



South African Reserve Bank
From the Office of
the Registrar of Banks

Ref: 15/8/3

D7/2017

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

Directive issued in terms of section 6(6) of the Banks Act 94 of 1990

Submission of regulatory and economic capital information by domestic systemically important banks and controlling companies (D-SIBs) on a bi-annual basis

Executive summary

In addition to the submission requirements of BA returns as specified in regulation 7 of the Regulations relating to Banks (Regulations), D-SIBs are hereby directed to complete the regulatory BA 701 return, attached hereto as Annexure A, for regulatory and economic capital information. This directive also specifies the timelines for the submission of the completed regulatory return to the Office of the Registrar of Banks (this Office).

1. Introduction

- 1.1 Since June 2013, this Office has requested all D-SIBs to complete and submit regulatory and economic capital information in manual templates on a bi-annual basis. During 2015 the data collection assessment template was standardised in order to automate and simplify the monitoring and analysis process of regulatory versus economic capital data. In the absence of a directive, the D-SIBs were requested by this Office, by means of formal letters, to submit their regulatory and economic capital information.
- 1.2 Since the initial request of the regulatory and economic capital data, the template has been further refined to ensure the accuracy and validity of the data being collected.

2. Directive

2.1 Scope of the assessment

- 2.1.1 D-SIBs are hereby directed to complete the regulatory return, attached hereto as Annexure A, at a bank solo level and a controlling company consolidated level.

2.1.2 In line with regulation 6(3) of the Regulations, the return should be submitted electronically by using the data sets 'D4' and 'T7'. These data sets will include the statutory form BA 701 at a bank solo level and a controlling company consolidated level.

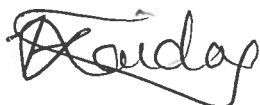
2.1.3 This data collection exercise does not replace or substitute any other specified disclosure or reporting requirements.

2.2 Submission timelines

2.2.1 Data must be submitted six-monthly based on a calendar year, that is in relation to 30 June and 31 December of each relevant year, by no later than the 60th working day immediately following the relevant required reporting date. For banks or controlling companies with a financial year ending on a date other than 30 June or 31 December, the forecasted data contained in the form may be the latest available data closest to the financial year-ends of the reporting entity, while the actual data will be the data as at 30 June or 31 December, as the case may be.

3. Acknowledgment of receipt

3.1 Kindly ensure that a copy of this directive is made available to 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.



Kuben Naidoo
Deputy Governor and Registrar of Banks

Date: 28/11/2017

The previous directive issued was Directive D6/2017, dated 23 November 2017.

Encl. 1

Annexure A

Regulatory vs Economic capital
 (Confidential and not available for inspection by the public;
 Name of bank/ controlling company
 Month ended.....(yyyy-mm-dd);

BA701
 Six monthly

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

Line no	Economic Capital							
	Confidence Interval @ 99.9%				Confidence Interval as specified in line 1			
	Actual	Forecast (Yr 1 following on actual)	Forecast (Yr 2 following on actual)	Forecast (Yr 3 following on actual)	Economic capital demand (Gross)	Economic capital demand (Gross)	Diversification Intra risk (report negatives)	Economic capital demand (Net)
	1	2	3	4	5	6	7	8
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								

Confidence interval in respect of economic capital

Total Pillar 1 risks (total of items 3,14,22,31,37,40,43)

Total Credit risk (total of items 4 and 9)

Total retail (items 5 to 8)

-Retail (IRB)

-Retail (TSA)

-Africa

-Other retail

Total wholesale (items 10 to 13)

-Wholesale (IRB)

-Wholesale (TSA)

-Africa

-Other wholesale

Total Counterparty Credit Risk (items 15 to 21)

-Counterparty Credit Risk (CEM)

-Counterparty Credit Risk (IMM)

-Counterparty Credit Risk (TSA CCR)

-Africa

-CVA (Advance)

-CVA (Standardised)

-Other Counterparty Credit Risk

Total Market risk (items 23 to 30)

-Market risk (general - IMA)

-Market risk (general- TSA)

-Market risk (specific - IMA)

-Market risk (specific - TSA)

-Market risk (Africa-general- IMA)

-Market risk (Africa-general- TSA)

Tier 1 (T1) Capital
Total Capital
Capital surplus/loss (item 77 minus 74)
Minimum required capital ratio (Column 1 to correspond to BA700, line 17)
CET1
T1
Total
Actual capital adequacy ratios (CAR)(Percentage to 2 decimals)(Column 1 to correspond to BA700, line 18)
CET 1 CAR
T1 CAR
Total CAR
Minimum internal capital target (Percentage to 2 decimals)
CET1 CAR
T1 CAR
Total CAR
Hash total

76							
77							
78							
79							
80							
81							
82							
83							
84							
85							
86							
87							
88							