

Comment Matrix – Proposed Amendments to BA700

Risk	Line	Column	Line Description	Comment	PA's Comments
Form BA 700					
Capital	03	01 - 08	Aggregate risk weighted exposure for purposes of the Output Floor (Output Floor).	<p>Row 3 has been changed to calculate the output floor per risk type. The draft circular and previous iterations required the calculation at a total (sum of all risk types) rather than per risk type. Suggested formula in Line no. 3 column 8 only: =IF(L12>L11,(L12*0.6),L11.</p> <p>Formula for line 3 column 1 to 7 should be greyed out (removed).</p> <p>The proposed treatment (output floor per risk type) also deviates from previous guidance and international practice – this could result in unintended consequences, given that we manage capital adequacy across risk types (in aggregate) rather than per risk type. Urgent clarification is required on the proposed calculation that is not aligned to the Basel framework and the approach taken on the Basel 1 floor.</p>	The proposed BA700 template was amended to calculate the Output Floor only at an aggregate level. Consequentially Line 3 columns 1 to 7 were greyed out as recommended.
Capital	07	08	Additional risk weighted exposure equivalent amounts specified by the Authority	<ul style="list-style-type: none"> Check formula in Line 7 column 8, as 'other' in column 7 is missing in the total. To also clarify, that additional risk weighted assets per risk type will also need to be populated in the relevant column? Where the output floor is affected due to the non-modelling approaches being higher, is it still reasonable to also include additional risk weighted assets specified by the Authority in line number 7 – is there any element of double count? Especially where regulatory add-ons have been brought in for approved models – should this not be elevated above the line and added to modelled outcomes before comparing it against the standardised calculation? 	<p>Formula on Line 7 revised to include column 7 in the calculation of the total amount.</p> <p>Line 7 shall reflect the relevant risk exposure equivalent amount related to any additional requirement specified in writing by the Authority that relates to items such as specified add-ons.</p> <p>Additional Risk weighted exposures specified in writing by the Authority are not synonymous to post-model adjustments and therefore are not regarded as modelled outcomes.</p>
Capital	ALL	ALL	Proposed excel BA700 form	References made to Regulation 38 – is there any updated version that will be shared, also noting the proposed directive to remove the BA700 from the regulations is also in process.	The revised or updated proposed amendments to the Regulations will be shared with the industry. Draft 3 of the fifth set of proposed amendments to the Regulations was also published and shared with industry.
Capital	28	3	Leverage Ratio	Will the specified buffer be disclosed externally similar to the DSIB for capital purposes?	The Leverage Buffer will be subject to the same disclosure requirements as the capital buffers.
Capital	78 - 87		Tier 2 Capital and Reserve funds and Total Capital and Reserve Funds	<p>Footnotes (for BA700 lines 78 to 87):</p> <p>3. The portion of general allowance for credit impairment which relates to exposures subject to the standardised approach for credit risk may be included in tier 2 unimpaired reserve funds up to a maximum amount of 1,25 per cent of item 81, column 11, of the form BA 200. Refer to regulation 23(22)(c).</p> <p>4. The surplus amount of eligible provisions calculated in accordance with the provisions of regulation 23(22)(d) in respect of exposures subject to the IRB approach may be included in tier 2 unimpaired reserve funds up to a maximum amount of 0,6 per cent of item 201, column 13, of the form BA 200.</p> <p>Will the references to the revised BA200 be updated in the next draft? Are there BA200 forms finalised?</p>	Reference to the latest published BA200 included or updated.
Capital	5	7	Risk weighted exposure amount in respect of threshold items	Please recheck formula =F306*2.5+F308*12.5 – proposed: =E306*2.5+E308*12.5	Formula amended – Formula reference updated / revised to include the correct cells.
Capital	4	8	Risk weighted exposure equivalent amount in respect of concentration risk	Please recheck sum formula – proposed: =SUM(\$E\$14:\$K\$14)	Formula revised to include Column 7 in the total.

Comment Matrix – Proposed Amendments to BA700

Capital	General		General comment – following items per current reporting deleted in revised form <ul style="list-style-type: none"> ▪ Heading: Minimum required capital and reserve funds ▪ Line item: Base minimum required capital and reserve funds per specified risk type, based on risk-weighted exposure (item 6 multiplied with item 11, column 3) 	Please confirm if this disclosure is no longer required	Only the total Minimum Capital Requirements per risk type requires disclosure on the revised BA700.
Capital	44	01	Line 44 - Total of specified adjustments to and deductions from common equity tier 1 capital and reserve frunds ² (total of items 44 to 54)	Please recheck spelling and reference – proposed: Total of specified adjustments to and deductions from common equity tier 1 capital and reserve funds ² (total of items 45 to 55)	The spelling error is a typo and was subsequently corrected.
Capital	55	01	Line 55 - Other regulatory adjustments (please specify)	Proposed – delete (please specify) in the line description as line 197 – 205 give the detail	The list of capital deductions included on line 197 – 205 is not exhaustive, the line description will remain to accommodate any other relevant deduction not listed on the referenced lines.
Capital	59	01	Investments in the common stock of financial entities (amount above 10% threshold)	Please recheck cell reference – proposed reference =E277	Cell reference updated as per the recommendation.
Capital	64	01	Line 64 - Common equity tier 1 capital and reserve funds after specified adjustments and deductions (item 61 less item 62)	Please recheck reference – proposed: Common equity tier 1 capital and reserve funds after specified adjustments and deductions (item 62 less item 63)	Cell reference updated as per the recommendation.
Capital	95	1 - 6	Capital Adequacy including Unappropriated Funds	Please recheck formula, Proposed calculation, consider including brackets for e.g. per column 1 formula =(E165+E110)/L18*100, to allow ratio to calculate	Formula updated per the recommendation.
Capital	151	01	Holdings of tier 2 capital net of short positions and other TLAC instruments or liabilities	Please recheck formula – as it is currently including line 146 Proposed calculation should read = max(0, E248 - E249+E250)	Formula updated per the recommendation.
Capital	184	01	Net amount of deferred tax assets due to temporary differences	Please recheck – Proposed reference =E194	Calculation revised on the latest template
Capital	187	01	Significant investments in the common equity of financial entities not deducted as part of the 10% cap	Please recheck formula =E270-E279 – Proposed calculation =E268-E277	Formula updated per the recommendation.
Capital	231 - 242	01	Adjusted On-Balance-sheet Exposure: Leverage Ratio Exposure measure.	Please provide further clarity if negative numbers can be inputted I in relation to the adjustments as the calculation for Line 229 is a sum formula.	The summation equation indicates that the exposure measure amount for total on-balance sheet exposures is mandatory a non-negative amount, however the adjustments thereto are much more flexible.
Capital	238	01	Deductions from the exposure measure (excluding the shortfall of eligible provisions to expected loss).	Per the current form there is a formula provided Proposed =(E89+E90+E91+E92+E97+E98+E101+E103+E105+E107+E109+IF(E224>0,E224,0))	The PA will include the current validation rule / calculation as it in the current BA700.
Capital	General		General Comment	In the current form there is Line 249 Less: Shortfall of eligible provisions relative to expected loss, please kindly advise where this would be included in the revised form.	The revision to the Leverage Ratio exposure measure is aligned with the latest Disclosure template on Leverage. Lines 240 and 241 requires banks to report amounts of general and specific provisions that are deducted from Tier 1 capital which may be deducted from the

Comment Matrix – Proposed Amendments to BA700

					exposure measure in accordance with regulation 38(15)(e)(v) of the proposed Regulations.
Capital	243 - 247	01	Total on-balance sheet exposures, excluding derivatives and SFTs	To confirm that these are just disclosure lines – do these need to validate against any other lines in the return.	These are Memorandum items (additional disclosure items in respect of the On-balance sheet exposure measure). Referenced lines do not have current validation rules.
Capital	248	01	Derivative Exposures: Leverage Ratio Exposure measure	Please provide further clarity if negative numbers can be inputted in relation to the calculation of total derivative exposures as the formula in Line 248 is a sum formula	Adjustments that reduce the exposure measure shall be reported as negative figures.
Capital	255	01	Securities financing transactions (SFT) exposures	Reference made to average gross SFT, however the word document refers to actual month end or quarter end balances. Additional clarify required.	Directives for completion wording revised to indicate that banks must report monthly or quarterly average values, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables.
Capital	271	01	CET1 available after meeting the minimum capital requirements (as publicly disclosed)	Is there a formula for this? Is this line to be calculated for entities that are also not publicly disclosed, i.e standardised disclosures (KM1) not published for solo entities.	No formula for Line 271 of the BA700. All banks shall report this line item, if the bank is not subject to public disclosure, it must report the figure that would be reported if the bank was subject to public disclosure.
Capital	28	footnote	Leverage Ratio footnote	Reference made to Regulation 38(15) but the leverage section refers to Regulation 38(17) – lines 229 onwards.	Correct reference updated on the footnotes.
Capital	208		Profit after tax prior to the deduction of relevant distributions specified below	There is a formula/calculation in the current regulations but this has been removed in the draft proposed – is this correct?	There is no calculation or validation rule relating to the referenced cell.
Capital	226	01	Adherence to capital conservation requirement	Please recheck formula , should it be referencing BA700 line 218. Consider including a formula.	Line 228 has a footnote that clearly indicates the below: “Report "y" if item 223 exceeds item 218, or "n" if item 223 does not exceed item 218” It is an input cell from the bank, and currently has no calculation.
Capital	246	01	Deductions of receivable assets for cash variation margin provided in derivatives transactions	This line is a memorandum/disclosure line – on which line should the actual adjustment from total on-balance sheet assets be made.	The referenced line is indeed a Memorandum item, and Line 238 may be used to deduct the actual amount from the exposure measure.
Capital	General		Referencing and Cross-referencing across BA forms	Given the changes across regulations, forms and proposed directives, it is recommended that a complete set of the regulations, directives and updates forms be share simultaneously to ensure banks to ensure a complete and consistent review. References to underlying risk returns (e.g BA200, BA340, etc.) – appear to be still pending updates – if this can also be confirmed.	Final directives will include updated correct references across the forms.
Capital	General		Validation rules and Calculations	Banks are required to make system changes to implement/update the BA700 forms – please can the excel version with complete formulas and unique numbers and validations be shared in order for bank to these system changes.	Finalised returns will be share through the Umoja process, including final calculations and validation rules.
Capital	Directives for completion		Line item 3 Output Floor is not binding for banks using only standardised approach to report aggregate risk weighted exposure equivalent amounts, therefore this item shall be equal to item 1 of the form BA700.	Will this be the same for the BA610s where entities applying purely standardised approaches.	Correct. In the case where a bank is solely using the Standardised approaches and the Output Floor is not a binding constraint, aggregate risk weighted exposure after application of the floor (output floor) shall be the same as the aggregate risk weighted exposure.

Comment Matrix – Proposed Amendments to BA700

Capital	Directives for completion		Line item 7 - Additional risk weighted exposure equivalent amounts specified by the Authority	Where the floor add-ons relate to a specific risk type - where does this get included.	Floor add-ons or RWA scalars relating to specific risk types specified in writing by the Authority shall be reported in Line 7 of the BA700.
Capital	Directives for completion		Columns relating to the summary information of capital adequacy, items 1 to 8	<ul style="list-style-type: none"> There are differences noted to the revised returns (e.g. BA200 and BA400) – do the references to the underlying risk returns still need to be updated. The revised BA200 does not include the updated disclosure requirements for the pure non modelling approaches – will this be in the next draft. 	<p>Final directives will include updated correct references across the various forms.</p> <p>No further revisions or updates are expected from the BA200.</p>
Capital	Completion Instructions		Columns relating to the summary information of capital adequacy, items 1 to 8	No info provided for item 2 column 3 to 7 – which are the non-modelling approaches. To which returns/source will these link to?	Line 2 (Non-Modelling approaches) is defined in the directives for completion document.
Capital	Directives for completion		Columns relating to the summary information of capital adequacy, items 1 to 8	Are threshold items not reported on column 7 row/item 5	Threshold deductions are indeed reported on the reference cell and were correctly referenced on the directives for completion document that was published.
Capital	Directives for completion		Line-item 71	Reference made to line item 70 instead of 71	Correct reference included on the directives for completion
Capital	Directives for completion		Line item 254	<p>Form refers to average, but reference made to month end or quarter end balances?</p> <p>Is the use of daily averages at the discretion of the entity?</p>	Directives for completion wording revised to indicate that Banks must report monthly or quarterly average values, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables. Use of daily averages is mandatory and not discretionary.
Capital	02	03	Non-modelling approaches for Equity risk	Please provide guidance on the calculation of the risk weighted exposure for equity risk on the standardised approach, specifically with regards to equity in Funds.	Guidance provided in regulation 31 of the proposed amendments to the Regulations in respect of the calculation of risk weighted exposure using the standardised Approach shall mutatis mutandis apply to the calculation of non-modelling approaches for Equity risk.
Capital	04	01-07	Risk weighted exposure equivalent amount in respect of concentration risk.	Please provide a reference for the quantification of concentration risk in relation to each risk type.	Concentration risk is based on provisions of the large exposure framework and regulation 24 of the proposed amendments to the Regulations.
Capital	28	03	Leverage ratio specified buffer requirement	Please provide guidance on the implementation date for the leverage ratio buffer.	The final directive in respect of the Leverage buffer requirement is underway with a target implementation date of 1 July 2025.
Capital	207-217	01	Information related to capital distribution and income for the rolling six-month period ending at the reporting date.	What are the reporting requirements for the completion of this table for each reporting period? (i.e., is it compulsory?)	The table shall only be completed by banks that have utilised part of their specified capital buffers and that have reported a percentage lower than 100 per cent in line item 224 of the form BA 700, provided that, when required to be completed, the items shall be completed based on six-month rolling balances.
Capital	242	02	Other adjustments	Should the deduction in Line 51 Col 1 (Cash flow hedge reserve) be included in Line 242 Col 1?	Regulation 38(15)(e)(iv)(A)(iii) of the proposed amendments to the Regulations provides that a bank may deduct from the exposure measure any balance sheet asset deducted from its tier 1 capital and reserve funds. Now Cash Flow Hedge Reserve is not an Asset, thus not included in the scope of the quoted regulation which is specific to On-Balance-sheet exposure category of the exposure measure.

Comment Matrix – Proposed Amendments to BA700

Capital	Directives for completion	<p>Item 39 , column 8, of the form BA 200; plus Item 205, column 13, of the form BA 200; plus Item 1, column 2, of the form BA 500; less Item 38, column 8, of the form BA 200; less Item 204, column 13, of the form BA 200 less Item 139 column 20, of the form BA 200 less Item 353, column 20, of the form BA 200 less Item 153, column 5 of the form BA 200 less Item 362, column 5 of the form BA 200</p> <p>These line items do not conform to the Regs 23, as they are not total lines rather, they are specific credit products.</p>	<p>Recommendation: Revise the BA200 lines to the latest Annexure A - Form BA 200 #107359 as distributed in May 2024.</p>	Reference to the correct lines updated.
Capital	Directives for completion	<p>Item 39, column 8, of the form BA 200; plus Item 3, column 2 of the form BA 500; plus Item 4, column 2 of the form BA 500 ,less Item 38, column 8, of the form BA 200; less Item 139 column 20, of the form BA 200 and the amount reported in the specified items of the forms specified below will be zero:</p>	<p>Item 205, column 13, of the form BA 200; Item 2, column 2, of the form BA 500; Item 204, column 13, of the form BA 200; and Item 353, column 20, of the form BA 200</p> <p>These line items do not conform to the Regs 23, as they are not total lines rather, they are specific credit products.</p>	Reference to the correct lines updated.
Capital	Directives for completion	<p>“Accordingly, this item shall reflect the amount that would be reported in Item 39, column 8, of the form BA 200 and the amount reported in Item 139 column 20, of the form BA 200 will be zero.” Reference to BA200 is based on credit products lines and not total lines. In addition advise why on the Standardise approach do we expect these lines to reflect zero.</p>	<p>Recommendation:</p> <p>Revise the BA200 lines to the latest Annexure A - Form BA 200 #107359 as distributed in May 2024.</p> <p>Advise why does the lines that relates to standardise approach need to reflect zero, as we are reporting BA700 line 2 column 2, - Non modelled approach.</p>	Reference to the correct lines updated.
Capital	Directives for completion	<p>This item shall reflect the relevant required aggregate amount of risk weighted counterparty credit exposure reported in the items of the form BA 200 specified below: Item 139 column 20, of the form BA 200 plus Item 353, column 20, of the form BA 200 Item 353, column 20, of the form BA 200</p> <p>Reference to BA200 is based on credit products lines and not total lines.</p>	<p>Recommendation:</p> <p>Revise the BA200 lines to the latest Annexure A - Form BA 200 #107359 as distributed in May 2024.</p>	Reference to the correct lines updated.

Comment Matrix – Proposed Amendments to BA700

Capital	Directives for completion	<p>This item shall reflect the relevant required aggregate amount of risk weighted credit valuation adjustment exposure reported in the items of the form BA 200 specified below:</p> <p>Item 153, column 5 of the form BA 200 plus Item 362, column 5 of the form BA 200”</p> <p>References made to the BA200 cannot be traced to the BA200 template as shared by the PA namely” Annexure A - Form BA 200 #107359” as distributed in May 2024.</p>	<p>Recommendation:</p> <p>Revise the BA200 lines to the latest Annexure A - Form BA 200 #107359 as distributed in May 2024.</p>	Reference to the correct lines updated.
Capital	Directives for completion	<p>This item shall reflect the relevant required risk weighted exposure equivalent amount related to operational risk reported in item 52, column 10, of the form BA 400.</p> <p>References made to the BA400 cannot be traced to the BA400 template as shared by the PA namely “Annexure B - Form BA 400” as distributed in May 2024.</p>	<p>Recommendation:</p> <p>Revise the BA400 lines to the latest Annexure B - Form BA 400 as distributed in May 2024.</p>	Reference to the correct lines updated.
Capital	Directives for completion	<p>“This item shall reflect the relevant required risk weighted exposure amount related to market risk calculated in the manner specified below. Item 32, column 3, of the form BA 320, multiplied by 12,5 or such imputed variable as may be applicable from time to time.” References to the BA320 cannot be confirmed as updated Basel IV BA320 templates were not yet shared with Absa Bank</p>	<p>Recommendation:</p> <p>Revise the BA320 lines to be revise to the latest Basel IV BA 320 template.</p>	Reference to the correct lines updated.
Capital	Directives for completion	<p>This item shall reflect the relevant required aggregate amount of risk weighted credit exposure related to equity instruments held in the bank’s banking book, as reported in the relevant items of the form BA 340 specified below:</p> <p>Item 1, column 3, of the form BA 340; plus Item 2, column 3, of the form BA 340; plus Item 3, column 3, of the form BA 340; plus Item 6, column 4, of the form BA 340; plus Item 36, column 6, of the form BA 340; plus Item 37, column 6, of the form BA 340; plus Item 38, column 6, of the form BA 340; plus</p> <p>References to the BA340 cannot be confirmed as updated Basel IV BA340 templates were not yet shared with Absa Bank.</p>	<p>Recommendation:</p> <p>Revise the BA320 lines to be revise to the latest Basel IV BA 320 template.</p>	Reference to the correct lines updated.

Comment Matrix – Proposed Amendments to BA700

Capital	Directives for completion	<p>This item shall reflect the relevant required risk weighted exposure equivalent amount in respect of assets or risks other than credit risk, counterparty credit risk, operational risk, market risk, risk related to equity instruments held in the bank's banking book, or the relevant risk weighted exposure amount related to threshold items including any relevant amount of risk weighted exposure related to items reported in-</p> <p>Item 122, column 3, of the form BA 200; Item 167, column 3, of the form BA 200; and</p> <p>any other relevant amount of risk weighted exposure related to an asset or exposure specified in writing by the Authority.</p> <p>References made to the BA200 cannot be traced to the BA200 template as shared by the PA namely" Annexure A - Form BA 200 #107359" as distributed in May 2024</p>	<p>Recommendation</p> <p>Revise the BA200 lines to the latest Annexure A - Form BA 200 #107359 as distributed in May 2024.</p>	Reference to the correct lines updated.
Capital	Directives for completion	<p>Retained earnings.</p> <p>This item shall reflect the relevant aggregate amount of retained earnings prior to the application of any regulatory adjustment, provided that any negative amount due to accumulated losses shall be reported in line item 198, as part of regulatory adjustments or deductions, and not in this line item 30.</p> <p>The reference to Line 30 is not correct, per the template Copy of Annexure A- Proposed form BA700 #107544", retained earnings is line 31.</p>	<p>Recommendation</p> <p>Update reference to correctly reflected template" Annexure B - BA700 directives for completion Final #107548"</p>	Reference to the correct lines updated.
Capital	Proposed BA700	<p>Footnote 3 under Table Tier 2 capital reads: "3. The portion of general allowance for credit impairment which relates to exposures subject to the standardised approach for credit risk may be included in tier 2 unimpaired reserve funds up to a maximum amount of 1,25 per cent of item 79, column 11, of the form BA 200. Refer to regulation 23(22)(c)."</p> <p>References made to the BA200 cannot be traced to the BA200 template as shared by the PA namely" Annexure A - Form BA 200 #107359" as distributed in May 2024.</p>	<p>Recommendation</p> <p>Revise the BA200 lines mentioned to the latest Annexure A - Form BA 200 #107359 as distributed in May 2024.</p>	Reference to the correct lines updated.

Comment Matrix – Proposed Amendments to BA700

Capital	Proposed BA700	<p>Footnote 4 under Table Tier 2 capital reads 4. The surplus amount of eligible provisions calculated in accordance with the provisions of regulation 23(22)(d) in respect of exposures subject to the IRB approach may be included in tier 2 unimpaired reserve funds up to a maximum amount of 0,6 per cent of item 257, column 2 of the form BA 200.</p> <p>References made to the BA200 cannot be traced to the BA200 template as shared by the PA namely” Annexure A - Form BA 200 #107359” as distributed in May 2024.</p>	<p>Recommendation Revise the BA200 lines mentioned to the latest Annexure A - Form BA 200 #107359 as distributed in May 2024.</p>	Reference to the correct lines updated.
Capital	Proposed BA700	<p>Line 3 Column 1 to 7: Aggregate risk weighted exposure for purposes of the Output Floor (Output Floor): Contained in “Comments Annexure B” line 3 Regs read: “The phase-in requirement for the purpose of the output Floor apply as follows:</p> <p>1 July 2025: 60% 1 January 2026: 65% 1 January 2027: 70% 1 January 2028: 72.5%</p> <p>The formulae contained on Line 3 column 1 to 8 has a fixed formulae with a phase in percentage at 60%</p>	<p>Clarity</p> <ul style="list-style-type: none"> Will the DIX system be updated yearly to update for the applicable years phase limit. To comply with 90 days resubmission how will DIX be configured to restate the phase -in percentage of the prior year. 	The system will be reconfigured yearly to update the respective output floor multiplier.
Capital	Proposed BA700	Risk weighted exposure amount in respect of threshold items (line 5 / column 7) is impacted by the change in the location of Non-modelling approaches (line 2).	<p>Clarity Threshold items are not subject to phase-in?</p>	<p>Threshold items are not subject to the phase-in arrangements.</p> <p>Additional Risk weighted exposures specified by the Authority is also not subject to phase-in arrangements.</p>
Capital	Proposed BA700	The location of line 7 (column 1-7) “Additional risk weighted exposure equivalent amounts specified by the Authority” has changed, requiring the need for clarity (interpretation).	<p>Clarity Is BA700 line 7 (column 1-7) “Additional risk weighted exposure equivalent amounts specified by the Authority” applicable to PMA under both IRB and standardised approach? Additionally, is this line not subject to phase-in?</p>	The floor seeks to ensure that RWE generated using internal models cannot in aggregate, fall below 72.5% of the RWA computed using standardised approaches. This limits the benefit a bank can derive from using internal models to 27.5%. The phasing-in of threshold items and additional risk weighted exposures specified by the Authority does not achieve the overall objective of limiting benefit derived from using internal models and does not ensure consistency and comparability across banks