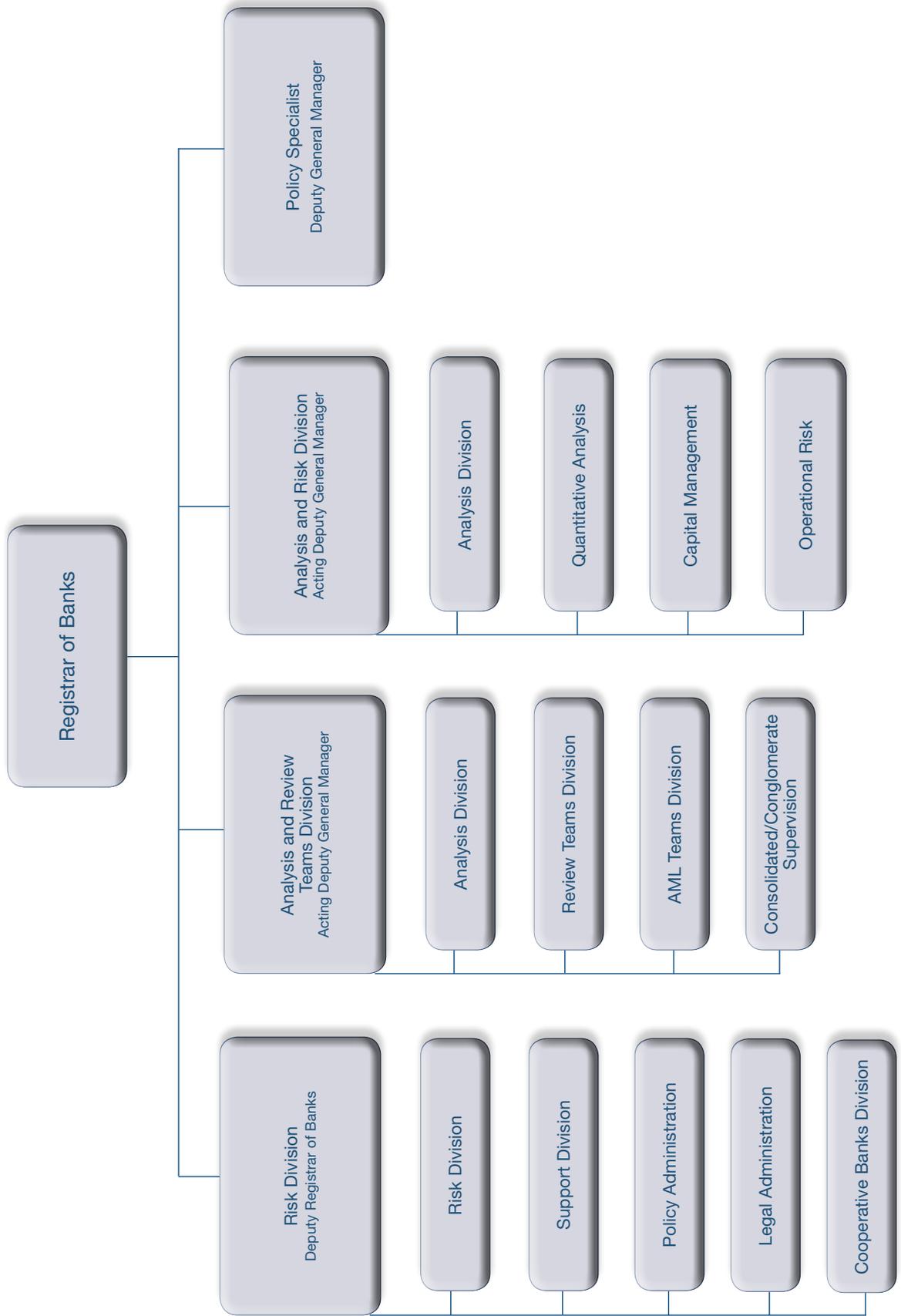


# Appendices

# Appendix 1

## Organisational structure of the Bank Supervision Department



## Appendix 2

### Registered banks, local branches of foreign banks and mutual banks as at 31 December 2015

#### Registered banks

Institution	Address	Total assets at 31 December		Annual growth (per cent)
		2014 (R millions)	2015 (R millions)	
1 Absa Bank Limited	P O Box 7735, Johannesburg, 2000	804 271	926 526	15,20
2 African Bank Limited	Private Bag X170, Midrand, 1685	51 341	54 800	6,74
3 Albaraka Bank Limited	P O Box 4395, Durban, 4000	4 792	5 026	4,88
4 Bidvest Bank Limited	P O Box 185, Johannesburg, 2000	4 722	6 017	27,42
5 Capitec Bank Limited	P O Box 12451, Die Boord, Stellenbosch, 7613	51 877	61 970	19,46
6 FirstRand Bank Limited	P O Box 650149, Benmore, 2010	856 911	979 920	14,35
7 Grindrod Bank Limited	P O Box 3211, Durban, 4000	9 283	11 262	21,32
8 Habib Overseas Bank Limited	P O Box 62369, Marshalltown, 2107	1 207	1 318	9,20
9 HBZ Bank Limited	P O Box 1536, Wandsbeck, 3631	3 848	4 413	14,67
10 Investec Bank Limited	P O Box 785700, Sandton, 2146	310 142	377 046	21,57
11 Mercantile Bank Limited	P O Box 782699, Sandton, 2146	8 384	9 632	14,89
12 Nedbank Limited	P O Box 1144, Johannesburg, 2000	714 408	813 287	13,84
13 Sasfin Bank Limited	P O Box 95104, Grant Park, 2051	4 735	5 583	17,91
14 The South African Bank of Athens Limited	P O Box 784921, Sandton, 2146	2 284	2 510	9,91
15 The Standard Bank of South Africa Limited	P O Box 7725, Johannesburg, 2000	1 099 713	1 213 528	10,35
16 Ubank Limited (formerly known as Teba Bank Limited)	Private Bag X101, Sunninghill, 2157	4 250	4 691	10,37

## Appendix 2

### Registered banks, local branches of foreign banks and mutual banks as at 31 December 2015 (continued)

#### Registered local branches of foreign banks

Institution	Address	Total assets at 31 December		Annual growth (per cent)
		2014 (R millions)	2015 (R millions)	
1 Bank of Baroda	Premises No.14, 2nd floor, Sandton City Twin Towers, (East Wing), Sandton, 2196	2 053	2 269	10,51
2 Bank of China Limited Johannesburg Branch (trading as Bank of China Johannesburg Branch)	P O Box 782616, Sandton, 2146	22 440	35 836	59,70
3 Bank of India	P O Box 653589, Benmore, 2010	347	478	38,08
4 Bank of Taiwan South Africa Branch	P O Box 1999, Parklands, 2121	1 420	1 592	12,08
5 BNP Paribas South Africa	Postnet Suite #457, Private Bag X1, Melrose Arch, 2075	2 817	14 499	414,64
6 Canara Bank	11th Floor, Sandton City Office Towers, Cnr 5th Street and Rivonia Road, Sandhurst Ext. 3, Sandton, 2196	299	400	33,58
7 China Construction Bank Corporation – Johannesburg Branch	Private Bag X10007, Sandton, 2146	26 169	32 621	24,65
8 Citibank NA	P O Box 1800, Saxonwold, 2132	48 687	76 511	57,15
9 Deutsche Bank AG	Private Bag X9933, Sandton, 2146	17 300	22 757	31,54
10 HSBC Bank plc – Johannesburg Branch	Private Bag X785434, Sandton, 2146	41 641	49 806	19,61
11 ICICI Bank Limited	Private Bag X785261, Sandton, 2146	–	250	100,00
12 JPMorgan Chase Bank, NA (Johannesburg Branch)	Private Bag X9936, Sandton, 2146	29 745	57 059	91,83
13 Société Générale Johannesburg Branch	P O Box 6872, Johannesburg, 2000	11 573	11 726	1,32
14 Standard Chartered Bank (Johannesburg Branch)	P O Box 782080, Sandton, 2146	32 239	34 420	19,17
15 State Bank of India	P O Box 2538, Saxonwold, 2132	5 006	6 995	39,73

## Appendix 2

### Registered banks, local branches of foreign banks and mutual banks as at 31 December 2015 (continued)

#### Registered mutual banks

Institution	Address	Total assets at 31 December		Annual growth (per cent)
		2014 (R millions)	2015 (R millions)	
1 Finbond Mutual Bank	P O Box 2127, Brooklyn Square, 0075	1 422	1 421	-0,04
2 GBS Mutual Bank	P O Box 114, Grahamstown, 6140	1 041	1 136	9,19
3 VBS Mutual Bank	P O Box 3618, Makhado, 0920	362	717	98,15

#### Banks under curatorship

Institution	Curator	Date of order
1 African Bank Limited	Mr T Winterboer	10 August 2014

#### Banks in final liquidation

Institution	Liquidator	Date of order
1 Islamic Bank Limited	Mr A D Wilkens of Deloitte & Touche	13 January 1998
2 Regal Treasury Private Bank Limited	Mr T A P du Plessis of D&N Trust and Mr J Perna of Sekela Antrust (Pty) Limited	10 February 2004

## Appendix 3

### Name changes and cancellation of registration of banks and branches of foreign banks during the period 1 January 2015 to 31 December 2015

#### Name changes

Previous name	New name	Date of change
None		

#### Cancellation of registration

Institution	Date of order
None	

## Appendix 4

### Registered controlling companies as at 31 December 2015

Institution	Address
1 African Bank Investments Limited	P O Box X170, Midrand, 1685
2 Barclays Africa Group Limited	P O Box 7735, Johannesburg, 2000
3 Bidvest Bank Holdings Limited	P O Box 185, Johannesburg, 2000
4 Capitec Bank Holdings Limited	P O Box 12451, Die Boord, Stellenbosch, 7613
5 FirstRand Limited	P O Box 650149, Benmore, 2010
6 Grindrod Financial Holdings Limited	P O Box 3211, Durban, 4000
7 Investec Limited	P O Box 785700, Sandton, 2146
8 Mercantile Bank Holdings Limited	P O Box 782699, Sandton, 2146
9 Nedbank Group Limited	P O Box 1144, Johannesburg, 2000
10 Sasfin Holdings Limited	P O Box 95104, Grant Park, 2051
11 Standard Bank Group Limited	P O Box 7725, Johannesburg, 2000
12 UBank Group Limited	Private Bag X101, Sunninghill, 2157

### The following institutions are deemed to be controlling companies in terms of section 42 of the Banks Act 94 of 1990:

1 Albaraka Banking Group (in respect of Albaraka Bank Limited)	P O Box 1882, Manama, Kingdom of Bahrain
2 Habib Bank AG Zurich (in respect of HBZ Bank Limited)	59 Weinbergstrasse, Postfach, 8042, Zurich, Switzerland
3 National Bank of Greece (in respect of The South African Bank of Athens Limited)	86 Aioulou Street, Athens TT 121, Greece
4 Pitcairns Finance SA (in respect of Habib Overseas Bank Limited)	121, Avenue de la Faiencerie, L-1511 Luxemburg, RCS Luxemburg, B nr 33-106

## Appendix 5

### Foreign banks with approved local representative offices

Institution	Address
1 AfrAsia Bank Limited	P O Box 55351, Northlands, 2116
2 African Banking Corporation Botswana Limited (trading as BancABC Botswana)	P O Box 970, Saxonwold, 2132
3 Banco BIC	30 Arena Close, H Santos Building, Bruma, 2198
4 Banco BPI, SA	P O Box 303, Bruma, 2026
5 Banco Nacional De Desenvolvimento Econômica E Social	Illovo Edge, 4th Floor, Building 1, Corner Fricker and Harries Road, Illovo, Sandton, 2196
6 Banco Santander Totta SA	P O Box 309, Bruma, 2026
7 Banif – Banco Internacional do Funchal, SA	P O Box 16838, Bruma, 2026
8 Bank Leumi Le-Israel BM	Private Bag X41, Saxonwold, 2132
9 Bank of America, National Association	P O Box 651987, Benmore, 2010
10 Bank One Limited	P O Box 25386, Gateway, 4321
11 Banque SYZ Suisse SA	P O Box 653641, Benmore, 2010
12 Caixa Bank	Fredman Drive 13, 9th floor, Fredman Towers, Sandton, 2146
13 Commerzbank AG Johannesburg	P O Box 860, Parklands, 2121
14 Credit Suisse AG	Private Bag X9911, Sandton, 2146
15 Doha Bank	P O Box 785553, Sandton, 2146
16 Ecobank	Block F, 8th floor, 135 Rivonia Road, Sandown, 2196
17 Export-Import Bank of India	2nd floor, Sandton City, Twin Towers East Wing, Sandton, 2196
18 First Bank of Nigeria	P O Box 784796, Sandton, 2146
19 Hellenic Bank Public Company Limited	P O Box 783392, Sandton, 2146
20 ICICI Bank Limited	P O Box 78261, Sandton, 2146
21 Industrial and Commercial Bank of China African Representative Office	P O Box 40, Cape Town, 8000
22 KfW IpeX-Bank GmbH	P O Box 2402, Saxonwold, 2132
23 Millennium BCP	P O Box 273, Bruma, 2026
24 Mizuho Bank Limited	P O Box 785553, Sandton, 2146
25 National Bank of Egypt	P O Box 55402, Northlands, 2116
26 Notenstein Private Bank Limited	100 New Church Street, Tamboerskloof, Cape Town, 8001
27 Novo Banco	P O Box 749, Bruma, 2026
28 Société Générale Representative Office for Southern Africa	P O Box 2805, Saxonwold, 2132
29 Sumitomo Mitsui Banking Corporation	Building Four, 1st Floor, Commerce Square, 39 Rivonia Road, Sandhurst, Sandton, 2196
30 Swedbank AB (Publ)	Private Bag X1, Dainfern, 2055
31 The Bank of New York Mellon	PostNet Suite 100, Private Bag X43, Sunninghill, 2157
32 The Bank of Tokyo-Mitsubishi UFJ Limited	P O Box 78519, Sandton, 2146
33 The Mauritius Commercial Bank Limited	P O Box 3009, Parklands, 2121

## Appendix 5

### Foreign banks with approved local representative offices (continued)

Institution	Address
34 The Representative Office for Southern and Eastern Africa of the Export-Import Bank of China	Postnet Suite 158, Private Bag X91–BE, Benmore, 2010
35 UBS AG	P O Box 652863, Benmore, 2010
36 Unicredit Bank AG	P O Box 1483, Parklands, 2121
37 Union Bank of Nigeria plc	P O Box 653125, Benmore, 2010
38 Vnesheconombank	P O Box 413742, Craighall, 2024
39 Wells Fargo Bank, National Association	P O Box 3091, Saxonwold, 2132
40 Zenith Bank plc	P O Box 782652, Sandton, 2146

### Report on representative offices

#### 1. Introduction

The Regulations relating to Representative Offices of Foreign Banking Institutions (RO Regulations), issued under Government Notice No. 1370, in *Government Gazette* No. 22939 dated 13 December 2001, seek to ensure continuous oversight by the Department, of the activities of representative offices (ROs) of foreign banking institutions operating within the Republic of South Africa.

As at 31 December 2015 there were 40 RO's operating in South Africa, emanating from 22 jurisdictions.

#### 2. Change in status of ROs during 2015

##### 2.1 During the year under review the following ROs were deregistered:

- i. Banco Angolano de Investimentos
- ii. Royal Bank of Scotland PLC

##### 2.2 During the year under review the following ROs were registered:

- i. Doha Bank with Mr André Snyman as Chief Representative Officer
- ii. Caixa Bank with Mr Jose Maria Seguroola Arregui as Chief Representative Officer

##### 2.3 During the year under review the following ROs name changed:

- i. Royal Bank of Canada changed its name to Banque SYZ Suisse SA

#### 3. Events after 31 December 2015

ICICI Bank Limited's RO-licence was withdrawn retrospectively with effect from 26 September 2015 since ICICI Bank Limited obtained a banking licence as a registered local branch of a foreign institution.

#### 4. Supervisory approach

In order to fulfill the Department's responsibilities in terms of the RO Regulations it follows the following supervisory approach:

- Regular interaction with the chief representative officers of the respective ROs.
- On-site visits at the offices of the ROs.
- Analysis of returns submitted by the ROs in terms of the RO Regulations and follow-up of any issues identified.
- Analysis of the internal control reports submitted by the ROs on an annual basis in terms of Banks Act Circular 3 of 2004.

## Appendix 6

### Circulars, directives and guidance notes issued in 2015

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#### Banks Act Circulars issued in 2015

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C1/2015	Status of previously issued circulars
C2/2015	Matters related to specified minority interests, i.e. non-controlling interests in shares and/or instruments qualifying as capital
C3/2015	Matters related to specified minority interests, i.e. non-controlling interests in shares and/or instruments qualifying as capital
C4/2015	Matters related to banks' compliance with the prescribed requirements related to the liquidity coverage ratio (LCR) and high-quality liquid assets (HQLA)
C5/2015	Matters related to the use of support in a bank's credit risk-rating process
C6/2015	Proposed amended Regulations relating to Banks
C7/2015	Proposed amended Regulations relating to Banks
C8/2015	Countercyclical capital buffer for South Africa based on the Basel III framework
C9/2015	Proposed amended Regulations relating to Banks

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#### Banks Act Directives issued in 2015

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D1/2015	Minimum requirements for the recovery plans of banks, controlling companies and branches of foreign institutions
D2/2015	Effective risk data aggregation and risk reporting
D3/2015	Matters related to the composition of Pillar 3 capital disclosure requirements
D4/2015	Amendments to the Regulations relating to Banks, and matters related thereto
D5/2015	Capital requirements for over-the-counter derivatives not transacted through a central counterparty
D6/2015	Matters related to liquidity risk and the liquidity coverage ratio (LCR)
D7/2015	Restructured credit exposures
D8/2015	Reporting requirements relating to material outsourced service providers and critical third-party service providers
D9/2015	Approval and mapping of the international scale rating symbols of Global Credit Rating Co. (Pty) Ltd to the prescribed risk weights available in terms of regulation 23 of the Regulations relating to Banks.
D10/2015	Matters related to changes to the AMA operational risk management and measurement system used for the calculation of required capital for operational risk
D11/2015	Matters related to revised Pillar 3 disclosure requirements

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#### Banks Act Guidance Notes issued in 2015

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G1/2015	Status of previously issued guidance notes
G2/2015	Meetings to be held during the 2015 calendar year with the boards of directors of banks and controlling companies
G3/2015	Application process to adopt the advanced measurement approach (AMA) for measuring banks' operational risk exposure
G4/2015	Expectations of the Bank Supervision Department (BSD) of the South African Reserve Bank (the Bank) with respect to the internal capital adequacy assessment process (ICAAP)
G5/2015	Provision of a committed liquidity facility by the South African Reserve Bank
G6/2015	Training on amended Regulations relating to Banks

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## Appendix 7

### Exemptions and exclusions from the application of the Banks Act 94 of 1990

#### Section 1(1)(cc): Exemptions by the Registrar of Banks with approval of the Minister of Finance

Exemption Notice	Government Gazette	Expiry
Mining Houses	No. 16167 of 14 December 1994	Indefinite
Trade in Securities and Financial Instruments	No. 16167 of 14 December 1994	Indefinite
Commercial Paper	No. 16167 of 14 December 1994	Indefinite
Common Bond	No. 37903 of 15 August 2014	Indefinite
Securitisation Schemes	No. 30628 of 1 December 2008	Indefinite
International Finance Corporation (IFC)	No. 39411 of 13 November 2015	Indefinite

#### Section 1(1)(dd): Exemptions by the Minister of Finance

Exemption Notice	Government Gazette	Expiry
Participation Bond Schemes	No. 13003 of 31 January 1991	Indefinite
Unit Trust Schemes	No. 13003 of 31 January 1991	Indefinite
"Ithala SOC Limited" a wholly owned subsidiary of Ithala Development Finance Corporation Limited	No. 39252 of 2 October 2015	30 June 2016

#### Section 1(ff): Exemptions by the Registrar of Banks

Exemption Notice	Government Gazette	Expiry
Designation of Stockbrokers to pool funds	No. 15976 of 14 September 1994	Indefinite

#### Section 1(gg): Exemptions by the Registrar of Banks

Exemption Notice	Government Gazette	Expiry
Designation of JSE Limited members as persons authorised to accept money as mandatories and to deposit such money into banking accounts maintained by them	No. 19283 of 22 September 1998	Indefinite

#### Section 2(vii): Exclusions by the Minister of Finance

Exemption Notice	Government Gazette	Expiry
Post Office Savings Bank	No. 13744 of 24 January 1992	Indefinite
Industrial Development Corporation of South Africa	No. 16167 of 14 December 1993	Indefinite

#### Section 78(1)(d)(iii): Exemptions by the Registrar of Banks

Notice	Government Gazette	Expiry
Category of assets of a bank that may be held in the name of a person other than the bank concerned	No. 17949 of 2 May 1997	Indefinite

## Appendix 8

### Approval of applications in terms of section 52 of the Banks Act 94 of 1990 for local banking groups to acquire or establish foreign interests for the period 1 January 2015 to 31 December 2015

Name of controlling company	Date of approval	Name of interest (and percentage interest held, if not 100 per cent)	Domicile
Barclays Africa Group Limited	2015-02-16	Barclays Nigeria Holdings (Pty) Limited	Nigeria
Barclays Africa Group Limited	2015-02-24	Absa Capital Nominees (Pty) Limited	South Africa
Barclays Africa Group Limited	2015-09-16	First Assurance Holdings Limited	Kenya
Barclays Africa Group Limited	2015-09-16	First Assurance Company Limited (63,3 per cent)	Kenya
Barclays Africa Group Limited	2015-10-26	Culemborg Investment Properties (Pty) Limited (67 per cent)	South Africa
FirstRand Limited	2015-01-28	Corvest 200 (Pty) Limited (87,67 per cent)	South Africa
FirstRand Limited	2015-09-03	RMB Nigeria Nominees Limited	Nigeria
FirstRand Limited	2015-09-07	Ashburton Westport Fund Management Limited (25 per cent)	Mauritius
FirstRand Limited	2015-09-07	Ashburton Westport SLP (25 per cent)	Mauritius
FirstRand Limited	2015-10-05	Corvest 10 (Pty) Limited (86,29 per cent)	South Africa
FirstRand Limited	2015-10-14	Motovantage Holdings (Pty) Limited (81,22 per cent)	South Africa
FirstRand Limited	2015-10-14	OPSCO	South Africa
FirstRand Limited	2015-10-14	The Engine Room Direct Solutions (Pty) Limited	South Africa
FirstRand Limited	2015-10-14	Motorite Administrators (Pty) Limited	South Africa
FirstRand Limited	2015-10-14	Motorite Premium Securities (Pty) Limited	South Africa
FirstRand Limited	2015-10-14	Small Area Repair Technology Underwriting Managers (Pty) Limited	South Africa
FirstRand Limited	2015-10-14	Streamline Repairs Holdings (Pty) Limited	South Africa
FirstRand Limited	2015-11-13	Minera Seafield S.A.S.	Colombia
FirstRand Limited	2015-12-03	Atlantic Asset Management (Pty) Limited	South Africa
FirstRand Limited	2015-12-03	Atlantic Specialised Finance (Pty) Limited	South Africa
FirstRand Limited	2015-12-03	Atlantic Point General Partner (Pty) Limited	South Africa
FirstRand Limited	2015-12-03	Atlantic Infrastructure Finance (Pty) Limited	South Africa
Investec Limited	2015-01-30	Ampa Group (Pty) Limited	South Africa
Investec Limited	2015-02-26	Investec Wealth and Investment (Mauritius) Limited	Mauritius
Investec Limited	2015-06-12	Blue Strata Trading (Pty) Limited	South Africa
Investec Limited	2015-06-12	6 Bar Systems (Pty) Limited	South Africa
Investec Limited	2015-06-12	Motion Capital (Pty) Limited	South Africa
Investec Limited	2015-06-12	Brookthyme Investments (Pty) Limited	South Africa
Investec Limited	2015-07-27	Hlano Financial Services (Pty) Limited	South Africa
Investec Limited	2015-10-21	Itec Holdco (55 per cent)	South Africa
Investec Limited	2015-11-27	Business Venture Investments No. 1888 (Pty) Limited	South Africa
Investec Limited	2015-11-27	Business Venture Investments No. 1889 (Pty) Limited	South Africa
Investec Limited	2015-11-27	Business Venture Investments No. 1900 (Pty) Limited	South Africa
Investec Limited	2015-12-08	Investec Specialist Investments (RF) Limited	South Africa
Investec Limited	2015-12-21	Anfa Retail Finance Company	Morocco
Investec plc*	2015-08-25	Investec Investments Limited	United Kingdom

## Appendix 8

### Approval of applications in terms of section 52 of the Banks Act 94 of 1990 for local banking groups to acquire or establish foreign interests for the period 1 January 2015 to 31 December 2015 (continued)

Name of controlling company	Date of approval	Name of interest (and percentage interest held, if not 100 per cent)	Domicile
Sasfin Holdings Limited	2015-06-26	Fintech (Pty) Limited	South Africa
Sasfin Holdings Limited	2015-06-26	Fintech Underwriting (Pty) Limited	South Africa
Sasfin Holdings Limited	2015-06-26	Technologies Acceptances (Pty) Limited	South Africa
Sasfin Holdings Limited	2015-06-26	Corporate Finance Solutions (Pty) Limited	South Africa
Sasfin Holdings Limited	2015-06-26	Corporate Finance Solutions Receivables (Pty) Limited	South Africa
Sasfin Holdings Limited	2015-06-26	TMS Hasler (Pty) Limited	South Africa
Sasfin Holdings Limited	2015-06-26	Bontlanyane Holdings (Pty) Limited	South Africa
Sasfin Holdings Limited	2015-06-26	Fintech Discretionary Fund (Pty) Limited	South Africa
Sasfin Holdings Limited	2015-06-26	Fintech Consumer Collections (Pty) Limited	South Africa
Standard Bank Group Limited	2015-02-02	The Standard Bank Tutuwa Community Foundation NPC	South Africa
Standard Bank Group Limited	2015-02-10	Stanbic Insurance Agency Limited	Kenya
Standard Bank Group Limited	2015-03-27	Liberty Insure Botswana (Pty) Limited (subsequently renamed Liberty General Insurance (Pty) Limited)	Botswana
Standard Bank Group Limited	2015-04-23	SB Wings Development Limited	Nigeria
Standard Bank Group Limited	2015-07-15	Liberty Viewpoint (Pty) Limited	South Africa
Standard Bank Group Limited	2015-07-23	Dotcoza (Pty) Limited	South Africa
Standard Bank Group Limited	2015-09-21	Standard Holdings Cote d'Ivoire S.A.	Cote d'Ivoire
Standard Bank Group Limited	2015-09-21	Standard Bank Cote d'Ivoire S.A.	Cote d'Ivoire
Standard Bank Group Limited	2015-11-13	Total Health Trust Limited	Nigeria
Standard Bank Group Limited	2015-11-30	Greystone Technologies (Pty) Limited	South Africa
Standard Bank Group Limited	2015-12-07	Vinnovations (Pty) Limited	South Africa
Standard Bank Group Limited	2015-12-08	Stanbic Insurance Brokers Zambia Limited	Zambia
Standard Bank Group Limited	2015-12-08	East African Underwriters Limited (51 per cent)	Uganda
Standard Bank Group Limited	2015-11-12	Liberty Life Tanzania Limited	Tanzania
Standard Bank Group Limited	2015-12-10	Exeo Capital (Pty) Limited in Mauritius	Mauritius

\* All expansions undertaken by Investec plc were noted by the Bank Supervision Department in terms of the 2002 conditions of approval applicable to the dually listed company structure

## Appendix 9

### Memorandums of understanding concluded between the Bank Supervision Department of the South African Reserve Bank and foreign supervisors as at 31 December 2015

The purpose of a memorandum of understanding (MoU) is to provide a formal basis for bilateral working relationship and cooperation between supervisors, including the sharing of information and investigative assistance.

It should be noted that any MoU entered into by the Department does not modify or supersede any laws or regulatory requirements in force in, or applying to, the Republic of South Africa. Accordingly, an MoU sets forth a statement of intent and does not create any enforceable rights.

The following MoUs were concluded between the Bank Supervision Department of the South African Reserve Bank and foreign supervisors as at 31 December 2015:

Domicile of foreign regulator (listed alphabetically)	Foreign banking supervisor	Effective from
1 Argentina	Superintendencia de Entidades Financieras y Cambiarias (Central Bank of Argentina)	18 August 2007
2 Australia	Australian Prudential Regulation Authority	4 July 2007
3 Brazil	Banco Central Do Brasil	4 July 2012
4 China	China Banking Regulatory Commission	17 November 2010
5 Germany	Bundesanstalt für Finanzdienstleistungsaufsicht	13 August 2004
6 Ghana	Bank of Ghana	26 October 2011
7 Guernsey	Guernsey Financial Services Commission	10 July 2015
8 Hong Kong	Monetary Authority of Hong Kong	12 December 2006
9 India	Reserve Bank of India	21 October 2011
10 Ireland	Irish Financial Services Regulatory Authority	21 July 2003
11 Isle of Man	Financial Supervision Commission of the Isle of Man	13 August 2001
12 Jersey	Jersey Financial Services Commission	11 June 2010
13 Kenya	Central Bank of Kenya	1 July 2010
14 Lesotho	Central Bank of Lesotho	27 August 2010
15 Malawi	Reserve Bank of Malawi	20 August 2015
16 Mauritius	Bank of Mauritius	25 January 2005
17 Mozambique	Banco de Mozambique	22 September 2011
18 Namibia	Bank Supervision Department of the Bank of Namibia	21 August 2015
19 Netherlands	De Nederlandsche Bank	23 March 2010
20 Nigeria	Central Bank of Nigeria	20 March 2008
21 Republic of South Sudan	Bank of South Sudan	14 November 2011
22 Swaziland	Central Bank of Swaziland	18 June 2010
23 Taiwan	Financial Supervisory Commission of the Republic of China (Taiwan)	14 March 2012
24 Tanzania	Bank of Tanzania	15 June 2010
25 Uganda	Bank of Uganda	15 June 2010
26 United Arab Emirates	The Dubai Financial Services Authority	8 August 2009
27 United Kingdom*	Financial Services Authority*	21 July 2006

\* A letter of intent has been signed between the Bank Supervision Department of the South African Reserve Bank, the Financial Services Authority and Bank of England rendering the terms of the current MoU applicable to the Prudential Regulation Authority and Financial Conduct Authority as may be relevant.

## Appendix 9

### Memorandums of understanding concluded between the Bank Supervision Department of the South African Reserve Bank and foreign supervisors as at 31 December 2015 (continued)

MoUs with the following foreign supervisors are in the process of negotiation:

Domicile of foreign regulator (listed alphabetically)	Foreign banking supervisor
1 Bahrain	Central Bank of Bahrain
2 Botswana	Bank of Botswana
3 Colombia	Superintendencia Financiera de Colombia
4 France	French Banking Commission
5 Greece	The Banking Regulator
6 Japan	Financial Services Agency
7 Portugal	Banco de Portugal
8 Singapore	Monetary Authority of Singapore
9 Turkey	Banking Regulation and Supervisory Agency of Turkey
10 United Arab Emirates	Banking Supervision and Examination Department of the Central Bank of the United Arab Emirates
11 United States of America	Federal Reserve Bank of New York
12 Zambia	Bank of Zambia

### Southern African Development Community – Protocol on Finance and Investment

The 15 Heads of State or Government of the Southern African Development Community (SADC) have signed a Protocol on Finance and Investment (PFI). The PFI, among other things, includes a section setting out the framework for cooperation and coordination in banking regulatory and supervisory matters. The 15 SADC countries are:

- Angola;
- Botswana;
- Congo;
- Lesotho;
- Madagascar;
- Malawi;
- Mauritius;
- Mozambique;
- Namibia;
- Seychelles;
- South Africa;
- Swaziland;
- Tanzania;
- Zambia; and
- Zimbabwe.

## Appendix 10

### Summary of key matters communicated by the Basel Committee on Banking Supervision

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During 2015 the Basel Committee on Banking Supervision (Basel Committee) issued various documents and further requirements that will, over the next few years, materially impact on the regulation and supervision of banks and banking groups, on matters such as:

- revised Pillar 3 requirements;
- revisions to implementation of margin requirements for non-centrally cleared derivatives;
- Basel Committee removes selected national discretions and replies to frequently asked question on funding valuation adjustment;
- net stable funding ratio (NSFR) disclosure requirements finalised by the Basel Committee;
- frequently asked questions (FAQs) on the Basel III leverage ratio framework;
- revised principles on corporate governance for banks;
- guidelines for identifying and dealing with weak banks;
- final criteria for identifying 'simple, transparent and comparable' securitisations;
- Basel III: the standardised approach for measuring counterparty credit risk exposures: frequently asked questions;
- report on the regulatory consistency of risk-weighted assets for counterparty credit risk;
- supporting information for implementation of the countercyclical capital buffer;
- information on global systemically important banks (G-SIBs);
- reports related to total loss-absorbing capacity (TLAC); and
- guidance on credit risk and accounting for expected losses.

#### Revised Pillar 3 requirements

The Basel Committee issued revised disclosure requirements<sup>1</sup> during January 2015 to address shortcomings in Pillar 3 of the Basel framework. The aim thereof is to facilitate better comparisons of banks' disclosure of risk-weighted assets.

The revised disclosure requirements supersede the existing Pillar 3 disclosure requirements. Banks will be required to publish their first Pillar 3 report under the revised framework concurrently with their year-end 2016 financial reports.

#### Revisions to implementation of margin requirements for non-centrally cleared derivatives

On 18 March 2015 the Basel Committee and the International Organization of Securities Commissions (IOSCO) released revisions to the framework for margin requirements for non-centrally cleared derivatives.<sup>2</sup>

Following public consultations, the revisions will:

- delay the beginning of the phase-in period for collecting and posting initial margin on non-centrally cleared trades from 1 December 2015 to 1 September 2016;
- institute a six-month phase-in of the requirement to exchange variation margin, beginning 1 September 2016; and
- include a revised phase-in schedule.<sup>3</sup>

#### Basel Committee removes selected national discretions and replies to frequently asked question on funding valuation adjustment

On 21 April 2015 the Basel Committee published the removal of six national discretion items that were previously included in the Basel II capital framework.<sup>4</sup>

1 Available at <http://www.bis.org/bcbs/publ/d309.pdf>

2 Available at <http://www.bis.org/bcbs/publ/d317.pdf>

3 Available at [http://www.bis.org/bcbs/publ/d317\\_summarytable.pdf](http://www.bis.org/bcbs/publ/d317_summarytable.pdf)

4 Available at <http://www.bis.org/press/p150421.htm>

The Basel Committee noted that the national discretion related to the internal ratings-based (IRB) approach treatment of equity exposures (Basel II capital framework, paragraph 267) will expire in 2016, as the discretion was to apply for a maximum of 10 years from the publication of the Basel II capital framework.

Further, the Basel Committee confirmed that a bank should continue to derecognise its debit valuation adjustment in full, whether or not it has adopted a funding valuation-type adjustment.

## Net stable funding ratio disclosure requirements finalised by the Basel Committee

The Basel Committee finalised and published the NSFR standard<sup>5</sup> in October 2014. The final disclosure requirements to this standard were published on 22 June 2015.<sup>6</sup> The objectives of these requirements are to:

- improve the transparency of regulatory funding requirements;
- reinforce the *Principles for sound liquidity risk management and supervision*<sup>7</sup> and strengthen market discipline; and
- reduce uncertainty in the markets as the NSFR is implemented.

Internationally active banks in all Basel Committee member jurisdictions will be required to publish their NSFRs according to a common template, to promote consistency and usability of disclosures related to the NSFR.

Banks will be required to comply with these requirements from the date of the first reporting period after 1 January 2018.

## Frequently asked questions on the Basel III leverage ratio framework

The Basel Committee published answers along with some technical elaboration of the standards text and interpretative guidance in response to FAQs during July 2015, to promote consistent global implementation of the Basel III leverage ratio framework and disclosure requirements.<sup>8</sup>

The questions and answers were grouped according to relevant areas:

- criteria for recognition of cash variation margin associated with derivative exposures;
- centrally cleared client derivative exposures;
- exposures and netting of securities financing transactions (SFTs);
- treatment of netting of SFTs and derivatives under a cross-product netting agreement;
- exposure measure under the additional treatment for credit derivatives; and
- treatment of long settlement transactions and failed trades.

## Revised principles on corporate governance for banks

On 8 July 2015 the Basel Committee issued *Corporate governance principles for banks*<sup>9</sup> to replace previous guidance, and thereby emphasising the importance of effective corporate governance for the safe and sound functioning of banks. More specifically, the revised principles:

- expand the guidance on the role of the Board of Directors (Board);
- emphasise the importance of the Board's collective competence;
- strengthen the guidance on risk governance, including roles played by different parties of a bank involved in risk management, as well as underline the importance of a sound risk culture to drive risk management within a bank;
- provide guidance for bank supervisors in evaluating the selection processes used by banks regarding board members and senior management; and
- recognise compensation systems as a key component of the governance and incentive structure of a bank.

5 Available at <http://www.bis.org/bcbs/publ/d295.pdf>

6 Available at <http://www.bis.org/bcbs/publ/d324.pdf>

7 Available at <http://www.bis.org/publ/bcbs144.pdf>

8 Available at <http://www.bis.org/bcbs/publ/d327.pdf>

9 Available at <http://www.bis.org/bcbs/publ/d328.pdf>

## Guidelines for identifying and dealing with weak banks

The Basel Committee originally published *Supervisory guidance on dealing with weak banks*<sup>10</sup> in 2002 and updated it in June 2014.<sup>11</sup> This was replaced with the final *Guidelines for identifying and dealing with weak banks*<sup>12</sup> published by the Basel Committee on 16 July 2015.

Key updates include:

- emphasising the need for early intervention and the use of recovery and resolution tools, and updating supervisory communication policies for distressed banks;
- providing further guidance for improving supervisory processes and reinforcing the importance of sound corporate governance at banks;
- highlighting the issues of liquidity shortfalls, excessive risk concentrations, misaligned compensation and inadequate risk management; and
- expanding guidelines for information-sharing and cooperation among relevant authorities.

## Final criteria for identifying ‘simple, transparent and comparable’ securitisations

In December 2014 the Basel Committee and IOSCO published for consultation 14 criteria to identify certain features of simple, transparent and comparable securitisations.

In July 2015, following broad agreement from respondents, the Basel Committee and IOSCO published the final *Criteria for identifying simple, transparent and comparable securitisations*.<sup>13</sup> The purpose of these criteria is to assist the financial industry's development of simple, transparent and comparable securitisation structures. These criteria apply only to term securitisations and are non-exhaustive and non-binding. Criteria promoting simplicity refer to the homogeneity of underlying assets with simple characteristics, and a transaction structure that is not overly complex. Criteria on transparency provide investors with sufficient information on the underlying assets, the structure of the transaction and the parties involved in the transaction, thereby promoting a thorough understanding of the risks involved. The form in which the information is available should not hinder transparency, but should support investors in their assessment. Criteria promoting comparability could assist investors in their understanding of such investments and enable more straightforward comparison between securitisation products within an asset class.

## Basel III: The standardised approach for measuring counterparty credit risk exposures: Frequently asked questions

The Basel Committee published FAQs related to the standardised approach for counterparty credit risk (SA-CCR).<sup>14</sup> The SA-CCR will replace both non-internal model approaches, the current exposure method (CEM) and the standardised method SM. The FAQs were published to help ensure consistent global implementation of its standards.

## Report on the regulatory consistency of risk-weighted assets for counterparty credit risk

The Basel Committee published a report on the regulatory consistency of risk-weighted assets for counterparty credit risk.<sup>15</sup> The report presents the findings from a hypothetical test portfolio exercise to examine variability in banks' modelling of derivatives, and specifically in exposure modelling. The report focuses on the internal models method and the advanced credit valuation adjustment (CVA) risk capital charge for over-the-counter (OTC) derivative trades. It presents the key findings together with a number of observed good practices.

The report also highlights areas where banks and supervisors may seek to harmonise practices to reduce variability in outcomes. Further, based on the results of this study, the Basel Committee is considering whether it is necessary to narrow down certain modelling choices for banks and/or harmonise supervisory practices to enhance consistency in outcomes.

<sup>10</sup> Available at <http://www.bis.org/publ/bcbs88.pdf>

<sup>11</sup> Available at <http://www.bis.org/publ/bcbs285.pdf>

<sup>12</sup> Available at <http://www.bis.org/bcbs/publ/d330.pdf>

<sup>13</sup> Available at <http://www.bis.org/bcbs/publ/d332.htm>.

<sup>14</sup> Available at <http://www.bis.org/bcbs/publ/d333.pdf>.

<sup>15</sup> Available at <http://www.bis.org/bcbs/publ/d337.pdf>.

## Supporting information for implementation of the countercyclical capital buffer

On 19 October 2015, the Basel Committee published FAQs and other information to promote consistent implementation of the Basel III countercyclical capital buffer.<sup>16</sup> The countercyclical capital buffer requirement will be phased in from 1 January 2016.

### Information on global systemically important banks

The Financial Stability Board published an updated list of global systemically important banks (G-SIBs) on 3 November 2015<sup>17</sup>, which was supported by a publication<sup>18</sup> on the same day by the Basel Committee which provided further information on these banks. This information included:

- a list of all the banks in the assessment sample;
- the denominators used to calculate the scores for banks in the exercise;
- the cut-off score that was used to identify the updated list of G-SIBs;
- the thresholds used to allocate G-SIBs to buckets for the purposes of calculating the specific higher loss absorbency requirements for each institution; and
- links to the disclosures of all the banks in the assessment sample in 2015.

The information was used to assign each G-SIB to a bucket that determines the higher loss absorbency requirement for each G-SIB. The higher loss absorbency requirements will be phased in from 1 January 2016, based on the end-2013 results, with the full amount of the requirement in effect by 1 January 2019, consistent with the implementation schedule for the capital conservation buffer.

### Reports related to total loss-absorbing capacity

The Financial Stability Board published its *Principles on the Loss Absorbing and Recapitalisation Capacity of G-SIBs in Resolution and TLAC term sheet* on 9 November 2015.<sup>19</sup> On the same day, the Basel Committee published a consultative document<sup>20</sup> and a quantitative impact study (QIS) report.<sup>21</sup> The QIS report analyses the TLAC levels and shortfalls at G-SIBs based on the FSB's November 2014 consultative version of the TLAC term sheet. Among other things, the TLAC QIS examines the extent that G-SIBs and non-G-SIBs currently invest in TLAC instruments.

### Guidance on credit risk and accounting for expected losses

On 18 December 2015, the Basel Committee issued guidelines on credit risk and accounting for expected credit losses (ECL).<sup>22</sup> The guidance sets out supervisory expectations for banks relating to sound credit risk practices associated with implementing and applying an ECL accounting framework. The move to ECL accounting frameworks by accounting standard setters is an important step forward in addressing the weakness identified during the financial crisis that credit loss recognition was not enough. The development of ECL accounting frameworks is also consistent with the April 2009 call by the G-20 leaders for accounting standard setters to “strengthen accounting recognition of loan loss provisions by incorporating a broader range of credit information”. The document replaces the Basel Committee's *Sound credit risk assessment and valuation for loans* published in 2006.

<sup>16</sup> Available at <http://www.bis.org/bcbs/publ/d339.pdf>.

<sup>17</sup> Available at <http://www.fsb.org/http://www.fsb.org/wp-content/uploads/2015-update-of-list-of-global-systemically-important-banks-G-SIBs.pdf>.

<sup>18</sup> Available at <http://www.bis.org/press/p151103.htm>.

<sup>19</sup> Available at <http://www.fsb.org/2015/11/total-loss-absorbing-capacity-tlac-principles-and-term-sheet/>.

<sup>20</sup> Consultative documents are excluded from the scope of this report.

<sup>21</sup> Available at <http://www.bis.org/bcbs/publ/d341.pdf>.

<sup>22</sup> Available at <http://www.bis.org/bcbs/publ/d350.pdf>.