**CONSOLIDATED SUPERVISION**

**Regulation 36 of the Regulations relating to Banks (Regulations)**

Instructions relating to the completion of the form BA 600 are furnished with reference to the headings and item descriptions of certain columns and line-item numbers appearing on the form BA 600, as follows:

**Table 1: Line items relating to the summary of matters related to group capital adequacy**

| **Line-item number** | **Description** |
| --- | --- |
| 10 | **Additional specified required amount of capital and reserve funds**  This item shall reflect any additional required amount of capital and reserve funds specified by the Authority in accordance with the relevant requirements specified in regulation 38(4) of the Regulations, including any additional required amount of capital and reserve funds in respect of concentration risk. |
| 13 | **Approved adjustment to qualifying capital and reserve funds**  This item shall reflect any approved adjustment made to the consolidated qualifying amount of capital and reserve funds of the relevant reporting bank or controlling company, provided that when requested by the Authority the said bank or controlling company shall in writing submit to the Authority an analysis of the said amount. |
| 16 | **Group capital adequacy ratio after application of the transitional arrangements in respect of the output floor**  This item shall reflect the capital adequacy ratio after application of the transitional arrangements in respect of the output floor for the relevant reporting bank or controlling company. |
| 17 to 19 | These items shall indicate whether or not the relevant reporting bank or controlling company complies with the relevant prescribed ratio, prudential requirement or reporting requirement specified in the Regulations. |
| 24 to 34 | These items shall reflect the relevant required information relating to any majority-owned or controlled financial entity, or financial entity in respect of which the reporting bank or controlling company holds a significant minority interest; which majority-owned or controlled financial entity, or financial entity in respect of which the reporting bank or controlling company holds a significant minority interest is either fully consolidated, consolidated on a pro-rata basis or otherwise aggregated in order to, among other things, determine the said reporting bank or controlling company’s required amount of capital and reserve funds. |
| 24 | Irrespective of their significance, this item shall reflect the relevant required aggregate amounts relating to all relevant registered banks included in the relevant reporting group, the required details of which banks–   1. unless otherwise directed in writing by the Authority or specified in regulation 36 of the Regulations, shall be based on the relevant required information submitted by the relevant bank to its relevant supervisor; and 2. shall be shown separately as provided for in item 24 of form BA600. |
| 25 | This item shall reflect the relevant required aggregate amounts relating to all eliminations made in respect of intra-group balances held between banks reported in item 24; that is, item 25 shall not include any intra-group balance other than an intra-group balance relating to a bank included in item 24, which intra-group eliminations–  (a) shall include–  (i) any relevant amount added back in respect of an intra-group impairment;  (ii) any relevant amount relating to any issued instrument qualifying as capital and reserve funds of any other bank in the relevant reporting banking group;  (iii) any relevant amount relating to non-qualifying capital and reserve funds;  (iv) any relevant amount relating to a prescribed deduction against capital and reserve funds;  (b) shall not include any amount relating to a minority interest approved by the Authority to qualify as capital and reserve funds of the relevant consolidated group,  provided that the relevant reporting bank or controlling company shall include any intra-group balances relating to entities other than banks in item 33 below. |
| 26 | This item, among other things, shall reflect the net amount of qualifying capital and reserve funds relating to all registered banks within the relevant reporting banking group. |
| 27 | This item shall reflect the relevant required aggregate amounts relating to all registered bank controlling companies within the relevant reporting banking group, the relevant required details of which controlling companies shall be shown separately as provided for in item 27 of form BA600. |
| 28 | This item shall reflect the relevant required aggregate amounts relating to all significant financial entities within the relevant reporting banking group, other than any amount relating to a bank or controlling company, the relevant required details of which significant financial entities shall be shown as provided for in item 28 of the BA600, which significant financial entities–  (a) shall include–  (i) any relevant significant entity conducting securities trading activities;  (ii) any relevant significant joint venture;  (b) shall exclude any insurance entity the required details of which shall be reported in item 30,  provided that the relevant reporting bank or controlling company shall include the relevant required aggregate amounts relating to non-significant entities in item 32. |
| 29 | This item shall reflect the relevant required aggregate amounts relating to all significant commercial entities within the relevant reporting banking group, the required details of which commercial entities shall be shown separately as provided for in line item 29 of the BA600. |
| 30 | To facilitate a reconciliation to the consolidated forms BA100 and BA120 of total assets, total net income after taxation and total shareholders funds, this item shall reflect the relevant required aggregate amounts relating to all significant insurance entities, the required details of which insurance entities shall be shown separately as provided for in item 30 of form BA600. |
| 31 | This item shall reflect the relevant required aggregate amounts relating to all special-purpose institutions involved in securitisation schemes, the relevant financial information of which special-purpose institutions, in terms of the Financial Reporting Standards issued from time to time, is required to be consolidated into the financial information of the relevant reporting group, provided that the relevant reporting bank or controlling company shall report separately the relevant required information relating to the said special-purpose institutions as provided for in line item 31 of the BA600. |
| 32 | This item shall reflect the relevant required aggregate amounts relating to all non-significant entities included in the group financial statements of the relevant reporting bank or controlling company, as the case may be; that is, the aggregate amount relating to all entities included in the group financial statements of the relevant reporting bank or controlling company, other than amounts already included in items 24 to 31, shall be reported in this item 32, including any amount relating to any non-significant insurance or commercial entity. |
| 33 | This item shall reflect the relevant required aggregate amounts relating to all eliminations made in respect of intra-group balances, other regulatory adjustments, and other than intra-group balances reported in item 25, including in the case of a non-bank any relevant amount relating to–   1. any qualifying capital and reserve funds; 2. prescribed deductions against capital and reserve funds; or 3. non-qualifying capital and reserve funds. |
| 34 | This item shall reflect–  (a) in columns 19 to 23–  (i) any reduction in the consolidated qualifying amount of capital and reserve funds related to goodwill included in the consolidated accounts of the relevant reporting bank or controlling company; and  (ii) any differences between any relevant reporting requirements specified in these Regulations and in Financial Reporting Standards issued from time to time,  provided that at the written request of the Authority the reporting bank or controlling company, as the case may be, shall submit in writing to the Authority a detailed breakdown of the respective items and amounts included in item 34. |

**Table 2: Columns relating to items 24 to 36**

| **Column number** | **Description** |
| --- | --- |
| 1 | Based on the relevant keys specified in footnotes 1 and 2 of form BA600, this column shall indicate–  (a) whether the approach adopted by a relevant host supervisor or other supervisor for the calculation of the minimum required amount of capital and reserve funds, for example, is based on the relevant requirements specified in the 1988 Capital Accord or the Revised Framework for capital measurement and capital standards originally issued by the Basel Committee in July 1988 and June 2004 respectively, as amended from time to time; and  (b) whether or not the rules and regulations of the relevant regulator or supervisor are deemed equivalent to the provisions of the Banks Act No. 94, 1990 (Act No. 94 of 1990 (Act) and the Regulations. |
| 2 | This column shall reflect the actual or effective percentage held in the relevant entity by the relevant reporting bank or controlling company and its associates. |
| 3 | This column shall reflect the current book value of the investment of the relevant bank or controlling company in the relevant entity. |
| 4 | This column shall reflect thecurrent year-to-date amount of net income after tax for the relevant period relating to the currentfinancial year, provided that item 34, column 4, shall be equal to item 87, column 8 or 9, as the case may be, of form BA120. |
| 5 | This column shall reflect thetotal assets of the relevant reporting entity, provided that item 34, column 5, shall be equal to item 54, column 6 or 7, as the case may be, of form BA100. |
| 6 to 13 | These columns shall reflect the relevant required amounts of risk-weighted exposure of the relevant group or entity, calculated in accordance with the relevant requirements specified in these Regulations or, in the case of a regulated entity in respect of which the aggregation or deduction method is applied, subject to the prior written approval of and such conditions as may be specified in writing by the Authority, the rules and regulations of the relevant host supervisor or other supervisor; the rules and regulations of which are deemed by the Authority to be equivalent to the provisions contained in the Act and in these Regulations. |
| 14 | This column shall reflect aggregate risk-weighted exposures determined by applying only standardised approaches. Such risk-weighted exposures are to be considered in the determination of the output floor. |
| 16 | This column shall reflect the relevant equivalent amount of risk-weighted exposure relating to any additional required amount of capital and reserve funds specified by the Authority or a relevant host supervisor, provided that in addition to the aforementioned required amount the reporting bank or controlling company, as the case may be, shall report in item 35 any further required amount of capital and reserve funds in respect of large exposures, calculated in items 54 and 55 of form BA600. |
| 19 | This column shall reflect the relevant aggregate amount of shareholders’ equity calculated and disclosed in accordance with the relevant requirements specified in Financial Reporting Standards issued from time to time, provided that item 34, column 19, shall be equal to item 87, column 6 or 7, as the case may be, of form BA100. |
| 20 | This column shall reflect the aggregate amount of issued qualifying and non-qualifying capital instruments or reserve funds not already included in column 19. |
| 21 | This column shall reflect the aggregate amount of items included in columns 19 and 20 not eligible as consolidated qualifying capital and reserve funds in terms of the relevant provisions contained in the Act or Regulations, or in relevant cases specified in writing by the Authority, the rules and regulations of a relevant host supervisor, which disqualification from consolidated qualifying capital and reserve funds, for example, may relate to a prescribed prudential limit, provided that the reporting bank or controlling company, as the case may be, shall eliminate any relevant amount relating to intra-group capital instruments not qualifying as capital in item 25 and 33 respectively. |
| 22 | This column shall reflect the aggregate amount of items constituting deductions against capital and reserve funds in terms of the provisions of these Regulations or when relevant the rules and regulations of a relevant host supervisor or other supervisor, including any specified deduction arising from a shortfall when expected loss is compared to an allowance for credit impairment, provided that the reporting bank or controlling company, as the case may be–  (a) shall as part of the eliminations respectively envisaged in items 25 and 33 appropriately adjust any relevant amount relating to a deduction that arises from an intra-group investment or exposure; and  (b) shall deduct in item 35, column 22, any relevant goodwill arising from a consolidation of accounts. |
| 23 | This column shall reflect the relevant amount of qualifying capital and reserve funds of the reporting bank or controlling company. |
| 27 | In respect of every relevant entity this column shall reflect the relevant capital adequacy ratio of the said entity calculated in accordance with the relevant rules and regulations of the relevant supervisor. |
| 28 | In respect of every relevant entity this column shall reflect the relevant minimum required capital adequacy ratio prescribed by the relevant supervisor. |

**Table 3: Columns relating to items 42 to 48**

| **Column number** | **Description** |
| --- | --- |
| 1 | In respect of the relevant intra-group entity, this column shall reflect the aggregate amount or cost of the investment made by the relevant bank or controlling company and its related persons in the said intra-group entity. |
| 2 | In respect of the relevant intra-group entity, this column shall reflect the aggregate gross amount of all on-balance sheet exposures other than investments reported in column 1 of the relevant bank or controlling company and its related persons to the said intra-group entity. |
| 4 | In respect of the relevant intra-group entity, this column shall reflect the aggregate gross amount of all off-balance sheet exposures of the relevant bank or controlling company and its related persons, calculated in accordance with the relevant requirements specified in Financial Reporting Standards issued from time to time. |
| 7 to 9 | In respect of the relevant intra-group entities, these columns shall indicate the response of the relevant reporting bank or controlling company to the respective questions listed in notes 2a to 2c at the bottom of the section relating to intra-group exposure, provided that–  (a) in respect of the said questions the said reporting bank or controlling company, as the case may be, shall indicate a response of ‘yes’ with a numeric 1 and a response of ‘no’ with a numeric 2; and  (b) at the written request of the Authority, the relevant reporting bank or controlling company shall in writing submit to the Authority such additional information as may be specified in writing by the Authority.  For example, when loans or advances are not extended to intra-group entities at arms length, the relevant reporting bank or controlling company shall in writing submit to the Authority such additional information relating to such intra-group exposure as may be specified in writing by the Authority. |

**Table 4: Line items relating to large exposures**

| **Line-item number** | **Description** |
| --- | --- |
| 49 to 55 | Based on the relevant requirements specified in section 73 of the Act read with the relevant requirements specified in regulations 24(6) to 24(8) of the Regulations, these items shall reflect any exposure to a person in excess of the percentage of the consolidated net amount of qualifying capital and reserve funds specified in the said regulations 24(6) to 24(8) of the Regulations. |

**Table 5: Columns numbers relating to items 49 to 55**

| **Column number** | **Description** |
| --- | --- |
| 1 | This column shall reflect the relevant aggregate amount of the reporting bank or controlling company’s on-balance sheet exposure to a person, other than any credit exposure arising from a derivative instrument, securities financing transaction or equity exposure, which amount shall be gross of any valuation adjustment or credit impairment. |
| 2 | This column shall reflect the aggregate amount in respect of the reporting bank or controlling company’s off-balance sheet credit exposure to a person, other than any credit exposure arising from a derivative instrument or securities financing transaction, including any relevant exposure amount in respect of an irrevocable commitment, **prior** to the application of any relevant credit conversion factor (CCF). |
| 3 | This column shall reflect the relevant aggregate amount of the reporting bank or controlling company’s off-balance sheet exposure to a person, other than any credit exposure arising from a derivative instrument or securities financing transaction, which off-balance sheet exposure amount shall include any amount relating to an irrevocable commitment or committed undrawn facility, **after** the application of any relevant specified credit conversion factor as specified in regulation 23(6)(g) of the Regulations, subject to a CCF floor of 10%. |
| 4 | This column shall reflect the relevant aggregate gross amount in respect of any credit exposure to a person arising from securities financing transactions, including–   1. the relevant marked-to-market value related to any repurchase agreement or securities borrowing agreement; and 2. the relevant loan amount related to any resale agreement or securities lending agreement. |
| 5 | This column shall reflect the relevant aggregate exposure-at-default amount, calculated in terms of the comprehensive approach for credit risk mitigation specified in regulation 23(9)(b) of the Regulations, in respect of any credit exposure to a person arising from a securities financing transaction. |
| 6 | This column shall reflect the relevant aggregate amount in respect of any credit exposure to a person arising from a transaction concluded in respect of an over-the-counter derivative instrument. |
| 7 | This column shall reflect the relevant aggregate exposure-at-default amount in respect of any credit exposure to a person arising from a transaction concluded in respect of an over‑the‑counter derivative instrument, calculated in accordance with the relevant requirements related to the standardised approach for counterparty credit risk specified in regulation 23(18) of the Regulations. |
| 8 | This column shall reflect the relevant aggregate amount in respect of any credit exposure to a person arising from transactions concluded in equity instruments. |
| 9 | This column shall reflect the relevant aggregate amount in respect of any exposure to a person arising from any relevant transaction or position held in the bank’s trading book, as envisaged in regulation 24(6)(c)(i)(E) read with regulation 24(6)(e) of the Regulations. |
| 10 | This column shall reflect the relevant aggregate amount in respect of any exposure to a person arising from transactions other than any amount related to a transaction reported in columns 1 to 9. This column shall include exposures specified in regulation 24(6)(c)(i)(G) read with regulation 24(6)(c)(iii)(A)–(G) of the Regulations. For example, including, but not limited to, exposures arising from collective investment undertakings, securitisations, or other structured vehicles, including exposures arising from the look-through approach where there is an exposure to a structure with underlying assets, exposure to third parties constituting an additional risk factor inherent to the structure itself, and so forth. |
| 11 | This column shall reflect the relevant aggregate amount related to the bank’s exposure **before** taking into consideration–   * any relevant credit conversion factor as specified in regulation 23(6)(g) of the Regulations; * any specific credit impairment raised against the exposure; as well as * any eligible credit risk mitigation envisaged in regulation 23(9) of the Regulations to mitigate or reduce the bank’s original exposure to a person or counterparty. |
| 12 | This column shall reflect the relevant amount related to an exposure arising from a counterparty acting as a credit risk mitigation provider, as envisaged in regulation 24(6)(d)(v) of the Regulations. |
| 13 | This column shall reflect the relevant aggregate amount related to the bank or controlling company’s adjusted credit exposure **after** taking into consideration any relevant credit conversion factor as specified in regulation 23(6)(g) of the Regulations, subject to a credit conversion factor floor of 10% and any specific credit impairment raised against the exposure, but **before** any eligible credit risk mitigation envisaged in regulation 23(9) of the Regulations to mitigate or reduce the bank’s original exposure to a person or counterparty. |
| 14 | This column shall reflect the relevant aggregate amount related to any eligible financial collateral envisaged in regulation 23(9)(b) of the Regulations and/or any eligible guarantees and credit derivative instruments respectively envisaged in regulations 23(9)(c) and 23(9)(d) of the Regulations, that mitigates or reduces the bank’s original exposure to a person or counterparty. |
| 15 | This column shall reflect the relevant aggregate amount related to the bank or controlling company’s adjusted credit exposure after taking into consideration any relevant credit conversion factor, specific credit impairment raised against the exposure and any relevant eligible credit risk mitigation envisaged in regulation 23(9) of the Regulations to mitigate or reduce the bank or controlling company’s original exposure to that person or counterparty. |
| 16 | This column shall reflect the risk-weighted credit exposure to a person or counterparty calculated in accordance with the relevant requirements specified in the Regulations. |
| 17 | This column shall reflect the relevant aggregate amount of additional risk-weighted exposure in respect of a bank or controlling company’s credit concentration risk to a person, calculated in accordance with such requirements as may be specified in writing by the Authority from time to time. |
| 18 | This column shall reflect the relevant adjusted credit exposure amount reported in column 13 expressed as a percentage of the bank or controlling company’s tier 1 qualifying capital and reserve funds. |
| 19 | This column shall reflect the relevant adjusted credit exposure amount reported in column 15 expressed as a percentage of the bank or controlling company’s tier 1 qualifying capital and reserve funds. |

**Table 6: Line item 56**

| **Line-item number** | **Description** |
| --- | --- |
| 56 | This item shall reflect the relevant required information in respect of the bank or controlling company’s 20 largest exposures, calculated in accordance with the relevant requirements specified in regulations 24(6) to 24(8) of the Regulations, irrespective of the values of those exposures relative to the bank on controlling company’s qualifying tier 1 capital and reserve funds. |