Chapter 1: Registrar of Banks' review

1.1 Introduction

Banking plays a central role in the modern economy. Through the intermediation of credit, commercial banks facilitate economic growth by allowing firms and households to manage their investment and consumption needs over time. However, the transformative power of leverage also exposes banks and the broader economy to risks, as was evidenced by the most recent global financial crisis. The criticality of banking to the economic health and stability of a country justifies robust regulatory oversight of banks and their activities. With these factors in mind, the Bank Supervision Department (BSD) of the South African Reserve Bank (SARB) executes its regulatory objectives on behalf of the South African public.

The core vision of BSD is to enhance and to promote the safety and soundness of banks and the banking system. The department also influences the development of global regulatory frameworks for banking through the Basel Committee on Banking Supervision (BCBS) and calibrates domestic implementation through banking regulations.

Supervision, at its most basic level, relies on established prudential rules and standards. Effective supervision takes the view that an understanding of institutions, both individually and collectively, within their environment, aids foresight and facilitates pre-emptive actions to mitigate nascent risks. The legal framework of banking is comprehensive and is not limited to prudential standards. Banks' activities are constrained and facilitated by a range of general and specific laws that apply broadly to the business areas and transactional systems that banks participate in, such as lending and payments. Added to this, behavioural standards and a focus on good governance encourage institutional, management and individual responsibilities to be executed judiciously and ethically.

The Financial Sector Regulation Bill (FSR Bill), which at the time of writing is before Parliament, will introduce major amendments to the financial regulatory architecture in South Africa. In particular, the FSR Bill makes provision for the creation of a Prudential Authority (PA), located within the SARB, which will include staff from BSD as well as the Insurance Regulatory Department of the Financial Services Board (FSB). The formation of the PA will bring about a new era of consolidated prudential supervision, involving the oversight of banks, insurance companies and financial market infrastructures. This will allow regulators to take a broader view of the financial system and the common risks to which various firms are exposed.

As BSD prepares to broaden its scope, it will continue to manage changes in the supervisory landscape, including the phasing-in of global standards for capital and liquidity as well as the ongoing refinement of supervisory practices.

Over the past year, the operating environment for South African households and corporates has remained challenging. Despite this difficult backdrop, the domestic banking sector has achieved increased capital adequacy levels, improved liquidity coverage, and relatively low leverage. Banks' balance sheets have continued to show selective and muted growth in loans and advances as well as in deposit taking, while equity has grown conservatively. Over the coming year, BSD will remain vigilant to emerging risks and will continue to work with banks to ensure and to promote a safe and stable financial sector for all South Africans.

Finally, I would like to thank the former Registrar of Banks, Mr René van Wyk (who retired in 2016), for his contributions to sound banking supervision in South Africa. Under his leadership, BSD managed various challenges, including the curatorship of African Bank Limited, and the introduction of major regulatory changes, including the Basel III reforms.

1.2 Bank Supervision Department's strategic focus areas

BSD's activities are primarily focused on achieving its strategic objectives by applying its resources appropriately. Each year, the department reviews its strategic focus areas (SFAs), taking into consideration the stability and performance of banks within the context of a constantly changing external environment, the changes emanating from international regulatory developments, and the emerging trends in the South African banking sector.

Significant progress was made in achieving the objectives of the SFAs in the year under review, which included:

- ensuring the safety and soundness of banks through their compliance with prudential standards and explicit supervisory requirements;
- ensuring appropriate entry into and exit from the banking system through the issuance and retraction of licences as well as approvals to expand or contract operations;
- fighting the illegal use of deposit taking as a means of funding business;
- representing South African interests and concerns at regional and international committees on banking-related regulatory and operational matters; and
- preparing for the establishment of the PA under the Twin Peaks framework[1] through regulatory and organisational development.

BSD's strategy in 2017 will focus predominantly on ensuring the ongoing promotion of the safety and soundness of the banking sector in the context of the establishment of the PA with its associated organisational and procedural adjustments.

1. The Twin Peaks approach recognises the different skills required for prudential and market conduct regulation. Prudential regulation is designed to maintain the safety and soundness of financial institutions while market conduct regulation requires the perspective of a customer, which is a different regulatory perspective and philosophy.

1.3 High-level overview of key banking-sector trends

1.3.1 Introduction

The number of entities that has been registered with BSD since 2006 is presented in Table 1.1. As at the end of December 2016, 32 banking institutions were reporting data to BSD. This number excludes mutual and cooperative banks but includes one institution conducting banking business in terms of an exemption from the provisions of the Banks Act 94 of 1990 (Banks Act), namely Ithala Limited. The number of foreign banks with authorised representative offices in South Africa decreased from 40 in December 2015 to 36 in December 2016. The new African Bank Limited commenced operations in April 2016, resulting in no banks being under curatorship at the end of December 2016.

Detailed commentary regarding the entities registered or licensed with BSD at the end of 2016 is presented in Appendices 2 to 5 and 7.

The aggregate statistics in this report relate exclusively to the sum of figures for banks and the local branches of foreign banks but they exclude statistics for mutual banks, cooperative banks, representative offices, controlling companies and banks under curatorship or in final liquidation.

Table 1.1 Banking entities registered in South Africa

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Banks[1]	19	19	19	18	17	17	17	17	17	17	17
Of which: banks under curatorship	0	0	0	0	0	0	0	0	1	1	0
Local branches of foreign banks	14	14	14	13	13	12	14	14	14	15	15
	33	33	33	31	30	29	31	31	31	32	32
Other											
Controlling companies	16	16	16	16	16	16	16	16	16	16	16
Banks in final liquidation	2	2	2	2	2	2	2	2	2	2	2
Mutual banks	2	2	2	2	2	2	3	3	3	3	3
Cooperative banks	0	0	0	0	0	2	2	2	2	2	2
Representative offices	43	46	43	42	41	43	41	43	40	40	36

[1] Includes active banks and banks exempted by the Registrar of Banks (with effect from 1 July 1996) in terms of the Supervision of Financial Institutions Rationalisation Act 32 of 1996 and section 1(cc) of the Banks Act 94 of 1990.

1.3.2 Total asset structure of the South African banking sector

The total asset structure of the South African banking sector[2] is presented in Figure 1.1.

South Africa's banking sector is dominated by five large banks, which collectively held 90.7% of the total banking-sector assets as at 31 December 2016 (31 December 2015: 89.2%). The local branches of foreign banks accounted for 5.8% of the total banking-sector assets at the end of December 2016 (December 2015: 7.3%) while the remaining banks operating in South Africa represented 3.5% at the end of both December 2015 and December 2016.

2. Based on the aggregation of data submitted during 2015 and 2016 from individual South African-registered banks, including local branches of foreign banks but excluding offshore branches and subsidiaries of South African banks, mutual banks and cooperative banks.

Figure 1.1 Total asset structure of the South African banking sector

R millions

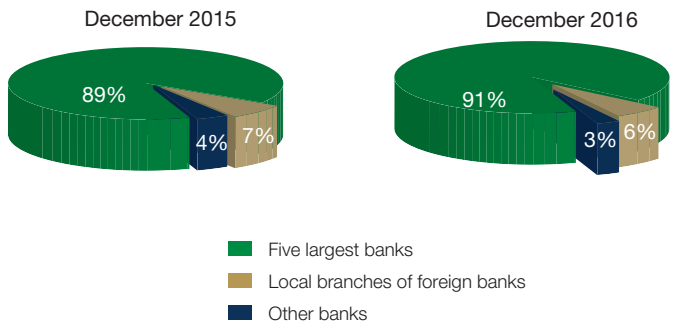


Table 1.2 Selected indicators for the South African banking sector

	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016
Balance sheet					
Total assets (R billions)	4 830	4 860	4 847	4 853	4 877
Total assets: year-on-year growth (%)	15.67	11.26	9.29	5.16	0.96
Gross loans and advances (R billions)	3 601	3 721	3 698	3 691	3 708
Gross loans and advances: year-on-year growth (%)	11.29	10.49	7.46	4.39	2.98
Total equity (R billions)	342	349	380	386	401
Profitability					
Cost-to-income (smoothed) (%)	55.39	55.39	54.93	54.62	55.07
Return on equity (smoothed) (%)	16.26	16.31	16.96	18.03	17.69
Return on assets (smoothed) (%)	1.15	1.14	1.2	1.31	1.32
Capital adequacy					
Common equity tier 1 capital adequacy ratio (%)	11.03	10.93	12.12	12.18	12.43
Tier 1 capital adequacy ratio (%)	11.44	11.29	12.54	12.6	12.86
Capital adequacy ratio (%)	14.2	13.88	15.31	15.48	15.93
Liquidity					
Liquidity coverage ratio (%)	84.51	87.71	96.41	104.17	107.83
Credit risk					
Impaired advances (R billions)	112	126	117	120	106
Impaired advances as a percentage of total advances (%)	3.12	3.38	3.17	3.25	2.86
Specific credit impairments as a percentage of impaired advances (%)	47.79	42.62	39.07	38.83	43.88
Specific credit impairments as a percentage of gross loans and advances (%)	1.49	1.44	1.24	1.26	1.25

Note: This table presents an overview of the financial and risk information, compiled by means of the aggregation of data submitted during 2015 and 2016 from individual South African-registered banks (including local branches of foreign banks but excluding offshore branches and subsidaries of South African banks, mutual banks and cooperative banks). Information represents aggregated banks-solo information. 'Smoothed' refers to calculations based on a 12-month moving average. Information is subject to change without notice. Banking-sector data is available at http://www.resbank.co.za.

Total banking-sector assets amounted to R4 877 billion at the end of December 2016 compared to R4 830 billion a year ago. The year-on-year growth rate in banking-sector assets declined in 2016, reaching a low level of 1.0% in December 2016 (December 2015: 15.7%). The overall lower growth in banking-sector assets was underpinned by a decline in the growth rate of gross loans and advances, investment and trading securities, and derivative financial instruments. The year-on-year growth rate in gross loans and advances declined to 3.0% at the end of December 2016 (December 2015: 11.3%). The sluggish growth in loans and advances during 2016 was attributable to, among other things, restrained credit extension by banks due to more stringent lending practices and the subdued macroeconomic environment.

Banking-sector assets were mainly funded by deposits, current accounts and other creditors, which constituted 87.6% of banking-sector liabilities at the end of December 2016 (December 2015: 84.2%). Derivatives and other trading liabilities as well as term debt instruments represented 6.2% and 4.1% respectively of total liabilities at the end of December 2016 (December 2015: 10.4% and 3.6% respectively). As at the end of December 2016, deposits comprised mainlyfixed and notice deposits (27.9%), current accounts (20.5%) and call deposits (18.5%). Deposits from corporate customers remained the largest component of the total deposits of

banks in 2016 and accounted for 41.0% of total deposits in December 2016 (December 2015: 40.7%). The other major sources of deposits for banks in 2016 were retail customers, banks and securities firms at 26.6%, 11.4% and 9.3% respectively in December.

The 12-month moving average cost-to-income ratio eased off slightly to 55.1% at the end of December 2016 (December 2015: 55.4%). The 12-month moving average return on equity (ROE) and return on assets (ROA) increased in 2016, ending the year at 17.7% and 1.3% respectively (December 2015: 16.3% and 1.2% respectively). The increase in ROE and ROA was attributable to an increase in operating profit, which grew by 20.7% year on year at the end of December 2016 (December 2015: 16.4%) due to an increase in net interest income and non-interest revenue as well as a decrease in credit losses.

Banks (on a bank-solo basis) remained adequately capitalised in the year under review, their respective capital adequacy ratios (CARs) well above the minimum statutory requirements. Total, tier 1 and common equity tier 1 (CET 1) CARs increased to 15.9%, 12.9% and 12.4% respectively at the end of December 2016 (December 2015: 14.2%, 11.4% and 11.0% respectively). The increase in CARs was attributable to the growth in capital exceeding the growth in risk-weighted exposure.

The liquidity coverage ratio (LCR) remained above the minimum requirement of 70.0% in 2016, increasing to 107.8% in December 2016 (December 2015: 84.5%), mainly due to an increase in high-quality liquid assets.

Year-on-year impaired advances[3] decreased by 5.6% from R112 billion in December 2015 to R106 billion in December 2016. This decrease resulted in the ratio of impaired advances to gross loans and advances, a key indicator of credit quality in the banking sector, improving to 2.9% at the end of December 2016 (December 2015: 3.1%).

The ratio of specific credit impairments to impaired advances (known as the coverage ratio) decreased to 43.9% at the end of December 2016 (December 2015: 47.8%) due to the reduction in specific credit impairments in 2016. This decrease in the coverage ratio is an indication that the banking sector is expecting to lose less against impaired advances. Expressed as a percentage of gross loans and advances, specific credit impairments decreased slightly to 1.3% at the end of December 2016 (December 2015: 1.5%).

3. Impaired advances are those advances in respect of which a bank has raised a specific impairment and include any advance or restructured credit exposure subject to amended terms, conditions or concessions that are not formalised in writing.

1.3.3 Applications for the authorization to establish a bank

During the course of 2016, the Registrar of Banks granted three institutions authorization for the establishment of banks in terms of section 13 of the Banks Act. These institutions may, at any time during the 12 months from the date of the granting of the authorization, apply to the Registrar of Banks for the registration of the institution as a bank, provided that the aforementioned authorizations have not been revoked in terms of section 14 of the Banks Act and that certain specified conditions have been met.

The following institutions received authorization in terms of section 13 of the Banks Act in the year under review:

- TYME Capital (Pty) Limited
- Discovery Limited
- Postbank Limited

1.3.4 Group structures: the approval of local and foreign expansions by South African banking groups

The number of applications approved by BSD in terms of section 52 of the Banks Act since 2006 is reflected in Table 1.3. The vast majority of the applications received in 2016 was submitted by the five largest banking groups.

Table 1.3 South African banking sector: number of approvals for local and foreign expansions granted in terms of section 52 of the Banks Act 94 of 1990

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Local	16	12	15	10	16	19	12	19	13	40	15
Foreign*	8	25	19	26	22	27	14	21	25	19	13
Total	24	37	34	36	38	46	26	40	38	59	28

* Excludes transactions undertaken by Investec plc

1.4 Enforcement

1.4.1 Introduction

During 2016, BSD continued to exercise its enforcement powers in terms of the Banks Act with regard to illegal deposit taking and to discharge its supervisory responsibilities in terms of the Financial Intelligence Centre Act 38 of 2001 (FIC Act). With regard to the latter, the department conducted both routine and non-routine supervisory inspections of banks' control measures for anti-money laundering and combating the financing of terrorism (AML/CFT). The SARB consequently imposed administrative sanctions on selected banks, which included financial penalties and the requirement that certain remedial actions be taken. Administrative sanctions were imposed not because banks had been found to have facilitated transactions involving money-laundering and/or the financing of terrorism, but because of weaknesses in their control measures.

1.4.2 Administrative sanctions imposed for AML/CFT non-compliance

In terms of the FIC Act, the SARB, through BSD, is mandated to supervise and enforce banks' compliance with the FIC Act. The FIC Act also stipulates that a supervisory body may impose an administrative sanction on an accountable institution for its failure to comply with the provisions of the FIC Act.

In line with its supervisory mandate, BSD conducted inspections at a number of banks in 2016, with the aim of assessing whether appropriate measures and controls were in place to ensure compliance with the relevant provisions of the FIC Act.

Based on available facts and the findings of these inspections, BSD imposed administrative sanctions in terms of the FIC Act with a combined value of R46.5 million. In addition, the banks were directed to take remedial action to address the identified deficiencies. Table 1.4 provides a breakdown of the administrative sanctions imposed in the year under review.

Table 1.4 Penalities imposed on banks in 2016

Bank	Non-compliance	Administrative sanction
Absa Bank Limited	Certain weaknesses in the bank's controls and working methods pertaining to transaction monitoring	A financial penalty of R10 million A directive to take remedial action
GBS Mutual Bank	Not identifying and verifying customers' details (better known as Know Your Customer, or KYC, requirements) Not training employees to enable them to comply with the provisions of the FIC Act and the bank's internal rules Failing to implement adequate processes and working methods in relation to the sanctions screening of customers to ensure that the bank complies with its reporting duties	A financial penalty of R500 000 A directive to take remedial action A reprimand

Table 1.4 Penalities imposed on banks in 2016 (Continued)

Bank	Non-compliance	Administrative sanction
Habib Overseas Bank Limited	Inadequate controls and working methods pertaining to the reporting of suspicious and unusual transactions	A financial penalty of R1 million A directive to take remedial action
Investec Bank Limited	Failing to implement adequate processes and working methods in relation to the sanctions screening of related parties of customers to ensure that the bank complies with its reporting duties	A financial penalty of R20 million A directive to take remedial action
Société Générale Johannesburg Branch	Not identifying and verifying KYC requirements Not maintaining customer and transactional records as prescribed	A financial penalty of R2 million (suspended for two years) A directive to take remedial action
Standard Chartered Bank – Johannesburg Branch	Not identifying and verifying KYC requirements Failing to report certain cash transactions above R24 999.99 to the Financial Intelligence Centre	A financial penalty of R10 million A directive to take remedial action A reprimand
The South African Bank of Athens Limited	Not identifying and verifying KYC requirements Failing to implement adequate processes and working methods in relation to the sanctions screening of customers to ensure that the bank complies with its reporting duties	A financial penalty of R3 million A directive to take remedial action A reprimand

It should be noted that the decision to impose administrative sanctions was not based on any evidence that Absa Bank Limited, GBS Mutual Bank, Habib Overseas Bank Limited, Investec Bank Limited, Société Générale Johannesburg Branch, Standard Chartered Bank – Johannesburg Branch or The South African Bank of Athens Limited had facilitated transactions relating to money-laundering and/or the financing of terrorism.

1.4.3 Illegal deposit taking

The Banks Act empowers the Registrar of Banks to control certain activities of persons who conduct the business of a bank without being registered as such. The mandate is limited to potential contraventions of the Banks Act in the Republic of South Africa and does not extend to fraud or other related white-collar crimes.

BSD remained concerned about the prevalence of illegal deposit-taking schemes. On 6 September 2016, the SARB launched a three-year nationwide public awareness campaign in an effort to warn would-be participants against the risks of 'investing' in get-rich-quick schemes.

It has become apparent that, while some participants are duped into 'investing' in these schemes, a large proportion is participating knowingly, fully aware of the illegality. BSD cooperated closely with the National Prosecuting Authority and its Asset Forfeiture Unit on a number of matters during the year under review.

In its previous annual report, BSD had advised that it had initiated the repayment process in one of the larger schemes, confirming that the repayment to investors had commenced in November 2015. After the initial payments, it became apparent that some investors had failed to register their claims. The Registrar of Banks, through the appointed repayment administrators, embarked on a further public awareness and notification drive through radio and print media advertisements, bulk SMSs, calls to known investors from the dedicated call centre, and visits to identified areas that reflected a lower number of claimants compared to investors. Following this extensive exercise, the final repayments were effected on 19 December 2016.

BSD compiled a review of the illegal deposit-taking schemes investigated from January 2012 to December 2016 (refer to Table 1.5). During this period, the department appointed temporary inspectors and in some cases repayment administrators in respect of 57 cases. A total of 63 investigations into schemes were finalised during the above-mentioned five years. In 2016

alone, BSD investigated 27 schemes, comprising 19 schemes which were carried over from previous years and 8 new schemes. As at 31 December 2016, 21 schemes were still being investigated, following the finalisation of inspections into 6 schemes during the year under review.

Table 1.5 Inspections relating to illegal deposit-taking schemes

Year	Total number of schemes under review*	Schemes carried over from previous years	New schemes in year under review	Schemes finalised in year under review	Schemes still under investigation in year under review
2011	41	26	15	14	27
2012	38	27	11	20	18
2013	25	18	7	5	20
2014	38	20	18	10	28
2015	41	28	13	22	19
2016	27	19	8	6	21

* Includes schemes carried over from previous years

1.4.4 African Bank Limited

As detailed in BSD's annual reports for 2014 and 2015, African Bank Limited was placed under curatorship on 10 August 2014.

Mr Tom Winterboer of PricewaterhouseCoopers (PwC), who was appointed by the Registrar of Banks as the curator of African Bank Limited, continued with his responsibility with regard to Residual Debt Services (RDS), which is the 'old' African Bank Limited. The 'new' African Bank Limited was launched on 4 April 2016 and continued to operate in a stable manner in the period under review.

Under curatorship, RDS continued to recover amounts due and fully repaid the loan previously extended by the SARB.

1.5 Regulatory developments affecting the domestic banking sector

1.5.1 Implementing the Twin Peaks system of financial regulatory architecture in South Africa[4]

4. The Twin Peaks approach recognises the different skills required for prudential and market conduct regulation. Prudential regulation is designed to maintain the safety and soundness of financial institutions while market conduct regulation requires the perspective of a customer, which is a different regulatory perspective and philosophy.

In 2016, South Africa progressed with its legislative journey towards the implementation of the Twin Peaks model of financial regulation. The FSR Bill provides for the establishment and implementation of the two regulatory 'peaks' of the model. The PA, already mentioned above, will oversee the prudential regulation and supervision of financial market infrastructures and financial institutions offering financial products and services. It will operate under the administration of the SARB. The market conduct 'peak', known as the Financial Sector Conduct Authority (FSCA), will be responsible for the conduct regulation and supervision of financial institutions.

During 2016, the Standing Committee on Finance held hearings on the FSR Bill. The discussions at these hearings focused on, inter alia:

- collaboration between financial sector regulators;
- financial conglomerate regulation and supervision;
- consultation with affected stakeholders during regulation and supervision;
- the role of Parliament in the making of regulatory and supervisory instruments;
- significant owners; and
- fees and levies.

Based on the discussions, the FSR Bill was further amended to:

- enhance collaboration between regulators;
- cater for financial inclusion and transformation;
- strengthen the consultation process with stakeholders;
- refine the parliamentary consultative process in the making of regulatory and supervisory instruments; and
- clarify the requirements for significant owners.

The levies aspect of the FSR Bill is further dealt with in the draft Financial Sector Levies Bills.[5]

5. Available at http://www.treasury.gov.za/twinpeaks/2016%2011%2023%20Levies%20Bill.pdf

On 30 November 2016, the Standing Committee on Finance adopted the FSR Bill. A week later, it was approved by the National Assembly and referred to the National Council of Provinces (NCOP) for consideration. Subsequently, the NCOP held public hearings towards the end of March 2017. It is expected that the NCOP processes will continue during May 2017.

1.6 Key international developments, recommendations and focus areas

South Africa is committed to the development of an effective and efficient global financial regulatory architecture. In this regard, the SARB is a member of, and actively participates in, relevant and strategic international forums, including the Group of Twenty (G20) and the Financial Stability Board. As such, influencing the global financial reform agenda has been an integral part of its work. Since the commencement of the global financial crisis in 2007, the international financial reform agenda has focused mainly on the development of adequate responses to the causes and effects of the crisis.

This new global financial reform agenda has significantly informed the focus of the BCBS, of which BSD is a member. The department subscribes to the full, timely and consistent implementation of internationally agreed reforms. This is done in a way that acknowledges and takes into account domestic economic and financial system conditions.

The core elements of the G20's comprehensive programme of reforms comprise the following:

- building a more resilient global financial system;
- ending the 'too big to fail' conundrum;
- making derivative markets safer; and
- transforming shadow banking into more resilient, market-based finance.

In this regard, the BCBS issued a number of documents in 2016,[6] which have a significant impact on the regulation and supervision of banks and banking groups. The relevant requirements will be incorporated into the regulatory framework over the next few years, in accordance with internationally agreed timelines, with due consideration of domestic economic and financial system conditions.

6. The key matters communicated by the BCBS in respect of these documents and requirements are summarised in Appendix 9.

The following list highlights the regulatory and supervisory matters addressed in some of these documents:

- the minimum capital requirements for market risk (issued on 14 January 2016);
- frequently asked questions on the Basel III leverage ratio framework (issued on 6 April 2016);
- interest rate risk in the banking book (issued on 21 April 2016);
- the statement on capital arbitrage transactions (issued on 2 June 2016);
- revisions to the securitisation framework (issued on 11 July 2016);
- frequently asked questions on the Basel III net stable funding ratio (NSFR) (issued on 13 July 2016);
- frequently asked questions on the revised Pillar 3 disclosure requirements (issued on 12 August 2016);

- frequently asked questions on the supervisory framework for measuring and controlling large exposures (issued on 28 September 2016); and
- the total loss-absorbing capacity (TLAC) holdings standard (issued on 12 October 2016).

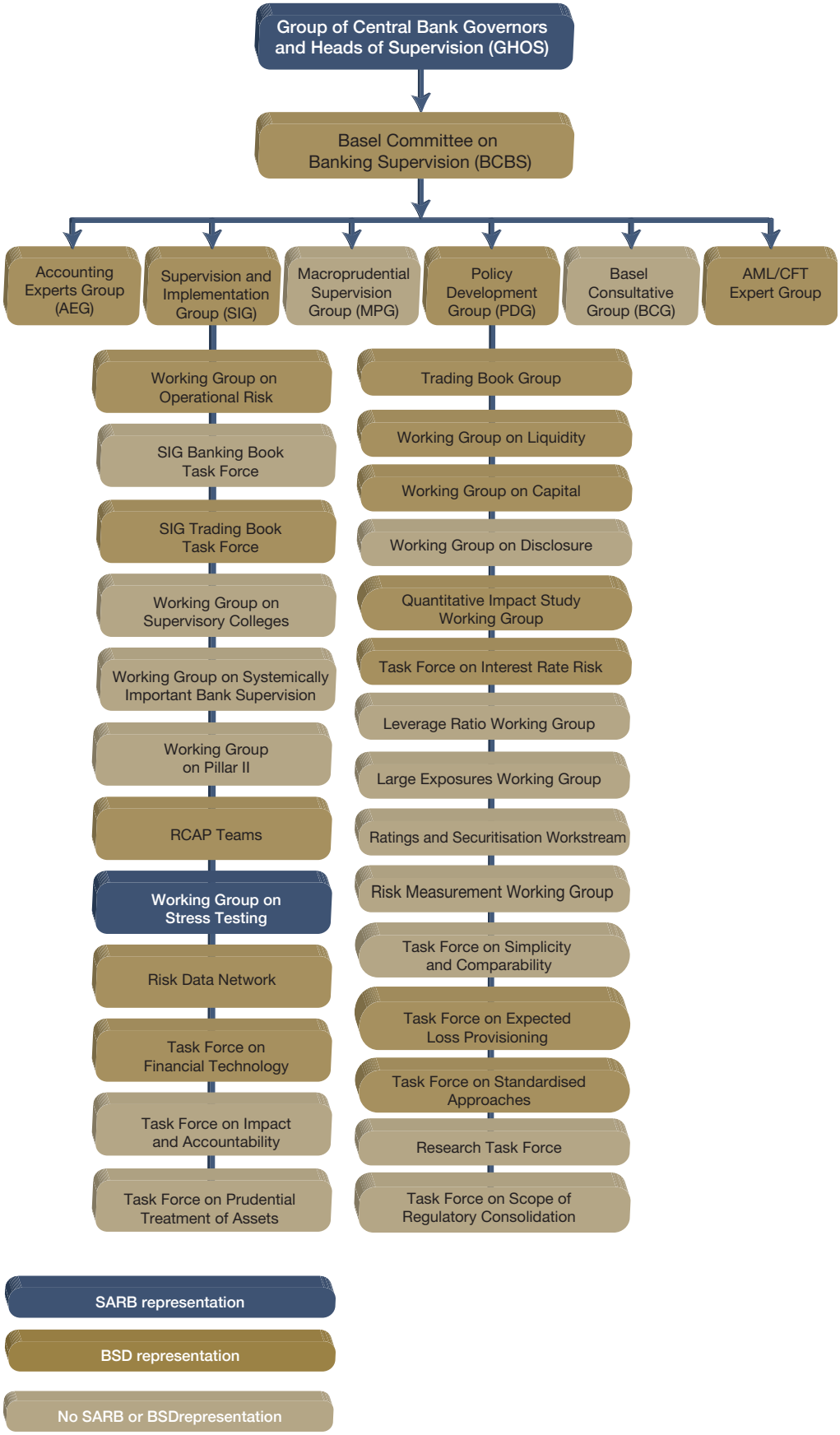
1.7 Participation in international regulatory and supervisory forums

BSD participated in a number of international regulatory and supervisory forums during the period under review. Participation in forums that form part of the BCBS structures is described in sections 1.7.1.1 to 1.7.15. Participation in other forums is set out in sections 1.7.2.1 to 1.7.2.4.

1.7.1 Basel Committee on Banking Supervision

BSD represents South Africa on the BCBS and on several of its subcommittees. Representation is aimed at influencing the formulation of global regulatory standards so that the distinct financial and social environment that South African institutions are exposed to is recognised in the rules with which BSD expects South African banks to comply. Participation in forums that form part of the BCBS structures is described below.

Figure 1.2 Structure of the Basel Committee on Banking Supervision 2016



Sources include the Bank for International Settlements

1.7.1.1 Accounting Experts Group

The Accounting Experts Group (AEG) is a subcommittee of the BCBS. The AEG takes an active role in the development of international accounting and auditing standards by standard-setting bodies such as the International Accounting Standards Board (IASB), the Federal Accounting Standards Board (FASB) and the International Auditing and Assurance Standards Board (IAASB). The aim of the subcommittee is to ensure that these standards and practices promote sound risk management at banks, support market discipline through transparency, and reinforce the safety and soundness of the banking system. The AEG also develops prudential reporting guidance where necessary.

The Audit Subgroup of the AEG promotes the provision of reliable financial information by exploring key audit issues from a banking supervision perspective. International auditing standard-setting developments and audit quality issues come under its attention, as well as any other documents emanating from the IAASB and the International Ethics Standards Board for Accountants.

During 2016, the AEG continued its close monitoring of developments relating to accounting standards for forward-looking expected credit losses (ECLs) by both the IASB and the FASB. Through its Task Force on Provisioning, which reports to both the AEG and the Policy Development Group (PDG), the BCBS is exploring both short- and long-term strategies for incorporating the ECL provisioning standards into the capital framework. It is also considering the introduction of transitional arrangements with regard to the adoption of ECL accounting for capital purposes.[7] The AEG has been monitoring these discussions closely and has been providing input where necessary.

7. Discussion paper titled: *On the regulatory treatment of accounting provisions* (http://www.bis.org/bcbs/publ/d385.htm).

In March 2016, the SARB issued Guidance Note 3 of 2016, requiring banks in South Africa to assess their current policies, processes and practices against the principles contained in the document titled *Guidance on credit risk and accounting for expected losses* that had been drafted by the AEG and issued by the BCBS in December 2015.[8] This document provides guidance on accounting for ECL provisions, regardless of the applicable accounting framework. It strives to ensure a high-quality, robust and consistent implementation of ECL provisions without unduly increasing cost and/or complexity.

8. Consultative document: Regulatory treatment of accounting provisions – interim approach and transitional arrangements (http://www.bis.org/bcbs/publ/d386.htm).

Other areas that formed part of the AEG agenda during the past year were, inter alia:

- the revised accounting standard on leases (IFRS 16);
- the prudential treatment of assets; and
- the revision of International Standard on Auditing (ISA) 540 – Auditing Accounting Estimates, including Fair Value Accounting Estimates and Related Disclosures.

1.7.1.2 Supervision and Implementation Group

The Supervision and Implementation Group (SIG) is the peer review committee of the BCBS. Its mandate is to help foster financial stability by supporting the strong national and international regulation and supervision of banks. It has two primary objectives:

1. Foster the timely, consistent and effective implementation of BCBS standards and guidelines.
2. Advance the improvement in practices in banking supervision, particularly across BCBS member countries.

The BCBS work programme had identified four themes for 2015 and 2016, namely:

- policy development;
- ensuring an adequate balance between simplicity and risk sensitivity across the regulatory framework;
- monitoring and assessing the implementation of the Basel framework; and
- improving the effectiveness of supervision.

1.7.1.3 Working Group on Operational Risk

The Working Group on Operational Risk (WGOR) is a working group under the SIG and the PDG. Its mandate includes operational risk policy and implementation issues.

Its primary focus area for 2016 was to finalise work on the newly proposed Standardised Measurement Approach (SMA) to replace the existing operational risk approaches. The SMA will determine a bank's operational risk capital requirements based on two components:

- a measure of the bank's income (commonly referred to as the 'Business Indicator' (BI)); and
- a measure of the bank's historical losses.

The removal of internal modelling approaches for operational risk from the Basel framework was also proposed and discussed.

1.7.1.4 Supervision and Implementation Group – Trading Book Task Force

The Supervision and Implementation Group – Trading Book Task Force (SIG-TB) is a work stream under the SIG established in 2012 to analyse the reasons for the differences in risk-weighted assets (RWAs) in the trading book across different jurisdictions. This analysis is part of the wider Regulatory Consistency Assessment Programme (RCAP) initiated by the BCBS in 2012.

During the period under review, the SIG-TB concluded work on the divergences in practices across banks regarding the proxy spread methodologies used for the Basel III advanced credit valuation adjustment (CVA) capital charge. The exercise incorporated a study on the implementation of the Basel III CVA framework across jurisdictions. Additionally, the exercise delved into the implications of the findings on the revised Basel CVA framework. Certain South African banks participated in this exercise and contributed to the work of the SIG-TB.

The work of the SIG-TB also included discussions on topics that monitored the developments made in banks' business models for trading activities.

1.7.1.5 Regulatory Consistency Assessment Programme Teams

The BCBS adopted the RCAP to assess its members' implementation of the relevant internationally agreed standards. The RCAP is administered with the support of specialist contributors drawn from the BCBS's membership group.

Assessments are conducted at various levels, including according to risk-specific themes. During these assessments, a team of specialists reviews the information submitted by a specific jurisdiction's banking authority, seeks clarity on statements made (where required), and requests supportive data and/or information to ascertain the materiality of deviations before conducting further review work on the premises of the relevant banking authority. Discussions with banks form an integral part of the jurisdictional assessment. Following the finalisation of the assessment team's report, a review team independently examines the findings before a review panel concludes the assessment. The draft reports are then submitted to the BCBS for approval before the results are published.

Specialists in BSD have been selected to lead or support the work of the assessment teams in other jurisdictions; they are also members of the review teams. BSD staff members contributed to the assessments of jurisdictions such as India, Indonesia, Mexico, Russia, Saudi Arabia, South Korea and the United States (US). Indonesia was the final BCBS member jurisdiction to undergo an assessment of its implementation of the Basel risk-based capital framework; the report on Indonesia was issued in December 2016.

1.7.1.6 Risk Data Network

The BCBS issued the Principles for Effective Risk Data Aggregation and Risk Reporting[9] (Principles) in January 2013. These Principles aim to strengthen banks' risk management practices by improving their risk data aggregation and risk reporting. The Principles were initially addressed to systemically important banks and apply not only at a group level, but also to all material business units and/or entities within the group. Global systemically important banks (G-SIBs) were given the deadline date of 1 January 2016; domestic systemically important

9. Available at http://www.bis.org/publ/bcbs239.pdf

banks (D-SIBs) in South Africa were directed to comply with the Principles by no later than 1 January 2017.

The initial work of the Working Group on SIB Supervision (WGSS) focused on the monitoring of the implementation progress and strategies. However, previous progress reports indicated that many banks remained non-compliant. Further monitoring was therefore required. Moreover, there was still an aspiration from regulators to continue to meet and exchange information to encourage compliance. The WGSS was consequently converted to a task force to focus on the monitoring of the implementation of the Principles with the establishment of the Risk Data Network (RDN) during the first quarter of 2016 under the auspices of the SIG.

BSD became a member of the RDN in September 2016. The necessity to become a member stemmed from the need to obtain knowledge and lessons learnt from other member countries, specifically jurisdictions that regulated G-SIBs who had had an earlier compliance deadline than the D-SIBs.

The general objective of the RDN is to develop and maintain a framework to ensure that banks and supervisors comply with the Principles.

1.7.1.7 Task Force on Financial Technology

In 2016 BSD joined the newly formed Task Force on Financial Technology (TFFT) which reports directly to the SIG. The objectives of the TFFT are to assess risks and supervisory challenges in relation to innovation and technological changes that affect banking. Furthermore, the task force was established to ensure progress in enhancements in the practices and principles for the management and supervision of associated risks arising from financial technology (FinTech).

Various activities were undertaken during the period under review to meet these objectives. In particular, ideas and information were exchanged between regulators.

1.7.1.8 Policy Development Group

The PDG assesses the proposed changes to banking regulations developed by its subgroups and other work streams of the BCBS. The group serves the BCBS by identifying issues, commissioning research, overseeing quantitative analysis, and making recommendations on policy to the BCBS. It also reviews emerging supervisory issues aimed at promoting a sound banking system and high supervisory standards. The PDG has several executive subgroups and workgroups reporting to it on a wide range of risk and capital issues. BSD is represented on the PDG and on many of the subgroups where the subject matters are relevant to South Africa.

1.7.1.9 Trading Book Group

The Trading Book Group (TBG) is a subgroup of the PDG of the BCBS. The PDG identifies and reviews supervisory issues and oversees the development of BCBS policies, which are accordingly executed through its subgroups. The TBG is the subgroup that deals primarily with market risk.

The most recent global financial crisis exposed significant flaws in the regulatory capital approach to market risk and trading activities. While some of these issues have since been addressed in the revisions to the market risk capital framework that was released in July 2009, the BCBS agreed that a fundamental review of the framework was required, in particular whether the distinction between the banking and trading books should be maintained, how trading activities were defined, and how risks in the trading books (and possibly market risk more generally) were captured by regulatory capital. It is in this regard that the TBG embarked on what came to be known as the Fundamental Review of the Trading Book (FRTB).

In 2016, the TBG published the final standard on the fundamental review of the trading book[10] which attracted much resistance on certain topics within the framework by the banking fraternity. The TBG undertook to address the unclear aspects emanating from the framework through the frequently asked questions process. Additionally, the TBG provided assistance to the quantitative impact studies that were conducted throughout the year.

10. Available at http://www.bis.org/bcbs/publ/d352.htm

1.7.1.10 Working Group on Liquidity

The primary focus of the Working Group on Liquidity (WGL) is policy development. The WGL also deals with the practical challenges accompanying the successful development, implementation and maintenance of a liquidity risk framework that addresses the regulatory requirements and expectations of the BCBS relating to liquidity and funding.

The WGL developed, over several years, appropriate standards for measuring and mitigating liquidity risks in banks. Currently, the group deals with the two main standards relating to liquidity and funding, namely the LCR and the NSFR.

With the finalisation of the LCR and the NSFR standards, and the LCR becoming a prudential requirement from 1 January 2015, the focus of the WGL shifted towards refining the broad understanding of the rules and their implementation by dealing with frequently asked questions on the two standards and addressing post-implementation issues of the LCR.

Furthermore, as part of its continued mandate, the WGL will be used as a forum to exchange information across jurisdictions in order to improve liquidity risk management and supervisory practices. As part of this process, the group will also consider whether an element of the Principles for Sound Liquidity Risk Management,[11] published by the BCBS in September 2008, should be updated and/or enhanced to reflect current best practice.

11. Available at http://www.bis.org/bcbs/publ/s144.htm

1.7.1.11 Working Group on Capital

The Working Group on Capital (WGC) was established in early 2013 by merging two groups that dealt with issues related to capital: the Definition of Capital Subgroup and the Contingent Capital Working Group. The WGC is responsible for handling all the policy issues associated with the definition of capital and capital-like instruments under Basel III.

A key initiative that the WGC finalised during 2016, approved by the BCBS, was the TLAC Holdings Standard.[12] This document sets out the regulatory capital treatment of banks' investments in TLAC and equivalent instruments.

12. Available at http://www.bis.org/bcbs/publ/d387.htm

1.7.1.12 Quantitative Impact Study Working Group

BCBS's biannual international Basel III implementation monitoring continued in the period under review in the form of quantitative impact studies (QISs).

In addition to Basel III implementation monitoring, the focus of the QIS exercises in 2016 was collecting data for the assessment of policy initiatives currently underway. These included the impact of proposals on the fundamental review of the trading book and initiatives to enhance comparability between banks, such as constraining the internally modelled approaches relating to the internal ratings-based (IRB) approach and removing the use of the modelled approach for operational risk. Furthermore, revisions were made to the standardised approach for credit risk, the counterparty credit risk framework, and the Basel III leverage ratio framework. Analyses were also done on the proposal to replace the Basel I-based floor with more risk-sensitive output-based floors.

The BCBS published the *Basel III monitoring report*[13] in September 2016. This report detailed the result of the QIS exercise as at 31 December 2015. It incorporated the data of the participating South African banking groups. Furthermore, it is the intent of the BCBS to continue publishing the results of the Basel III monitoring exercise.

13. Available at http://www.bis.org/bcbs/publ/d378.htm

Both BSD and the participating banks found value in being a part of these studies and will continue to actively participate in them.

Following the merger of the Capital Monitoring Group (CMG) with the QIS Working Group, BSD continued with the submission of specific data obtained from the Supervisory Reporting System to enhance the analysis and monitoring of capital- and credit-related data. The QIS Working Group will, in particular, remain responsible for the design of the capital monitoring

reporting templates (containing the agreed and fully implemented Basel framework) and for the analysis of bank-level parameters (e.g. capital requirements, eligible capital and capital ratios).

BSD will continue to participate in the QIS Working Group in 2017.

1.7.1.13 Task Force on Interest Rate Risk

Building on the work carried out under the FRTB by the TBG, the BCBS, under the PDG, created a Task Force on Interest Rate Risk (TFIR) to examine the options for capturing interest rate risk in the banking book (IRRBB) within the capital framework. The aim was to consider an obligatory charge (the so-called Pillar 1 charge) for interest rate risk associated with exposures in the banking book. Exposures in the trading book already carry a capital charge for interest rate risk in terms of the market risk rule set. Currently, the framework does not require banks to hold capital for this risk in the banking book unless the supervisor, in terms of a Pillar 2 assessment, has determined it to be necessary.

In the year under review, the BCBS finalised and published the standards for IRRBB in the form of an enhanced Pillar 2 approach with mandatory public disclosure requirements. The TFIR also updated all the principles relating to the management and supervision of IRRBB. These standards will become effective from 1 January 2018.

1.7.1.14 Task Force on Standardised Approaches

In response to the issues arising from the global financial crisis, the BCBS established, in 2013, the Task Force on Standardised Approaches (TFSA) with the primary mandate to propose revisions to the standardised approach for credit risk. Besides ensuring that the standardised approach continues to provide a suitable regulatory capital framework for banks using this approach, the revision also aims to reduce the mechanistic reliance placed by the approach on external credit ratings and introduce supplementary measures for risk classification. The revision will also seek to strengthen the link between the standardised approach and the IRB approach.

Communication on the implementation of the revised approach is expected during 2017.

1.7.1.15 Anti-money Laundering and Combating the Financing of Terrorism Expert Group

The BCBS's AML/CFT Expert Group assists both financial institutions and regulators in implementing the AML/CFT elements of the Core Principles for Effective Banking Supervision (Core Principles) in accordance with the Financial Action Task Force (FATF) standards by producing technical and practical guidance that is applicable to national and international banks and banking groups. The group also contributes to the standards set by the FATF relating to AML/CFT matters.

The AML/CFT Expert Group holds meetings twice a year; BSD participated in both meetings held in 2016 and contributed on an ongoing basis to the group's projects and initiatives.

1.7.2 Participation in other international forums

1.7.2.1 Eastern and Southern Africa Anti-Money Laundering Group

BSD attended the 16th Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Council of Ministers meeting inclusive of the 32nd Task Force of Senior Officials meeting which was held in Victoria Falls in Zimbabwe from 28 August to 2 September 2016.[14] This was followed by a public/private sector dialogue, also attended by BSD.

14. As at February 2016, the members of the ESAAMLG were Angola, Botswana, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, the Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

1.7.2.2 Financial Action Task Force

The FATF is an intergovernmental body that has developed the international standard for combating money-laundering and the financing of terrorism. BSD was represented at all three FATF plenary meetings held in 2016, and also participated in working group discussions and policy development.

1.7.2.3 Community of African Bank Supervisors of the Association of African Central Banks

The Community of African Bank Supervisors (CABS) is a committee of the Bureau of the Association of African Central Bank (AACB) Governors. CABS established a work plan during 2014 resulting in the SARB being elected to lead a working group on cross-border banking supervision, which is one of the two working groups to be established.

The purpose of the cross-border banking supervision working group is to:

- Effectively contribute to the formulation of sufficient methods to improve cross-border supervision on the African continent.
- Improve the quality of data available to banking supervisors.
- Be the preferred platform where experiences are shared and ideas are discussed in order to promote the strengthening of effective supervision of cross-border banking operations.

In 2016, the CABS meeting was held in Cape Town in South Africa. The meeting took the form of a workshop facilitated by the Toronto Centre. The main purpose of the programme was to enhance participants' understanding of the practice of cross-border banking supervision and their leadership skills. The programme went beyond theoretical concepts and drilled down to the 'how to do it' and the challenges facing banking supervisors.

The SARB has been nominated to chair the CABS working group on cross-border banking, which will manage a project aimed at supporting AACB's efforts to improve the exchange of information on cross-border banks operating in sub-Saharan Africa.

1.7.2.4 Information Technology Supervisors Group

BSD was granted observer status on the Information Technology Supervisors Group (ITSG), a global group where information technology (IT) supervisory practices and experiences are shared in order to align global practices. South Africa will be eligible to apply for full membership after attending two conferences, the first of which was attended in September 2016.

The ITSG is an independent and cooperative international working group for prudential IT supervisors, which focuses on the operational supervisory aspects and 'lessons learnt' from on-site and off-site reviews and other supervisory engagements, with special attention to the supervisory practices, tools and assessment frameworks used. Other topics include the IT risks and incidents observed in practice, emerging technologies, and the operational IT supervisory priorities.

The ITSG supports and encourages effective international IT supervisory cooperation through the organisation of annual conferences and the provision of an ongoing IT supervisory communication platform. The ITSG is not affiliated to the BCBS or its subcommittees. In addition, some of the ITSG member countries are not represented at those committees.

The 2016 conference focused on the following key themes:

- FinTech and disruptive innovations;
- cybersecurity; and
- the supervision of third-party services and solution providers.

A heat map identifying the main transversal IT supervisory risks or evolutions was developed; its results will be used as focus areas for the 2017 conference.

1.8 Participation in international surveys

During the year under review, BSD participated in numerous international surveys, as follows:

- Financial Stability Board Regional Consultative Group (RCG) for sub-Saharan Africa – working groups on home host cooperation and information sharing
- Financial Stability Board Cross-border Crisis Management Group internal TLAC questionnaire
- G20 Green Finance Study Group survey on approaches to measuring green finance
- International Monetary Fund (IMF) Islamic Banking survey
- Organisation for Economic Co-operation and Development (OECD) survey on national adaptations of Basel III LCR and NSFR
- IMF Financial Access survey on gender-related data (pilot survey)
- Bank for International Settlements (BIS) Central Bank Governance Network survey on central bank management reporting
- Association of Financial Inclusion (AFI) communications regulator survey
- BCBS Task Force for Financial Technology FinTech survey
- Financial Stability Board thematic peer review on OECD's Principles of Corporate Governance
- African Development Bank survey on digital financial inclusion
- BCBS TFFT survey on products and services
- Committee of the Financial Stability Board/Global Financial System survey on FinTech credit intermediation
- BCBS SIG working group stress-testing survey on stress-testing practices
- BCBS SIG survey on supervisory challenges
- Financial Stability Board Correspondent Banking Coordination Group (CBCG) correspondent bank survey
- Financial Stability Board Compensation Monitoring Contact Group survey
- Financial Stability Board working group on governance frameworks survey on misconduct risk at firms
- Financial Stability Board questionnaire on the effects of derivative reforms
- World Bank Global Financial Inclusions and Consumer Protection survey
- AFI member survey on FinTech and regulatory technology

1.9 Participation in domestic regulatory and supervisory forums

In the year under review, BSD continued to serve on, and participate in, numerous domestic committees, forums, task groups and working groups to consult with financial industry participants and bodies, external audit bodies, government departments (e.g. National Treasury) and other financial regulatory authorities on relevant matters.

These institutions and bodies include the FSB, the Banking Association of South Africa (BASA), the South African Institute of Chartered Accountants (SAICA), the Committee for Audit Standards, the National Credit Regulator (NCR), the Financial Intelligence Centre (FIC) and the Independent Regulatory Board for Auditors (IRBA).

Some of the forums and initiatives which BSD participated in during 2016 are highlighted below:

- As discussed in section 1.5.1 of this report, the Standing Committee on Finance held hearings on the FSR Bill and the National Assembly approved the FSR Bill for deliberation by the Select Committee on Finance in the National Council of Provinces.
- The International Financial Reporting Standard 9 (IFRS 9) Implementation Working Group was formed in June 2015 and is ongoing, comprising representatives from BSD, banks, audit firms and other regulatory or industry bodies such as IRBA and SAICA, as discussed in section 2.2.2 of this report.

- The Risk Data Aggregation and Risk Reporting Working Group was formed under the auspices of BASA for the South African banking industry to work together with BSD in relation to the timelines and compliance with the Principles. After the inaugural meeting in late 2015, the group continued to meet in 2016, discussing matters of concern and clarifying concepts such as scope, legal entities, coverage and risk measurement.

1.10 Regional cooperation and interaction

1.10.1 Eastern and Southern Africa Anti-Money Laundering Group

The ESAAMLG conducts peer reviews of each member on an ongoing basis to assess the level of implementation of the FATF Recommendations, providing in-depth description and analysis of each country's system for preventing criminal abuse of the financial system.

BSD was nominated to take part in the second round of an AML/CFT mutual evaluation of Botswana, which started in June 2016.

BSD shares its expertise with AML/CFT supervisors in countries where South African banks have operations by providing technical assistance and training in a wide range of AML/CFT supervisory areas. BSD also hosted the Bank of Uganda for a one-week workshop wherein it shared AML/CFT supervisory methods and best practice.

1.10.2 Collaborative on-site meetings

BSD is committed to achieving the principles of consolidated supervision, as determined by the BCBS. Core Principle 12 of the Core Principles states that an essential element of banking supervision is that supervisors supervise the banking group on a consolidated basis and adequately monitor and, if appropriate, apply prudential norms to all aspects of the business conducted by the group worldwide.

Furthermore, BSD is committed to maintaining its relationship with foreign regulators for mutual assistance, cooperation and exchange of information in fulfilment of the respective central banks' supervisory responsibilities.

Pursuant to Core Principle 12, BSD conducted collaborative on-site visits to the subsidiaries of locally registered banks with banking interest in Botswana, Kenya, Mauritius and Namibia. The visits entailed meeting with the relevant banking supervisory authorities in each respective country for information-sharing purposes and also conducting a collaborative on-site meeting at the banking subsidiaries under their supervision, during which discussions were held with the respective executive management responsible for the banking entity in that country. The open and frank discussions during the meetings with the respective supervisory authorities as well as with the banking subsidiaries were informative and most useful in gaining a better understanding of the supervisory framework and processes applied as well as the assessments of the respective banking subsidiaries in those countries.

1.10.3 Interaction with other regulatory authorities in the Southern African Development Community (SADC) region

During 2016, representatives from The Bank of Namibia and the Central Bank of Swaziland were hosted by BSD where relevant officials, from BSD, presented and shared their learnings and experience mainly on the implementation of the Basel II and Basel III frameworks as well as the challenges experienced regarding to the implementation thereof.

BSD also hosted representatives from the Reserve Bank of Zimbabwe and presented supervisory methods and best practice with regards to recovery and resolution planning.

1.11 Issues to receive particular attention in 2017

BSD will continue to review, amend and update the regulatory and legislative framework in accordance with the latest relevant internationally agreed regulatory and supervisory standards and practices.

Other areas that will receive particular attention in 2017 include:

- the ongoing implementation of the PA in terms of the Twin Peaks model of financial regulation;
- the continued monitoring of the banking sector's capital adequacy and liquidity ratios as well as their compliance with relevant laws and regulations;
- the continued focus on the internal capital adequacy assessment processes (ICAAPs), in particular economic capital modelling, stress testing and capital planning;
- the continued assessment of the implementation readiness of both banks and the external auditors of banks relating to the IASB's IFRS 9 on accounting for expected credit losses;
- BSD's continued focus, in conjunction with the industry, in the search of a viable clearing solution for over-the-counter (OTC) derivatives;
- the periodic assessment of the impact on the banking sector of a possible change of the South African sovereign credit rating to sub-investment grade;
- monitoring the banking industry's readiness to implement and comply with the NSFR as of 1 January 2018;
- the further embedding of a risk-based approach framework and an AML/CFT self-assessment questionnaire, which will have to be completed by all banks and mutual banks on an annual basis;
- thematic reviews to assess the progress made by banks in improving the configuration of their sanctions-screening systems after the review that had been conducted in 2014;
- the ongoing monitoring of banks' progress made in achieving full compliance with the Principles for effective risk data aggregation and risk reporting;
- a continued focus on IT, including FinTech and cybersecurity, with a view to issuing guidance surrounding cyber-resilience; and
- the adoption of the King IV Principles across the banking sector.

1.12 Expression of gratitude

I would like to express my appreciation to the staff members of BSD for their hard work and dedication over the course of 2016. Last year brought with it a high degree of complexity and numerous challenges, which the department dealt with in an exemplary fashion. To the leadership of the SARB, I offer my thanks for your support and cooperation throughout the year.

Finally, my gratitude goes to National Treasury and the FSB for their assistance and input on a variety of regulatory and statutory matters, in particular the FSR Bill.

Kuben Naidoo
Deputy Governor and Registrar of Banks