BA 900 series of economic returns

**Presentation
to Bank delegates**
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by Danie Meyer
Head: Money & Banking Division
Research Department

South African Reserve Bank

Introduction

- Form changes include
  - changes to
    - BA 900 (parallel run Feb 2013 for Dec 2012 data)
    - BA 920
    - BA 930
    - BA 940 (implementation June 2013 for March data)
  - additional information required
  - improvements to definitions and/or completion instructions

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BA900: Purpose

To obtain selected balance sheet information for economic statistics purposes

To calculate a range of key financial indicators
- money supply, credit extension and net foreign assets of the banking system, in accordance with international standards
- compilation of flow statistics relating to the monetary and credit aggregates and the flow-of-funds accounts
- analyse flows in respect of mortgage advances, credit card debtors and instalment sale transactions
- analyse scale of banking activity in South Africa

Used for monetary policy purposes

Used by local and international economists and analysts for analytical purposes

Published on the Reserve Bank Website

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BA900: Table 1 and 2

Definitions for cheque, savings and other demand deposits included in directives

Cheque deposits, including transmission deposits and cash managed

▪ Any relevant credit balance in respect of a current account deposit. Cheque accounts include accounts with unlimited cheque writing privileges in terms of which payments by means of cash withdrawals, cheque, direct debit/stop orders or electronic fund transfers are facilitated, irrespective whether or not interest is paid in respect of the said credit balance, which cheque accounts may also make provision for an overdraft facility

▪ Any relevant credit balance in a transmission account, which accounts normally have very low transactional costs but do not offer access to credit or an overdraft facility or a cheque book facility

▪ Any relevant credit balance arising under a cash management scheme

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BA900: Table 1 and 2

Savings deposits

▪ Any credit balances in respect of savings deposits, that is, accounts primarily used for savings purposes

▪ Typically, savings accounts are
- deposit accounts with credit balances
- accounts in respect of which restrictions apply
  ➢ cheque privileges are absent or
  ➢ limits apply regarding withdrawals or payments which may be made from the account
- the word "savings" appears in the name or description whenever it is presented or marketed to customers

▪ "Pure" savings accounts as well as savings accounts with transactional capabilities
▪ Payment of interest on credit balances at tiered interest rates higher balances qualify for higher rates
▪ Include Mzansi accounts

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BA900: Table 1 and 2

Other demand deposits

- Any credit balances in respect of deposits other than cheque or savings deposits

- Payable on demand, that is, payable with notice or unexpired maturity of 1 day or less

- Credit balances held in credit card accounts as well as money market accounts shall be included in this category

BA900: Tables 3 to 14

LIABILITIES AT MONTH-END	Line no.		Short-term	Medium-term	Long-term	TOTAL	Of which : in foreign currency
Table 3		a	1	2	3	4	5
OTHER BORROWED FUNDS (total of items 42, 51 and 57)	41	036¹					
Loans received under repurchase transactions (total of items 43 to 50)	42	039					
SA Reserve Bank and Corporation for Public Deposits	43	040					
SA banks^b	44	041					
Insurers^d	45	042					
Pension funds	46						
Other financial corporate sector^e	47	043¹					
Non-financial corporate sector	48						

Note: International and Balance of Payments reporting requirements necessitated the addition of an additional column. Foreign currency denominated business to be indicated for liabilities as well as assets

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BA900: Tables 3 to 14 another example

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

ASSETS AT MONTH-END	Line no.	Domestic assets [d]		Foreign assets [e]		TOTAL ASSETS (Col 1 & 3)	Of which: under repurchase agreements
		Total	Of which : in foreign currency	Total	Of which : in foreign currency		
Table 7	a	1	2	3	4	5	6
Deposits with and loans and advances to foreign banks, denominated in rand	117	108					
Loans granted under resale agreements to: (total of items 119 to 125)	118	109					
SA Reserve Bank	119	110					
Banks [d]	120	111					
Insurers	121	112'					
Pension funds	122	112'					

Note: To accommodate the foreign "of which" column, the old column descriptions are now indicated as Total

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BA900: Tables 6 to 14
Mapping of columns

Note: The addition of the foreign columns will influence cross-links that refer to the columns

Mapping	Basel 2.5	Basel 3
Column	1	1
	2	3
	3	5
	4	6

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BA900: Table 4

LIABILITIES AT MONTH-END	Line no.		Short-term	Medium-term	Long-term	TOTAL	Of which : in foreign currency
	Table 4	a	1	2	3	4	5
OTHER LIABILITIES TO THE PUBLIC (total of items 68, 73, 74 and 77)	67	058*					
Debt securities: (total of items 69 to 72)	68	061*,078,080					
OTHER LIABILITIES (total of items 81, 85, 86, 90, 91 and 94)	80	065					
Liabilities i.r.o derivative instruments: to domestic sector (total of items 82 to 84)	81	067					
SA banks[b] and other monetary institutions[d]	82						
Financial corporate sector[e]	83						
Non-financial corporate sector and other	84						

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

Note: Liabilities iro derivatives with SA Reserve Bank, CPD, Land Bank or Postbank as counterparty to be included with SA banks and other monetary institutions item 82

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BA900: Table 11

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

ASSETS AT MONTH-END	Line no.		Domestic assets [d]		Foreign assets [e]		TOTAL ASSETS (Col 1 & 3)	Of which: under repurchase agreements
			Total	Of which : in foreign currency	Total	Of which : in foreign currency		
Table 11		a	1	2	3	4	5	6
Equity holdings in subsidiaries (total of items 218 to 220)	217	197*						
Banks [c]	218	198*						
Financial corporate sector [h]	219	199*						
Non-financial corporate sector	220	199*						
Derivative instruments issued by: (total of items 238 to 240)	237	203						
Banks [h] and other monetary institutions [f]	238	204						
Financial corporate sector [b]	239	205						
Non-financial corporate sector and other	240							
Other investments (total of items 242 to 244)	241	208*						

Note: Derivatives with SA Reserve Bank, CPD, Land Bank or Postbank as counterparty to be included with Banks and other monetary institutions item 238

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BA900: Table 18 and 19

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

REVERSE TRANSACTION ASSETS: ASSETS TEMPORARILY ACQUIRED	Line no.		Total acquired (total of col. 2 to 6)	of which:				
				Sold outright	Sold under repo	On-lent[b]	Pledged as security	Other (in hand)
Table 18		a	1	2	3	4	5	6
Total assets temporarily acquired (total of items 352 and 369)	351	244						
Under loans granted under resale agreements (total of items 353, 356, 359 and 366)	352	245						
Listed equity instruments (total of items 354 and 355)	353	246						
Domestic (SA residents)	354							
Foreign (non-residents)	355							
Unlisted equity instruments (total of items 357 and 358)	356	246						
Domestic (SA residents)	357							
Foreign (non-residents)	358							
Debt securities (total of items 360 and 365)	359							
Domestic (SA residents) - (total of items 361 to 364)	360							
Banks	361							
RSA government	362	247						
Public financial and non-financial corporate sector	363							
Other	364							
Foreign (non-residents)	365							

Note: Reverse transaction assets are to be classified according to issuer and not counterparty

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BA900: Table 20 and 21

| | | (All amounts to be rounded off to the nearest R'000) | | | | |
| FINANCIAL STOCKS (BALANCES) AT MONTH-END AND FLOWS DURING MONTH LIABILITIES AND EQUITY | Line no. | Opening stock (balance) | Plus/minus transactions | Plus/minus valuation changes | Plus/minus other | Closing stock (balance) |
Table 20		1	2	3	4	5
DEPOSITS DENOMINATED IN RAND (item 2)	385					
General government sector (item 6 plus item 14)	386			unblock		
SA banks (item 3, 12)	387			unblock		
Financial corporate sector (items 12, 15, 16, 18, 19 and 20)	388			unblock		
Non-financial corporate sector (items 17 and 25)	389			unblock		
Household sector (items 26, 27 and 28)	390			unblock		
Foreign sector (item 29)	391			unblock		
DEPOSITS DENOMINATED IN FOREIGN CURRENCY (item 32)	392					
General government sector (item 34, and item 37[1])	393			unblock		
SA banks (item 33)	394			unblock		
Financial corporate sector (item 36)	395			unblock		
Non-financial corporate sector (item 37[1])	396			unblock		
Household sector (item 35)	397			unblock		
Foreign sector (item 38)	398			unblock		

Note: Valuation changes column unblocked at sector level. Banks are to report the valuation changes not only at total item but also on the related sectoral items

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BA900: Table 20 and 21

FINANCIAL STOCKS (BALANCES) AT MONTH-END AND FLOWS DURING MONTH ASSETS (This table 21 is confidential and not available for inspection by the public)	Line no.	Opening stock (balance)	Plus/minus transactions	Plus/minus valuation changes	Plus/minus other	Closing stock (balance)
		(All amounts to be rounded off to the nearest R'000)				
TABLE 21		1	2	3	4	5
CENTRAL BANK MONEY AND GOLD (item 103, column 5)	422					
Domestic sector (item 103, column 1)	423			unblock		
Foreign sector (item 103, column 3)	424			unblock		
DEPOSITS AND LOANS DENOMINATED IN RAND (item 111, column 5, and item 117, column 5)	425					
SA banks (item 111, column 5)	426			unblock		
Foreign sector (item 117, column 5)	427			unblock		
LOANS RECEIVED UNDER RESALE AGREEMENTS (item 118, column 5)	428					
SA banks and other monetary institutions (item 119, 120 column 1)	429			unblock		
Financial corporate sector (total of item 110, column 1, and items 121 to 123, column 1)	430			unblock		
Non-financial corporate sector and other (item 124, column1, and item 125, column 1)	431			unblock		
Foreign sector (item 118, column 3)	432			unblock		

Note: Cross link indicators on tables 20 and 21 have been changed to be consistent with the new column references on the balance sheet.

Note: Derivative and other selected items where indicated as Banks and other monetary institutions (ie items 429) allows for inclusion of SA Reserve Bank, CPD, Land Bank and Postbank

BA920: Purpose

Analysis of instalment sale transactions, leasing transactions and selected assets (Quarterly)

To obtain selected data required for the analysis of instalment sale transactions, leasing transactions and other selected assets

To obtain selected information in respect of household and corporate debt

To analyse by asset type trends in lending, fixed investment and durable consumption expenditure

To obtain selected data required for the compilation of South Africa's national accounts

To obtain selected data relating to the scale of banking activity in South Africa

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BA920: Table 4

Personnel and infrastructure of the reporting bank		Line no.		Number[b]
	Table 4		a	1
Number of individual contractors rendering services to the bank		67	910(98)	
Number of personnel in employ		68		
Number of cash dispensing automated teller machines operated by the reporting bank		69	910(99)	
Number of properties repossessed by the reporting bank :				
- Residential properties		78		
- Commercial properties		79		
Number of loan accounts		80		
Number of customers		81		
Hash total		82		

Note: Number of customers shall reflect the aggregate number of all relevant retail, wholesale and corporate customers and legal entities that hold deposit and/or loan accounts with the relevant bank, provided that any relevant customer with multiple accounts shall be counted only once

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BA930: Purpose

Interest rates on deposits, loans and advances

To establish the ranges within which banks set selected key interest rates

To assess the impact that changes in the Reserve Bank's repurchase rate has on the main sectors of the economy

To monitor the transmission of changes in the Reserve Bank's repurchase rate through the banking sector to the broader economy
- pass-through to other interest rates
- the timing of such changes
- effect or magnitude of the said changes

To obtain selected information related to a bank's cost of funds, yield on assets and related margins, allowing for product mix, term and other considerations

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BA930: Table 2

Definition of Micro loans (item 84) added to regulations:

All relevant amounts related to unsecured lending up to a maximum amount of R30 000

Relates to original exposure and loan agreement in respect of which the maximum NCA rates apply

Exclude debit balance on credit card scheme or cheque account in terms of an overdraft facility

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BA940 Purpose

- To obtain selected quarterly information concerning locational statistics based on residence and nationality

- Total financial claims (domestic and foreign)
  - loans
  - holdings of debt securities
  - other assets

- Total financial liabilities (domestic and foreign)
  - deposits
  - own issues of debt securities
  - other liabilities

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BA940 Background

- Based on technical requirements related to the proposals by the Committee on the Global Financial System Working Group

- Aims to address data issues and data gaps highlighted by the financial crisis

  - endorsed by the Group of Twenty (G-20) Finance Ministers and Central Bank Governors

BA940 Historical Background

- Locational Banking Statistics (LBS) is the reporting of all resident banks' cross border transactions

- Launched in 1963 LBS became an important component of the joint BIS-IMF-OECD-World Bank statistics on external debt in the **late 1990's**

- The BIS requested South Africa to participate on grounds of our **regional influence** and the importance of our **cross-border banking activity**

- SA started reporting in Sep 2009

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BA940 Reporting requirements

- Reporting by all domestic and foreign-owned banks located in South Africa

- Quarterly information on all:
  - financial claims and financial liabilities with **non-resident** counterparties

    as well as
  - financial claims and liabilities with **resident** counterparties

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BA940 Reporting requirements

- BA940 – Locational by <u>residence</u> of counterparty

- BA950 removed. Nationality of reporting bank now also to be included on BA940

- Frequency:
  - Quarterly

- Unit of measure: Thousands of US Dollars

BA940 Reporting requirements

Positions across sectors, summarised as

- All sectors
- Banks

  of which:
  - Related offices
  - Central banks
- Non-bank financial institutions
- Non-financial corporate sector
- General government
- Households
- Unallocated

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BA940 Reporting bank nationality and type

- Identify nationality of the ultimate parent bank/company

- Identify the type of reporting institution by selecting one of the following:

  - Domestic bank with a head office located in South Africa (D)

  - Branch of foreign banks, unincorporated entity wholly owned by a parent incorporated in another country (B)

  - Foreign subsidiary, incorporated in South Africa but owned by a parent with a head office outside the country (S)

  - Consortium or unclassified bank that cannot be classified according to a single parent country (U).

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BA940 Requested Breakdowns

- **Currency breakdown:**
  - Domestic currency
  - US$; Euro; Japanese Yen; Swiss Franc; Pound Sterling; Other

- **Full counterparty-country breakdown according to list provided**

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BA940 Important data issues

- **Possible cross-links to BA900 were created to assist compilers and to serve as guidelines**
  - Also helps to eliminate miss-classifications on the BA900 balance sheet

- **Addition of foreign column on BA900 should assist in improving data comparability**

BA940 Important data issues

- Implementation will start from June 2013 for March data

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Thank You

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