

LIQUIDITY RISK

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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	Non contractual
		1	2	3	4	5	6	7	8	9	10
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										
<i>of which:</i>											
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	Indeterminate maturity
		1	2	3	4	5	6	7	8	9	10
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										

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
		1	2	3	4	5
Stressed maturity of assets (items 30 to 32)	29					
Advances	30					
Trading, hedging and other investment instruments	31					
Other assets	32					
Stressed maturity of liabilities (items 34 to 37)	33					
Stable deposits	34					
Volatile deposits	35					
Trading and hedging instruments	36					
Other liabilities	37					
On-balance sheet stress mismatch (item 29 less item 33)	38					
Cumulative on-balance sheet stress mismatch	39					
Stressed outflows arising from off-balance sheet exposure³	40					
Cumulative on- and off-balance-sheet stressed mismatch	41					

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.

(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
		1	2	3	4	5
Realisable by forced sale (total of items 43 to 45)	42					
Investment securities classified as available for sale	43					
Unencumbered trading securities	44					
Assets available for securitisation vehicles	45					
FX market liquidity	46					
Available repo facilities (item 48 plus item 49 minus item 50)	47					
Ringfenced portfolio of prudential liquid securities	48					
25% of liquid assets held	49					
Current utilisation under Reserve Bank allotment	50					
Estimated unutilised interbank funding capacity	51					
Unsecured funding lines	52					
Secured funding lines	53					
Drawdown capacity in respect of call loans	54					
Other funding	55					
Total available liquidity (total of items 42, 46, 47 and 51 to 55)	56					

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
		1	2	3	4	5	6
Funding supplied by associates of the reporting bank	57						
Ten largest depositors	58						
Ten largest financial institutions funding balances	59						
Ten largest government and parastatals funding balances	60						
Negotiable paper funding instruments	61						
of which: issued for a period not exceeding twelve months	62						
of which: issued for a period exceeding five years	63						

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)

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	Indeterminate maturity
		1	2	3	4	5	6	7	8	9	10
FX assets (total of items 65 to 69)	64										
USD	65										
EUR	66										
GBP	67										
Other	68										
ZAR leg of FX derivatives	69										
FX liabilities (total of items 71 to 75)	70										
USD	71										
EUR	72										
GBP	73										
Other	74										
ZAR leg of FX derivatives	75										
ZAR funding position of FX exposures (item 64 less item 70)	76										

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 78 to 80)	77			
Advances	78			
Trading, hedging and other investment instruments	79			
Other assets	80			
Expected incremental change due to change in liabilities (total of items 82 to 85)	81			
Stable deposits	82			
Volatile deposits	83			
Trading and hedging instruments	84			
Other liabilities	85			
Expected funding inflows / (outflows) to fund change in business (item 77 less item 81)	86			

1. During the next 12 months

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

Interbank transactions 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
		1	2	3	4	5	6	7
Interbank¹ assets (total of items 88 and 91)	87							
Advances	88							
<i>Memorandum items:</i>								
Weighted average effective annual interest rate related to balances held at month-end ^{2, 4} (%)	89							
Collateralised ^{2, 3}	90							
Other assets, including derivative instruments	91							
<i>Memorandum items:</i>								
Weighted average effective annual interest rate related to balances held at month-end ^{2, 4} (%)	92							
Collateralised ^{2, 3}	93							
Interbank¹ liabilities (total of items 95 and 98)	94							
Deposits	95							
<i>Memorandum items:</i>								
Weighted average effective annual interest rate related to balances held at month-end ^{2, 4} (%)	96							
Collateralised ^{2, 3}	97							
Other liabilities, including derivative instruments	98							
<i>Memorandum items:</i>								
Weighted average effective annual interest rate related to balances held at month-end ^{2, 4} (%)	99							
Collateralised ^{2, 3}	100							

- Including intragroup banks.
- Please provide the relevant required details separately for the ten largest balances included in the relevant specified items, per bank.
- Yes = 1; mainly = 2; some or partially = 3; no = 4. Please provide the relevant required details and any further relevant information separately when a portion of the items is collateralised whilst the remaining portion is not collateralised.
- Please provide the relevant required details separately when denominated in different currencies.

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;
 - (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 BA300 and the total assets and the total liabilities contained in the reporting bank’s general ledger systems, which reconciliation-
 - (i) on request, shall be made available to the Registrar;
 - (ii) shall not be included in the form BA300;
 - (b) shall contain adequate explanations in respect of any reconciliation differences.
- (4) Unless specifically otherwise provided, any position reported on the form BA300 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 BA300 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” 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 bank-

- (a) shall complete the section of the form BA300 that relates to its contractual balance sheet on a static gap basis with cash flows being reported strictly on the basis of an item's remaining contractual term to maturity, that is, accounts such as current accounts, savings accounts and transmission accounts shall be included in the next day bucket.
- (b) shall classify any marketable instrument tradable in a secondary market into an appropriate time bucket based on the said instrument's remaining contractual maturity.

(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 BA300 that relates to its business as usual balance sheet apply the same 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 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-
 - (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) *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.

(12) *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 BA100, 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.

- (13) 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 (12)(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 (12)(b), as at the reporting date immediately preceding the current reporting date.

- (14) 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.
- 29 to 41 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.
- 40 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.
- 42 to 56 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.
- 43 This item shall reflect, amongst others, the aggregate amount relating to long-term investments that may be realised by the reporting bank within 7 days.

- 44 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.
- 45 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.
- 46 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.
- 48 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.
- 49 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.
- 50 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.
- 51 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.
- 52 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.
- 53 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.

- 54 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.
- 58 to 60 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 61.
- 61 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.
- 69 and 75 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 69 and 75.
- 77 to 86 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.
- 78 to 80 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.
- 82 to 85 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

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MINIMUM RESERVE BALANCE AND LIQUID ASSETS
 (Confidential and not available for inspection by the public)
 Name of bank
 Month ended(yyyy-mm-dd)

BA 310
 Monthly

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

Description of item	Line no.	Total	Average ¹	Directives and instructions	
		1	2	3	4
Total liabilities (item 79, column 3, of form BA 100)	1				
Less: funding received from head office or from other branches within the same group ²	2			Refer to note 2 below	
Less: amounts owing by banks, branches and mutual banks in the Republic ³	3			Refer to note 3 below	
Liabilities, as reduced ⁵ (item 1 less items 2 and 3)	4				
Less: funding received in terms of specified repurchase agreements ⁴	5			Refer to note 4 below	
Less: liabilities relating to transactions in derivative instruments ⁵ (item 67, column 3, of form BA 100)	6			Refer to note 5 below	
Less: amounts owing by banks rated investment grade or better, which banks are located in other countries rated investment grade or better	7				
Add: funding received from head office or other branches within the same group ² (item 2 above)	8				
Liabilities, as adjusted ⁶ (item 4 less items 5 to 7 plus item 8)	9				
Average daily minimum reserve balance to be held (item 9 column 2 multiplied by the prescribed percentage specified in this item 10)	10			Prescribed percentage ⁷ 2,5%	
Less: Average daily amount of Reserve Bank notes and subsidiary coin held during the reporting month	11				
Average daily minimum reserve balance to be held with the Reserve Bank (item 10 less item 11)	12				
Average daily reserve balance held up to fourteenth business day of the month following on the month to which this return relates	13				
Liquid assets required to be held (item 4 column 2 multiplied by the prescribed percentage specified in this item 14)	14			Prescribed percentage 5%	
Average daily amount of liquid assets held up to fourteenth business day of the month following the month to which this return relates (total of items 16 to 22) – refer to section 1 of the Act	15				
Reserve Bank notes and coin held during the preceding month (excluding such notes or coin taken into account opposite item 11 in the calculation of the minimum reserve balance)	16			of which: acquired under resale agreements ⁸	
Gold coin and bullion	17				
Clearing account balances held with the Reserve Bank	18			Total	Average ¹
Treasury bills of the Republic	19				
Securities issued by virtue of section 66 of the Public Finance Management Act, 1999, to fund the Central Government	20				
Securities of the Reserve Bank	21				
Short-term bills issued by the Land Bank	22				
Memorandum items:					
Adjustment in respect of cash-management schemes – regulation 16	23				
Adjustment in respect of set-off in terms of financial reporting standards	24				
Amounts qualifying for set-off in terms of regulation 13	25				
Average daily amount of all liquid assets acquired under resale agreements	26				
Average daily amount of all liquid assets sold under repurchase agreements	27				
Total average vault cash	28				
Less: Vault cash utilised in item 11 (may not exceed item 10)	29				
Excess vault cash utilised in item 16 (item 28 less item 29)	30				
Hash total	31				

- Means the average amount calculated as the sum of the month-end balance relating to the reporting month and the month-end balances relating to the two months preceding the reporting month, divided by three, provided that in the case of items 10 to 13, 15 to 22, and 26 and 27 the average amount shall be the average daily amount calculated in accordance with the requirements specified in regulation 8 instead of the average amount calculated in accordance with the provisions of this footnote 1.
- Relates only to branches of foreign institutions conducting the business of a bank in the Republic.
- In order to eliminate any potential double counting of liabilities, provided that no amount relating to an amount owed to the reporting bank by the Reserve Bank shall be included in this item 3.
- Not to include any amount in respect of a repurchase transaction concluded in respect of an instrument obtained in terms of a resale agreement already deducted in item 3.
- Not to include any amount already deducted elsewhere on form BA 310.
- Subject to a minimum amount of zero, that is, the relevant amount shall be a positive amount or zero.
- Relates to the percentage determined in terms of section 10A(2) of the South African Reserve Bank Act, No. 90 of 1989.
- Report under columns 3 and 4 the relevant required amounts included in column 2 that relate to instruments acquired in terms of a resale agreement.

27. Minimum reserve balance and liquid assets - Directives and interpretations for completion of monthly return concerning minimum reserve balance and liquid assets (Form BA 310)

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

(2) A bank shall comply with the provisions of any Notice issued by the Governor of the Reserve Bank under section 10A of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989), regarding the determination of the minimum reserve balance to be held with the Reserve Bank, and the provisions of regulations 8(1) and 8(2) regarding the calculation of the average daily amount of Reserve Bank notes and subsidiary coin and liquid assets held during the reporting month.

(3) *Minimum liquid assets*

(a) For the purposes of complying with the provisions of section 72(1) of the Act, a bank shall during the period prescribed in subregulation (5) hold an average daily amount of liquid assets that shall not be less than an amount equal to 5 per cent of its liabilities as reduced as reported in item 4 column 2 of the latest monthly form BA 310 furnished to the Registrar in terms of the provisions of section 75(1)(a) of the Act, provided that-

(i) the minimum amount of liquid assets held by a bank at the close of business on any day during the period prescribed in subregulation (5) shall not be less than an amount equal to 75 per cent of the average daily amount of liquid assets required to be held by the bank in terms of the provisions of this subregulation (3);

(ii) the minimum amount of liquid assets held by the bank at any time during the day shall not be less than an amount equal to 50 per cent of the average daily amount of liquid assets required to be held by the bank in terms of the provisions of this subregulation (3);

(iii) at least 95 per cent of liquid assets required to be held by the bank in terms of the provisions of this subregulation (3) at the close of business on any day during the period prescribed in subregulation (5) shall be liquid assets owned outright by the said bank, that is, at least 95 per cent of liquid assets required to be held by the bank shall be liquid assets not subject to further commitment; and

(b) no foreign-currency assets, except gold coin and bullion, and no instruments acquired in terms of a securities lending transaction shall qualify as liquid assets.

(4) The Registrar, in consultation with the Governor of the Reserve Bank, may amend the provisions of subregulation 3(a) in respect of a particular bank or the banking sector as a whole should such provisions adversely affect the risk profile of the particular bank or the banking sector as a whole.

(5) *Period of maintenance of prescribed minimum reserve balance and liquid assets*

A bank shall maintain the minimum required amounts of prescribed minimum reserve balance and liquid assets during the period from the fifteenth business day of the month following the month or calendar quarter to which a particular return relates up to and including the fourteenth business day of the month following the month or calendar quarter in respect of which the next monthly or quarterly return, as the case may be, is to be furnished by the reporting bank.

(6) *Assets pledged or otherwise encumbered*

- (a) Unless an exemption has been granted by the Registrar in terms of the proviso to section 72(3) of the Act, only assets not pledged or otherwise encumbered at the close of business on any day during the period prescribed in subregulation (5) shall qualify as liquid assets.
- (b) Securities lodged with the Reserve Bank to secure facilities shall not be regarded as pledged except to the extent that such securities are required to secure facilities actually utilised at the close of business on any day.

(7) *Assets acquired in terms of a resale agreement*

An asset acquired by a bank in terms of a resale agreement and which asset is a liquid asset as defined in section 1 of the Act shall for the purposes of section 72(1) of the Act rank as a liquid asset of the said bank having acquired the said asset in terms of the resale agreement, instead of the bank that sold the asset in terms of the repurchase agreement, provided that the asset has not been disposed of under a further repurchase agreement and has not been encumbered or lodged as security by the said bank.

(8) *Valuation of securities that qualify as liquid assets*

A bank shall value liquid assets held at the close of business on any day during the period prescribed in subregulation (5) for the purposes of complying with the provisions of section 72(1) of the Act based on the daily market yields published by the Reserve Bank on Reuters page SARB 20 and/or such other page as may be specified by the Reserve Bank from time to time for accommodation collateral purposes.

(9) Instructions relating to the completion of the form BA 310 are furnished with reference to certain item descriptions and line item numbers appearing on the form BA 310, as follows:

*Line item
number*

3 Amounts owing by banks, branches and mutual banks in the Republic

This item shall reflect the relevant required aggregate amount relating to amounts owed by banks, branches and mutual banks in the Republic to the reporting bank, including any relevant amount related to a loan granted in terms of a resale agreement, provided that no amount relating to any amount owed to the reporting bank by the Reserve Bank shall be included in the aforesaid aggregate amount.

The purpose of the deduction is to avoid double reserving against liquidity risk in the South African banking system.

5 Repurchase agreements

This item shall reflect the relevant required aggregate amount relating to funding received in respect of repurchase agreements with a term of 31 days or shorter, with Government securities, Treasury bills, Land Bank bills and Reserve Bank securities, qualifying as liquid assets, as underlying security.

10 Minimum reserve balance required to be held, prior to any adjustment

This item shall reflect the relevant required average daily minimum reserve balance to be held as from the fifteenth business day of the month following on the month to which the return relates, that is, item 9 column 2 multiplied by the required percentage specified in item 10.

12 Minimum reserve balance required to be held with the Reserve Bank

This item shall reflect the relevant required average daily minimum reserve balance to be held with the Reserve Bank as from the fifteenth business day of the month following on the month to which the return relates, that is, item 10 less item 11.

14 Liquid assets required to be held

This item shall reflect the relevant amount of liquid assets required to be held as from the fifteenth business day of the month following on the month to which the return relates, that is, item 4 column 2 multiplied by the prescribed percentage specified in item 14.

15 to 22 Average daily amount of liquid assets held

The reporting bank shall record in items 16 to 22 the average daily amount of its holdings during the prescribed period of the individual categories of liquid assets, valued in accordance with the requirements specified in section 72(4) of the Act.

⌋ The individual liquid asset items identified shall include the average daily amounts during the prescribed period of liquid assets acquired under resale agreements, but shall not include the average daily amounts of such assets sold under repurchase agreements.

23 to 30 Memorandum items

24 This item shall reflect the relevant required aggregate amounts relating to set-off or offsetting of balances or amounts in accordance with the relevant requirements for set-off or offsetting contained in Financial Reporting Standards issued from time to time.

25 This item shall reflect the relevant required aggregate amounts relating to set-off of balances or amounts in accordance with the relevant requirements specified in regulation 13.

26 and 27 The average daily amounts of all liquid assets acquired under resale agreements during the prescribed period and included in items 19 to 22, or sold under repurchase agreements, shall respectively be recorded in items 26 and 27.