregate amount relating to long-term investments that may be realised by the reporting bank within the specified time intervals.

55 This item shall reflect the aggregate amount in respect of liquid marketable securities held for trading purposes, which securities shall be unencumbered, that is, this item shall not include any amount relating to a security held that is subject to further commitment or in terms of which agreement the security will be repurchased at a future date.

56 This item shall reflect the aggregate amount relating to assets available for sale in respect of securitisation vehicles, of which the capability to execute within the period specified on the form BA 300 is already in place, that is, this item shall reflect the aggregate amount relating to assets within already approved securitisation structures in respect of which issues or further issues can readily be made available to the market.

57 This item shall reflect the aggregate amount in respect of foreign exchange positions that may be executed by the reporting bank in order to obtain rand funding.

59 This item shall reflect the aggregate amount in respect of any liquid asset portfolio specifically maintained by the reporting bank for contingency liquidity risk management purposes, provided that this item-

(a) shall not include any instrument held in order to comply with the requirements specified in section 72 of the Act, which requirements relate to liquid assets required to be held by a bank;

(b) shall include the aggregate amount of securities or instruments used by the bank for accommodation purposes, and any unencumbered liquid asset designated by the bank for liquidity risk contingency funding.

60 This item shall be equal to 25 per cent of the reporting bank's liquid assets held in terms of the provisions of section 72 of the Act.

61 This item shall reflect the aggregate amount in respect of the reporting bank's current utilisation in terms of the Reserve Bank's repo allotment.

62 This item shall reflect the estimated aggregate amount in respect of funds available to the reporting bank from the interbank market in terms of undrawn lines or interbank funding agreements.

63 This item shall reflect the aggregate amount in respect of uncommitted secured funding lines available to the reporting bank, such as bilateral funding lines derived from banking relationships.

64 This item shall reflect the aggregate amount in respect of committed funding lines available to the reporting bank, such as lines raised by the payment of commitment fees.

65 This item shall reflect the aggregate amount in respect of loans that will mature and which amount may be used by the reporting bank for funding purposes in the case of a liquidity stress event.

69 to 71 These items shall reflect the relevant required aggregate amounts relating to the ten largest depositors in respect of funding received from the relevant specified sectors, provided that the said aggregate amounts shall not include any amount in respect of negotiable certificates of deposits or other negotiable paper funding instruments issued by the reporting bank, which amounts shall be reported in item 72.

72 This item shall reflect the aggregate amount in respect of negotiable paper funding instruments issued by the reporting bank, including all relevant amounts relating to negotiable certificates of deposit, promissory notes or instruments of similar characteristic.

80 and 86 In the case of all ZAR cross currency swap contracts the reporting bank shall report the relevant ZAR legs relating to the said contracts in items 80 and 86.

88 to 97 Based on the bi-annual time buckets specified in the form BA 300, a bank shall estimate the expected change in its balance sheet during the 12 month period immediately following the reporting period, that is, for example, the reporting bank's expected incremental balance sheet growth during the two six month periods immediately following the current reporting date, which change shall exclude any rolling on maturity of existing products, that is, the bank shall only report the relevant change in its balance sheet.

89 to 91 In respect of the specified periods, based on the relevant directives specified in subregulation (7)(a), these items shall reflect the relevant required aggregate amounts in respect of the reporting bank's estimated change in business.

93 to 96 In respect of the specified periods, based on the relevant directives specified in subregulation (7)(b), these items shall reflect the relevant required aggregate amounts in respect of the reporting bank's estimated change in business.

MINIMUM RESERVE BALANCE AND LIQUID ASSETS