**Off-balance sheet activities - Directives and interpretations for completion of monthly return concerning off-balance sheet activities (Form BA 110)**

1. The content of the relevant return is confidential and not available for inspection by the public.
2. The purpose of the return is to determine, among other things, the nature and extent of a bank or controlling company’s unfunded off-balance sheet activities or exposures, including-
3. off-balance sheet activities to which the reporting bank is irrevocably committed;

and

1. off-balance sheet activities that may be revocable,

Provided that the funded component of any relevant exposure already included in the form BA 100 shall not be duplicated or also included in the form BA 110.

1. In order to ensure that the reporting bank can duly distinguish between, among other things, committed undrawn facilities, that is, facilities to which the reporting bank is irrevocably committed, and undrawn unconditionally cancellable commitments, that is, facilities to which the reporting bank is not irrevocably committed, the bank shall ensure that any relevant documentation or facility letter between the bank and its client clearly provides for such a distinction.
2. For the purpose of the completion of the form BA 110
3. a bank shall regard any issued guarantee that represents an undertaking by the bank to fulfill a financial obligation of the person (buyer) in respect of which/whom it was issued with regards to the purchase of property upon the registration of a mortgage bond, that is, a property guarantee, as a lending related guarantee;
4. letters of credit comprise all unutilised letters of credit facilities granted in respect of domestic and foreign transactions, confirmed letters of credit in respect of banks and letters of authority, including-
   1. documentary credits outwards for domestic and foreign transactions (sight and usance); and
   2. documentary credits inwards (sight and usance) confirmed and/ or accepted;

provided that any letter of credit serving as a financial guarantee shall be regarded as a lending related guarantee;

1. committed undrawn or unutilised facilities shall include-
   1. loans and other credit facilities granted, whether for fixed or varying amounts, but not paid out to or used by clients;
   2. undrawn or unutilised overdraft facilities on current account;
   3. undrawn loan commitments;
   4. undrawn or unutilised acceptance facilities; and
   5. undrawn or unutilised revolving credit facilities,

to which the reporting bank is irrevocably committed;

1. irrevocable undrawn or unutilised draw-down facilities shall include any facility, regardless of its original maturity, granted in terms of a written agreement in terms of which the said facilities will be drawn down in agreed amounts during prearranged periods, provided that a bank shall include in the form BA 110 only those amounts that the bank is committed to advance during the three month period following the reporting month;
2. underwriting exposures shall include all quantifiable underwriting commitments, whether in writing or given verbally, including-
   1. all note-issuance facilities; and
   2. revolving underwriting facilities,

in respect of which the contingent risk arise from the bank’s role as underwriter of such issues, guaranteeing to provide a known amount of funds when other parties fail to do so;

1. a bank shall record its potential credit exposure originating from a credit-derivative contract when the bank acts as a protection provider/seller.
2. When a bank arranges a repurchase agreement, resale agreement, securities lending transaction or securities borrowing transaction, acting as an agent, but the bank provides a guarantee in respect of the performance of the third party, the bank shall be regarded as acting as principal and shall maintain capital in respect of the said transaction as if the bank acted as principal in respect of the relevant transaction.
3. Instructions relating to the completion of the return are furnished with reference to the headings and row descriptions of certain items appearing on the form BA 110, as follows:

*Row number*

R0010 **Guarantees on behalf of clients**

This item shall include the aggregate amount in respect of all relevant lending related guarantees and performance related guarantees issued on behalf of clients.

R0030 **Customers’ indebtedness for acceptances**

This item shall include the relevant aggregate amount in respect of bankers’ acceptances issued by customers or clients and subsequently endorsed and on-sold by the bank, that is, the relevant aggregate amount related to undertakings by the bank to fulfill an obligation of a customer or client who issued an acceptance, when the said customer or client fails to fulfill the relevant obligation at the due date.

R0090 **Other contingent liabilities**

This item shall include the aggregate amount of all other liabilities where an outflow of economic benefits is possible, not probable, including the relevant aggregate amount related to undrawn unconditionally cancellable commitments, that is, facilities to which the reporting bank or controlling company is not irrevocably committed.

R0120 **Portfolios managed by others on behalf of the reporting institution**

This item shall include assets not reported on the form BA 100.

R0130 **Portfolios managed for others and for which financing is provided**

This item shall include financing provided for the purpose of acquiring a portfolio of investments managed by the reporting bank, which financing has not been reported on the form BA 100.