**Income statement - Directives and interpretations for completion of monthly income statement (Form BA 120)**

1. The content of the relevant return is confidential and not available for inspection by the public.
2. The columns titled “Current year to date” in form BA 120 shall reflect the year-to-date amounts in respect of the financial year of the reporting bank. In order to ensure that the relevant columns titled “Current year to date” in form BA 120 reconcile with the aggregate amounts reported in the columns titled “Current month” for the particular financial year of the reporting bank a bank shall include any adjustment to amounts previously incorrectly reported in the columns titled “Current month”, provided that amounts reported in C0070 to C0090 of R0010 to R0910 relate only to the relevant year-to-date amounts.
3. All income and expense items, including gains and losses, shall be divided between those items relating to the bank’s banking activities and those items relating to the bank’s trading activities.
4. Instructions relating to the completion of the monthly income statement are furnished with reference to the item descriptions and row numbers appearing on the form BA 120, as follows (where appropriate, the corresponding balance sheet item number is indicated):

*Row number*

R0010 **Interest and similar income**

The items listed in the income statement under this heading shall reflect interest income in respect of the corresponding asset items listed in the balance sheet, as follows:

|  |  |  |
| --- | --- | --- |
| **Item description** | **Income statement**  **Form BA120** | **Corresponding item on the balance sheet**  **Form BA100** |
| **Row number** | **Row number** |
| Short term negotiable securities | R0020 | R0070 |
| Loans and advances to customers | R0030 | R0120 |
| * Homeloans | R0040 | R0130 |
| * Commercial mortgages | R0050 | R0140 |
| * Credit cards | R0060 | R0150 |
| * Lease and instalment debtors | R0070 | R0160 |
| * Overdrafts | R0080 | R0170 |
| * Redeemable preference shares and other equivalent instruments | R0090 | R0180 |
| * Trade, other bills and bankers' acceptances | R0100 | R0190 |
| * Term loans | R0110 | R0200 |
| * Factoring accounts | R0120 | R0210 |
| Government and other securities | R0140 | R0300 plus R0310 plus R0370 plus R0380 |

R0160 **Interest expense and similar charges**

The items listed in the income statement under this heading shall reflect the interest expense in respect of the corresponding liability items listed in the balance sheet, as follows:

|  |  |  |
| --- | --- | --- |
| **Item description** | **Income statement**  **Form BA120** | **Corresponding item on the balance sheet**  **Form BA100** |
| **Row number** | **Row number** |
| Deposits, current accounts and other creditors | R0170 | R0550 |
| * Current accounts | R0180 | R0560 |
| * Savings deposits | R0190 | R0570 |
| * Term and other deposits | R0200 | R0580 plus R0590 |
| * Negotiable certificates of deposit | R0230 | R0600 |
| * Other deposits and loan accounts | R0240 | R0610 |
| Term debt instruments | R0260 | R0690 |

R0470 **Subsidiary companies**

This item shall reflect the aggregate amount in respect of dividends received from subsidiary companies.

R0480 **Other**

This item shall reflect the aggregate amount in respect of dividends received from investments other than investments in subsidiary companies.

R0520 **Commodities**

This item shall include any profit or loss resulting from the reporting bank’s trading in commodities.

R0680 **Staff costs**

This item shall include any relevant amount in respect of-

* salaries and wages for staff;
* post retirement benefits;
* training costs;
* costs paid for contractors;
* temporary staff costs; and
* employee share-based payment expenses.

R0690 **Computer processing**

This item shall include any amount relating to depreciation in respect of computer equipment.

R0700 **Communication and travel**

This item shall include any relevant amount in respect of-

* telecommunication costs;
* local and foreign travel costs;
* postage and freight costs;
* vehicle depreciation costs; and
* vehicle operating lease charges.

R0710 **Occupation and accommodation**

This item shall include any relevant amount in respect of-

* external rental costs;
* wear and tear on leasehold properties and improvements;
* related operating lease charges; and
* other occupation and accommodation costs.

R0730 **Fees and insurances**

This item shall include any relevant amount in respect of fee and insurance costs but not any amount in respect of-

* fees paid for auditing services, which fees shall be included in R0750; or
* direct fees and commissions paid in the generation of income, which fees and commissions shall be included in R0360.

R0740 **Office equipment and consumables**

This item shall include any relevant amount in respect of-

* depreciation for furniture and other equipment;
* operating lease charges for furniture and other equipment;
* stationery and printing costs; and
* other office equipment or office consumable cost.

R0750 **Auditors remuneration**

This item shall include any relevant amount in respect of remuneration paid to auditors for audit services but not any fees paid to auditors for services other than audit services.

R0760 **Other**

This item shall include any relevant amount in respect of-

* share-based payment costs relating to BEE schemes;
* joint venture fees;
* deficiency;
* theft and fraud expenditure;
* maintenance costs relating to any property in possession; and
* any other expenditure item not included in R0680 to R0750.

R0920 to R1300 **Du Pont analysis and other selected ratios**

For the completion of R0920 to R1300 of the form BA 120, risk weighted assets shall in the case of-

1. a bank, as envisaged in C0070 of the form BA 120, be deemed to be equal to (R0100, C0080 of the form BA 700) **divided by** (R0110, C0060, of the form BA 700);
2. a consolidated bank, as envisaged in C0080 of the form BA 120, be deemed to be equal to (R0100, C0080 of the form BA 700) **divided by** (R0110, C0060, of the form BA 700);
3. a consolidated bank controlling company, as envisaged in C0090 of the form BA 120, be deemed to be equal to (R0100, C0080 of the form BA 700) **divided by** (R0110, C0060, of the form BA 700).

Provided that the aforesaid form BA 700 used in the calculation of the relevant amount of risk-weighted assets shall be the form BA 700 relating to the reporting period immediately preceding the reporting period in respect of which the current form BA 120 is completed.

R0920 **Net interest income as a percentage of interest earning assets**

This item shall be equal to R0280 **divided by** (R0060 **plus** R0070 **plus** R0120, of the form BA 100) **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R0930 **Non interest income as a percentage of interest earning assets**

This item shall be equal to R0640 **divided by** (R0060 **plus** R0070 **plus** R0120, of the form BA 100) **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R0950 **Credit losses as a percentage of interest earning assets**

This item shall be equal to R0660 **divided by** (R0060 **plus** R0070 **plus** R0120, of the form BA 100) **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R0960 **Operating expenses as a percentage of interest earning assets**

This item shall be equal to R0670 **divided by** (R0060 **plus** R0070 **plus** R0120, of the form BA 100) **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R0970 **Associate income as a percentage of interest earning assets**

This item shall be equal to R0840 **divided by** (R0060 **plus** R0070 **plus** R0120, of the form BA 100) **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R0990 **1 – effective tax rate**

This item shall be equal to 1 **minus** (R0860 **plus** R0770) **divided by** (item R0850 **less** R0790 **plus** R0770)).

R1010 **Interest earning assets as a percentage of total assets**

This item shall be equal to (R0060 **plus** item 7 **plus** R0120, of the form BA 100) **divided by** R0540 of the form BA 100.

R1030 **Gearing ratio**

This item shall be equal to (R0880 of the form BA 100) **divided by** (R0800 of the form BA 100).

R1050 **Supervisory deductions and non-qualifying amounts**

In order to reconcile the reporting bank’s return on accounting equity, that is, ROE, and its return on qualifying common equity tier 1 capital and reserve funds, this item shall reflect the difference between accounting equity and qualifying common equity tier 1 capital and reserve funds owing to all relevant prescribed supervisory deductions and other non-qualifying amounts.

R1060 **Return on qualifying common equity** **tier 1 capital and reserve funds**

This item shall be equal to (R0870 less R0790 of the form BA 120) **divided by** (R0640, C0010, of the form BA 700) **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1070 **Net interest income as a percentage of risk weighted assets**

This item shall be equal to R0280 **divided by** the relevantamount of risk weighted assets as defined hereinbefore **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1080 **Non interest income as a percentage of risk weighted assets**

This item shall be equal to R0640 **divided by** the relevantamount of risk weighted assets as defined hereinbefore **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1100 **Credit losses as a percentage of risk weighted assets**

This item shall be equal to R0660 **divided by** the relevantamount of risk weighted assets as defined hereinbefore **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1110 **Operating expenses as a percentage of risk weighted assets**

This item shall be equal to R0670 **divided by** the relevantamount of risk weighted assets as defined hereinbefore **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1120 **Associate income as a percentage of risk weighted assets**

This item shall be equal to R0840 **divided by** the relevantamount of risk weighted assets as defined hereinbefore **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1140 **1 – effective tax rate**

This item shall be equal to 1 **minus** ((R0860 **plus** R0770) **divided by** (R0850 **less** R0790 **plus** R0770)).

R1160 **Risk weighted assets as a percentage of total assets**

This item shall be equal to the relevantamount of risk weighted assets as defined hereinbefore **divided by** R0540 of the form BA 100.

R1180 **Gearing ratio**

This item shall be equal to (R0880 of the form BA 100) **divided by** (R0800 of the form BA 100).

R1200 **Supervisory deductions and non-qualifying amounts**

In order to reconcile the reporting bank’s return on accounting equity, that is, ROE, and its return on qualifying common equity tier 1 capital and reserve funds, this item shall reflect the difference between accounting equity and qualifying common equity tier 1 capital and reserve funds owing to all relevant prescribed supervisory deductions and other non-qualifying amounts.

R1210 **Return on qualifying common equity tier 1 capital and reserve funds**

This item shall be equal to (R0870 less R0790 of the form BA 120) **divided by** (R0640, C0010, of the form BA 700) **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1220 **Cost to income ratio**

This item shall be equal to R0670 **divided by** R0650.

R1230 **Credit losses as a percentage of net interest income**

This item shall be equal to R0660 **divided by** R0280.

R1240 **Interest income as a percentage of risk weighted assets**

This item shall be equal to R0010 **divided by** the relevantamount of risk weighted assets as defined hereinbefore **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1250 **Interest expense as a percentage of risk weighted assets**

This item shall be equal to R0160 **divided by** the relevantamount of risk weighted assets as defined hereinbefore **multiplied by** (365 days **divided by** the year to date number of days to the end of the current reporting month).

R1260 **Fee and commission income as a percentage of total income**

This item shall be equal to R0390 **divided by** R0650.

R1270 **Trading income as a percentage of total income**

This item shall be equal to R0490 **divided by** R0650.

R1280 **Other income as a percentage of total income**

This item shall be equal to (the sum of R0400, R0430, R0460, R0560 and R0610) **divided by** R0650.

R1290 **Staff expenses as a percentage of operating expenses**

This item shall be equal to R0680 **divided by** R0670.

R1300 **Other expenses as a percentage of operating expenses**

This item shall be equal to (R0670 less R0680) **divided by** R0670.