



South African Reserve Bank

From the Office of
the Registrar of Banks

D2/2012

2012-01-24

To banks, branches of foreign institutions, controlling companies and auditors of banks or controlling companies

Directive 2/2012 issued in terms of section 6(6) of the Banks Act, 1990

Matters related to the form BA 200 of the “Amended Regulations relating to Banks”

Executive summary

The Bank Supervision Department (BSD) recently issued the “Amended Regulations relating to Banks”, in which the forms for regulatory reporting were also amended. The BSD deemed it appropriate to require banks to report specified credit risk-related information in addition to the information currently required as part of the forms BA 200, BA 210 and BA 220.

This directive serves to inform banks, branches of foreign institutions, controlling companies and auditors of banks or controlling companies (hereinafter collectively referred to as banks) of further information required to be reported as of 1 January 2012.

1. Introduction

- 1.1 In order to ensure that the South African regulatory framework remains in line with the latest international regulatory, supervisory and market developments, the BSD recently amended the Regulations relating to Banks (the Regulations). As part of the amended Regulations, which were implemented with effect from 1 January 2012, the BSD deemed it appropriate to require banks to report specified credit risk-related information in addition to the information currently required as part of the forms BA 200, BA 210 and BA 220.

2. Directive

- 2.1 Attached hereto please find Annexure A, which sets out the specified information required to be reported by banks as of 1 January 2012:
- 2.1.1 Lines 491 to 513, columns 1 to 26 of the form BA 200 have been incorporated into the amended Regulations.

- 2.1.2 In addition, banks are hereby directed to complete a further three columns in order to allow the BSD to duly discharge its supervisory duties in respect of banks' exposure to credit risk. In order to facilitate banks' reporting via SARBDEX in Extensible Markup Language (XML) format, the additional required information shall be added to the form BA 200 as columns 27 to 29.
- 2.1.3 The additional information will be incorporated into the next round of amendments to the Regulations.

3. Acknowledgement of receipt

- 3.1 Two additional copies of this directive are enclosed for the use of your institution's independent auditors. The attached acknowledgement of receipt, duly completed and signed by both the chief executive officer of the institution and the said auditors, should be returned to this Office at the earliest convenience of the aforementioned signatories.



René van Wyk
Registrar of Banks

The previous directive issued was Directive 1/2012 dated 23 January 2012.

(all amounts to be rounded off to the nearest R000)

Annexure A

IRB approach: Analysis of total credit exposure, that is, EAD, analysed by LGD band	Line no.	Specified LGD band ¹		Asset class ¹									Public sector and government entities	Local government and municipalities	
		Lower bound (%)	Upper bound (%)	Corporate exposure											
				Corporate	Specialised lending - high volatility commercial real estate (property development)	Specialised lending - income producing real estate	Specialised lending - object finance	Specialised lending - commodity finance	Specialised lending - project finance	SME corporate	Purchased receivables - corporate	Total corporate exposure (total of col. 3 to 10)			
															1
Specified LGD band ¹	00														
	01	491		10.0000											
	02	492	10.0001	20.0000											
	03	493	20.0001	30.0000											
	04	494	30.0001	40.0000											
	05	495	40.0001	50.0000											
	06	496	50.0001	60.0000											
	07	497	60.0001	70.0000											
	08	498	70.0001	80.0000											
	09	499	80.0001	90.0000											
10	500	90.0001	100.0000												
	501	100.0001	and more												

¹. In respect of the relevant specified LGD bands and asset classes, a bank shall report the aggregate amount of its total credit exposure, that is, the relevant EAD amount, calculated in accordance with the relevant requirements specified in these Regulations.

(all amounts to be rounded off to the nearest R000)

IRB approach: Analysis of total credit exposure, that is, EAD, analysed by LGD band	Line no.	Asset class ¹																	Total credit exposure (EAD) (total of col. 11 to 19 and 26)
		Retail exposure															Sovereign exposure (including central government and central banks)		
		Banks	Securities firms	Total retail exposure (total of col. 17, 18, 20, 23 and 27)	Residential mortgage advances	Retail revolving credit		SME retail		Retail other			Purchased receivables (retail)						
						Total	of which: credit cards	Total	of which: secured lending	of which: unsecured lending	Total	of which: vehicle and asset finance		of which: unsecured lending ≤ R30 000	of which: unsecured lending > R30 000				
Specified LGD band ¹		14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29		
00	491																		
	01	492																	
	02	493																	
	03	494																	
	04	495																	
	05	496																	
	06	497																	
	07	498																	
	08	499																	
	09	500																	
10	501																		

¹. In respect of the relevant specified LGD bands and asset classes, a bank shall report the aggregate amount of its total credit exposure, that is, the relevant EAD amount, calculated in accordance with the relevant requirements specified in these Regulations.

all amounts to be rounded off to the nearest R'000

Advance IRB approach: Analysis of performing credit exposure, that is, EAD, analysed by effective maturity Specified maturity band ¹	Line no.	Corporate exposure ³										Public sector entities ³	Local government and municipalities ³	
		Specified maturity band band ¹												
		Lower bound (Years) ²	Upper bound (Years) ²	Corporate	Specialised lending - high volatility commercial real estate (property development)	Specialised lending - income producing real estate	Specialised lending - object finance	Specialised lending - commodity finance	Specialised lending - project finance	SME corporate	Purchased receivables - corporate			Total corporate exposure (total of col. 3 to 10)
		1	2	3	4	5	6	7	8	9	10	11	12	13
00			0.5000											
01			0.5001	1.0000										
02			1.0001	1.5000										
03			1.5001	2.0000										
04			2.0001	2.5000										
05			2.5001	3.0000										
06			3.0001	3.5000										
07			3.5001	4.0000										
08			4.0001	4.5000										
09			4.5001	5.0000										
10			5.0001 and longer											
Total EAD weighted average effective maturity ² (of items 502 to 512)														

1. In respect of the relevant specified maturity bands and asset classes, a bank shall report the aggregate amount of its total credit exposure, that is, the relevant EAD amount, calculated in accordance with the relevant requirements specified in these Regulations, including the relevant principles contained in regulation 23(13)(i)(B)

2. The 1 year regulatory floor and the 5 year specified maximum effective maturity used for the calculation of minimum required capital and reserve funds shall be disregarded for purposes of the completion of the items 502 to 513

3. Based on the same method used for the calculation of minimum required capital and reserve funds, such as the cash-flow formula or maximum remaining time, without taking into consideration the relevant specified 1 year regulatory floor and 5 year maximum effective maturity limit.

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

Advance IRB approach: Analysis of performing credit exposure, that is, EAD, analysed by effective maturity	Line no.	Asset class ¹																Total credit exposure (EAD) (total of col 11 to 16 and 28)
		Banks ³	Securities firms ³	Total retail exposure (total of col 17, 18, 20, 23 and 27)	Residential mortgage advances	Retail revolving credit			SME retail			Retail other			Purchased receivables retail	Sovereign exposure (including government and central banks)		
						Total	of which: credit cards	Total	of which: secured lending	of which: unsecured lending	Total	of which: vehicle and asset finance	of which: unsecured lending ≤ R30 000	of which: unsecured lending > R30 000				
Specified maturity band ¹		14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	
	502																	
	503																	
	504																	
	505																	
	506																	
	507																	
	508																	
	509																	
	510																	
	511																	
10	512																	
Total EAD weighted average effective maturity ² (for items 502 to 512)		513																

1. In respect of the relevant specified maturity bands and asset classes, a bank shall report the aggregate amount of its total credit exposure, that is, the relevant EAD amount, calculated in accordance with the relevant requirements specified in these Regulations, including the relevant principles contained in regulation 23(13)(d)(i)(B)

2. The 1 year regulatory floor and the 5 year specified maximum effective maturity used for the calculation of minimum required capital and reserve funds shall be disregarded for purposes of the completion of line items 502 to 513

3. Based on the same method used for the calculation of minimum required capital and reserve funds, such as the cash-flow formula or maximum remaining time, without taking into consideration the relevant specified 1 year regulatory floor and 5 year maximum effective maturity limit.

4. Based on the maximum remaining time, without taking into consideration any relevant specified floor or maximum effective maturity limit.