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GOVERNMENT NOTICE

SOUTH AFRICAN RESERVE BANK

No. R. 2508

28 December 1993

MUTUAL BANKS ACT, 1993
(ACT No. 124 OF 1993)

REGULATIONS RELATING TO MUTUAL BANKS

The Minister of Finance has under section 91 of the Mutual Banks Act, 1993 (Act No. 124 of 1993), made the regulations contained in the Schedule.

**SCHEDULE
ARRANGEMENT OF REGULATIONS**

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CHAPTER I**BASIS OF REGULATION****1. Objective of Regulations and completeness of information**

(1) The objective of these Regulations is to provide for the establishment of basic principles relating to the maintenance of effective risk management by mutual banks, with due allowance for the ancillary objective that the benefits derived by mutual banks from compliance with these Regulations exceed the costs entailed by such compliance.

(2) All information required to be reported in the funds prescribed in these Regulations shall be reflected against the appropriate items and in the columns as specified in the forms, for example, all liabilities consisting of claims relating to, and all assets arising from, the business of the reporting mutual bank shall, subject to the provisions of regulation 2, be included against the appropriate liability or asset items in the columns provided.

(3) An analysis of any information or item furnished or appearing in any of the forms referred to in subregulation (2) shall upon his request be made available to the Registrar within a reasonable period of time.

2. Management accounts as basis for the completion of risk-based returns

(1) All the prescribed risk-based returns shall reflect the management accounts as presented to the management and board of a mutual bank.

(2) In the event of a conflict between the instructions, directives and interpretations relating to the completion of the risk-based returns, as prescribed in these Regulations, and the manner in which the management accounts of the mutual bank concerned are completed, the format of such management accounts shall, subject to prior consultation with, and the written approval of, the Registrar, prevail.

3. Generally accepted accounting practice

(1) Unless expressly otherwise provided in the Act or these Regulations, all the prescribed risk-based returns shall, in conformity with generally accepted accounting practice, fairly present the financial position and the results of the operations of a mutual bank.

(2) The same accounting practice applied by a mutual bank in the compilation of its annual financial statements shall be applied by such mutual bank in the compilation of the risk-based returns required to be furnished by it to the Registrar in terms of the Act and these Regulations unless -

- (a) it is specifically otherwise provided by these Regulations; or
- (b) on prior application to him, the Registrar has authorized a deviation from such practice.

(3) Unsettled transactions which comply with the recognition criteria laid down in the Accounting Statement titled "Framework for the Preparation and Presentation of Financial Statements", issued by the International Accounting Standards Committee, shall be reflected in the balance sheet.

4. Annual financial statements

(1) Unless departures therefrom are specifically authorized by the Act or by the Registrar, the annual financial statements of a mutual bank shall be compiled in accordance with generally accepted accounting practice.

(2) Audited annual financial statements in respect of all subsidiary companies shall be submitted by such a mutual bank to the Registrar when required by him, and the information reported on form DI 702 *inter alia* reflect such financial statements.

(3) Interim reports, where applicable, in respect of a mutual bank shall be submitted to the Registrar as soon as they become available.

5. Consolidated financial statements

(1) A mutual bank shall within 120 days of the end of the financial year of such mutual bank furnish the Registrar with consolidated annual financial statements as prescribed in subregulations (2), (3) and (4).

(2) Consolidated annual financial statements referred to in subregulation (1) shall present the state of affairs, and the results of operations, in respect of the banking business and all other business activities conducted by -

- (a) the reporting mutual bank and all its subsidiaries;
- (b) where applicable, the following associates of such reporting mutual bank and its subsidiaries namely -
 - (i) a company or other incorporated business undertaking in respect of the issued share capital of which the reporting mutual bank and its subsidiaries jointly hold more than 20 per cent but not more than 50 per cent;
 - (ii) a trust or other unincorporated business undertaking in which the reporting mutual bank and its subsidiaries jointly hold an interest of more than 20 per cent, whether as beneficiary or ultimate beneficiary in the case of a trust, or as a partner in the case where such other unincorporated business undertaking is a partnership; and
- (c) associates referred to in paragraph (b), the business activities and financial affairs of which the reporting mutual bank and its subsidiaries are able to influence materially.

(3) The consolidated annual financial statements shall be prepared in accordance with generally accepted accounting practice and so as to reflect rand amounts in units of thousands.

(4) The equity method of accounting shall be applied in the preparation of the consolidated annual financial statements in so far as they relate to associates referred to in subregulation (2)(b) and (c).

6. Audit report

- (1) The auditor of a mutual bank shall annually, in addition to any report that a mutual bank is statutorily required to obtain from him, report on the mutual bank's financial position and the results of its operations as reflected in all the returns, submitted in terms of Section 53 of the Act, referred to in subregulation (5) that had been submitted to the Registrar as at the financial year-end of the reporting mutual bank.
- (2) (a) Notwithstanding the provisions of subregulation (1), the auditor shall also report whether, in his opinion the information contained in the returns at year-end, in all material respects:
- (i) reasonably reflects the information that of the management accounts;
 - (ii) is complete in so far as all relevant information contained in the accounting and other records at the reporting date has been extracted therefrom and recorded in the returns;
 - (iii) is accurate in so far as it correctly reflects information contained in, and extracted from, the accounting and other records at the reporting date; and
 - (iv) is prepared using the same accounting policies as those applied in the management and statutory accounts.
- (b) The auditor shall also report whether, in his opinion, the information contained in the returns other than at year-end in all material respects:
- (i) reasonably reflects the information of the management accounts; and
 - (ii) is complied by the same accounting policies as those applied in the management and statutory accounts.
- (3) In arriving at the opinion required by subregulation (2), the auditor shall annually report the extent of reliance placed on internal controls of the mutual bank as established and maintained by directors relating to financial and regulatory reporting, and compliance with the Act and the Regulations.
- (4) In the case of amendments having been effected by a reporting mutual bank to returns submitted by it during the course of the financial year, the auditor shall, when required to do so in terms of a written request addressed by the Registrar to both the reporting mutual bank and the auditor, in writing confirm that he has verified such of the amendments as have been specified by the Registrar in his written request.
- (5) The audit report contemplated in subregulation (1) shall be rendered in accordance with the wording and practices recommended from time to time by the South African Institute of Chartered Accountants, and shall be in respect of forms DI 100, DI 110, DI 200, DI 300, DI 310, DI 400, DI 401, DI 402, DI 403, DI 410, DI 420, DI 430, DI 500, DI 510, DI 520, DI 600, DI 700, DI 701, DI 702, and DI 704 submitted in respect of the reporting mutual bank's operations in the Republic and the self-governing territories, in the independent states and elsewhere in the world.

(6) Form DI 900 shall be reconcilable with form DI 100, and the auditor shall within 90 days of the financial year-end of the reporting mutual bank furnish the Registrar with a written report in which it is stated whether or not all forms DI 100 and DI 900 submitted by the reporting mutual bank during the financial year under review were in fact reconcilable with each other. The report shall also state whether there were any instances of non-compliance with the requirements of regulation 22(4) of these Regulations.

(7) For the purposes of the performance of his duties in terms of this regulation, the auditor shall obtain from the Registrar, free of charge, copies of the relevant returns submitted to the Registrar by the reporting mutual bank during the financial year under review.

7. Certification and rendition of returns

(1) As required in Section 86 of the Act the chief executive officer and the chief accounting officer of a reporting mutual bank shall sign and certify the prescribed form DI 099 in respect of each return indicated on the said form, whether such return is rendered on a prescribed form or by means of an electronic facility.

(2) Every set of returns rendered simultaneously, as mentioned in regulation 7(1), shall be accompanied by a duly completed, signed and certified form DI 099.

(3) If the chief executive officer or the chief accounting officer is not available to sign a completed form DI 099, the officer performing the relevant function shall sign the said form in an acting capacity and not on behalf of the absent officer, and the normal office of the officer so acting shall be clearly indicated on form DI 099.

(4) The furnishing of the returns referred to in these Regulations, whether by way of the completion of the prescribed forms or by electronic means, shall be done at the intervals indicated in Chapter II and Chapter V of these Regulations, and such returns shall be forwarded to the Registrar at the address set out in regulation 8(1).

(5) A reporting mutual bank shall submit every appropriate, duly completed form prescribed in Chapter II and Chapter V of these Regulations, reflecting the required particulars relating to the business conducted by it in the Republic and in the self-governing territories as well as the business conducted by it through the medium of an agency or a branch in an independent state.

(6) A reporting mutual bank shall, apart from the forms referred to in sub-regulation (5), submit every appropriate, duly completed form prescribed in Chapter II and Chapter V of these Regulations, reflecting the required particulars relating to the business of a mutual bank conducted by it, other than the business referred to in subregulation (5), through the medium of an agency or in respect of a branch, a subsidiary company or an associate contemplated in regulation 5(2)(b), in each country elsewhere in the world, as well as the business conducted by it through the medium of a subsidiary company or an associate as contemplated in regulation 5(2)(b) in each of the independent states.

(7) Unless otherwise indicated all returns shall be completed in the currency of the country in which the banking business is being conducted.

(8) In completing the returns in respect of banking business conducted within the independent states, the definitions and interpretation of items used in these Regulations shall be applied as if such business was being conducted within the Republic.

(9) In completing the returns in respect of banking business conducted outside the Republic, the self-governing territories and the independent states, the definitions and

interpretation of items used in these Regulations shall be applied to the circumstances prevailing in each country and any difficulties experienced in this regard, shall be referred to the Registrar.

8. General

(1) Forms to be completed in terms of these Regulations can be obtained from the South African Reserve Bank, Office for Banks, P.O. Box 8432, Pretoria, 0001, and shall be completed and submitted in accordance with the instructions, directives and interpretations contained in the applicable chapters of these Regulations.

(2) Mutual Banks are not obliged to use the forms provided by the Office for Banks, but reproductions used by mutual banks shall in all respects correspond to the prescribed forms.

(3) Additional facilities are provided by the Office for Banks for the rendition of information, required to be contained in the prescribed statements and returns, by electronic means, and further details in this regard can be obtained from the said Office.

CHAPTER II

RISK BASED RETURNS AND INSTRUCTIONS, DIRECTIVES AND INTERPRETATIONS RELATING TO THE COMPLETION THEREOF

9. List of forms prescribed in respect of risk-based returns to be submitted to the Registrar, with indication of institution by which, intervals at which and period within which risk-based returns are to be submitted

Form number	Heading of form	Mutual Bank in Republic ¹	Foreign operations of South African Mutual Banks ²
DI 099	Declaration in respect of statutory returns submitted ⁴	Whenever required as control sheet and for purpose of making required declarations	
DI 099A	Declaration in respect of statutory returns submitted by off-shore subsidiaries, branches and associates ⁴	N/A	Whenever required as control sheet and for purposes of making required declarations
DI 100	Balance sheet	Monthly ^{a, 1}	Quarterly ^{b, 1}
DI 110	Off-balance-sheet activities	Monthly ^a	Quarterly ^b
DI 200	Income statement	Monthly ^{a, *}	Quarterly ^{b, *}
DI 300	Liquidity risk- maturity ladder	Monthly ^a	N/A
DI 310	Minimum reserve balance and liquid assets	Monthly ^a	N/A
DI 400	Capital adequacy	Quarterly ^a	N/A
DI 401	Consolidated balance sheet	N/A	N/A
DI 402	Counterparty risk	Monthly ^a	N/A
DI 403	Foreign operations of South African mutual banks	N/A	Quarterly ^b
DI 410	Interest rate risk	Monthly ^a	N/A
DI 420	Market risk (Position risk)	Monthly ^a	N/A
DI 430	Trading risk	Monthly ^a	N/A
DI 500	Credit risk	Quarterly ^b	N/A
DI 505	Report of large exposure	Whenever required for making a report	
DI 510	Large exposures	Quarterly ^b	N/A
DI 520	Assets bought in	Annually ^d	Quarterly
DI 600	Currency risk	Monthly ^a	Quarterly
DI 700	Restriction on investments, loans and advances	Annually ^d	N/A
DI 701	Asset-backed securitisation	Annually ^d	N/A
DI 702	Return regarding investments and interests held	Annually ^d	Quarterly

- 1 Means a mutual bank conducting business as such in the Republic, in any of the independent states, namely Transkei, Bophuthatawana, Venda and Ciskei, and the self-governing territories.
- 2 Means a mutual bank conducting business as such outside the Republic, the self-governing territories and independent states, through the medium or in respect of a branch office or a subsidiary company or an associate as contemplated in regulation 5(2)(b).
- 3 Forms DI 099 and DI 099(A) are not prescribed financial returns, but shall be used as a control sheet and to furnish the required declarations regarding the maintenance of prescribed minimum balances.
- 4 The prescribed statements and returns shall be submitted within the periods indicated below, as follows:
- a. Within 15 business days immediately following on the month- or quarter-end to which it relates.
 - b. Within 20 business days immediately following on the quarter-end to which it relates.
 - c. Within 30 days of 31 December of each year.
 - d. Within 120 days immediately following on the date to which the annual financial statements relate.
 - e. Within 45 days immediately following on the sixth month of the financial year and within 90 days immediately following on the date to which the annual financial statements relate.
 - f. Within 90 days immediately following on the date to which the annual financial statements relate.

DECLARATION IN RESPECT OF STATUTORY RETURNS SUBMITTED

DI 099							
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(To accompany all statutory returns submitted in terms of the Regulations relating to Mutual Banks)

Name of mutual bank

Period ended

19.....

A. DECLARATION

We, the undersigned, hereby declare as follows in respect of each of the statutory statements and returns (identified and rendered in the manner indicated in the space provided for such purposes on page 2 of this form) submitted herewith in respect of the period indicated above:

1. GENERAL

- (i) The information contained in the statements and returns is to the best of our knowledge and belief correct; and
- (ii) the statements and returns have been compiled in accordance with the provisions of the Regulations relating to Mutual Banks; and
- (iii) the statements and returns reflect the management accounts as presented to the management and board of the mutual bank.

2. FORM DI 100

The issued primary and secondary share capital and primary and secondary unimpaired reserve funds of the above-mentioned mutual bank have on (date) been reduced with the amounts of the items mentioned in paragraphs (i) to (iv) of section 48(5)(a) of the Act.

3. FORM DI 310

- (i) None of the liquid assets included in items 20 to 26 of this form have been pledged or otherwise encumbered as envisaged in section 50(3) of the Act, without the consent of the Registrar;
- (ii) all securities included under the liquid assets mentioned in paragraph (i) have been valued in accordance with the provisions of section 50(4) of the Act; and
- (iii) this mutual bank has from the fifteenth business day of the month following the month for which the preceding return of form DI 310 had been submitted to date maintained, and will continue to maintain, for every day until the fourteenth business day of the month following the month to which this return relates, the prescribed minimum reserve balance with the Reserve Bank as required in terms of section 10A of the South African Reserve Bank Act, 1989, and the prescribed average daily minimum amount of liquid assets as prescribed in regulation 22(2), and complies/will comply, as from the fifteenth business day of the month following the month to which this return relates, with the aforesaid prescribed minimum requirements on the basis of its average amount of total liabilities during the reporting month. (If the mutual bank failed to comply with the prescribed requirements, the declaration shall be qualified, and a statement showing the relevant deficiency(ies), for every day on which a deficiency existed, shall accompany this return.)

4. FORM DI 400

This mutual bank has from the fifteenth business day of the month following the quarter for which the preceding return of form DI 400 had been submitted to date maintained, and will continue to maintain for every day until the fourteenth business day of the month following the quarter to which this return relates, the prescribed minimum amount of issued primary and secondary share capital and primary and secondary unimpaired reserve funds as prescribed in regulation 23(4), and complies/will comply, as from the fifteenth business day of the month following the quarter to which this return relates, with the aforesaid requirement relating to the maintenance of the prescribed minimum amount of issued primary and secondary share capital and primary and secondary unimpaired reserve funds. (If the mutual bank failed to comply with the prescribed requirement, the declaration shall be qualified, and a statement showing the relevant deficiency(ies), for every day on which a deficiency existed, shall accompany this return.)

5. FORM DI 600

This mutual bank has not exceeded on any day during the reporting month the limits on its effective net open position(s) in foreign currency as prescribed by regulation 31(6). (If the mutual bank has exceeded the prescribed limits, the declaration shall be qualified, and a statement showing the relevant excess(es) for every day on which an excess existed, shall accompany this return.)

6. FORM DI 700

This mutual bank has at all times during the reporting period complied with the provisions of sections 55 and 56 of the Act.

B. FORMS SUBMITTED

The following statement(s) and return(s), as identified with a cross in the space provided, are submitted herewith in the format as indicated below with a cross:

Form number	Heading of form	Format of information		In the event of a query, the S.A. Reserve Bank may contact:		
		Hard copy	Electronic	Name	Tel. no.	Ext.
- Form DI 100	- Balance sheet					
- Form DI 110	- Off-balance-sheet activities					
- Form DI 200	- Income statement					
- Form DI 300	- Liquidity risk - maturity ladder					
- Form DI 310	- Minimum reserve balance and liquid assets					
- Form DI 400	- Capital adequacy					
- Form DI 401	- Consolidated balance sheet					
- Form DI 402	- Counterparty risk					
- Form DI 403	- Foreign operations of South African banks					
- Form DI 410	- Interest-rate risk					
- Form DI 420	- Market risk (Position risk)					
- Form DI 430	- Trading risk					
- Form DI 500	- Credit risk					
- Form DI 505	- Report of large exposure					
- Form DI 510	- Large exposures					
- Form DI 520	- Assets bought in					
- Form DI 600	- Currency risk					
- Form DI 700	- Restriction on investments, loans and advances					
- Form DI 701	- Asset-backed securitisation					
- Form DI 702	- Return regarding investments and interests held					
- Form DI 900	- Institutional and maturity breakdown of liabilities and assets					
- Form DI 910	- Institutional breakdown of issuers of and transactions in selected assets					
- Form DI 920	- Analysis of instalment sale and leasing transactions					
- Form DI 930	- Interest rates on deposits, loans and advances at month-end					

"HASH" TOTAL ON DISKETTE

C. ATTESTATION OF FORM DI 099

(i) CERTIFICATION BY OFFICIALS RESPONSIBLE FOR EACH RISK

RISK	RESPONSIBLE OFFICIAL	SIGNATURE	DATE
Balance Sheet			
Income Statement			
Solvency			
Liquidity			
Counterparty			
Interest Rate			
Market (Position)			
Credit			
Currency			

(ii) CERTIFICATION BY CHIEF ACCOUNTING OFFICER AND CHIEF EXECUTIVE OFFICER

Signed at this day of 19.....

.....
Chief Accounting Officer

.....
Chief Executive Officer

DECLARATION IN RESPECT OF STATUTORY RETURNS SUBMITTED BY OFF-SHORE SUBSIDIARIES, BRANCHES AND ASSOCIATES

DI 099A								
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(To accompany all statutory returns submitted by the above institutions in terms of the Regulations relating to Mutual Banks)

Name of subsidiary/branch/associate

Period ended 19.... Host Country

A. DECLARATION

We, the undersigned, hereby declare as follows in respect of each of the statutory statements and returns (identified and rendered in the manner indicated in the space provided for such purposes below) submitted herewith in respect of the period indicated above:

1. GENERAL

- (i) The information contained in the statements and returns is to the best of our knowledge and belief correct; and
- (ii) the statements and returns have been compiled in accordance with the provisions of the Regulations relating to Mutual Banks.

2. FORM DI 100

The issued primary and secondary share capital and primary and secondary unimpaired reserve funds of the above-mentioned mutual bank have on (date) been reduced with the amounts of the items mentioned in paragraphs (i) to (iv) of section 48(5)(a) of the Act.

3. FORM DI 403

This mutual bank has from the fifteenth business day of the month following the quarter for which the preceding return of form DI 403 had been submitted to date maintained, and will continue to maintain for every day until the fourteenth business day of the month following the quarter to which this return relates, the prescribed minimum amount of issued primary and secondary share capital and primary and secondary unimpaired reserve funds as prescribed either in regulation 23(4) or in terms of such requirements of the host country, should the latter be greater, and complies/will comply, as from the fifteenth business day of the month following the quarter to which this return relates, with the aforesaid requirement relating to the maintenance of the prescribed minimum amount of issued primary and secondary share capital and primary and secondary unimpaired reserve funds. (If the mutual bank failed to comply with the prescribed requirement, the declaration shall be qualified, and a statement showing the relevant deficiency(ies), for every day on which a deficiency existed, shall accompany this return.)

B. FORMS SUBMITTED

The following statement(s) and return(s), as identified with a cross in the space provided, are submitted herewith in the format as indicated below with a cross:

Form number	Heading of form	Format of information		In the event of a query, the S.A. Reserve Bank may contact:		
		Hard copy	Electronic	Name	Tel. no.	Ext:
- Form DI 100	- Balance sheet					
- Form DI 110	- Off-balance-sheet activities					
- Form DI 200	- Income statement					
- Form DI 403	- Quarterly return to be rendered by off-shore subsidiaries, branches and associates as contemplated in regulation 5(2)(b)					
- Form DI 505	- Report of large exposure					
- Form DI 520	- Assets bought in					
- Form DI 702	- Return regarding investments and interests held					
"HASH" TOTAL ON DISKETTE						

Signed at, this day of 19.....

.....
Chief Accounting Officer

.....
Chief Executive Officer

INSTRUCTIONS RELATING TO RISK-BASED RETURNS**10. Calculation of averages**

(1) The average daily balance for the month in respect of each liability or asset item, or any other balance or prescribed magnitude, identified in the prescribed forms, shall be calculated by totalling the amounts thereof for each day of all the days in the month and by dividing such total by the number of calendar days in the particular month to which the statement relates.

(2) The balance to be used in respect of a day on which the reporting mutual bank is not open for business shall be the total of the relevant liability or asset item, balance or magnitude as at the close of business on the preceding business day.

(3) If a reporting mutual bank is unable to calculate an average daily balance for a month as envisaged in subregulation (1) it may apply to the Registrar for approval to use, in respect of a particular item, the month-end figure for the reporting month and the relevant figures for the preceding two month-ends to calculate an average balance.

11. Gross balances

(1) Unless otherwise provided in these Regulations, including the prescribed forms, all information required to be reported in the forms shall be reported on the basis of gross balances.

(2) The reduction of balances shall be effected only as a result of the application of set-off in terms of regulation 15 or cash-management schemes in terms of regulation 18.

(3) Assets pledged as security for liabilities of a reporting mutual bank, and such liabilities, shall be reported respectively on the basis of gross balances.

12. Maturity classification

The maturity classification of a liability or an asset (which classification shall, for the purpose of the determination of any average amount, be effected on a daily basis) shall be determined with reference to the remaining period to maturity of the liability or asset in question and not with reference to the date on which the liability was incurred or the asset was acquired.

13. Reference to line item numbers

Arabic numerals appearing under the heading "Line item" and used to number individual paragraphs of the regulations containing directives and interpretations for the completion of returns, correspond to the relevant line item numbers appearing on the applicable forms.

14. Revaluation surplus ranking as secondary unimpaired reserve funds

A surplus resulting from a revaluation of assets, shall rank as secondary unimpaired reserve funds only, to the extent permitted in paragraph (a) of the definition of "secondary unimpaired reserve funds" in section 48(1) of the Act, if the revaluation in question complies with the following conditions, namely -

- (a) the revaluation must be a revaluation of strategic long-term investments or fixed assets which have been formally identified as strategic long-term investments by the board of directors of the mutual bank;
- (b) the revaluation must be made by an independent valuer or associated valuer registered as such under the Valuers' Act, 1982, or, with the approval of the Registrar, by another suitably qualified person, at intervals of not more than once every financial year and in accordance with the accounting policy of the reporting mutual bank and generally accepted accounting practice;
- (c) the assets being revalued shall be similar in nature, for example, investments in premises of a mutual bank, and the revaluation of all such assets shall be undertaken at the same time;
- (d) a reduction in the value of any asset revalued shall also be taken into account; and
- (e) details of all revaluations of assets shall be clearly disclosed in the annual financial statements of the reporting mutual bank.

15. Set-off

- (1) Where a client maintains both debit and credit balances with a mutual bank, it may be permissible in certain circumstances to set such balances off against one another for the purposes of completing the prescribed forms, thus reporting net balances only.
- (2) Unless otherwise provided in these Regulations, set-off shall be allowed only if all of the following circumstances apply, namely -
 - (a) a legal right of set-off must exist and the reporting institution should have obtained a legal opinion to the effect that its right to apply set-off is legally well-founded and would be enforceable in the liquidation or bankruptcy of the client(s) or of the institution;
 - (b) the debit and credit balances must relate to the same person;
 - (c) both the debit and the credit balances must be denominated in the same currency; and
 - (d) the debit and credit balances must have identical maturities.
- (3) No set-off shall be allowed in respect of balances relating to clients, other than foreign banks, outside the Republic, the self-governing territories and the independent states.

16. Valuation of items comprising the trading portfolio

All items comprising the domestic or foreign-exchange trading portfolio of the reporting mutual bank must be marked to market.

17. Accrued interest and amounts

- (1) All liabilities and assets shall include interest accrued up to the end of the period to which the statement relates. If this is not possible, accrued interest should be reflected under other assets and other liabilities.

(2) Amounts shall be shown to the nearest thousand units of currency, for example, R4 107 498 and R4 107 540 shall be reported as R4 107 and R4 108, respectively.

18. Cash-management schemes

Unless otherwise prescribed in these Regulations, the reduction of balances resulting from the application of a cash-management scheme shall be taken into account in completing the prescribed forms only where all of the following circumstances apply, namely -

- (a) a cash-management scheme shall only be conducted for those companies that are subsidiaries of the same holding company and they are included in the consolidated audited annual financial statements of such holding company, as well as for such holding company;
- (b) transfers of debit or credit balances from individual accounts to a central group account must be shown as actual transactions on individual accounts, as well as in the accounting records of the individual account holders, in order to ensure that the accounting system of a bank reflects the true debtor/creditor and legal relationships;
- (c) a mutual bank must provide its clients with statements of account evidencing the effect of transfers, whenever such transfers are made between their accounts and a central group account, to enable its clients to make the necessary entries to ensure that their accounting records reflect their true debtor/creditor and legal relationships *vis-à-vis* the mutual bank (except for uncleared items, balances in the books of clients should therefore correspond to balances on client accounts in the accounting system of the mutual bank);
- (d) a group account, or any other account to which transfers are made, must be in the name of a legal entity in order to protect the legal position of the mutual bank;
- (e) transfers between client accounts and a central group account must be supported by legal authorization granted to the mutual bank by its clients, including resolutions of clients' boards of directors, to effect such transfers;
- (f) agreements whereby authorization is granted as contemplated in paragraph (d) must legally limit the mutual bank's risk to the debtor/creditor relationship that exists after transfers have been effected;
- (g) statutory returns must reflect the true debtor/creditor and legal relationships of the mutual bank *vis-à-vis* its clients;
- (h) a mutual bank entering into agreements relating to cash-management schemes with its clients must ensure that the clients are fully aware that after the transfer of balances on their accounts, they have no claim against or obligation to the mutual bank in respect of the amounts so transferred;
- (i) a mutual bank must ensure that all agreements relating to cash-management schemes entered into by it with clients are legal and binding; and
- (j) all cash-management schemes involving the transfer of balances among different legal entities, as well as a standardized agreement, providing for the conduct of such a scheme, entered into between a mutual bank and its clients, must be submitted to the Registrar for his approval.

BALANCE SHEET AND OFF-BALANCE-SHEET ACTIVITIES

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1. Form DI 100 - Balance sheet	21
2. Form DI 110 - Off-balance-sheet activities	25
3. Regulation 19 - Directives and interpretations for completion of monthly balance sheet (Form DI 100)	26

BALANCE SHEET

(Confidential and not available for inspection by the public)

DI 100									
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Monthly*

Name of mutual bank
 Month ended* 19....

Country

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

Line no.	CAPITAL AND LIABILITIES	Liabilities at month-end*			Daily average balance for month*	Cost of funds (annualized) %
		Short-term 1	Medium-term 2	Long-term 3		
FUNDING-RELATED LIABILITIES TO THE PUBLIC						
1	Interbank funding - repayable in S A rand (total of items 2 and 3)					
2	Intragroup bank funding					
3	Interbank funding					
4	Non-bank funding - repayable in S A rand (total of items 5 to 8)					
5	Demand					
6	Savings deposits					
7	Fixed and notice deposits					
8	Negotiable certificates of deposit (NCDs) issued					
9	Foreign funding - repayable in foreign currency (total of items 10 and 11)					
10	- Banks					
11	- Non-banks					
12	Loans received under repurchase agreements (total of items 13 and 14)					
13	- Banks					
14	- Non-banks					
15	Other funding liabilities - (including balances due to the S A Reserve Bank)					
16	TOTAL FUNDING-RELATED LIABILITIES TO THE PUBLIC (total of items 1, 4, 9, 12 and 15)					

* Quarterly where applicable

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

Line no.	CAPITAL AND LIABILITIES	Liabilities at month-end*				Daily average balance for month*	Cost of funds (annualized) %
		Short-term	Medium-term	Long-term	Total		
	CAPITAL AND OTHER LIABILITIES						
17	Acknowledgements of debt endorsed and rediscounted, but still outstanding on behalf of clients <i>per contra</i> refer item 69: (total of items 18 to 21)						
18	- Acceptances outstanding						
19	- Commercial paper						
20	- Bills						
21	- Promissory notes and similar acknowledgements of debt						
22	Other liabilities and trade creditors, including impairments and tax liabilities						
23	Capital and reserves (total of items 31 to 33)						
24	Primary - equity						
25	- reserves						
26	Secondary - equity						
27	- reserves						
28	- debt instruments						
29	Qualifying capital and reserves (total of items 24 to 28)						
30	Less: Impairments (section 48(5) of the Act)						
31	Net qualifying capital and reserves (item 29 less item 30)						
32	Profit not formally appropriated by board resolution (DI 200, item 66)						
33	Non-qualifying capital and reserves including revaluations and other reserves and debt instruments not qualifying as secondary share capital and unimpaired reserves						
34	TOTAL LIABILITIES (total of items 16, 17, 22 and 23)						

* Quarterly where applicable

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

ASSETS	Line no.	Month-end balance*	Daily average for month*	Annualized gross yield (pre-tax for month)	Risk profile of assets in terms of % weighting						
					0%	5%	10%	20%	50%	100%	Impairments
Money (total of items 36 to 38)	35	1	2	3	4	5	6	7	8	9	10
Legal tender in RSA	36										
Gold coin and bullion and non-RSA currency (cash) holdings	37										
Deposits with the S A Reserve Bank	38										
Loans and advances (item 52 less item 53)	39										
Interbank (including intragroup)	40										
Negotiable certificates of deposit (NCDs)	41										
Instalment debtors, suspensive sales and leases	42										
Mortgage loans	43										
Credit card debtors less related unearned finance charges	44										
Acknowledgements of debt discounted, e.g. acceptances, com. paper, bills, prom notes	45										
Redeemable preference shares held to provide credit	46										
Overdrafts and loans	47										
Foreign currency loans and advances (repayable in foreign currency)	48										
Loans granted under resale agreements (total of items 50 and 51)	49										
- Banks	50										
- Non-banks	51										
Total loans and advances (total of items 40 to 49)	52										
Less: Specific provisions	53										
Trading portfolio after mark-to-market adjustments (total of items 55 to 57)	54										
Interest bearing	55										
Equities	56										
Other	57										

* Quarterly where applicable

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

Line no.	ASSETS	Month-end balance*	Daily average for month*	Annualized gross yield (pre-tax for month)	Risk profile of assets in terms of % weightings						
					0%	5%	10%	20%	50%	100%	Impairments
58	Investment Portfolio (total of items 59 to 61 less item 62)	1	2	3	4	5	6	7	8	9	10
59	Interest bearing										
60	Listed equities and bank-related investments										
61	Other (including unlisted equities)										
62	Less: Specific provisions										
63	Total of trading and investment portfolio's (total of items 54 and 58)										
64	Fixed assets (total of items 65 to 68)										
65	Premises of bank ⁽¹⁾										
66	Other fixed property ⁽¹⁾										
67	Computer equipment, including peripherals, at net book values ⁽¹⁾										
68	Items other than 65 to 67, including vehicles, furniture and fittings, all at net book values ⁽¹⁾										
69	Clients' liabilities for acknowledgements of debt outstanding, per contra, refer item 17: (total of items 70 to 73)										
70	- Acceptances outstanding										
71	- Commercial paper endorsed										
72	- Bills endorsed										
73	- Promissory notes and similar acknowledgements of debt endorsed										
74	Other assets (including remittances in transit and properties in possession)										
75	Deferred tax										
76	TOTAL ASSETS (total of items 35, 39, 63, 64, 69, 74 and 75)										

* Quarterly where applicable

(1) Capitalised leases in accordance with GAAP to be included

OFF-BALANCE-SHEET ACTIVITIES

(Confidential and not available for inspection by the public)

DI 110									
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Monthly*

Name of mutual bank

Month ended* 19.....

Country

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

OFF-BALANCE-SHEET ACTIVITIES	Line no.	Month-end balance*	Max. level recorded during month	Risk profile of off-balance-sheet activities in terms of percentage weightings						Impairments
				0%	5%	10%	20%	50%	100%	
Indemnities and guarantees	1									
Irrevocable letters of credit	2									
Unutilized facilities	3									
Underwriting exposures	4									
Other contingent liabilities	5									
Effective net open position in foreign currencies	6									
Portfolios managed:										
By others on behalf of the reporting institution	7									
For others where financing is provided	8									
Committed capital expenditure	9									
Total of revaluation surplus per regulation 14 not reflected on form DI 100	10									
TOTAL (of items 1 to 10)	11									

NOTE: The directives and interpretations for completion of the quarterly return concerning capital adequacy (form DI 400) shall apply when completing this return.

* Quarterly where applicable

19. Balance sheet - Directives and interpretations for completion of monthly balance sheet (Form DI 100)

(1) The cost of funds in respect of a liability item identified in the statement shall be calculated on an annualized basis. (This implies expressing the applicable expense item appearing on the income statement as a percentage of the average daily balance for the month of the corresponding liability item and multiplying the result with the number of days in a calendar year divided by the number of calendar days in the month to which the statement relates.)

(2) The gross yield in respect of an asset item identified in the statement shall be calculated on an annualized basis and before taxation on such income is taken into consideration.* (This implies expressing the applicable income item appearing on the income statement as a percentage of the average daily balance for the month of the corresponding asset item and multiplying the result with the number of days in a calendar year divided by the number of calendar days in the month to which the statement relates.)

* Refer in this regard to the directives and interpretations for the completion of line item 56 of the income statement - form DI 200.

(3) The income-statement item comparable to a particular balance-sheet item appears in the directives and interpretations relating to the income statement (regulation 20).

(4) *Assets sold under repurchase agreements*

- (a) A mutual bank shall continue to reflect an asset sold in terms of a repurchase agreement as such an asset in its monthly balance sheet (form DI 100), at the value at which that asset appeared in the accounting records of the bank prior to the sale thereof.
- (b) An asset referred to in subregulation (4)(a) and which is a liquid asset as defined in section 1 of the Act shall for the purposes of section 50(1) of the Act rank as a liquid asset in the hands of the mutual bank having possession thereof, but shall not be included by that mutual bank in its monthly balance sheet (form DI 100).
- (c) All repurchase agreements concluded by mutual banks shall comply with the following requirements:
 - (i) no repurchase agreement shall be concluded by a mutual bank with a client thereof without such client's prior consent;
 - (ii) a mutual bank shall advise its client in writing of every repurchase agreement concluded between them;
 - (iii) all documentation, relating to repurchase agreements, furnished by a mutual bank to its clients, including letters of confirmation, statements of account and audit certificates, shall clearly identify the relevant transactions as repurchase agreements;
 - (iv) each transaction must be recorded in the accounting records of the mutual bank, including the client's account in the books of the

mutual bank, and the client must be advised in writing of each transaction on his account with the mutual bank concerned; and

- (v) the underlying asset of each repurchase agreement must at all times be separately identified physically and in the accounting records of the mutual bank.

(5) Instructions relating to the completion of the monthly balance sheet are furnished with reference to the headings and item descriptions of certain line item numbers appearing on form DI 100, as follows:

Line item number

12. Loans received under repurchase agreements

The liability of a mutual bank, by virtue of a repurchase agreement entered into by the mutual bank with any other person, shall constitute a loan to the mutual bank, and the mutual bank shall bring the loan liability into account at the amount of the consideration received for the asset so sold.

22. Other liabilities and trade creditors, including impairments and tax liabilities

The following liabilities shall be included:

22.1 Balances due to head office and branches in the Republic, that is where the net interbranch and head-office balances resulting from entries that originate or require response outside the head office or outside any particular branch are credit balances. A net debit balance shall be reported under asset item 74.

22.2 A balance representing deferred income that cannot be deducted from the asset in question. (This item shall include suspense accounts arising from credit balances resulting from the revaluation of forward exchange contracts or other trading assets, but shall exclude unearned finance charges, accrued interest and rebates.)

22.3 The gross amount of credit items on a deferred tax account. (Also refer to the directives concerning asset item 75.)

22.4 The amounts reported as impairments under capital and reserves (item 23), firstly, in respect of the capital deficit of a foreign subsidiary and, secondly, in respect of all assets included in this statement representing impairments in terms of section 48(5)(a) of the Act.

22.5 All provisions not included elsewhere in this statement.

37. Gold coin and bullion and non-RSA currency (cash) holdings

Gold coin and bullion shall be valued at the month-end rand price for gold established at the afternoon gold-price fixing on the London Gold Market and the closing middle rand/US dollar exchange rate on that day.

42. Instalment debtors, suspensive sales and leases

- 42.1 The total of future instalments or rentals due and payable under instalment sale transactions and leasing transactions shall be included under this item.
- 42.2 The amounts reported shall be the full amount of the future rentals or instalments due and payable, less related unearned finance charges.
- 42.3 If goods have been repossessed, their estimated net realisable value shall be included under the item 'other assets' (item 74).
- 42.4 If retentions have been withheld from suppliers of goods that are the subject of agreements, such retentions shall be deducted from the amounts reported under this item only if a legal right so to withhold is embodied in the agreement. Where no such right exists, the amount withheld shall be included under the liability item 'other funding liabilities' (liability item 15).
- 42.5 Under this item shall also be included the amount of future rentals and instalments that are overdue as defined on form DI 500 (credit risk), less related unearned finance charges.

49. Loans granted under resale agreements

An asset purchased by a mutual bank from any other person subject to a resale agreement shall be shown under this item as a loan granted by the mutual bank in an amount equal to the consideration paid for the asset so purchased. The asset so purchased shall not be included in the balance sheet of the reporting mutual bank.

53. Specific provisions

This item shall include specific provisions, as defined in regulation 45, in respect of discounts, loans and advances relating to asset items 40 to 49, inclusive, and interest receivable credited to an interest suspense account in respect of non-performing discounts, overdrafts and loans.

60. Listed equities and bank-related investments**60.1 Shares in domestic and foreign subsidiary companies, joint ventures and associates**

Include all investments in the shares of subsidiary companies and associates referred to in regulation 5(2)(b)(i) undertaking banking or other business. Shares in subsidiary companies whose main object is the holding of immovable property shall not be included under this item. Such investments shall be reported under 'premises of bank' (asset item 65) or under 'other fixed property' (asset item 66). Preference shares, where the substance of the underlying transaction is to provide credit facilities, shall be included under asset item 46.

60.2 Investments and interests of the reporting bank in the capital of a foreign branch or unincorporated undertaking

The funding of a foreign branch or unincorporated undertaking referred to in regulation 5(2)(b)(ii) by the reporting mutual bank shall be divided into a capital

account and a current account in respect of such branch or undertaking. The amount allocated to the capital account is that amount which can be regarded as being permanent funding of the foreign branch or unincorporated undertaking and shall represent the capital of such branch or undertaking as envisaged in section 48(5)(a) of the Act. Such capital shall be included under this item and the balance, representing the current account, under asset item 48 (if a debit balance) or under liability item 10 (if a credit balance).

65. Premises of mutual bank

65.1 All land and buildings owned by the reporting mutual bank and used or intended to be used by it mainly for the purpose of the conduct of its business as a mutual bank, including official residences, shall be included under the item.

65.2 Amounts relating to the capital cost of leasehold premises shall be included under this item.

65.3 The amounts of shares in, or loans and advances to, subsidiary companies whose main object is the holding of fixed property that is used or intended to be used by the reporting mutual bank mainly for the purpose of the conduct of its business as a mutual bank shall also be included under this item.

65.4 Amounts shall be stated at net book values.

66. Other fixed property

66.1 All investments in fixed property not used or intended to be used by the reporting mutual bank mainly for the purpose of the conduct of its business as a bank, shall be included under the item, including, *inter alia* -

66.1.1 shares in companies of which the main object is the acquisition and holding or development of immovable property other than business premises of the reporting mutual bank;

66.1.2 amounts owing to the reporting mutual bank in respect of immovable property sold by it under deed of sale.

66.2 The amounts of the investments referred to in paragraph 66.1 shall be stated at net book values.

66.3 Assets bought in to protect an advance or investment and not yet disposed of, such as immovable property or companies of which the main object is the acquisition and holding or development of immovable property shall be included under line item number 74. Assets so bought in shall be valued at the lower of either cost or estimated net realisable value. After a lapse of five years, the asset bought in shall no longer be regarded as protecting an investment and must be reclassified as an investment.

69. Clients' liabilities for acknowledgement of debt, *per contra*

The liabilities of clients in respect of all the outstanding instruments specified in line item numbers 18 to 21, which instruments have not been included under line item number 45 as having been discounted by the reporting mutual bank, but which have been

discounted or rediscounted by another bank or have been sold, shall be reported as *contra* items under line item numbers 70 to 73 respectively.

74. Other assets (including remittances in transit and properties in possession)

74.1 Balances due by head office and branches in the Republic

The net interbranch and head office debit balances, resulting from entries that originate or require response outside the head office or outside any particular branch shall be included under this item. A net credit balance shall be reported under liability item 22.

74.2 Assets other than the foregoing

Postal and money orders, tax overpaid, services deposits and stamps, as well as all assets not specifically required to be shown elsewhere in form DI 100 shall be included under this item.

74.3 Remittances in transit

The amounts of cheques or other orders to pay, drawn on one of a mutual bank's branches in the Republic or on another bank or mutual bank in the Republic or on the Reserve Bank, and with which another such branch, bank or mutual bank in the Republic has credited a client or which it has paid out but with which the first-mentioned branch or bank, mutual bank or the Reserve Bank has not yet debited a client, as well as the amount of a warrant voucher that the reporting mutual bank has paid out but for which it has not yet received repayment from the Secretary to the Treasury, shall be included under this item.

Assets bought in to protect an investment

74.4 Investments in shares of companies of which the main object is not the holding of fixed property, and which shares were bought in to protect an advance or an investment shall be included under this item. After a lapse of five years, the asset bought in shall no longer be regarded as protecting an investment and must be reclassified as an investment.

75. Deferred tax

75.1 This item shall include the gross amount of debit items on a deferred tax account.

75.2 A mutual bank shall provide the Registrar at the time of compiling interim and annual financial statements with an analysis containing full details of each debit and credit item on a deferred tax account, separately.

INCOME STATEMENT**Page no**

1. Form DI 200 - Income statement 32
2. Regulation 20 - Directives and interpretations for completion of monthly
income statement (Form DI 200) 34

INCOME STATEMENT

DI 200

(Confidential and not available for inspection by the public)

Monthly*

Name of mutual bank

Month ended* 19.....

Country

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

	Line no.	Current month*	Current year to date
		1	2
Interest income from loans and advances (total of items 2 to 10)	1		
Interbank (including intragroup bank funding and NCDs)	2		
Instalment debtors, suspensive sales and leases	3		
Mortgage loans	4		
Credit card debtors	5		
Acknowledgements of debt discounted	6		
Redeemable preference shares	7		
Overdrafts and loans	8		
Foreign currency loans and advances	9		
Loans granted under resale agreements	10		
Interest expense i.r.o. deposits and loans received, excluding interest on debt instruments issued - to be shown against item 21 (total of items 12 to 20)	11		
Intragroup bank funding	12		
Interbank funding	13		
Demand	14		
Savings deposits	15		
Fixed and notice deposits	16		
NCDs issued	17		
Foreign funding	18		
Loans received under repurchase agreements	19		
Other funding liabilities	20		
Interest expense i.r.o. debt instruments issued (refer DI 100, liability items 28 and 33) ..	21		
Total interest expense (total of items 11 and 21)	22		
Net interest turn (item 1 less item 22)	23		
Trading income (total of items 25 to 28)	24		
Interest bearing	25		
Equities	26		
Other (including foreign-exchange earnings)	27		
Net mark-to-market adjustments (total of items 29 and 30)	28		
Domestic trading portfolio	29		
Foreign-exchange trading portfolio	30		
Investment income (total of items 32 to 34)	31		
Interest bearing	32		
Equities	33		
Other	34		
Total of items 23, 24 and 31	35		

* Quarterly where applicable

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

	Line no.	Current month	Current year to date
Fee income (total of items 37 and 38)	36		
Transaction-based banking-related fee income	37		
Knowledge-based fee income	38		
Operating expenses (total of items 40 to 44)	39		
Staff	40		
Marketing and communication - excluding staff costs	41		
Bad debts written off directly against the income statement	42		
Depreciation	43		
Administrative and other operating expenses	44		
Provisions (total of items 46 to 50)	45		
Specific provisions i.r.o.: (total of items 47 and 48)	46		
Loans and advances included under asset item 52 on form DI 100	47		
Investments included under asset item 58 on form DI 100	48		
General debt provisions qualifying as secondary unimpaired reserves	49		
Other (including provisions credited to an interest suspense account)	50		
Income before tax (total of items 35 and 36 less 39 and 45)	51		
Financial services levy	52		
Taxation (total of items 54 to 56)	53		
Current	54		
Deferred	55		
Gross-up adjustment	56		
Net income after tax (item 51 less item 52 and 53)	57		
Extraordinary items: consult AC 103 issued by the SA Institute of Chartered Accountants ..	58		
Prior-period adjustments: consult AC 103 issued by the SA Institute of Chartered Accountants ..	59		
Associate income (expenditure): consult AC 110 issued by the SA Institute of Chartered Accountants ..	60		
Reserves - Transfers to	61		
- Transfers from	62		
Dividends paid or proposed	63		
RETAINED INCOME FOR THE PERIOD (item 57, plus or minus items 58 to 63)	64		
RETAINED INCOME AT BEGINNING OF THE PERIOD	65		
RETAINED INCOME AT END OF THE PERIOD (item 64 plus item 65)	66		

* Quarterly where applicable

20. Income statement - directives and interpretations for completion of monthly income statement (Form DI 200)

(1) Instructions relating to the completion of the monthly income statement are furnished with reference to the item descriptions and line item numbers appearing on form DI 200, as follows (where appropriate, the corresponding balance-sheet item number(s) is/are indicated):

Line item number

1. Interest income from loans and advances

The items listed in the income statement under this heading shall reflect interest income in respect of the corresponding asset items listed in the balance sheet, excluding unearned finance charges (that is finance charges due but not yet accrued), as follows :

Income statement line item	Corresponding balance-sheet asset line item
2	40 plus 41
3	42
4	43
5	44
6	45
7	46
8	47
9	48
10	49

11. Interest expense in respect of deposits and loans received

The items listed in the income statement under this heading shall reflect interest expense in respect of the corresponding liability items listed in the balance sheet, excluding deferred finance charges (that is finance charges due but not yet accrued), as follows:

Income statement line item	Corresponding balance-sheet liability line item
12	2
13	3
14	5
15	6
16	7
17	8
18	9
19	12
20	15

37. Transaction-based banking-related fee income

This item shall include all non-interest income earned as a direct result of any service rendered by the reporting mutual bank at a fee that is levied on the basis of a standardized tariff. Typically, this includes fees levied in respect of services relating to money transmission. (This item shall include fees levied in respect of off-balance-sheet transactions, but excludes interest income.)

38. Knowledge-based fee income

This item shall include all income earned as a result of any service rendered by the reporting mutual bank at a fee that is negotiated in the case with a client. (For example, the bulk of the income from corporate finance activities of a mutual bank will fall under this item.)

40. Staff

This item shall include all salaries, wages, fringe benefits (the amount of which is computed either in accordance with the provisions of the Income Tax Act, 1962, or on the basis of opportunity cost), the institutions contributions to pension and provident funds, medical schemes, and all other costs directly related to the staff complement.

56. Gross-up adjustment

Where a reporting mutual bank has reported a tax-exempt amount against any of the foregoing items at a notional pre-tax value, the relevant contra entry shall be reflected under this item.

61. Reserves - Transfers to

This item shall include all transfers to reserves, including the creation or increase of a taxation equalisation reserve.

62. Reserves - Transfers from

This item shall include all transfers from reserves, including the utilisation of a taxation equalisation reserve.

LIQUIDITY RISK

	<u>Page no</u>
1. Form DI 300 - Liquidity risk maturity ladder	37
2. Regulation 21 - Directives and interpretations for completion of monthly return concerning liquidity risk (Form DI 300)	39

Line no.	Month-end balance Total	Short-term			Medium-term			Long-term	
		0 - 31 days	32 - 60 days	61 - 91 days	92 - 181 days	182 - 365 days	Other		
20	Anticipated liquidity mismatch per Alco model (brought forward from item 19) : To be funded as follows								
21	SARB funding (items 22 plus 23)								
22	Statutory liquid assets in excess of statutory liquid-asset requirement available and intended to be used for accommodation								
23	Other assets available for accommodation purposes								
24	Money market (items 25 plus 26)								
25	Banks/Mutual Banks								
26	Non-banks								
27	Other liquid assets available (excess not included in item 22)								
28	Deposits held at banks								
29	Undrawn call standby facilities - repayable longer than 32 days								
30	Other readily marketable securities								
31	Wholesale deposits (rand) (volatile funding)								
32	Retail deposits (rand) (items 31 & 32 = items 7 & 8)								
33	Total funding supplied by ten largest depositors								
34	Maximum funding utilised during reporting period								
35	SARB funding (refer item 21)								
36	Money market (refer items 25 and 26)								

* To avoid double counting, only items not included as potential inflows in item 20 should be listed in items 21 to 30.

21. Liquidity risk - Directives and interpretations for completion of monthly return concerning liquidity risk (Form DI 300)

(1) The purpose of this return is, firstly, to enable the reporting mutual bank to determine the theoretical mismatch to which it is exposed and, secondly, to enable it to reflect its managed liquidity mismatch position as per its Alco model.

(2) Instructions relating to the completion of form DI 300 are furnished with reference to the corresponding asset and liability items appearing on form DI 100, as follows:

Line item numbers appearing on :

Form DI 300	Form DI 100
1	35
2	39
3	63
4	64
5	69
6	74 and 75
7	1
8	4
9	9
10	12
11	15, 22
12	17
13	23

MINIMUM RESERVE BALANCE AND LIQUID ASSETS

		<u>Page no</u>
1.	Form DI 310 - Minimum reserve balance and liquid assets	41
2.	Regulation 22 - Directives and interpretations for completion of monthly return concerning minimum reserve balance and liquid assets (Form DI 310)	42

MINIMUM RESERVE BALANCE AND LIQUID ASSETS

DI 310							
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(Confidential and not available for inspection by the public)

Monthly*

Name of mutual bank

Month ended 19.....

Country

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

	Line no.	Total liabilities	Transactions with banks and mutual banks (See note 1)
		1	2
Capital and liabilities as per line item 34, column 4, of form DI 100	1		
Less: Capital and reserves as per line item 23, column 4, of form DI 100	2		
Liabilities, as adjusted (line item 1 less 2)	3		
Less: Loans received under repurchase agreements or granted under resale agreements with the Reserve Bank and the Corporation for Public Deposits	4		
Loans received under repurchase agreements in liquid assets	5		
Loans received under repurchase agreements for readily marketable fixed interest-bearing securities of public-sector bodies	6		
Loans received under matched repurchase agreements	7		
Loans received under effectively matched repurchase agreements	8		
Deposits pledged as security for loans granted	9		
Amounts owing by banks and mutual building societies	10		
Fifty per cent of remittances in transit	11		
Liabilities, as reduced (item 3 less items 4 to 11)	12		
Reserve balance to be held as from fifteenth business day of the month following on the month to which this return relates	13	1%	
- percentage requirement	14		
- rand requirement	14		
Less: Average amount of Reserve Bank notes and subsidiary coin held during reporting month**	15		Note 1: Report under column 3 the portion of total liabilities (column 1) that is in respect of transactions with banks/mutual banks. Funded by repurchase agreements
Plus: Additional interest-bearing reserve balance at 1 per cent of line item 12, column 2	16		
Total reserve balance to be held with the Reserve Bank	17		
Liquid assets required to be held as from fifteenth business day of the month following on the month to which this return relates at 5 per cent of line item 3, column 1	18		
Average daily amount of liquid assets held up to fourteenth business day of the month following on the month to which this return relates (total of line items 20 to 26) - section 1 of Mutual Banks Act, 1993	19		
Reserve Bank notes and coin held during preceding month (excluding such notes or coin taken into account in the calculation of the minimum reserve balance)	20		
Gold coin and bullion	21		
Clearing account balances held with the Reserve Bank	22		
Treasury bills of the Republic	23		
Stocks issued under section 19 of the Exchequer Act, 1975	24		
Securities of the Reserve Bank	25		
Short-term bills issued by the Land Bank	26		
Memorandum items:			
Adjustment in respect of cash-management schemes - regulation 18	27		
Adjustment in respect of set-off - regulation 15	28		
Total average daily amount of all liquid assets acquired under resale agreements	29		
Total average daily amount of all liquid assets sold under repurchase agreements	30		
Total vault cash	31		
Less: ** Vault cash utilised as per line item 15 (may not exceed line item 14)	32		
Excess vault cash utilised as per line item 20 (line item 31 less 32)	33		

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

(1) 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 regulation 10(1) and (2) regarding the average daily amount of Reserve Bank notes and subsidiary coin and liquid assets held during the reporting month, shall be complied with.

(2) *Minimum liquid assets*

(a) For the purposes of complying with the provisions of section 50(1) of the Act, a mutual bank shall, during the period prescribed in subregulation (3), hold an average daily amount of liquid assets that shall not be less than an amount equal to 5 per cent of its adjusted total liabilities to the public as shown in line item number 3 of the latest monthly return of form DI 310 furnished to the Registrar. Provided that the minimum amount of liquid assets held on any day during the period prescribed in subregulation (3) 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 this subregulation; and

(b) no foreign-currency assets, except gold coin and bullion, shall qualify as liquid assets.

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

A mutual bank shall maintain the minimum amounts 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.

(4) *Assets pledged or otherwise encumbered*

(a) Unless an exemption has been granted by the Registrar in terms of the proviso to section 50(3) of the Act, only assets not pledged or otherwise encumbered may be utilized as liquid assets.

(b) Securities lodged with the Reserve Bank to secure facilities shall not be regarded as pledged except to the extent that they are required to secure facilities actually utilised.

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

*Line item
number*

16 Additional interest-bearing reserve balance requirement

Interest earned on the aforementioned special deposit account must be recorded in line item number 34 of form DI 200, while the corresponding asset must be recorded in line item number 38 of form DI 100 and in line item number 104 of form DI 900.

20 to 26 Average daily amount of liquid assets held

The reporting mutual bank shall record, in items 20 to 26, the average daily amounts of its holdings during the prescribed period of the individual categories of liquid assets, valued in accordance with the requirements of section 50(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.

27 to 33 Memorandum items

The total of the average daily amounts of all liquid assets acquired under resale agreements and physically held, or sold under repurchase agreements, during the prescribed period, and included in items 20 to 26, shall be recorded in items 29 and 30, respectively.

CAPITAL ADEQUACY

	<u>Page no</u>
1. Form DI 400 - Capital adequacy	45
2. Regulation 23 - Directives and interpretations for completion of quarterly return concerning capital adequacy (Form DI 400)	47

DIVISION II. CALCULATION OF QUALIFYING AND NON-QUALIFYING ISSUED SHARE CAPITAL AND UNIMPAIRED RESERVE FUNDS AT END OF QUARTER	Line No.	Total
Total issued primary share capital and unimpaired reserve funds (total of items 15 and 18)	14	
Issued primary share capital (total of items 16 and 17)	15	
- Ordinary shares	16	
- Non-redeemable non-cumulative preference shares	17	
Primary unimpaired reserve funds (a) (total of items 19 to 22)	18	
- Share premium	19	
- Accumulated profits	20	
- Surplus on realization of capital assets	21	
- Other general or special reserves (total of items 23 to 27)	22	
(Specify)	23	
.....	24	
.....	25	
.....	26	
.....	27	
Total issued secondary share capital and reserve funds (total of items 29 and 32)	28	
Issued secondary share capital (total of items 30 and 31)	29	
- Cumulative preference shares	30	
- Debt instruments issued i.t.o. regulation 23(5)	31	
Secondary unimpaired reserve funds (a) (total of items 33 to 35)	32	
- Fifty per cent of revaluation surpluses	33	
- General debt provisions	34	
- Undisclosed reserves (a)	35	
Qualifying issued secondary share capital and secondary unimpaired reserve funds (may not exceed item 14 above)	36	
Total qualifying issued share capital and unimpaired reserve funds (total of items 14 and 36)	37	
Less: Impairments i.t.o. section 48(5) of the Act (brought forward from line item 7, col 7)	38	
NET QUALIFYING ISSUED SHARE CAPITAL AND UNIMPAIRED RESERVE FUNDS	39	
Non-qualifying issued share capital and reserves (item 28 less item 36 plus fifty per cent of revaluation surpluses)	40	
DIVISION III. CALCULATION OF EXCESS/(DEFICIENCY) IN ISSUED SHARE CAPITAL AND UNIMPAIRED RESERVE FUNDS		
Net qualifying issued share capital and unimpaired reserve funds (item 39 of Division II)	41	
Required issued share capital and unimpaired reserve funds calculated in last preceding return (item 13 of Division I)	42	
Excess (deficiency) (item 41 less item 42)	43	
DIVISION IV. CAPITAL ADEQUACY: RISK-ASSET RATIO		
(Amount reported in line item 39 of Division II, divided by the amount reported in column 8 of line item 9 in Division I, expressed as a percentage to two decimal places)	44	%
DIVISION V. UNREALISED PROFIT/(LOSS) ON INVESTMENT PORTFOLIO (Market value less book value) (Form DI 420, item 8 minus item 7, column 7)		
	45	

(a) Not to include any balance on the income statement not yet transferred to a reserve by formal resolution by the board of directors.

23. CAPITAL ADEQUACY - Directives and interpretations for completion of quarterly return concerning capital adequacy (Form DI 400)**(1) Risk profile of assets and off-balance-sheet activities as set out on forms DI 100 and DI 110:**

- (a) For purposes of calculating the minimum share capital and unimpaired reserve funds that a mutual bank is required to maintain, the assets and off-balance sheet activities are categorized according to their risk profiles and accorded applicable risk weights.
- (b) For the purposes referred to in paragraph (a), the amounts recorded in the columns "Month-end balance" on forms DI 100 and DI 110 shall be categorized monthly.
- (c) The quarterly average (average for the three month-ends comprising the reporting quarter) of the totals of the risk-weighting columns on forms DI 100 and DI 110 shall be recorded against line items 1 and 2 in Division 1 of form DI 400.
- (d) The directives and interpretations contained in subregulations (6) and (7) shall apply in respect of the completion of the applicable items on forms DI 100 and DI 110.
- (e) The value of assets representing impairments of capital and reserves, which, in terms of section 48(5)(a) of the Act, must be deducted from the total amount of primary and secondary issued share capital and primary and secondary unimpaired reserve funds, shall be included in the impairment column on form DI 100. The quarterly average of such amounts shall be recorded against line item 38 in Division II of form DI 400.

(2) OECD countries:

For the purposes of this regulation, "OECD countries" means those countries which are full members of the Organisation for Economic Co-operation and Development or countries which have concluded special lending arrangements with the International Monetary Fund in terms of the said Fund's General Arrangements to Borrow.

The following countries fall into this category:

Australia	Luxembourg
Austria	Netherlands
Belgium	New Zealand
Canada	Norway
Denmark	Portugal
Finland	Saudi Arabia
France	Spain
Germany	Sweden
Greece	Switzerland
Iceland	Turkey
Ireland	United Kingdom
Italy	United States of America
Japan	

(3) *Specific provisions:*

Where a specific provision has been raised against an asset, the amount of the provision shall be recorded in the risk-weighting column in which the asset concerned is reported, against the applicable "specific provision" line item (asset line item 53 or 62, as the case may be) on form DI 100.

(4) *Minimum share capital and unimpaired reserve funds*

(a) For the purposes of the determination, in form DI 400, of the minimum amount of primary and secondary share capital and primary and secondary unimpaired reserve funds required to be maintained by a mutual bank in terms of section 48(2)(b) of the Act, the quarterly average amount referred to in line item numbers 1 and 2, respectively, in form DI 400 shall be the average, as determined in subregulations (1)(b) and 1(c) hereinbefore, of the book values of assets and off-balance-sheet activities in respect of each of the three months comprising the relevant calendar quarter, and shall be used in conjunction with the applicable risk-weight percentage as hereinbefore in this regulation prescribed, so as to determine the said minimum amount of primary and secondary share capital and primary and secondary unimpaired reserve funds.

(b) The percentage, contemplated in section 48(2)(b) of the Act, of the amount of a mutual bank's assets and other risk exposures (as adjusted through the application of the prescribed risk weights), and which is to be used, as contemplated in that section, to calculate the minimum share capital and unimpaired reserve funds that the mutual bank is required to maintain in terms of that section shall be eight percent and required to be inserted in line item 12 in Division I of form DI 400 for the purpose of the calculation of the minimum amount of share capital and unimpaired reserve funds that the reporting mutual bank is required to maintain.

(c) The Registrar may, with the consent of the Minister, determine risk-weight percentages in respect of assets and other risk exposures (including assets and other risk exposures identified to exist in a country other than the Republic) that are not specifically referred to in these Regulations.

(5) *Conditions for issue of debt instruments of which the proceeds rank as secondary share capital*

The issue of debt instruments contemplated in section 48(1) of the Act, shall be subject to the following conditions, namely -

- (a) prior written approval of the Registrar is required before debt investments can be issued;
- (b) the debt instruments shall not be payable to bearer;
- (c) no asset of the bank issuing the debt instruments may be pledged or otherwise encumbered as security for any liability by virtue of the debt instruments;
- (d) the debt instruments shall be issued for a minimum period of five years;

- (e) the debt instruments may be redeemed before maturity only at the option of the bank concerned and with the prior written approval of the Registrar;
 - (f) notwithstanding the provisions of any other Act, in the event of the winding-up of the bank concerned, the capital amount of the debt instruments shall not be repaid until the claims of other creditors have been fully satisfied; and
 - (g) the amount obtained by way of the issue, after the date of commencement of this Act, of debt instruments and that may in terms of this section rank as secondary share capital shall (except in the case of such debt instruments which are to be converted into shares representing capital that may in terms of this section rank as primary or secondary share capital) during the fifth year preceding the maturity of such debt instruments be reduced by an amount equal to 20 per cent of the amount so obtained and, annually thereafter, by an amount that in each successive year is increased by 20 per cent of the amount so obtained.
- (6) *The following directives and interpretations shall be followed when completing the risk-weighting columns on form DI 100 and DI 110*
- (a) In completing line item 49 form DI 100, where applicable, subregulation (7)(b) shall apply, provided the asset received in terms of a resale agreement and in the possession of the reporting mutual bank has not been on-sold or pledged in any way whatsoever.
 - (b) Investments in securities issued by a special purpose vehicle in terms of a securitisation scheme shall attract the risk weighting applicable to the underlying asset securitized.
 - (c) Loans secured by mortgage on urban residential dwellings and where the monthly instalments on such loans are overdue will attract a risk weighting of 100 per cent.
 - (d) Debits on a deferred tax account arising from a general provision shall be deducted from general provisions in order to establish the amount that qualifies as secondary unimpaired reserve funds in terms of section 48(1) of the Act.
 - (e) Performance-related guarantee means an undertaking by a mutual bank on behalf of one person to another where the potential obligation of the mutual bank as to the value or time of performance cannot be determined at the time of issue of the guarantee but only in the event and at the time of default by the first-named person, and includes foreign financing in the form of trade financing, other than drawdowns under usance letters of credit, and term borrowings, where in both cases the financing or borrowing is self-liquidating and linked directly with and is immediately preceded by a specific transaction relating to merchandise, capital equipment or services, raised by a mutual bank or by a client in the client's own name and guaranteed by the reporting mutual bank.

- (f) Letters of credit comprise all unutilized letters of credit facilities granted for domestic and foreign transactions, confirmed letters of credit in respect of mutual banks and letters of authority, and include the following:
- (i) documentary credits outwards for domestic and foreign transactions (sight and usance); and
 - (ii) documentary credits inwards (sight and usance) confirmed and/or accepted.
- (g) A letter of credit shall be considered irrevocable if the mutual bank commits itself to honouring the obligation. The credit may not be cancelled or amended without the prior agreement of all parties.
- (h) Letters of credit serving as financial guarantees shall be regarded as lending related guarantees.
- (i) Unutilized facilities shall include loans and other credit facilities granted (whether for fixed or varying amounts) but not paid out to or used by clients, and include unutilized overdraft facilities on current account, unutilized acceptance facilities and unutilized revolving credit facilities to which the reporting mutual bank has been irrevocably committed.
- (j) Irrevocable loans and other credit facilities are those that cannot be *unconditionally* cancelled at any time.
- (k) Irrevocable, unutilized draw-down facilities are those, regardless of the original maturity thereof, granted in terms of an agreement whereby such facilities will be drawn down in agreed amounts during prearranged periods. Capital shall be required to be held only against those amounts that the bank is committed to advancing during the quarter following on the reporting date of the form DI 400.
- (l) Underwriting exposures include all underwriting commitments, whether in writing or given verbally, including all note-issuance facilities and revolving underwriting facilities where the contingent risk arises from the mutual bank's role as underwriter of such issues, guaranteeing to provide funds when other parties have refused to do so.
- (m) The effective net open position in foreign currencies shall be as calculated in line item 8 of column 8 on form DI 600 (Currency risk), converted into rand.
- (n) Portfolio's managed by others on behalf of the reporting mutual bank shall include assets not reported on form DI 100, and the applicable risk weighting shall be the same as in respect of the relevant asset.
- (o) Portfolio's managed for others, and for which financing is provided shall include financing provided for the purpose of acquiring a portfolio of investments managed by the reporting mutual bank, which financing has not been reported on form DI 100, and the applicable risk weighting shall be the same as in respect of the relevant financing.

(p) TABLE OF RISK WEIGHTINGS

Risk weighting %	Transactions with the following counterparties (including contingent liabilities)
0	<p>Central government of RSA and OECD countries</p> <p>Explicit guarantees by central government</p> <p>Central banks of RSA and OECD countries</p> <p>Intragroup advances to banks and mutual banks (including NCDs)</p> <p>Bank notes, subsidiary coin, gold coin and bullion</p> <p>Corporation for Public Deposits</p> <p>Deferred tax debits not arising from an assessed loss</p> <p>Postal and money orders, service deposits and stamps</p> <p>Performance-related guarantees on behalf of RSA and public-sector bodies and governments in common monetary area</p> <p>Irrevocable letters of credit with an original maturity of up to three months</p> <p>Irrevocable letters of credit and unutilized facilities to the central government of RSA and OECD countries, regardless of the original maturity thereof</p> <p>All irrevocable, unutilized facilities with an original maturity of less than one year</p> <p>Irrevocable unutilized draw-down facilities to the central government of RSA and OECD countries</p>
5	<p>Irrevocable letters of credit with an original maturity of more than three months on behalf of public-sector bodies</p> <p>Irrevocable, unutilized facilities with an original maturity of one year and over to public-sector bodies</p> <p>Irrevocable, unutilized draw-down facilities to public-sector bodies</p>
10	<p>RSA public-sector bodies</p> <p>Central governments of countries in common monetary area</p> <p>Performance-related guarantees on behalf of domestic banks, mutual banks and banks in OECD countries</p> <p>Irrevocable letters of credit with an original maturity of longer than three months on behalf of banks and mutual banks in RSA and OECD countries</p> <p>Irrevocable, unutilized facilities with an original maturity of one year and over to banks and mutual banks in RSA and OECD countries</p> <p>Irrevocable, unutilized draw-down facilities to banks and mutual banks in RSA and OECD countries</p>
20	<p>Public-sector bodies in common monetary area countries</p> <p>Banks and mutual banks in RSA and OECD countries</p> <p>Banks in other countries where residual maturity is less than or equal to 12 months</p> <p>Irrevocable letters of credit for a period of longer than three months to all other parties</p> <p>Irrevocable, unutilized draw-down facilities to banks in non-OECD countries</p> <p>Irrevocable, unutilized facilities with an original maturity of one year and over to banks in non-OECD countries</p> <p>Committed capital expenditure</p>

Risk weighting %	Transactions with the following counterparties (including contingent liabilities)
50	<p>Banks in non-OECD countries where the residual maturity is greater than 12 months</p> <p>Loans fully secured by mortgages on urban residential dwellings or individual sectional title dwellings which are repayable in equal monthly instalments, where the monthly instalments are not overdue and where the capital amount outstanding does not exceed of the market valuation of the property</p> <p>Performance-related guarantees on behalf of non-banks, excluding central banks and public-sector bodies in the common monetary area</p> <p>Remittances in transit</p> <p>All other irrevocable facilities, including all other unutilized draw-down facilities</p> <p>Underwriting exposures</p>
100	<p>All other counterparties and assets not covered above</p> <p>Effective net open position in foreign currencies</p>
See subregulations (6)(n) and (o)	<p>Portfolios managed by others on behalf of the mutual bank</p> <p>Portfolios managed for others, where financing is provided</p>
Impairments	<p>Primary or secondary capital instruments of any bank</p> <p>Other debt instruments issued by banks and mutual banks (for example non-qualifying capital) and acknowledgements of debt related, either directly or indirectly, to the funding of capital and unimpaired reserve funds</p> <p>Acknowledgements of debt issued to fund, either directly or indirectly, debt instruments that rank as qualifying capital and unimpaired reserve funds shall be an impairment of the issuer's capital and unimpaired reserve funds to the outstanding extent of such acknowledgements of debt</p> <p>Deferred tax debits arising from an assessed loss</p>

- (7) *Reduction of capital requirement in respect of loans (including loans made through the taking up of preference shares), advances, leasing transactions, suspensive sale transactions and off-balance-sheet lending transactions (including performance related guarantees) guaranteed or secured:*

Where loans, advances, leasing transactions, suspensive sale transactions and off-balance-sheet lending transactions are:

- (a) guaranteed, the risk weightings applicable to the transactions in question may be reduced to the risk weightings applicable to the guarantor. The lower weightings shall apply only to the outstanding amounts of the transactions covered by the guarantee;
- (b) secured by the pledge of assets that attract a lower risk weighting than the transactions themselves, the risk weightings applicable to the assets pledged shall apply. The lower weightings shall apply only to the outstanding amounts of the transactions covered by the pledge of assets; and
- (c) secured by the pledge of deposits, such transactions shall be reallocated risk weightings as follows :

deposits made with:

- the reporting mutual bank 0%
- banks and mutual banks within the same group 0%
- other banks and mutual banks 20%

CONSOLIDATED BALANCE SHEET

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2. Regulation 24 - Directives and interpretations for completion of annual consolidated balance sheet (Form DI 401)	55

A. CONSOLIDATED BALANCE SHEET

DI 401							
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(Confidential and not available for inspection by the public)

Annually

Name of mutual bank

Financial year ended 19.....

Country

Regulation 24

- (1) Banking activities should be grouped by reflecting the aggregated balance sheets (column 1) of the mutual banks within the group for the line items requested.
- (2) Activities of financial intermediaries other than mutual banks eg. insurance companies, participation mortgage bond managers, unit trusts, portfolio managers, etc should be split into those activities' where funds from the public are invested on an agency or a principal basis. These activities should be grouped (or split) under the relevant columns 2 and 3 reflecting the aggregated balance sheets of the other financial intermediaries within the group for the line items requested.
- (3) All other non-financial intermediary activities, eg. property holding, merchandise trading, etc. should be grouped under column 4 reflecting the aggregated balance sheets of the companies within the group for the line items requested.

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

	Line no.	Banking	Other financial intermediaries		
			Principal	Agent	
			1	2	3
FUNDS EMPLOYED					
Share capital and reserves	1				
Preference share capital	2				
Loan capital	3				
Funds raised by mutual banks					
Deposits	4				
Loans and advances received	5				
Outstanding liabilities on behalf of clients	6				
Funds raised by insurance companies					
Liabilities to public in respect of activities as principal:					
Guaranteed (actuarial) vested portion of mixed policies	7				
Guaranteed (actuarial) vested portion of life and other fixed contracts	8				
Pension funds	9				
Retirement annuities	10				
Short-term insurers	11				
Liabilities to public in respect of activities as agent (at asset market value):					
Unit-trust type business	12				
Non-vested liabilities in respect of mixed policies	13				
Retirement funds	14				
Funds raised by portfolio managers					
Liabilities to public in respect of activities as agent:					
Stock-broking	15				
Portfolio management fund	16				
Financial instrument trading	17				
Trust business	18				
Participation bond schemes	19				
Unit-trust business	20				
Financial broking (including insurance broking)	21				
Money broking	22				
Other liabilities	23				
Total liabilities	24				

	Line no.	Banking	Other financial intermediaries		
			Principal	Agent	
			1	2	3
EMPLOYMENT OF FUNDS					
<u>Employed by mutual banks</u>					
Money	25				
Deposits, loans and advances	26				
Investments	27				
Clients liabilities on behalf of paper rediscounted	28				
<u>Employed by insurance companies</u>					
Investments					
Capital market	29				
Money market	30				
Currency market	31				
Equities market	32				
Commodities market	33				
<u>Employed by portfolio managers</u>					
Investments					
Capital market	34				
Money market	35				
Currency market	36				
Equities market	37				
Commodities market	38				
Current assets	39				
Fixed assets	40				
Other assets	41				
Total assets	42				

B. TRANSACTIONS IN WHICH BANKS DID NOT ACT AS PRINCIPAL	Line No.	Amount
Details of money-lending transactions into which bank entered into in terms of section 59(1)(e) of the Act . . .	43	
- Nature/description of transactions (furnish on separate schedule)	44	
- Aggregate extent of transactions	45	
Indicate the extent of activities in respect of the following:		
- Stock broking	46	
- Portfolio management funding	47	
- Financial instrument trading	48	
- Trust business	49	
- Participation mortgage bond schemes	50	
- Unit-trust business	51	
- Financial broking	52	
- Money broking	53	
- Insurance broking	54	
- Other -	55	
Specify: .		
C. AGGREGATED EXTENT OF GUARANTEES/UNDERTAKINGS BY NON-BANKS IN THE GROUP FURNISH IN RESPECT OF THE FOLLOWING:		
- Nature/description of transactions (furnish on separate schedule)	56	
- Aggregate extent of transactions	57	
D. LARGE EXPOSURES:		
Names and amounts of parties to transactions where the aggregate amount granted exceeds 10 per cent of the mutual bank's capital and reserves (furnish on separate schedule)	58	

Signed at, this day of 19.....

.....
Chief Accounting Officer

.....
Chief Executive Officer

COUNTERPARTY RISK

	<u>Page no</u>
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2. Regulation 25 - Directives and interpretations for completion of monthly return concerning counterparty risk (Form DI 402)	59

COUNTERPARTY RISK

DI 402							
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(Confidential and not available for inspection by the public)

Monthly

Name of mutual bank

Month ended 19.....

Country

Regulation 25

(1) The purpose of the return is to measure the counterparty risk for all unsettled transactions including forward rate agreements, interest-rate swaps, derivatives, etc., where non-performance by a counterparty could cause a financial loss to the reporting mutual bank.

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

	Line no.	Nominal principal amount	Replacement cost-mark to market	Add	Future exposure (Col 1 X 3)	Counter-party exposure total (Col 2 + 4)
		1	2	3	4	5
INTEREST-RATE CONTRACTS						
<u>Residual maturity of less than 1 year concluded with:</u>						
Central government	1			0%		
Non-central government public-sector bodies	2			0%		
Other mutual banks	3			0%		
Public	4			0%		
Transactions to be settled through formalised exchange	5			0%		
<u>Residual maturity of 1 year and more concluded with:</u>						
Central government	6			0,5%		
Non-central government public-sector bodies	7			0,5%		
Other mutual banks	8			0,5%		
Public	9			0,5%		
Transactions to be settled through formalised exchange	10			0,5%		
FOREIGN-EXCHANGE CONTRACTS						
<u>Residual maturity of less than 1 year concluded with:</u>						
Central government	11			1%		
Non-central government public-sector bodies	12			1%		
Other mutual banks	13			1%		
Public	14			1%		
<u>Residual maturity of 1 year and more concluded with:</u>						
Central government	15			5%		
Non-central government public-sector bodies	16			5%		
Other mutual banks	17			5%		
Public	18			5%		
UNSETTLED SECURITIES TRANSACTIONS CONCLUDED WITH:						
Central government	19			5%		
Non-central government public-sector bodies	20			5%		
Other mutual banks	21			5%		
Public	22			5%		
Other (specify)	23					
TOTAL COUNTERPARTY EXPOSURE	24					

FOREIGN OPERATIONS OF SOUTH AFRICAN MUTUAL BANKS

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1.4 Market risk (Position risk)	63
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FOREIGN OPERATIONS OF SOUTH AFRICAN MUTUAL BANKS

DI 403							
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(Confidential and not available for inspection by the public)

Quarterly

Name of mutual bank

Host country

Quarter ended 19.....

Regulation 26

- (1) This return should reflect the contents of the institution's management accounts and must be rendered by South African mutual banks' off-shore subsidiaries, branches and associates as contemplated in regulation 5(2)(b).
- (2) Any return that is submitted to host supervisory authorities that more fully explains the risk-based questions asked below, should be attached.
- (3) The return should be completed in the currency of the host country to the nearest '000, except section 7 (Currency risk) which should be completed to the nearest US\$'000.
- (4) In the case of branches, the permanent funding of the capital requirements of such a branch should be interpreted as capital and reserves.
- (5) Forms DI 099A, DI 100, DI 110, DI 200, DI 505, DI 520 and DI 702 should be submitted together with this return.
- (6) We, the undersigned, hereby certify that all information submitted in and with this form is correct.

Signed at, this day of 19.....

.....
Chief Accounting Officer

.....
Chief Executive Officer

1. LIQUIDITY RISK (Refer also to form DI 300 and regulation 21)

	Line no.	Short-term (0 - 31 days)	Medium-term (32 - 181 days)	Long-term (182 days and longer)	Total
		1	2	3	4
Assets	1				
Liabilities	2				
On-balance-sheet mismatch (item 1 minus item 2)	3				
Theoretical mismatch	4				
Expected mismatch per ALCO model	5				
Liquefiable assets held	6				
Funding received from 10 largest depositors	7				

2. CAPITAL ADEQUACY (Refer also to form DI 400 and regulation 23)

Risk Weights	Line no	Assets and off-balance-sheet items after re-allocation		
		Unweighted		Weighted
		On-balance sheet	Off-balance sheet	Columns (1 + 2) x risk weight
		1	2	3
0%	8			
5%	9			
10%	10			
20%	11			
50%	12			
100%	13			
Total	14			
Capital ratio (home country)	15			%
Capital requirement - home country	16			
- host country	17			
<u>Qualifying capital and reserves</u>				
Primary (Tier 1)	18			
Secondary (Tier 2)	19			
Total qualifying capital and reserves before impairments	20			
Impairments	21			

3. INTEREST-RATE RISK (Refer also to form DI 410 and regulation 27)

	Line no.	Short-term (0 - 31 days)	Medium-term (32 - 181 days)	Long-term (182 days and longer)	Total
		1	2	3	4
Repricing gap after derivatives	22				
Annualized effect on income statement as a result of yield-curve changes if:					
- Bank rate increases by 1%	23				
- Bank rate decreases by 1%	24				

4. MARKET RISK (POSITION RISK) (Refer also to form DI 420 and regulation 28)

	Line no.	Fixed interest securities		Aggregate net foreign-currency position	Equities	Commodities	Other	Total
		Money market	Capital market					
		1	2					
Assumed percentage movement in market prices	25	+1%	+1%	-5%	-5%	-5%	%	%
Impact on market value of position resulting from market movements per item 25, as a percentage of qualifying capital and reserves . . .	26							
Impact on position in derivatives resulting from market movements per item 25, as a percentage of qualifying capital and reserves . . .	27							
Impact on net effective position after transactions in derivatives resulting from market movements per item 25, as a percentage of qualifying capital and reserves . . .	28							

5. **TRADING RISK** (Refer also to form DI 430 and regulation 29)

Value of transactions in the following instruments during the past quarter:

	Line No.	Turnover	Total unexpired contracts at month-end
		1	2
Interest-rate swaps	29		
Forward rate agreement	30		
Caps, collars and other financial instruments	31		
Call options - written	32		
- purchased	33		
Put options - written	34		
- purchased	35		
Futures - bought	36		
- sold	37		
Total			

6. **CREDIT RISK** (Refer also to forms DI 500, 510, 520 and regulation 30)

6.1 Overdues

	Line no.	Gross overdue amount at beginning of the quarter	Recovered during quarter	Overdues arising during quarter	Specific provisions	Net amount overdue at end of quarter
		1	2	3	4	5
Indicate when credit policy of bank stipulates an amount is overdue (attach separate schedule if necessary)	38	months				
In terms of policy indicated in item 38, reflect total amount in each column	39					
Total amount written off during quarter	40					
Total amount written off during financial year to date	41					
General debt provision (gross)	42					
Monthly charge to income statement for general debt provision	43					

6.2 Review of credit-assessment procedures and controls

Date of last review by:	Line no	Date
External auditors	44	/ /
Audit committee	45	-/ /

6.3 Concentrated sectoral credit exposures

Loans and advances to individual sectors (excluding individuals) that exceed 10 per cent of total loans and advances:

Sector	Line No	Percentage
Manufacturing	46	
Property	47	
Construction	48	
Retail trade	49	
Transport	50	
Services	51	
Central treasuries	52	
Other	53	

6.4 Large exposures

	Line no	Granted	Utilized
Total of exposures to persons (as defined in section 51(3) of the Act) exceeding 10 per cent of capital and reserves	54		

Note: A list of the names of the above exposures must also be submitted in the following format:

Name	Amount granted	Percentage of capital and reserves

7. CURRENCY RISK (Refer also to form DI 600 and regulation 31)

7.1 Net open foreign-currency position(s)

Currency	Line No.	Aggregate effective net open foreign-currency position(s) (short positions in brackets)			
		At quarter end		Maximum during quarter	
		\$'000	% of capital and reserves	'000	% of capital and reserves
		1	2	3	4
US dollar	55				
Pound sterling	56				
German mark	57				
Other	58				
Total	59				

INTEREST RATE RISK**Page no**

1. Form DI 410 - Interest-rate risk 68
2. Regulation 27 - Directives and interpretations for completion of monthly return concerning interest rate-risk (Form DI 410) 69

INTEREST-RATE RISK

DI 410							
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(Confidential and not available for inspection by the public)

Monthly

Name of the mutual bank

Month ended 19.....

Country

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

INTEREST-RATE MISMATCH	Line no.	Total book value	REPRICING GAP						
			Short-term	Medium-term		Long-term			
			0 - 31 days	32 - 91 days	92 - 181 days	182 - 365 days	Other ^{a)}		
			1	2	3	4	5	6	
Fixed-rate items									
Assets	1								
Liabilities (including all debt instruments) ..	2								
Fixed-rate repricing gap	3								
Variable rate items									
Assets									
Linked ^{b)}	4								
Discretionary ^{b)}	5								
Liabilities									
Linked ^{b)}	6								
Discretionary ^{b)}	7								
Variable rate repricing gap	8								
Subtotal: rated items	9								
Non-rate items (capital & other)	10								
Other balancing amounts to balance sheet ...	11								
Subtotal	12								
Increase/(decrease) in gap as a result of:									
Swaps	13								
Forward rate agreements	14								
Other (specify)	15								
Repricing gap after derivatives	16								
Interest rate in month of reporting within:			1 month	3 months	6 months	12 months			
Forecast for:			1	2	3	4			
Prime	17								
Wholesale call rate	18								
3-month NCD	19								
12-month NCD	20								
Expected capital market yield	21								
Impact on income statement as a result of yield curve changes ^{c)} over next 12 months if:			Line items 22, 23 as percentage of net qualifying capital and reserves						
Bank rate increases by 1%	22	R	- Bank rate increase					24	%
Bank rate decreases by 1%	23	R	- Bank rate decrease					25	%

Notes:

General notes: a) Including non-rate items
 b) Distinction to be made at discretion of reporting mutual bank
 c) Based on planned structure of balance sheet
 d) A loss to be indicated in brackets in items 22 - 25

27. Interest-rate risk - Directives and interpretations for completion of monthly return concerning interest-rate risk (Form DI 410)

(1) The risk in question relates to the impact on income resulting from the repricing of assets, liabilities and derivatives at different points in time.

Note: The risk of changes in the capital value of investments resulting from changes in interest rates shall, for the purpose of these Regulations, be deemed to be market risk (position risk) and shall be reported in form DI 420.

(2) Three elements primarily encompass the risk associated with interest rates, namely, the margin between the rates earned on assets and paid on liabilities, the repricing potential of assets and liabilities at different points in time, resulting in mismatches in various time bands between assets, liabilities and derivatives and, lastly, the period over which these mismatches persist.

(3) The "flow" approach shall be used in completing form DI 410, i.e. reflect, per time band, the total amounts of assets and liabilities and derivatives, that can be expected to reprice.

(4) All balance-sheet items and derivative market activities identified on form DI 410 that have a bearing on the interest rate exposure of a mutual bank, shall be included in this return.

(5) All on-balance-sheet items shall be reported at book value, while derivative market items shall be reflected on an equivalent basis.

(6) All relevant foreign-exchange items shall also be included in this return.

MARKET RISK (POSITION RISK)

	<u>Page no</u>
1. Form DI 420 - Market risk (position risk)	71
2. Regulation 28 - Directives and interpretations for completion of monthly return concerning market risk (position risk) (Form DI 420)	72

MARKET RISK (POSITION RISK)

DI 420							
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(Confidential and not available for inspection by the public)

Monthly*

Name of mutual bank

Month ended 19.....

Country

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

	Line no.	Fixed interest securities		Aggregate net foreign-currency position	Equities	Commodities	Other	Investments
		Money market	Capital market					
Form DI 100 line items		55	55		56	57	57	58
Form DI 600 line item				8				
		1	2	3	4	5	6	7
Gross book values of financial instruments and assets reported on form DI 100 and form DI 600	1							
Less: Specific provisions per item 62 of form DI 100 in respect of instruments included in item 1 ..	2							
Net assets at book value	3							
Purchases not paid for and not included in item 1	4							
Sales included in item 1 for which payment is not yet claimable	5							
Other balancing amounts to balance sheet (specify)	6							
Position at book value (items 3 + 4-5 + 6)	7							
Position determined in item 7 at market value before transactions in derivatives ..	8							
Assumed percentage movement in market prices	9	+1%	+1%	-5%	-5%	-5%	%	%
Impact on item 8 resulting from market movement per item 9	10							
Position at market value in terms of a common denominator	11							
All positions in derivatives:								
- Options at delta values i.r.o. underlying instruments or assets, valued at current market values ..	12							
- Net futures converted into equivalent physical positions, valued at current market values ..	13							
- FRAs - net (notional) nominal positions	14							
- Other (specify) - net (notional) nominal positions	15							
Position in derivatives (items 12 to 15) ..	16							
Impact on item 16 resulting from market movement per item 9	17							
Net effective position after transactions in derivatives (i.e. after having applied item 16 to item 8)	18							
Impact on item 18 resulting from market movement per item 9	19							
Item 10 as a percentage of qualifying capital and reserves (per DI 100, item 31) ..	20							
Item 17 as a percentage of qualifying capital and reserves (per DI 100, item 31)	21							
Item 19 as a percentage of qualifying capital and reserves (per DI 100, item 31)	22							

28. Market risk (position risk) - Directives and interpretations for completion of monthly return concerning market risk (position risk) (Form DI 420)

- (1) The purpose of this return is to measure the extent of the market risk (position risk) to which the reporting mutual bank is exposed.
- (2) Under market risk is understood the risk that the market-price of an asset could change, which will result in a loss to the reporting mutual bank on realisation of that asset.
- (3) Examples of the market-price movements referred to in sub-regulation (2) are changes in interest rates, share prices and prices of commodities.
- (4)
 - (a) The financial instruments, assets and related derivatives to be included in the return are those that can be readily disposed of in established or acknowledged markets for financial instruments, derivatives and commodities.
 - (b) The instruments and assets referred to in paragraph (a) shall be those that have been reported in form DI 100, against the line items identified on form DI 420, in the column headings under the markets indicated.
- (5) Hereinafter in this subregulation, detailed instructions relating to the completion of the return are furnished with reference to the item descriptions and line item numbers appearing on form DI 420, as follows:

Line item
number

8. Position determined at market value

This item shall reflect the market values in respect of line item number 7 under the markets indicated.

Note:

In view of the unresolved issues concerning the measurement of a net effective position, mutual banks may use the methodology best suited to their circumstances in computing the net effective position.

This return has been designed to facilitate the reporting of a net effective position under the market indicated, but it is incumbent on the reporting mutual bank to calculate the said position in an acceptable manner.

11. Position at market value in terms of a common denominator

This item shall reflect the market values of individual financial instruments and assets in terms of the market value of a common denominator or standard asset according to which the position has been calculated, in respect of each of the markets indicated. (This item essentially relates to a trading environment and as such may not be applicable to all reporting mutual banks.)

Where the position at market value in terms of a common denominator cannot be provided, the figures reported against line item number 8 (position determined at market value) must be repeated in the appropriate columns of line item number 11.

TRADING RISK**Page no**

1. Form DI 430 - Trading risk 74
2. Regulation 29 - Directives and interpretations for completion of monthly return concerning trading risk (Form DI 430) 76

TRADING RISK

DI 430							
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(Confidential and not available for inspection by the public)

Monthly

Name of mutual bank

Month ended 19....

Country

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

	Line no.	Current month			Total unexpired contracts at month-end
		Turnover	Cash flows (Receipts less payments)		
			Fixed rate amounts	Floating rate amounts	
1. INTEREST-RATE SWAPS		1	2	3	4
Swaps matched against swaps	1				
Other swaps	2				
Total	3				
	Line no.	Current month			Total unexpired contracts at month-end
		Turnover	Cash flows		
			Amounts received	Amounts paid	
2. OTHER INTEREST-RATE INSTRUMENTS		1	2	3	4
Forward rate agreements	4				
Caps, collars, floors, etc	5				
Other	6				
Total	7				

29. Trading risk - Directives and interpretations for completion of monthly return concerning trading risk (Form DI 430)

In this regulation, detailed instructions relating to the completion of the return concerning trading risk are furnished with reference to the headings and columns appearing on form DI 430, as follows:

Line item
number

1. INTEREST-RATE SWAPS

Column 1 Current month - Turnover

This column shall reflect the (notional) capital amounts underlying all interest-rate swap transactions concluded during the current month where the reporting mutual bank acted as a principal. For example, if the bank has concluded a swap on the basis of agreeing to pay interest on R1 million nominal at a fixed rate of 15 per cent, in exchange for the right to receive interest on R1 million nominal at floating rate of 16 per cent, then a figure of R2 million must be reflected.

Column 4 Total unexpired contracts at month-end

This column shall reflect the (notional) capital amount(s) underlying all swap transactions that had not yet terminated at the month-end.

2. OTHER INTEREST-RATE INSTRUMENTS

Column 1 Current month - Turnover

This column shall reflect the (notional) capital amounts underlying all such agreements concluded during the current month.

Column 2 Current month - Cash Flows - Amounts received

This column shall reflect the gross amount(s) received as compensatory payment(s).

Column 3 Current month - Cash Flows - Amounts paid

This column shall reflect the gross amount(s) paid as compensatory payment(s).

Column 4 Total unexpired contracts at month-end

This column shall reflect the (notional) capital amount(s) underlying all such agreements that had not yet terminated at the month end.

3. OPTIONS

Column 8 Total unexpired contracts at month end

This column shall reflect the (notional) capital amount(s) underlying all option contracts that had not yet terminated at the month end.

4. FUTURES

The information relating to futures contracts shall be furnished in accordance with the instructions given above in respect of option contracts.

5. OTHER

The information relating to other similar contracts shall be furnished in accordance with the instructions given above in respect of option contracts.

CREDIT RISK

			<u>Page no</u>
1.	Form DI 500	- Credit risk	79
2.	Form DI 505	- Report of large exposure	81
3.	Form DI 510	- Large exposures	82
4.	Form DI 520	- Assets bought in	83
5.	Regulation 30	- Prescribed percentages relating to large exposures, and directives and interpretations for completion of quarterly or annual returns concerning credit risk (Forms DI 500, DI 510 and DI 520) and Form DI 505 for the reporting of a large exposure	84

CREDIT RISK

DI 500							
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(Confidential and not available for inspection by the public)

Quarterly

Name of mutual bank

Quarter ended 19.....

Country

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

CREDIT RISK	Line no.	Repayable in instalments		Other loans and advances	Total
		Mortgage loans	Instalment sales and leases		
		1	2	3	4
1. Overdue amounts					
- Indicate when credit policy of mutual bank stipulates an amount is overdue	1	months	months	months	
- Gross amount overdue at beginning of quarter ^(b)	2				
- Less: Recovered during quarter	3				
- Add: Overdues that arose during quarter	4				
- Less: Specific provisions	5				
- Net amount overdue at end of quarter	6				
- Market value of security held	7				
- Total (net overdues net of security held)	8				
- Amounts written off during the financial year	9				
- Against provisions	10				
- Income statement	11				
- General debt provision (gross)	12				
		Where interest is being suspended		Where interest is not being suspended	
		1	2		
- Overdue amounts in respect of which no specific provision has been raised and no security is held (R'000)	13				
		Repayable in instalments		Other loans and advances	Total
		Mortgage loans	Instalment sales and leases		
		1	2	3	4
2. Maturity analysis in respect of paragraph 1, columns 1 to 3					
In terms of policy reflected in item 1, indicate:					
Amount overdue: 0 to 3 months	14				
Amount overdue: 3 to 6 months	15				
Amount overdue: Longer than 6 months	16				
3. Asset quality		Historic cost to date	Market value at date of return	Cumulative amounts written off to date	Liabilities in respect of legal, municipal and other costs to be settled prior to sale
		1	2	3	4
Assets bought in or repossessed during the preceding five years and unsold at end of financial year (total of items 18 to 21)	17				
- Companies acquired ^(b)	18				
- Fixed property					
- Private dwellings	19				
- Commercial and industrial	20				
- Vehicles and equipment	21				
- Other	22				
- Total per item 74, DI 100 (item 17 plus item 22)	23				

GENERAL NOTES: (a) Furnish details on form DI 510 of all amounts overdue in respect of credit facilities granted representing more than 10 per cent of the net qualifying capital and reserves of the reporting mutual bank.
 (b) Furnish details of companies acquired and immovable assets bought in, on form DI 520.
 (c) The lending is to a central treasury, and the identity of the ultimate borrower is not accurately identifiable.

4. Percentage distribution of assets based on profitability	Line no.	Category	Money (item 35 of DI 100)		Advances and interest-bearing assets (Asset items 39 to 51 and 55 and 58 of DI 100)				Investments (asset items 56, 57, 60 and 61 of DI 100)				Fixed assets and other (reflected under asset item 64 of DI 100)	Other assets (items 68, 74 and 76 of form DI 100)	Total (item 76 of DI 100)	
			1	2	3	4	5	6	7	8	9	10				11
5. Distribution of discounts, loans and advances (Six monthly only)	24	Distribution (R'000)														
	25	Percentage														
6. Exposures exceeding ten per cent of the bank's net qualifying capital and unimpaired reserves in respect of which the repayment arrangements have been rescheduled during the quarter under review: Supply, on separate schedule, names of persons, original repayment arrangements and rescheduled arrangements.	26	Distribution (R'000)	1	2	3	4	5	6	7	8	9	10	11	12		
	27	Number of clients														
7. Date of last review of credit assessment procedures and controls by:		External audit													19
		Audit committee													19

30. Credit risk - Prescribed percentages relating to large exposures, and directives and interpretations for completion of quarterly or annual returns concerning credit risk (Forms DI 500, 510 and 520) and Form DI 505 for the reporting of a large exposure.

- (1) The prescribed percentage contemplated in -
- (a) section 51(1) of the Act shall be 10 per cent of the net qualifying capital and reserves of the reporting bank, foreign branch, foreign subsidiary or foreign associate referred to in regulation 5(2)(b), as the case may be, as shown in line item number 31 on form DI 100, at the latest date for which the relevant statement was submitted; and
 - (b) section 51(2) of the Act shall be 25 per cent of the net qualifying capital and reserves of the reporting bank, foreign branch, foreign subsidiary or foreign associate referred to in regulation 5(2)(b), as the case may be, as shown in line item number 31 on form DI 100, at the latest date for which the relevant statement was submitted.

(2) Hereinafter in this subregulation detailed, instructions relating to the completion of the returns concerning credit risk are furnished with reference to the paragraph numbers, column headings and line item numbers appearing on forms DI 500, DI 505, DI 510 and DI 520, as follows :

Form DI 500
Paragraph
number

3. ASSET QUALITY

Assets bought in or repossessed and unsold - Companies acquired (line item no. 18)

The bank shall furnish on form DI 520 details of each individual company acquired or bought in to protect an investment (including loans and advances) during the preceding five years, and which has not been disposed of at the end of its financial year.

Assets bought in or repossessed and unsold - Fixed property (line item no. 19 and 20)

The bank shall furnish on form DI 520 details of each immovable asset bought in during the preceding five years to protect an investment (including loans and advances) representing an exposure of more than two per cent of its net qualifying capital and reserves as at its financial year-end, and which asset has not been disposed of at the end of its financial year.

Note: All amounts reported under the columns hereinafter referred to in this paragraph shall be so reported net of specific provisions.

4. PERCENTAGE DISTRIBUTION OF ASSETS BASED ON PROFITABILITY**Column: Reasonable return**

This column shall include the assets mentioned above that would contribute to the continued profitable operations of the reporting mutual bank. In the absence of more accurate methods, all relevant assets on which a return in excess of the average cost of funds plus $\frac{\text{operating expenses} \times 100}{\text{total assets}}$ in being earned must be included.

Column: Some return

This column shall include the assets mentioned above on which the profit margins are so low that they would not allow the continued profitable operation of the reporting mutual bank. In the absence of more accurate methods, all relevant assets on which a return in excess of the average cost of funds is being earned must be included.

Column: No return

This column shall include the assets on which no income is earned and those discounts, as well as loans and advances that are non-performing debts, as defined and net of specific provisions, including when the return being earned is less than the average cost of funds.

Column: Earning

This column shall include those investments of the reporting mutual bank in respect of which dividends were received during the 12-month period prior to the date of the return.

Column: Non-earning

This column shall include those investments of the reporting mutual bank that are non-earning assets, as defined and net of specific provisions.

5. DISTRIBUTION OF LOANS AND ADVANCES

The classification of loans and advances that appear under asset items 40 to 51 of the balance sheet shall be made in accordance with the directives contained in, and be based on the sectors identified in, the Standard Industrial Classification of all Economic Activities.

Note: The classification of loans and advances is to be furnished in respect of the end of June and December of each year.

Form DI 505

This form shall be used to inform the Registrar, as required by section 51(2) of the Act, of any transaction in the form of an investment with, or a loan, advance or other credit facility granted to, a person, as defined in regulation 45, which transaction results in the reporting mutual bank being exposed to that person to an amount exceeding an amount representing the percentage of its capital and reserves prescribed in regulation 30(1)(b).

Form DI 510

- This return shall be completed on the basis of exposure to a legal entity and not on the basis of exposure per account.
- The relevant exposure relates to the aggregate exposure of the reporting mutual bank to an individual client in respect of the deposits, loans and advances and the investments included in asset items 40 to 51 and 63 respectively, and the said client's liabilities in respect of outstanding acknowledgements of debt included in line item numbers 70 to 73 on form DI 100 and all contingent liabilities included in line item numbers 1, 2, 3, 4 and 5 on form DI 110 and 10 per cent of gross outstanding forward exchange contracts.
- All exposures in excess of 10 per cent of the net qualifying capital and reserves of the reporting mutual bank, as shown in line item number 31 on form DI 100 at the latest date for which the relevant statement was submitted, shall be reflected in this return.
- The exposure granted shall be expressed as a percentage of capital and reserves in column 6.

CURRENCY RISK**Page no**

1. Form DI 600 - Currency risk 88
2. Regulation 31 - Directives and interpretations for completion of monthly return
concerning currency risk 90

31. Currency risk - Directives and interpretations for completion of monthly return concerning currency risk (Form DI 600)

- (1) The contents of the relevant return is confidential and not available for inspection by the public.
- (2) The information to be furnished in form DI 600 shall comprise the reporting mutual bank's -
- (a) foreign-currency assets (except infrastructural investments) and liabilities;
 - (b) commitments to purchase or sell foreign currency; and
 - (c) net long or short position in options and futures contracts in foreign currency and gold,

as on the day of the return, after all book entries for that day have been effected.

- (3) The valuation of all foreign-currency assets and liabilities included in this return shall be in accordance with generally accepted accounting practice.
- (4) Commitments of the reporting mutual bank to purchase or sell foreign currency under forward contracts shall not be recorded at book values, but shall be shown at their market values at the close of business on the reporting date.
- (5) All amounts required to be furnished in terms of subregulation (2) shall be converted to US\$ and be rounded off to the nearest one thousand dollars.
- (6) The effective net open position, calculated in the manner prescribed in form DI 600, in any one foreign currency and in all foreign currencies taken together, shall not at the close of business on any one day exceed an amount equal to 10 per cent of the net qualifying capital and reserves of the reporting mutual bank, as shown in line item number 31 on form DI 100 as at the latest date for which the relevant statement was submitted.
- (7) Hereinafter in this subregulation, detailed instructions relating to the completion of the return concerning currency risk are furnished with reference to the headings, item descriptions and line item numbers appearing on form DI 600, as follows:

DI 600

Line item
number

FOREIGN CURRENCY EXPOSURES

5. Net long/short(-) position in options and futures contracts in foreign currency and gold

This item shall be calculated as follows:

The sum of the gross value of potential purchases of foreign currency and gold in terms of put options granted, call options held and futures contracts, minus the sum of the gross value of potential sales of foreign currency and gold in terms of put options held, call options granted and futures contracts.

9. An amount equal to 10 per cent of the net qualifying capital and reserves, as shown in line item number 31 on form DI 100 as at the latest date for which the relevant statement was submitted, converted to US\$, shall be reflected under this item.
10. **Maximum effective net open foreign currency position(s), per each currency and in total, during month**

The maximum effective net open foreign currency position(s), per each currency, and in total, as at the close of business on a particular day, recorded during the month, inclusive of foreign branches and subsidiaries, shall be reflected under this item. (It follows from the foregoing instructions that a summation of columns 1 to 7 will not equal column 8.)

MATURITY LADDER OF ASSETS, LIABILITIES AND COMMITMENTS IN RESPECT OF FORWARD CONTRACTS DENOMINATED IN US\$; and

MATURITY LADDER OF ASSETS, LIABILITIES AND COMMITMENTS IN RESPECT OF FORWARD CONTRACTS DENOMINATED IN CURRENCIES OTHER THAN US\$.

13 to

24. The information used to determine the effective net open position shall be classified in accordance with the different maturities indicated on form DI 600 and be applied, as indicated in the form, to determine the maturity mismatches in respect of US dollars and other foreign currencies, separately.

The same formula as used in item 5, for the calculation of items 17 and 23 shall be applied.

INFORMATION REGARDING INVESTMENTS AND INTERESTS HELD

	<u>Page no</u>
1. Form DI 700 - Restriction on investments, loans and advances	93
2. Form DI 701 - Asset-backed securitisation	94
3. Form DI 702 - Return regarding investments and interests held	95

RESTRICTION ON INVESTMENTS, LOANS AND ADVANCES

DI 700							
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(Confidential and not available for inspection by the public)

Annually

Name of mutual bank

Financial year ended 19.....

Country

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

RESTRICTION ON INVESTMENTS IN IMMOVABLE PROPERTY AND SHARES AND ON LOANS AND ADVANCES	Line no.	R'000
Total investment in immovable property as contemplated in section 55(1)(a) of the Act	1	
Total investment in shares as contemplated in section 55(1)(b) of the Act	2	
Total of loans and advances as contemplated in section 55(1)(c) of the Act	3	
Total of items 1, 2 and 3	4	
Less: Investment in immovable property bought in and shares acquired during the past five years in order to protect an investment (including loans and advances)	5	
Investments as reduced (item 4 less item 5)	6	
Net qualifying capital and reserve funds	7	
Amount by which the bank's net qualifying capital and reserve funds exceed its investments in immovable property and shares and loans and advances to certain subsidiaries (item 7 less item 6)	8	
RESTRICTION ON INVESTMENTS IN AND LOANS AND ADVANCES TO CERTAIN ASSOCIATES		
Total amount of the mutual bank's investments as contemplated in section 56(1)(a) of the Act	9	
Total amount owing to the mutual bank in respect of loans and advances contemplated in section 56(1)(b) of the Act	10	
Total amount of guarantees as contemplated in section 56(1)(c) of the Act	11	
Total of items 9, 10 and 11	12	
Less: Amount by which the mutual bank's net qualifying capital and reserve funds exceed its investments in immovable property and shares (item 8 above)	13	
Investments, loans and advances as adjusted (item 12 less item 13)	14	
10 per cent of total liabilities to the public (i.e. 10 per cent of liability item 16, column 4 of form DI 100) ..	15	
Excess/deficiency (-) (item 15 less item 14)	16	

DI 701

Annually

Name of mutual bank

Financial year ended

19

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

Line no.	Residential mortgages	Other mortgages	Instalment debtors	Credit card debtors	Personal loans	Other	Total
1	Amount of assets securitised						
2	Securitized assets as percentage of relevant category of assets prior to securitisation						
3	Amount of assets applied towards "topping up"						
4	Amount invested in own securitised assets						
5	Amount invested in securitised assets of others						
Line no.	Description of securitisation scheme						
6	Role of mutual bank as: Credit enhancer						
7	Trustee						
8	Manager						
9	Underwriter						

RETURN REGARDING INVESTMENTS AND INTERESTS HELD

(Confidential and not available for inspection by the public)

Name of mutual bank

Financial year ended 19.....

DI 702									
--------	--	--	--	--	--	--	--	--	--

Annually

Country

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

Identity of investment or interest held	Line no	Date acquired	Number and type of shares held	Percentage interest held	Value of investment		Net asset value of entity	Credit facilities provided by bank/controlling company to each entity		Attributable share of profit (loss)
					Book value	Current market value		Granted	Utilised	
		1	2	3	4	5	6	7	8	9
Subsidiary companies - total	1									
Associates - total	2									
Listed investments - total	3									
Other investments - total	4									

DIRECTIVES REGARDING THE COMPLETION OF THIS RETURN

1. Details of investments and interests held in all companies and associates, with the exception of companies bought in, reflected under asset items 57 to 59 and items 63 and 64 on form DI 100, shall be included in the return.
2. Details concerning companies bought in during a period of 5 years prior to the date of this return shall be shown in form DI 520.
3. This form is to be accompanied by a detailed organogram reflecting all investments and interests held in subsidiary companies, including companies bought in, and associates as envisaged in regulation 10(2)(b).
4. In the case of a subsidiary company, or an associate as envisaged in regulation 10(2)(b) that conducts business outside the Republic, the date on which the Registrar's approval for the investment or interest was acquired, the nature of the business of such subsidiary company or associate and, in the latter instance, the country in which the associate is operating shall be indicated under its name.
5. In the absence of market values, the valuation placed on an investment or interest by the directors shall be indicated in column 5.
6. The attributable share of profits (or losses) of associates shall be those i.e.o. the latest financial year-end and shall be calculated in accordance with paragraph 11 of the Statement of General Accepted Accounting Practice, number AC 110.

CHAPTER III

APPLICATION PROCEDURES

32. Application forms and certificates of registration

Form DI 001 up to and including DI 020, prescribed in regulation 33 to these Regulations shall be used in accordance with the applicable section of the Act and, unless otherwise directed on the form itself or by the Registrar, every application form submitted by an applicant shall include every prescribed item, numbered as indicated on the form.

33. List of forms prescribed in respect of notices, applications, certificates and declarations under these Regulations

Form number	Heading of form	Applicable regulation/ section of Act No. 124 of 1993
DI 001	Notice of appeal	Regulation 34(1)
DI 002	Application for authorization to establish a mutual bank, provisional registration, review of provisional registration or final registration as a mutual bank	Section 10(2)(b) 10(2)(c) 13(2)(d)
DI 003	Certificate of provisional registration as a mutual bank	Section 14(4)
DI 004	Certificate of final registration as a mutual bank	Section 17(3)
DI 005	Application for approval of appointment of auditor(s)	Section 45(18)
DI 006	Application for conversion of a mutual bank into a bank	Section 63(1)
DI 007	Certificate of change of name	Section 35(2)
DI 020	Statement by individuals who are holding, or are proposing to hold, the office of a director or an executive officer of a mutual bank	Regulation 39

NOTICE OF APPEAL

The Chairman
Banks Appeal Board
PRETORIA

In terms of the provisions of regulation 34(1) of the Regulations relating to Mutual Banks,
notice is hereby given that -

(in the case of a juristic person)

(1)

(hereinafter referred to as the appellant)

represented herein by and

....., in their

respective capacities as and of
the appellant, duly authorized thereto by a resolution of the board of directors (a copy of which is attached hereto
as Annexure),

(in the case of a natural person)

(1)

(hereinafter referred to as the appellant)

intends to appeal against the following decision of the Registrar of Banks: -

.....
.....
.....

(2) the affidavit/s annexed hereto as Annexure/s,, will be used in support of the appeal;

(3) the following address shall serve as *domicilium citandi et executandi* in respect of all documents to be dispatched
to or served upon the appellant by virtue of the provisions of regulation 34(3) of the said Regulations:

Appellant's address

.....

.....

.....
on behalf of the appellant

.....
on behalf of the appellant

.....
Date

34. Appeal procedure

- (1) Any person desiring to appeal, in terms of section 7(1) of the Act, to the board of appeal against a decision of the Registrar shall, within 30 days after the pronouncement of the decision in question, lodge with the chairman of the board of appeal a notice of appeal on form DI 001.
- (2) Upon receipt of the notice of appeal referred to in subregulation (1), the chairman of the board of appeal shall cause a copy of such notice to be served on the Registrar who shall, within a period determined by the said chairman, furnish the chairman with a statement of the reasons for the decision in question.
- (3) Upon receipt of the statement referred to in subregulation (2), the chairman of the board of appeal shall cause a copy thereof to be dispatched to the appellant by registered post and call upon the appellant to declare within 21 days of the date of dispatch of such statement, or within such further period as the said chairman may at the request of the appellant allow, whether or not he intends to proceed with the appeal.
- (4) If the appellant declares that he does not intend to proceed with the appeal, or if he fails to declare his intention within the period of 21 days or the extended period contemplated in subregulation (3), the appeal shall lapse automatically.
- (5) If the appellant in terms of subregulation (3), declares his intention to proceed with the appeal, he shall in addition to such declaration lodge with the chairman of the board of appeal a reply to the statement contemplated in subregulation (2).
- (6) The declaration and reply referred to in subregulation (5) shall be accompanied by the fee prescribed in item 1 of the Table to regulation 40.
- (7) An appeal that is to be proceeded with as contemplated in subregulation (5) shall be heard at such a time and at such a place as the chairman of the board of appeal may determine.

I, , the undersigned, hereby declare all information contained in and with this application to be correct.

.....
Date Applicant/Chairman/Chief Executive Officer*

Address
.....
.....

**Delete whichever is not applicable*

FOR OFFICIAL USE	
Application granted	
Application refused	
Application granted subject to the appended conditions	

.....
Date Registrar of Banks

6.

	Authorization	Registration	First renewal	Second renewal	Third renewal	Fourth renewal	Final registration
a) Indicate with an "X", under appropriate heading, type of application being submitted.							
b) Name of applicant - in own capacity (Yes/No)							
- as agent (attach written consent of principal)							
c) Full and abbreviated name of institution, as well as literal translation thereof, together with address of head office and postal address							
d) Two copies of articles in terms of section 32 of the Act							
e) Predominant business activities in which applicant is engaged and proportion in which each activity stands to total business activities of applicant							
f) Outline of business plan in short, medium, and long term							
g) Form DI 100 (Balance sheet) - proposed for ensuing year							
h) Form DI 110 (Off-balance-sheet activities) - proposed for ensuing year							
i) Form DI 200 (Income statement) - proposed for ensuing year							
j) Contemplated future policy with regard to payment of dividends							
k) Form DI 300 (Liquidity risk - maturity ladder) - proposed for ensuing year							
l) Guidelines (policy) to be followed in connection with maximum deposits, in relation to total deposits, to be accepted from a single depositor							
m) Form DI 400 (Capital adequacy) - proposed for ensuing year							
n) Form DI 430 (Trading risk) - proposed for ensuing year							
o) Form DI 700 (Restriction on investments, loans and advances) - proposed for ensuing year							
p) Name(s) and address(es) of auditors							
q) With regard to the management, by the applicant in the conduct of its business, of the risks specified in regulation 37(4), the policy to be followed by the applicant in the management of each type of risk and the effect, quantified if possible, of each type of risk on the business of the applicant (refer to annexure to form)							

	Authorization	Registration	First renewal	Second renewal	Third renewal	Fourth renewal	Final registration
r) Names, and <i>curricula vitae</i> , of directors and executive officers of mutual bank, together with duly completed form DI 020							
s) With regard to the group of companies of which the applicant is a member, a schematic representation reflecting all interests held in and by the applicant and, in the case of such interests held by the applicant, the nature of the business of the entities in which interests are so held by the applicant							
t) With regard to the internal auditing of the transactions of the applicant, the applicant's findings relating to the adequacy and efficiency of the internal auditing processes applied in respect of the applicant's deposit book, advances book and large exposures during the period of 12 months immediately preceding the date of the application							
u) Any instance of non-compliance by the applicant with any of the provisions of the Act or these Regulations during the period of 12 months immediately preceding the application							
v) Additional information the Registrar deems necessary							
w) The prescribed registration fee of R.....							

ANNEXURE TO FORM DI 002

RISK	RESPONSIBLE OFFICIAL	TITLE	RELEVANT EXPERIENCE	HIGHEST ACADEMIC QUALIFICATION
Solvency				
Liquidity				
Counterparty				
Interest rate				
Market (Position)				
Credit				
Currency				
Technological				
Operational				

**REPUBLIC OF SOUTH AFRICA
MUTUAL BANKS ACT, 1993**

Certificate No.

Office for Banks
PRETORIA

**CERTIFICATE OF PROVISIONAL REGISTRATION
AS A MUTUAL BANK**

I hereby certify that

.....

previously known as

.....

has in terms of section 14(4) of the Mutual Banks Act, 1993, been PROVISIONALLY registered as a MUTUAL BANK for the period ending

.....

DONE at PRETORIA this day of One thousand nine hundred and

.....

.....
Registrar of Banks

**REPUBLIC OF SOUTH AFRICA
MUTUAL BANKS ACT, 1993**

Certificate No.

Office for Banks
PRETORIA

CERTIFICATE OF FINAL REGISTRATION AS A MUTUAL BANK

I hereby certify that
.....
an institution provisionally registered as a mutual bank in terms of the Mutual Banks Act, 1993, has in terms of section 17(3) of the said Act been FINALLY registered as a MUTUAL BANK.

DONE at PRETORIA this day of One thousand nine hundred and

.....
Registrar of Banks

APPLICATION FOR APPROVAL OF APPOINTMENT OF AUDITOR(S)

The Registrar of Banks
PRETORIA

1. I, the undersigned, chairman/chief executive officer* of
.....
hereby declare that -

(a) the total assets of the above-mentioned mutual bank as at the close of its last preceding
financial year, i.e. on
..... 19, amounted to R

(b) a resolution was passed at a meeting of directors/members* of the said mutual bank, held
on 19, to appoint
(name)

of
(address)

and
(name)

of
(address)

as auditor(s) of the said mutual bank from 19,
until the conclusion of the first succeeding annual general meeting of the said mutual bank;

(c) as at the date last-mentioned in paragraph (b), the following persons were partners in the
auditors' firm/firms*
.....

2. In terms of section 45(18) of the Mutual Banks Act, 1993, I hereby apply for your approval of the
appointment/ appointments* set out in paragraph 1(b).

.....
Date
*Chairman/Chief Executive Officer**

Address
.....

FOR OFFICIAL USE

Approval of appointment of -

(a)
as auditor granted/refused*;

(b)
as auditor granted/refused*;

.....
Date
Registrar of Banks

*Delete whichever is not applicable

APPLICATION FOR CONVERSION OF A MUTUAL BANK INTO A BANK
[In terms of section 63(1) of the Act]

The Registrar of Banks
PRETORIA

1. I, the undersigned, being the chief executive officer of duly empowered thereto, hereby apply for the conversion of the said mutual bank into a bank, with the proposed name
2. This application is accompanied by two copies, signed by me, each of the documents enumerated in section 63(2) of the Act.
3. The prescribed registration fee of R..... is enclosed with this application.

.....
Chief Executive Officer

Address:

.....
.....
.....

Date:



FOR OFFICIAL USE

FOR OFFICIAL USE	ACTION
1. Exposition of the reasons for the proposed conversion and manner in which it proposes to effect the conversion.	
2. Proposed conversion scheme.	
3. Proposed memorandum and articles of association of the public company to be established.	
4. Proposed memorandum and articles of association of any public company (if any) intending to apply for registration as a controlling company of the proposed bank, or if such a company is yet to be formed, the proposed memorandum and articles of association.	
5. Proposed special resolution:	
5.1 Authorising the conversion scheme into a bank.	
5.2 Approving the provisions of the proposed conversion scheme.	
5.3 Adopting the proposed memorandum and articles of association referred to in 3.	
5.4 Approving, if a controlling company for the bank is contemplated, the memorandum and articles of association, or the proposed memorandum and articles of association, as the case may be, referred to in paragraph 4.	
5.5 Enclosed forms DI 020, regarding the first directors of the bank.	
5.6 Any other matters in connection with the conversion as may be regarded necessary.	
6. Application granted.	
7. Application refused.	
8. Application granted subject to the appended conditions.	

**REPUBLIC OF SOUTH AFRICA
MUTUAL BANKS ACT, 1993**

**Office for Banks
PRETORIA**

CERTIFICATE OF CHANGE OF NAME

I hereby certify that
.....
has, with my approval in terms of section 35 of the Mutual Banks Act, 1993, changed its name to
.....
and that I have entered the new name in my register of mutual banks.

DONE at PRETORIA this day of One thousand nine hundred
and

.....
Registrar of Banks

35. Conditions subject to which negotiable certificates of deposit may be issued - section 54(2) of the Act

Negotiable certificates of deposit may be issued by a mutual bank subject to the following conditions:

- (a) The certificates shall not be issued for a period exceeding five years;
- (b) the total amount of negotiable certificates of deposit issued by a mutual bank for a period not exceeding 12 months and not yet repaid, shall not exceed twenty per cent (20 %) of the total amount of all its deposit liabilities;
- (c) subject to the provisions of paragraph (b) above, the total amount of negotiable certificates of deposit issued by a mutual bank and not yet repaid, may not exceed forty per cent (40 %) of the total amount of the mutual bank's liabilities in respect of deposits, including negotiable certificates of deposit.

36. Application for permission to acquire subsidiaries, branch offices, other interests and representative offices of mutual banks

(1) An application under section 41 of the Act, for the permission, for the acquisition or establishment of subsidiaries, branch offices, other interests and representative offices of mutual banks shall be submitted to the Registrar.

(2) An application, in writing, under subregulation (1) for the acquisition or establishment of:

(a) a local subsidiary, branch office, other interest and representative office, shall contain the following information:

- (i) name of applicant;
- (ii) name of interest to be acquired or established;
- (iii) brief reasons for the acquisition or formation;
- (iv) key features of the transaction, for example, shareholding and control, price exposure to loss, acquisition costs as a percentage of capital and reserves of applicant;
- (v) main activities to be conducted;
- (vi) proposed date of disposal if acquired as security for an advance or loan granted;
- (vii) any other relevant information.
- (viii) undertakings that -

(AA) the entity will not establish or acquire any other entities without the prior written approval of the Registrar.

(BB) the Registrar will be advised timeously of the disposal by the applicant.

(CC) a detailed organogram reflecting all interests under the bank or controlling company shall be furnished to the Registrar of Banks on 31 March and 30 September of each year; or

(b) an off-shore subsidiary, branch office, representative office and other interests shall contain the following additional information, namely -

- (i) the advantages to the applicant and South Africa;
- (ii) details of transaction, such as the ultimate identity of the seller, purchase price, form of payment and effective date;
- (iii) In the event of an acquisition, a copy of the due diligence report compiled by the external auditors and/or internal staff;

- (iv) a copy of the business plan;
- (v) whether the Exchange Control Department of the S A Reserve Bank has been approached;
- (vi) copies of all relevant documentation;
- (vii) impact of acquisition or formation on mutual bank regarding
 - (AA) profitability;
 - (BB) capital adequacy;
 - (CC) overall risk profile;
 - (DD) undertakings required of local institution by foreign authorities;
 - (EE) contagion potential;
 - (FF) scenario.
- (viii) particulars of the directors, names, nationalities and *curriculum vitae* together with completed form DI 020 as prescribed in regulation 39;
- (ix) name and curriculum vitae of chief executive officer, together with completed forms DI 020 as prescribed in regulation 39;
- (x) names, experience and nationalities of top management, together with completed form DI 020 as prescribed in regulation 39;
- (xi) under a heading 'Group Structure'
 - (AA) direct and indirect shareholding;
 - (BB) detailed organisational chart also reflecting "front" companies/ structures;
- (xii) the following details regarding the host country
 - (AA) exchange-control applicable;
 - (BB) whether approval has been obtained from the host country (supported by documentation);
 - (CC) nature of supervisory functions performed by host country; and
 - (DD) evaluation of country risk in respect of host country;
- (xiii) financial analysis, if acquisition.
 - (AA) balance sheet;
 - (BB) income statement;
 - (CC) valuation;
 - (DD) ratio analysis;
 - (EE) capital adequacy; and
 - (FF) other relevant details;

- (xiv) business conducted or proposed to be conducted -
- (AA) details of how business will be funded;
 - (BB) nature of business to be conducted;
 - (CC) main sources of income;
 - (DD) projections;
 - (EE) classification of business as principal and/or agent; and
- (xv) an opinion on the ability of the company to submit the required DI returns.

37. Guidelines relating to conduct of directors

(1) Every director of a mutual bank shall acquire a basic knowledge and understanding of the conduct of the business of a bank and of the laws and customs that govern the activities of such institutions. While it is not required of every member of the board of directors of a mutual bank to be fully conversant with all aspects of the conduct of the business of a bank, the competence of every director of a mutual bank shall be commensurable with the nature and scale of the business conducted by that mutual bank.

(2) A director and executive officer of a mutual bank shall perform his functions with diligence and care and with such a degree of competence as can reasonably be expected from a person with his knowledge and experience.

(3) In view of the fact that the primary source of funds administered and utilized by a mutual bank in the conduct of its business is deposits loaned to it by the general public, it shall be the duty of every director and executive officer of a mutual bank to ensure that risks that are of necessity to be taken by such mutual bank in the conduct of its business are managed in a prudent manner.

(4) The conduct of the business of a mutual bank entails the management of risks, which may include the following types of risks namely -

- (i) solvency risk;
- (ii) liquidity risk;
- (iii) credit risk;
- (iv) currency risk;
- (v) market risk (position risk);
- (vi) interest-rate risk;
- (vii) counterparty risk;
- (viii) technological risk; or
- (ix) operational risk.

(5) The directors of the mutual bank shall annually report to the Registrar on the effectiveness of the system of internal controls of the bank relating to financial and regulatory reporting and compliance with the Act and the Regulations.

(6) For the purposes of this regulation "director" includes an alternate director.

38. Composition of board of directors of a mutual bank

Except where the Registrar, in view of special circumstances pertaining to a particular bank, grants his consent to a deviation from the provisions of this regulation in respect of that particular mutual bank, at least two of the members of the board of directors of a mutual bank shall be persons who are employees of that bank.

39. Statement relating to attributes of serving or prospective directors or executive officers

(1) A duly completed statement and declaration in the form of a form DI 020 as prescribed by regulation 33 shall be submitted to the Registrar by the chairman of the board, or his duly appointed representative, or, in the case of a new mutual bank, by the auditor, in respect of -

- (a) every person who for the first time accepts an appointment as a director or an executive officer of a mutual bank at least 30 days prior to the appointment becoming effective; and
- (b) any serving director or executive officer of a mutual bank at the request of the Registrar.

(2) For the purposes of this regulation, "related party", means any person (whether natural or juristic) over whose business the director or executive officer can exercise a significant influence and which business undertakes business with the mutual bank to an extent that could materially influence the asset base, profitability or risk profile of the mutual bank.

If insufficient space is provided, please attach a separate sheet.

STATEMENT BY INDIVIDUALS WHO ARE HOLDING, OR ARE PROPOSING TO HOLD, THE OFFICE OF A DIRECTOR OR AN EXECUTIVE OFFICER OF A MUTUAL BANK

(Confidential and not available for inspection by the public)

1. Name of institution in connection with which this questionnaire is being completed ("the institution"):

.....

2. Your surname:

.....

3. Your full forename(s):

.....

4. Former surname(s) and or forename(s) by which you may have been known:

.....

5. Please state in what capacity you are completing this questionnaire, i.e. as a current or prospective director, executive officer or combination of these. Please state your full title and describe the particular duties and responsibilities attaching to the position(s) that you hold or will hold. If you are completing this form in the capacity of director, indicate whether, in your position as director, you have or will have executive responsibility for the management of the institution's business. In addition, please provide a copy of your *curriculum vitae* unless it has already been provided:

.....

6. Residential address:

.....

7. Any previous residential address(es) during the past 10 years:

.....

8. Date and place of your birth (including town or city):

.....

9. Your nationality and how it was acquired (birth, naturalization or marriage):

.....

-
- 10. Name(s) and address(es) of your bankers during the past 10 years:
.....
 - 11. Your professional qualifications and year in which they were obtained:
.....
 - 12. Your occupation and employment now and during the past 10 years, including the name of your employer in each case, the nature of the business, the position held and relevant dates:
.....
 - 13. Of what bodies corporate (other than the institution) are you a director or an executive officer and since when?
.....
 - 14. Do you have any direct or indirect interest representing 15 per cent or more of the issued capital of any body corporate (other than the institution), that is now registered, or has applied for authorization, under the Act? If so, give particulars:
.....
 - 15. Of what bodies corporate other than the institution and those listed in reply to Question 13 have you been a director or an executive officer at any time during the past 10 years? Give relevant dates:
.....
 - 16. Do any of the bodies corporate listed in reply to Questions 12, 13, 14 and 15 maintain a business relationship with the institution? If so, give particulars:
.....
 - 17. Do you hold or have you ever held or applied for a licence or equivalent authorization to carry on any business activity in the Republic of South Africa ("the Republic") or elsewhere? If so, give particulars. If any such application was refused or withdrawn after it was made or any authorization was revoked, give particulars:
.....
 - 18. Does any institution with which you are, or have been, associated as a director or executive officer hold, or has it ever held or applied for, a licence or equivalent authorization to carry on any business activity? If so, give particulars. If any such application was refused, or was withdrawn after it was made or an authorisation was revoked, give particulars:
.....

19. Have you at any time been convicted of any offence, excluding -
- (i) any offence committed when you were under 18 years, unless the same was committed within the last 10 years;
 - (ii) any road traffic offence; or
 - (iii) any political offence.

If so, give particulars of the court by which you were convicted, the offence, the penalty imposed and the date of conviction:

.....

20. Have you, in the Republic or elsewhere, been censured, disciplined, warned as to future conduct, or made the subject of a court order at the instigation of, any regulatory authority or any professional body to which you belong or belonged, or have you ever held a practising certificate subject to conditions? If so, give particulars:

.....

21. Have you, or has any body corporate, partnership or unincorporated institution with which you are, or have been, associated as a director or executive officer been the subject of an investigation, in the Republic or elsewhere, by or at the instigation of a government department or agency, professional association or other regulatory body? If so, give particulars:

.....

22. Have you, in the Republic or elsewhere, been dismissed from any office or employment, or subject to disciplinary proceedings by your employer or barred from entry to any profession or occupation? If so, give particulars:

.....

23. Have you failed to satisfy any debt adjudged due and payable by you, as a judgement-debtor under an order of a court in the Republic, or elsewhere, or made any compromise arrangement with your creditors within the last 10 years? If so, give particulars:

.....

24. Have you ever been declared insolvent (either provisionally or finally) by a court in the Republic or elsewhere, or has a bankruptcy petition ever been served on you? If so, give particulars:

.....

25. Have you, in connection with the formation or management of any body corporate, partnership or unincorporated institution, been adjudged by a court in the Republic or elsewhere, civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give particulars:

.....

26. Has any body corporate, partnership or unincorporated institution with which you were associated as a director or executive officer, in the Republic or elsewhere, been wound up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors or ceased trading, either while you were associated with it or within one year after you ceased to be associated with it, or has anything analogous to any of these events occurred under the laws of any other jurisdiction? If so, give particulars:

.....

27. Have you been concerned with the management or conduct of the affairs of any institution that, by reason of any matter relating to a time when you were so concerned, has been censured, warned as to future conduct, disciplined or made the subject of a court order at the instigation of any regulatory authority in the Republic or elsewhere? If so, give particulars:

.....

28. In carrying out your duties will you be acting on the directions or instructions of any other individual or institution? If so, give particulars:

.....

29. Do you, or does any related party of whom you are aware, undertake business with this institution? If so, give particulars:

.....

30. How many shares in the institution are registered in your name or the name of a related party? If applicable, give name(s) in which registered and class of shares:

.....

31. In how many shares in the institution (not being registered in your name or that of a related party) are related parties beneficially interested?

.....

32. Do you, or does any related party, hold any shares in the institution as trustee or nominee? If so, give particulars:

.....

33. Are any of the shares in the institution mentioned in reply to Questions 30, 31 and 32 equitably or legally charged or pledged to any party? If so, give particulars:

.....

34. What proportion of the voting power at any general meeting of the institution (or of another body corporate of which it is a subsidiary) are you or any related party entitled to exercise or control the exercise of?

.....

35. If the exercise of the voting power at any general meeting of the institution, or of another body corporate of which it is a subsidiary, is or may be controlled by one or more of your associates or any related party, give the proportion of the voting power so controlled in each case and the identity of each associate:

.....

36. Are you currently, or do you, other than in a professional capacity, expect to be, engaged in any litigation in the Republic or elsewhere? If so, give particulars:

.....

37. Do you have a basic knowledge and understanding of the risks to which banks are exposed? (Refer to Chapter III, regulation 37 of the Regulations relating to Banks, in this regard.)

.....

38. Do you at all times while acting in your capacity as a director or executive officer of the institution, undertake to:

- act in good faith towards the mutual bank;
- avoid conflict between your other interests and the interests of the mutual bank; and
- place the interest of the bank and the depositors above all other interests;

.....

39. Have you acquainted yourself with, and do you understand, the extent of the rights and powers, as well as your responsibilities and duties as a director of the institution, as contained in the common law, and the Mutual Banks Act, 1993. (To be completed only by directors or prospective directors.)

.....

.....

DECLARATION

I,, hereby declare the following:
This statement consists of pages, each signed by me. The content of this declaration is true to the best of my knowledge and belief. I am aware that should it be submitted as evidence and I know that something appears therein that I know to be false or believe not to be true, I may be liable to prosecution.

I undertake that, as long as I continue to be a director or executive officer of the institution, I will notify the Registrar of any material changes to, or affecting the completeness or accuracy of, the information supplied by me in items 1-39 as soon as possible, but in no event later than 21 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I have */do not have* objections to taking the prescribed oath.

I consider the prescribed oath to be binding */not binding* on my conscience.

..... SIGNATURE OF DEPONENT

I certify that the above statement was taken by me and that the deponent has acknowledged that he */she* knows and understands the content of this statement. This statement was sworn to */affirmed* before me and the deponent's signature was placed thereon in my presence at on
at

.....
COMMISSIONER OF OATHS

FULL NAMES:

EX OFFICIO:

AREA:

ADDRESS:

* Delete whichever is not applicable

DECLARATION BY CHAIRMAN OF INSTITUTION
OR AUDITOR IN CASE OF NEW MUTUAL BANK

I, the undersigned, , being chairman of the board of directors*/auditor* of , confirm that I have carefully studied all information supplied in this statement and, after discussion with the applicant and all other members of the board, and after having taken into account any other information at my disposal or that has come to my attention, am of the opinion that the applicant is fit and proper to take up office in this institution with effect from

In the case of the appointment of a director I confirm that the appropriate conditions of the articles of association of the mutual bank have been complied with. Similarly, in the case of the appointment of an executive officer, I confirm that the mutual bank policy has been complied with.

NAME

SIGNED

DATE

** Delete whichever is not applicable*

CHAPTER IV

PRESCRIBED FEES

40. Fees payable

Subject to the provisions of section 87(1) of the Act, the fees, inclusive of value-added tax (VAT), set out in the subjoined Table shall be payable in respect of the matters so set out.

TABLE

	FEE EXCLUD- ING VAT	VAT	FEE INCLUD- ING VAT
	R	R	R
1. Lodging of an appeal in terms of section 7 of the Act	5 000,00	700,00	5 700,00
2. Application for authorization to establish a mutual bank	7 500,00	1 050,00	8 550,00
3. Registration or renewal of registration as a mutual bank	1 000,00	140,00	1 140,00
4. Conversion of mutual bank into a bank (section 68(1) of the Act	10 000,00	1 400,00	11 400,00
5. Registration of a mutual bank created by the amalgamation of two or more mutual banks	10 000,00	1 400,00	11 400,00
6. Registration of change of name of mutual bank	2 000,00	280,00	2 280,00
7. Certification of any document required to be certified by the Registrar and in respect of which document no other fee is payable	250,00	35,00	285,00
8. Inspection in terms of section 87(1) of the Act of any document referred to in that section	500,00	70,00	570,00
9. Certificate from the Registrar as to the contents or any part of the contents of any document specified in section 87(1) of the Act	1 000,00	140,00	1 140,00
10. Copy of or extract from any document specified in section 87(1) of the Act, if prepared by the Registrar, per sheet or part thereof:			
Photocopied	5,00	0,70	5,70
Computer printout	10,00	1,40	11,40
Double-spaced typewritten	100,00	14,00	114,00
11. Examination of a document not prepared by the Registrar and certification thereof as a true copy of a document in the custody of the Registrar, per sheet or part thereof	500,00	70,00	570,00
12. Certified copy of a certificate of -			
(a) registration as a mutual bank;			
(b) change of name of a mutual bank;			

13. Searching by Registrar for documents for purposes
of items 10, 11 or 12:

Minimum fee for first hour	250,00	35,00	285,00
Thereafter per hour or part thereof	500,00	70,00	570,00

41. Manner of payment of fees

(1) Any fees payable in terms of regulation 40 shall be paid by cheque made out in favour of the South African Reserve Bank.

(2) Subject to the provisions of the Act, and except in the case of a refusal of an application under section 14(4) and 17(3) of the Act, fees paid in terms of regulation 40 shall not be repayable.

42. Annual licence

(1) The licence fee contemplated in section 31 of the Act shall be calculated in accordance with the formula:

$$\frac{R1 \text{ million}}{R270 \text{ billion}} \times \text{total liabilities per line item 34 of form DI 100,}$$

with a minimum of R1 000 and a maximum of R50 000 per annum.

(2) A mutual bank that exists on 1 January of a particular year, shall pay the licence fee, prescribed in subregulation (1), before the end of that month, and a mutual bank that is registered on a later date in such year shall in respect of such year, and before the end of the month in which it is so registered, pay a licence fee calculated in accordance with the formula:

$$R \frac{(X)}{(12)} \times \text{per formula in (1)}$$

in which formula "X" represents the number of full months remaining in such year after the month in that is so registered.

(3) A mutual bank that fails to pay the full amount of the applicable licence fee within the period allowed in terms of subregulation (2) for payment thereof shall, in addition to such licence fee, pay for each month or part of a month during which the licence fee remains so unpaid, a penalty calculated at the rate of 10 per cent of the amount of the licence fee that it has failed to pay as aforesaid, and reckoned from the final date allowed in terms of subregulation (2) for the payment of such licence fee: Provided that the amount of the penalty so payable shall not be more than the amount of the licence fee due.

(4) All moneys payable in terms of this regulation shall be a debt due to the Government of the Republic and shall be recoverable by action in any competent court by the Commissioner of Inland Revenue.

(5) The licence fee and any penalty collected under this regulation shall accrue for the benefit of the State Revenue Fund.

(6) Representative offices of foreign institutions established in the Republic of South Africa shall annually, not later than 31 January of each year, pay to the South African Reserve Bank a fee of R1 000.

CHAPTER V

INFORMATION REQUIRED FOR THE ECONOMICS DEPARTMENT OF THE
S A RESERVE BANK

43. List of forms prescribed in respect of returns to be submitted to the Registrar, with indication of institution by whom, intervals at which and period within which returns are to be submitted

Form number	Heading of form	Bank in Republic ¹	Bank in independent states ²
DI 099	Declaration in respect of statutory returns submitted ³ (see chapter II)	Whenever required as control sheet and for purpose of making required declarations	
DI 900	Institutional and maturity breakdown of liabilities and assets	Monthly ^a	Monthly ^a
DI 910	Institutional breakdown of issuers of and transactions in selected assets	Monthly ^b	Monthly ^b
DI 920	Analysis of instalment sale and leasing transactions	Quarterly ^b	Quarterly ^b
DI 930	Interest rates on deposits, loans and advances at month-end	Monthly ^b	N/A

¹ Means a mutual bank conducting business as such in the Republic and the self-governing territories and the business conducted by it through the medium of an agency or a branch in an independent state.

² Means a mutual bank conducting business as such in any of the independent states, namely Transkei, Bophuthatswana, Venda and Ciskei, through the medium of a subsidiary company or an associate as contemplated in regulation 5(2)(b).

³ Form DI 099 is not a prescribed financial return, but shall be used as a control sheet and to furnish the required declarations regarding the maintenance of prescribed minimum balances.

⁴ The prescribed statements and returns shall be submitted within the periods indicated below, as follows:

- a. Within 15 business days immediately following on the month- or quarter-end to which it relates.
- b. Within 20 business days immediately following on the month- or quarter-end to which it relates.

DI 900

Monthly

INSTITUTIONAL AND MATURITY BREAKDOWN OF LIABILITIES AND ASSETS

Name of mutual bank
 Month ended 19 Country
 (All amounts to be rounded off to the nearest R'000)

Line no.	DEPOSITS									Of which: Financial rand
	Cash managed, cheque and transmission	Other demand	Short-term savings	Other short-term	Medium-term savings	Other medium-term	Long-term	TOTAL		
	1	2	3	4	5	6	7	8	9	
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										

DEPOSITS (total of items 2 and 27)
 DEPOSITS DENOMINATED IN RAND AND FINANCIAL RAND (total of items 3, 6, 9, 10, 15 and 23) ...
 Bank group funding (total of items 4 and 5)
 Bank group funding: NCD's
 Bank group funding: other deposits
 Inter-bank funding (total of items 7 and 8)
 Inter-bank funding: NCD's
 Inter-bank funding: other deposits
 Monetary authorities:
 Reserve Bank and Corporation for Public Deposits
 Government deposits (total of items 11 to 14)
 Central Government of the Republic
 Provincial Administrations
 Governments of independent states
 Governments of self-governing territories
 Other domestic parties (total of items 16 to 22)
 Local governments and regional service councils
 Public enterprises/corporations (including Transnet, Sapos and Telkom)
 Insurers and pension funds
 Other companies and close corporations
 Unincorporated businesses
 Individuals
 Non-profit organisations and other

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

LIABILITIES AT MONTH-END IN R'000	Line no.	Short-term	Medium-term	Long-term	TOTAL
		1	2	3	4
LOANS AND ADVANCES (Total of items 37, 38, 39, 45 and 53).....	36				
BANK GROUP FUNDING	37				
INTER-BANK FUNDING.....	38				
LOANS RECEIVED UNDER REPURCHASE AGREEMENTS: (total of items 40 to 44).....	39				
Reserve Bank and Corporation for Public Deposits.....	40				
South African banks and mutual banks.....	41				
Insurers and pension funds.....	42				
Other residents.....	43				
Non-residents.....	44				
FOREIGN FUNDING (total of items 46 to 52)	45				
Reserve Bank and Corporation for Public Deposits.....	46				
South African banks and mutual banks.....	47				
Other residents.....	48				
Non-residents:					
Foreign finance in mutual bank's own name on-lent to clients:					
Re-channelled from Public Investment Commissioners	49				
Re-channelled from other SA banks/mutual banks	50				
Other on-lending	51				
Other foreign funding by non-residents.....	52				
OTHER LOANS AND ADVANCES DENOMINATED IN RAND (total of items 54 to 57).....	53				
Central Government, provinces, self-governing territories and independent states	54				
Reserve Bank and Corporation for Public Deposits.....	55				
Other residents.....	56				
Non-residents.....	57				
OTHER LIABILITIES TO THE PUBLIC (total of items 59 to 62).....	58				
Fifty per cent of credits in transit	59				
Bills payable by or promissory notes of the reporting mutual bank	60				
Other liabilities to residents	61				
Other liabilities to non-residents	62				
TOTAL LIABILITIES TO THE PUBLIC (total of items 1, 36 and 58)	63				

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

LIABILITIES AT MONTH-END IN R'000	Line no.	TOTAL		
		1		
OUTSTANDING LIABILITIES ON BEHALF OF CLIENTS, <i>per contra</i> item 218..	64			
OTHER LIABILITIES, INCLUDING IMPAIRMENTS (total of items 66 to 68).....	65			
Balances due to head office and other branches in the Republic, self-governing territories and independent states.....	66			
Other liabilities - to residents	67			
Other liabilities - to non-residents	68			
CAPITAL AND RESERVES (total of items 70 to 78 less item 79).....	69			
Primary share capital held by domestic parties:				
Banks and mutual banks.....	70			
Insurers and pension funds	71			
Other financial institutions	72			
Public enterprises/corporations	73			
Other companies (including bank controlling companies).....	74			
Households and other	75			
Primary share capital held by non-residents.....	76			
Primary reserve funds.....	77			
Secondary share capital (including debentures) and reserve funds	78			
Less: Impairments (section 48(5) of the Act)	79			
TOTAL CAPITAL AND LIABILITIES	80			
CONTINGENT LIABILITIES AND OTHER RISK EXPOSURES:				
Indemnities and guarantees.....	82			
Irrevocable letters of credit and unutilised facilities	83			
Underwriting exposures.....	84			
Other contingent liabilities and risk exposures.....	85			
Aggregate net open position in foreign currencies	86			
Acceptances facilities granted but not utilised.....	87			
Overdraft facilities for which limits have been loaded on mutual bank's computer system: Total limit (utilised and unutilised)	88			
Revolving credit accounts: Total limit (utilised and unutilised)	89			
Credit card accounts: Total limit (utilised and unutilised).....	90			
MEMORANDUM:				
SAVINGS DEPOSITS: STATE-AIDED HOME-OWNERSHIP SCHEME SAVINGS ACCOUNTS	91			
OTHER LOANS AND ADVANCES: AMOUNTS OWING ON LOANS RECEIVED UNDER HOUSING SCHEMES, INCLUDING INTEREST				
From the Central Government	92			
From public sector financial institutions, e.g. National Housing Fund.....	93			
Other, e.g. SA Housing Trust.....	94			
TAX-FREE/PARTIALLY TAX-FREE DEPOSITS INCLUDED IN THE DEPOSITS SHOWN ABOVE UNDER LINE 1:	Line no.	Tax-free	Partially tax-free	TOTAL
		1	2	3
Paid-up indefinite period deposits.....	95			
Paid-up fixed period deposits	96			
Subscription deposits	97			

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

ASSETS AT MONTH-END IN R'000	Line no.	Domestic assets	Foreign assets	TOTAL ASSETS	Of which: under repurchase agreements
			2	3	4
MONEY (total of items 99, 102, 103 and 106).....	98				
South African bank notes and subsidiary coin (total of items 100 and 101).....	99				
Subsidiary coin.....	100				
Bank notes.....	101				
Gold coin and bullion.....	102				
Domestic currency deposits with Reserve Bank (total of items 104 and 105).....	103				
Cash reserve deposits.....	104				
Other domestic currency deposits.....	105				
Call loans.....	106				
DEPOSITS, LOANS AND ADVANCES (total of items 108, 114, 120, 121, 125, 128, 136, 140, 150, 161, 164 and 173 less 183)	107				
Bank group funding, including negotiable certificates of deposit (NCD's) (total of items 109 to 113).....	108				
NCD's issued by banks and mutual banks within the same group as the reporting institution with an unexpired maturity of:					
Up to 31 days.....	109				
Over 31 days up to 6 months.....	110				
Over 6 months.....	111				
Other deposits with group banks and mutual banks.....	112				
Loans and advances to group banks and mutual banks.....	113				
Inter-bank funding, including NCD's (total of items 115 to 119).....	114				
NCD's issued by banks and mutual banks not within the same group as the reporting institution with an unexpired maturity of:					
Up to 31 days.....	115				
Over 31 days up to 6 months.....	116				
Over 6 months.....	117				
Other deposits with banks and mutual banks.....	118				
Loans and advances to banks and mutual banks.....	119				
Deposits with and loans and advances to foreign banks, denominated in rand.....	120				
Loans granted under resale agreements (total of items 122 to 124).....	121				
To Reserve Bank and Corporation for Public Deposits ...	122				
To other banks and mutual banks.....	123				
To other parties.....	124				
Instalment debtors, suspensive sales and leases (total of items 126 and 127).....	125				
Discounts and advances in respect of instalment sales ..	126				
Leasing transactions.....	127				
Mortgage advances (total of items 129 to 135).....	128				
Farm mortgages:					
Non-incorporated farming.....	129				
Other farming, e.g. companies.....	130				
Other, to companies and close corporations.....	131				
Other, to public enterprises/corporations.....	132				
Other, to unincorporated businesses.....	133				
Other, to individuals.....	134				
Other, to non-profit institutions and other.....	135				

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

ASSETS AT MONTH-END IN R'000	Line no.	Domestic assets	Foreign assets	TOTAL ASSETS	Of which: under repurchase agreements
		1	2	3	4
Credit card debtors (total of items 137 to 139).....	136				
Companies and close corporations	137				
Individuals	138				
Non-profit organisations and other	139				
Acceptances, commercial paper, bills, promissory notes and similar acknowledgements of debt discounted (total of items 141 and 146).....	140				
Liquid bills, notes and acceptances discounted or purchased (total of items 142 to 145)	141				
Treasury bills	142				
Land Bank bills.....	143				
Liquid bankers' acceptances and bills	144				
Other	145				
Non-liquid acceptances, commercial paper, bills, notes and similar acknowledgements of debt discounted or purchased (total of items 147 to 149)	146				
Land Bank	147				
Non-liquid bankers' acceptances and bills, including own acceptances	148				
Other such instruments	149				
Foreign currency loans and advances (total of items 151 to 160).....	150				
Foreign currency notes and coin	151				
Deposits with and advances to Reserve Bank	152				
Deposits with and advances to SA banks and mutual banks	153				
Other advances to South African residents.....	154				
Deposits with and advances to non-resident banks.....	155				
Other advances to non-residents	156				
Clients' liabilities on account of mutual bank's foreign borrowing on-lent to:					
Central, provincial, independent and self-governing states' governments.....	157				
Other public sector borrowers	158				
Other clients.....	159				
Banks and mutual banks.....	160				
Redeemable preference shares (total items 162 and 163)....	161				
Issued by banks and mutual banks	162				
Other	163				
Other overdrafts and loans: public sector (total of items 165 to 172).....	164				
Central Government of the Republic.....	165				
Governments of independent states.....	166				
Governments of self-governing territories	167				
Provincial Administrations.....	168				
Local authorities and regional services councils.....	169				
Land Bank	170				
Public enterprises/corporations (including Transnet, Sapos and Telkom)	171				
Foreign governments and public sector bodies	172				

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

ASSETS AT MONTH-END IN R'000	Line no.	Domestic assets	Foreign assets	TOTAL ASSETS	Of which: under repurchase agreements
		1	2	3	4
Other private sector loans and advances (total of items 174 to 182).....	173				
Overdrafts, including overdrafts under cash management schemes:					
Companies and close corporations	174				
Unincorporated businesses.....	175				
Individuals	176				
Non-profit seeking institutions and other	177				
Factoring: Total.....	178				
Other loans and advances:					
Companies and close corporations	179				
Unincorporated businesses.....	180				
Individuals	181				
Non-profit seeking institutions and other	182				
Less: Specific provisions i.r.o. loans and advances	183				
INVESTMENTS (total of items 185, 193, 199, 202, 205, and 208 less 211).....	184				
Interest bearing Central Government securities (total of items 186 to 192).....	185				
Stock of the Government of the Republic:					
Unexpired maturity of up to 3 years.....	186				
Unexpired maturity of more than 3 years	187				
Government loan levies	188				
Non-marketable securities of the Government of the Republic.....	189				
Securities of governments of the independent states.....	190				
Securities of governments of self-governing territories....	191				
Securities of Central Government bodies.....	192				
Other public sector interest bearing securities (total of items 194 to 198).....	193				
Securities issued by the Reserve Bank	194				
Securities issued by the Land Bank.....	195				
Securities issued by public enterprises/ corporations	196				
Securities of local authorities and regional services councils	197				
Securities of other public sector bodies guaranteed by the Central Government	198				
Debentures and other interest bearing security investments (total of items 200 and 201)	199				
Debentures of banks and mutual banks	200				
Other	201				
Equity holdings in subsidiaries and associates (total of items 203 and 204).....	202				
Banking subsidiaries	203				
Other subsidiary companies and associates.....	204				

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

ASSETS AT MONTH-END IN R'000	Line no.	Domestic assets	Foreign assets	TOTAL ASSETS	Of which: under repurchase agreements
		1	2	3	4
Other listed equities (total of items 206 and 207).....	205				
Banks and mutual banks.....	206				
Other companies	207				
Other investments (total of items 209 and 210).....	208				
Banks and mutual banks.....	209				
Other companies	210				
Less: specific provisions in respect of investments	211				
FIXED ASSETS (total of items 213 to 216)	212				
Premises of mutual bank.....	213				
Other fixed property	214				
Computer equipment, including peripherals	215				
Other, including vehicles, equipment, furniture and fittings	216				
OTHER ASSETS (total of items 218 to 222)	217				
Clients' liabilities <i>per contra</i> (total of memorandum items 226 to 229)	218				
Remittances in transit.....	219				
Deferred tax	220				
Other balances due by head office and branches in the Republic and self-governing territories and independent states	221				
Other	222				
TOTAL ASSETS	223				
Memorandum items:					
Nominal value of stock of the Government of the Republic: Unexpired maturity of up to 3 years.....	224				
Unexpired maturity of more than 3 years	225				
Details of clients' liabilities (item 218):					
Acceptances outstanding.....	226				
Commercial paper endorsed	227				
Bills endorsed	228				
Promissory notes and similar acknowledgements of debt endorsed	229				
Shares, fixed and movable property and other assets acquired, bought in or repossessed in order to protect an advance or investment included under line item 222..	230				

NOTE: Domestic assets refer to claims on residents of South Africa, Transkei, Bophuthatswana, Venda and Ciskei, and foreign assets refer to claims on non-residents. In the case of non-financial assets, domestic assets refer to assets located in South Africa, Transkei, Bophuthatswana, Venda and Ciskei, and foreign assets to assets located in other countries.

INSTITUTIONAL BREAKDOWN OF ISSUERS AND TRANSACTIONS IN SELECTED ASSETS

DI 910

Monthly

(Confidential and not available for inspection by the public)

Name of mutual bank

Month ended 19 Country

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

MORTGAGE LOANS

HOLDINGS OF MORTGAGE LOANS AS AT END OF MONTH (Line item 4, column 2, shall be equal to column 3 of line item 128 on form DI 900)	Line no.	Number	Amount outstanding
			R'000
Mortgage advances (including accrued interest):			
Housing advances (home loans)	1		
Farm mortgages	2		
Other	3		
Total	4		

ADVANCES AND RE-ADVANCES GRANTED DURING THE MONTH

GROSS MORTGAGE ADVANCES AND RE-ADVANCES GRANTED DURING THE MONTH	Line no.	Total		For construction	On existing buildings	On vacant land
		Number of units	Amount			
			R'000	R'000	R'000	R'000
Farm mortgages	5					
Other:						
Dwellings and individual sectional title dwelling units	6					
Flats	7					
Business premises and churches	8					
All other advances	9					
Total	10					

NET AMOUNTS GRANTED DURING THE MONTH (amounts due to be paid out after deducting existing mortgage loans - of this bank - outstanding in respect of the property to be mortgaged in items 5 to 10 above)	Line no.	Total	For construction	On existing buildings	On vacant land
		R'000	R'000	R'000	R'000
		1	2	3	4
Farm mortgages	11				
Other:					
Dwellings and individual sectional title dwelling units ..	12				
Flats	13				
Business premises and churches	14				
All other advances	15				
Total	16				

ADVANCES AND RE-ADVANCES PAID OUT AND REPAID DURING THE MONTH AND ADDITIONAL CREDIT AVAILABLE FOR WITHDRAWAL ON MORTGAGE ACCOUNTS (The total of columns 2 and 4 shall be equal to column 1)	Line no.	Total	Conventional mortgage advances	Flexible mortgage advances	
		Amount	Amount	Number ¹⁾	Amount
		R'000	R'000		R'000
		1	2	3	4
Amount paid out:					
Total amount paid out during the month in respect of all mortgage advances (including insurance premiums, etc)	17				
Amount repaid (only capital):					
Total capital amount repaid during the month on all mortgage advances (excluding interest debited).....	18				
Amount available for withdrawal on mortgage accounts as at month-end (as a result of the registration of a larger mortgage on property than the advance currently required, and taking account of additional repayments)	19				
Quasi-deposits on mortgage account:					
Amount available in respect of quasi-deposits on mortgage account as at month-end (i.e. repayments over and above contractual obligation which are available for withdrawal) ²⁾	20				
Total amount repaid during the month over and above contractual obligation (which represents a quasi-deposit as it is available for withdrawal)	21				
Total amount withdrawn during the month against quasi-deposits on mortgage accounts	22				

1) The number of flexible mortgage advances must be reported under line items 19 and 20 column 3. The number of transactions must be reported under line items 17, 18, 21 and 22 column 3.

2) To be less than or equal to the corresponding amounts reported under line item 19.

CREDIT CARDS AND INSTALMENT CREDIT

CREDIT CARDS	Line no.	Value	Number
		R'000	
		1	2
Card purchases processed during the month	23		
Cash advances during the month	24		

INSTALMENT CREDIT	Line no.	Balance, end of previous month per DI 900	Plus New business payout during month	Plus Finance charges earned and other debits during month	Minus Instalments received during month	Minus Amounts written off and other credits during month	Equals Balance, end of current month per DI 900
		R'000	R'000	R'000	R'000	R'000	R'000
		1	2	3	4	5	6
Instalment sales (DI 900 item 126 column 3)	25						
Leasing transactions (DI 900 item 127 column 3)	26						

	Line no.	Balance	Number of accounts
		R'000	
		1	2
Instalment sale accounts at month-end: Current	27		
Overdue	28		
Leasing accounts at month-end: Current	29		
Overdue	30		

NOTE: Line no. 25 column 6 should equal line no. 27 plus 28, column 1, and line no. 26 column 6 should equal line no. 29 plus 30, column 1.

PHYSICAL ASSETS: Particulars of the holdings of, and transactions, etc., in the following physical assets (Lines 31 to 40 only required on a quarterly basis, and to be completed on the returns for March, June, September and December.)

Fill in: Quarter ended.....19.....

PHYSICAL ASSETS	Line no.	Transactions during the quarter at transactions value		Balance current quarter-end	Capital expenditure on new fixed assets during the quarter		
		Purchases	Sales		For financial leasing to other parties	For operating leasing to other parties	For own use
		R'000	R'000	R'000	R'000	R'000	R'000
		1	2	3	4	5	6
Improvements to leasehold bank premises/buildings	31						
Bank premises/buildings	32						
Other non-residential premises/buildings ...	33						
Residential premises/buildings	34						
Passenger cars	35						
Other vehicles/transport equipment	36						
Furniture and fittings	37						
Computers, peripherals, ATM's	38						
Other machinery and equipment	39						
Total, line items 31 to 39	40						

NOTE: Columns 4 and 6 should include:

- Expenditure by this organisation on capital works-in-progress during each quarter;
- progress payments by this organisation to outside contractors, and
- interest and other costs capitalised, and consist of:
 - Total expenditure on the construction (erection) of new buildings and additions to existing buildings and works (excluding purchases of land and of existing buildings and works) – lines 31 to 34;
 - total expenditure on the acquisition of new vehicles (excluding purchases of used vehicles) before trade-in allowances, for the purpose of leasing as well as for own use – lines 35 and 36;
 - total expenditure on the acquisition, construction and installation of new machinery and equipment (excluding purchases of used machinery and equipment) before trade-in allowances, for the purpose of leasing as well as for own use – lines 37 to 39.

SELECTED TRANSACTIONS: Institutional sector breakdown of the issuers of, and transactions, etc., in bills and securities.

The following information is required for three purposes, namely (1) the institutional sectoral breakdown of the borrower or issuer of the relevant financial instruments, and (2) of the capital market turnover in these securities, and (3) ultimately to arrive at the actual transactions value of the changes in each institution's balance sheet items arising from these transactions. However, where, because of accounting practices, full details of gross purchases (and new issues, etc.) and gross sales (and redemption receipts, etc.) are not available, ensure that the net purchases or net sales amount is reported. All activity pertaining to all these financial instruments and giving rise to financial gains or losses which are of a capital nature, (that is, not current investment income and which would therefore not appear in the profit and loss account) must be reflected below.

ISSUER SECTOR	Line no.	Transactions at transaction value		Balance
		Purchases/ new issues	Sales/ redemptions	Current month- end book value
		R'000	R'000	R'000
		1	2	3
A. Bills issued by:				
Residents:				
Central Government (Treasury bills)	41			
Provincial administrations, independent and self-governing states	42			
Local authorities and regional services councils	43			
Land Bank and other public sector financial institutions	44			
Non-financial public sector enterprises	45			
Banks and mutual banks	46			
Other financial institutions	47			
Corporate private businesses not included elsewhere	48			
Unincorporated private businesses	49			
Non-residents	50			
B. Fixed dated securities issued by:				
Residents:				
Central government	51			
Other public sector -				
Provincial administrations, independent and self-governing states	52			
Local authorities and regional services councils	53			
Land Bank and other public financial sector corporations (e.g. Nat. Housing)	54			
Non-financial public sector enterprises (e.g. Eskom)	55			
Other (private) issuers -				
Banks and mutual banks	56			
Insurers	57			
Other financial institutions	58			
Corporate businesses not included above	59			
Other domestic parties	60			
Non-residents	61			

ISSUER SECTOR	Line no.	Transactions at transaction value		Balance
		Purchases/ new issues	Sales/ redemptions	Current month- end book value
		R'000	R'000	R'000
		1	2	3
C. Equity issued by:				
Listed and non-listed subsidiaries and associated companies –				
Banks and mutual banks	62			
Insurers	63			
Other financial institutions	64			
Fixed property holding companies	65			
Other	66			
Other listed companies –				
Residents:				
Banks and mutual banks	67			
Insurers	68			
Other financial institutions	69			
Public corporations	70			
Corporate private businesses not included elsewhere	71			
Non-residents companies	72			
Other companies, i.e. non-listed companies–				
Residents:				
Banks and mutual banks	73			
Insurers	74			
Other financial institutions	75			
Public corporations including Transnet, Sapos and Telkom	76			
Corporate private businesses not included elsewhere	77			
Non-resident companies	78			

NUMBER OF ACCOUNTS AND AMOUNTS IN RESPECT OF SELECTED ITEMS

TYPE OF ACCOUNT	Line no.	Amount	Number of accounts
		R'000	
		1	2
Overdraft facilities for which limits have been loaded on mutual bank's computer system: total limit (utilised and unutilised) - DI 900 line item 88	79		
Revolving credit accounts: total limit (utilised and unutilised) - DI 900 line item 89.....	80		
Credit card accounts: total limit (utilised and unutilised) - DI 900 line item 90.....	81		
Savings deposits: State-aided home-ownership scheme savings accounts - DI 900 line item 91 ..	82		
Mortgage advances and re-advances granted but not yet paid out as at month-end.....	83		
Fixed property included under asset line item 222 on return DI 900 which was bought in to protect an advance or investment and not yet disposed of as at month-end	84		
Fixed property bought in <u>during the month</u> in order to protect an advance or investment	85		
Shares acquired or bought in in order to protect an advance or investment, included under asset line item 222 on return DI 900	86		
Foreign loan facilities available to the reporting mutual bank but unutilised as at month-end	87		

PERSONNEL AND INFRASTRUCTURE

PERSONNEL/INFRASTRUCTURE OF THE REPORTING MUTUAL BANK as at 1 January (to be completed on the return for January only).	Line no.	Number
Number of employees	88	
Number of cash dispensing automatic teller machines owned by the reporting mutual bank	89	
Number of branches in the Republic and TBVC countries	90	
Number of agencies in the Republic and TBVC countries.....	91	
Number of branches and agencies in foreign countries	92	
Number of current accounts including those under cash management schemes	93	
Number of deposit accounts, excluding current accounts	94	

ANALYSIS OF INSTALMENT SALE AND LEASING TRANSACTIONS

DI 920

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(Confidential and not available for inspection by the public)

Quarterly

Name of mutual bank

Quarter ended 19

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

QUARTER-END INSTALMENT SALE AND LEASING BALANCES - BY TYPE OF ASSET AND TRANSACTION		Line no.	Asset item 125 of form DI 900			
			Instalment sales	Financial leases	Operating leases	
			R'000	R'000	R'000	
			1	2	3	
Passenger cars:						
- New	1					
- Used	2					
Trucks	3					
Agricultural machinery and equipment.....	4					
All household appliances such as furniture, television and radio sets, other electrical equipment, etc.....	5					
Industrial, commercial and office equipment.....	6					
Other goods.....	7					
All goods (total of items 1 to 7).....	8					
- BY TYPE OF PURCHASER		Line no.	Non-incorporated farming	Individuals	Other	Total
			R'000	R'000	R'000	R'000
			1	2	3	4
			Total amount shown against:			
Instalment sale transactions (asset item 126 of form DI 900)	9					
Leasing transactions (asset item 127 of form DI 900).....	10					

UNEARNED FINANCE CHARGES

Describe the basis on which unearned finance charges are taken to income:

.....

.....

.....

.....

.....

- Notes:** 1. The total of instalment sale balances by "type of asset" (line item 8, column 1) shall be equal to such balances by "type of purchaser" (line item 9, column 4)
2. The total of leasing balances by "type of asset" (line item 8, columns 2 and 3) shall be equal to such balances by "type of purchaser" (line item 10, column 4).

INTEREST RATES ON DEPOSITS, LOANS AND ADVANCES AT MONTH-END

DI 930

(Confidential and not available for inspection by the public)

Monthly

Name of mutual bank

Month ended 19

	Line no.	Date(s) from which effective	Rate %
		1	2
Cheque accounts – predominant rate on credit balances (specify particulars, e.g. minimum amount required to qualify for this rate):	1		
Transmission accounts – predominant rate (specify particulars, e.g. minimum amount required to qualify for this rate):	2		
Savings accounts – predominant rate (specify particulars, e.g. minimum amount required to qualify for this rate):	3		
State assisted home ownership savings scheme.....	4		
Fixed deposits with original maturity of *:			
12 to months.....	5		
18 to months.....	6		
24 to months.....	7		
36 to months.....	8		
48 to months.....	9		
New deposits of more than R100 000 by the public:			
Call deposits.....	10		
7 days notice.....	11		
32 days notice.....	12		
88 to 91 days notice.....	13		
182 to 185 days notice.....	14		
12 months fixed.....	15		
Predominant Inter-bank call rate	16		
Lending rates:			
Prime overdraft rate	17		
Predominant overdraft rate on current accounts	18		
Predominant rate on new fixed rate instalment sale agreements	19		
Predominant rate on adjustable rate instalment sale agreements	20		
Predominant rate on adjustable rate mortgage advances in respect of dwelling houses and sectional title units (home loans)	21		
Predominant rate on adjustable rate mortgage advances in respect of flats	22		
Predominant rate on adjustable rate mortgage advances in respect of other structures	23		
Predominant rate on adjustable rate mortgage advances in respect of vacant urban land.....	24		
Predominant rate on adjustable rate mortgage advances in respect of farm property.....	25		
Predominant rate on new fixed rate mortgage advances in respect of dwelling houses and sectional title units (state period for which rate is fixed)*:			
Period Rate	26		
Period Rate	27		
Period Rate	28		
Period Rate	29		

NOTE : PREDOMINANT RATE refers to the rate applicable to the largest number of accounts in the relevant category.
 * Indicate in the space provided the applicable number of months i.r.o. items 5 to 9, and months or years i.r.o. items 26 to 29.

44. Institution and maturity breakdown of liabilities and assets - Directives and interpretations for completion of institutional and maturity breakdown of liabilities and assets (Form DI 900)

- (1) The relevant statement is a public document and is available for inspection by the public.
- (2) The detailed directives and interpretations for the completion of the monthly balance sheet on form DI 100 and the statement of off-balance-sheet activities on form DI 110 contained in regulations 19 and 23(6), respectively, shall, unless hereunder in this regulation otherwise indicated, be applicable *mutatis mutandis* in the completion of this statement.
- (3) The institutional breakdown of liabilities and assets shall be made in accordance with the information contained in the Institutional Sector Classification Guide for South Africa.*
- (4) Hereinafter in this subregulation, instructions relating to the completion of form DI 900 are furnished with reference to the corresponding liability and asset items appearing in the balance sheet on form DI 100, and, in respect of the contingent liabilities and other risk exposures, with reference to the corresponding items appearing in the statement of off-balance-sheet activities on form DI 110, as follows:

* Copies of this guide can be obtained from the Economics Department, S.A. Reserve Bank, P.O. Box 7433, Pretoria, 0001.

CAPITAL AND LIABILITIES

Line item numbers appearing on:

<u>Form DI 100</u>	<u>Form DI 900</u>
1	3 + 6 + 37 + 38
2	3 + 37
3	6 + 38
4	10 + 15 + 23
5	10 + 15 + 23 (Columns 1 + 2)
6	10 + 15 + 23 (Columns 3 + 5)
7 + 8	10 + 15 + 23 (Columns 4 + 6 + 7)
	Note: NCD's issued to other persons than banks shall be reflected opposite the applicable institutional groupings identified on form DI 900.
9	27 + 45
10	28 + 29 + 34 + 47 + 49 + 50 + 51 + 52 (where applicable)
11	30 + 31 + 32 + 33 + 35 + 46 + 48 + 49 + 50 + 51 + 52 (where applicable)
12	39
13	41 + 44 (where applicable)
14	40 + 42 + 43 + 44 (where applicable)
15	9 + 53 + 58
16	63
17	64
18	226
19	227
20	228
21	229
22 + 32 + 33	65 = 66 to 68
23	-
24	70 to 76
25	77
26 + 27 + 28	78
29	70 to 78
30	79
31	69
32	67 (in part)
33	67 (in part)

CONTINGENT LIABILITIES AND OTHER RISK EXPOSURES

Line item numbers appearing on:

Form DI 1101
2 + 3
4
5
6
3 (in part)**Form DI 900**82
83
84
85
86
87

ASSETS

Line item numbers appearing on:

Form DI 100

35
 36
 37
 38
 39
 40
 41

 42
 43
 44
 45
 46
 47
 48
 49
 50
 51
 53
 54 + 58
 55 + 59
 56 + 60

 57 + 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 76

Form DI 900

98 + 151
 99
 102 + 151
 103
 107 - 151
 112 + 113 + 118 + 119 + 120
 109 + 110 + 111 + 115 + 116 +
 117
 125
 128
 136
 140
 161
 164 + 173
 150 - 151
 121
 123
 122 + 124
 183
 184
 185 + 193 + 199
 202 + 205 + 208 (where
 applicable)
 208 (where applicable)
 211
 184
 212
 213
 214
 215
 216
 218
 226
 227
 228
 229
 219 + 221 + 222
 220
 223

CHAPTER VI**DEFINITIONS AND GENERAL PROVISIONS****45. Definitions**

In these Regulations, "the Act" means the Mutual Banks Act, 1993 (Act No. 124 of 1993), and any word or expression to which a meaning has been assigned in the Act shall bear the meaning so assigned thereto and, unless the context otherwise indicates -

"**bank**" means a company that is provisionally or finally registered as a bank in terms of the Banks Act 1990, Act No. 94 of 1990.

"**business day**", for the purposes of these Regulations, means each day of the week except Saturday, Sunday or a public holiday;

"**cash-management scheme**" means an agreement between a mutual bank and such of its clients as are members of the same group of companies in respect of which group annual financial statements are required to be made out in terms of section 288(1) of the Companies Act, which agreement provides for transfers of balances between such clients' accounts kept in the accounting records of the mutual bank, and which transfers are made in order to minimise the interest expense or to maximize the interest income of such clients;

"**central government**" means all -

- (a) government departments;
- (b) agencies of the central government, social security funds and government enterprises as contemplated in the Institutional Sector Classification Guide;
- (c) the four provincial administrations; and
- (d) the governments of the self-governing territories;

"**commercial paper**" means -

- (a) a short-term secured or unsecured promissory note with a fixed or floating maturity;
- (b) call bonds; and
- (c) any other secured or unsecured written acknowledgement of debt,

issued to acquire working capital; and

- (d) debentures or any interest-bearing written acknowledgement of debt issued for a fixed term in accordance with the provisions of the Companies Act, 1973,

but does not include bankers' acceptances;

"**demand deposit**" means any amount repayable on demand, and includes -

- (a) all balances due on current account, without deduction of debits in transit or addition of credits in transit;

- (b) call monies; and
- (c) any other amounts due that are immediately withdrawable;

"financial rand" means -

- (a) the local sale proceeds of South African assets owned by a person resident outside the Republic; and
- (b) funds designated as financial rand by the Treasury or a person authorised thereto by the Treasury;

"foreign asset" means any asset (excluding a claim) situated outside the Republic, and any asset consisting of a claim by the reporting mutual bank on a non-resident;

"foreign currency" means a currency other than the reporting currency of a mutual bank;

"general provision for doubtful debts" means any provision created to absorb future losses on debts that may prove to be wholly or partly irrecoverable and which losses have not been separately identified but which can reasonably be expected to exist or develop;

"independent state" means any country the territory of which formerly formed part of the Republic;

"instalment sale transaction" means a transaction in terms of which -

- (a) movable goods are sold by the seller to the purchaser against payment by the purchaser to the seller of a stated or determinable sum of money at a stated or determinable future date or, in whole or in part, in instalments over a period in the future; and
- (b) the purchaser does not become the owner of those goods merely by virtue of the delivery to or the use, possession or enjoyment by him thereof; or
- (c) the seller is entitled to the return of those goods if the purchaser fails to comply with any term of that transaction;

"Institutional Sector Classification Guide" means the Institutional Sector Classification Guide for South Africa, issued from time to time by the Economics Department of the South African Reserve Bank;

"leasing transaction" means a transaction in terms of which a lessor leases movable goods to a lessee against payment by the lessee to the lessor of a stated or determinable sum of money at a stated or determinable future date or in whole or in part in instalments over a period in the future, but does not include a transaction by which it is agreed at the time of the conclusion thereof that the debtor or any person on his behalf shall at any stage during or after the expiry of the lease or after the termination of that transaction become the owner of those goods or after such expiry or termination retain the possession or use or enjoyment of those goods;

"liability to non-resident" means any claim of a non-resident on a South African mutual bank;

"liabilities to the public" means all liabilities of a reporting mutual bank, whether domestic or foreign, arising from the operations of the reporting mutual bank in connection with its banking business in the Republic, as set out in more detail in form DI 100;

"long-term liability", in relation to any date, means a liability (including a loan from or a deposit by another bank or mutual bank) that is payable after the expiration of more than six calendar months as from that date or which on that date is subject to notice that makes it payable after the expiration of more than six calendar months as from that date;

"medium-term liability", in relation to any date, means a liability (including a loan from or a deposit by another bank) that is payable on or after the thirty-second day as from that date but not later than the day on that a period of six calendar months as from that date expires, or that on that date is subject to notice which makes it payable on or after the thirty-second day as from that date but not later than the day on which a period of six calendar months as from that date expires;

"mutual bank", means a juristic person that is provisionally or finally registered as a mutual bank in terms of the Mutual Bank Act, 1993, Act No. 124 of 1993.

"non-earning assets" means investments in shares in respect of which no dividends have been received during the twelve months preceding the date of a return that is to be submitted in accordance with these Regulations;

"non-performing debt" means discounts, loans or advances in respect of which it is no longer prudent to credit interest receivable to the income statement;

"non-resident" means a person who is not a resident;

"other public-sector bodies" means all local authorities, regional services councils, regional water service corporations, public enterprises, public sector institutions and agricultural control boards, as contemplated in the Institutional Sector Classification Guide;

"person" includes -

- (a) two or more persons, whether natural or juristic, who, unless proven to the contrary, constitute a single risk because of the fact that one of them has directly or indirectly control over the other or others; or
- (b) two or more persons, whether natural or juristic, between whom there is no relationship or control as referred to in (a) above, but who are to be regarded as constituting a single risk, because of the fact that they are so interconnected that should one of them experience financial difficulties, the other or all of them would be likely to encounter repayment difficulties;

"public sector" means the central government and other public-sector bodies, as hereinbefore in this regulation defined;

"repurchase agreement" means the obtaining of money (which money shall for the purposes of these Regulations be deemed to have been so obtained by way of a loan) through the sale of an asset to any other person subject to an agreement in terms of which the seller undertakes to purchase from the buyer at a future date the asset so sold or any other asset

issued by the issuer of, and which has been so issued subject to the same conditions regarding term, interest rate and price as, the asset so sold;

"resale agreement" means the provision of money (which money shall for the purposes of these Regulations be deemed to have been so provided in the form of a loan) through the purchase of an asset from any other person subject to an agreement in terms of which the buyer undertakes to sell to the seller at a future date the asset so purchased or any other asset issued by the issuer of, and which has been so issued subject to the same conditions regarding term, interest rate and price as, the asset so purchased;

"resident" means -

- (a) a person staying or intending to stay or making his headquarters in the Republic for a period of 12 consecutive months or longer;
- (b) an organization operating in the Republic; or
- (c) a South African citizen attached to an embassy or consulate in a foreign country,

but does not include any citizen of another country attached to a foreign diplomatic or military mission or representative office in the Republic;

"self-governing territory" means an area declared under section 26 of the National States Constitution Act, 1971 (Act No. 21 of 1971), to be a self-governing territory within the Republic of South Africa;

"short-term liability", in relation to any date, means a liability (including a loan from or a deposit by another bank or mutual bank) that is payable on or before the thirty-first day as from that date, or that on that date is subject to notice that makes it payable on or before the thirty-first day as from that date;

"specific provision for doubtful debts" means any provision made against losses on a debt that has been specifically identified as bad or doubtful, and any provision made against groups of debts on the basis of their age;

"specific provision in respect of investments" means any provision made in respect of the anticipated or actual diminution in the value of securities or equities held by the reporting bank;

"suspensive sale transaction" means a sale subject to a suspensive condition.

46. Short title and commencement

These Regulations shall be called the Regulations relating to Mutual Banks and shall come into operation on 3 January 1994.

BELANGRIK!!

Plasing van tale:

Staatskoerante

1. Hiermee word bekendgemaak dat die omruil van tale in die *Staatskoerant* jaarliks geskied met die eerste uitgawe in Oktober.
2. Vir die tydperk 1 Oktober 1993 tot 30 September 1994 word Afrikaans EERSTE geplaas.
3. Hierdie reëling is in ooreenstemming met dié van die Parlement waarby koerante met Wette ens. die taalvolgorde deurgaans behou vir die duur van die sitting.
4. *Dit word dus van u, as adverteerder, verwag om u kopie met bogenoemde reëling te laat strook om onnodige omskakeling en stylredigering in ooreenstemming te bring.*



IMPORTANT!!

Placing of languages:

Government Gazettes

1. Notice is hereby given that the interchange of languages in the *Government Gazette* will be effected annually from the first issue in October.
2. For the period 1 October 1993 to 30 September 1994, Afrikaans is to be placed FIRST.
3. This arrangement is in conformity with Gazettes containing Act of Parliament etc. where the language sequence remains constant throughout the sitting of Parliament.
4. *It is therefore expected of you, the advertiser, to see that your copy is in accordance with the above-mentioned arrangement in order to avoid unnecessary style changes and editing to correspond with the correct style.*

WARNING

**Possession of
illegal weapons
could condemn
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COMMUNITY AND
FAMILY REJECTION**

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For the sake of your community

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