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OF  
SOUTH AFRICA



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## GOVERNMENT NOTICE GOEWERMENTSKENNISGEWING

### SOUTH AFRICAN RESERVE BANK SUID-AFRIKAANSE RESERWEBANK

No. 281

14 February 1997

#### DESIGNATION OF AN INSTITUTION OF WHICH THE ACTIVITIES DO NOT FALL WITHIN THE MEANING OF "THE BUSINESS OF A BANK" ("THE NATIONAL HOUSING FINANCE CORPORATION LIMITED")

Under paragraph (dd) (i) of the definition of "the business of a bank" in section 1 of the Banks Act, 1990 (Act No. 94 of 1990), I, Trevor Andrew Manuel, Minister of Finance, hereby designate, for the period commencing on 1 January 1997 and expiring on 31 December 1997, and subject to the conditions set out in paragraph 3 of the Schedule, the institution specified in paragraph 2 of the Schedule as an institution of which the activities do not fall within the meaning of "the business of a bank".

**T. A. MANUEL**

**Minister of Finance**

## SCHEDULE

### 1. Definitions

In this Schedule, "the Act" means the Banks Act, 1990 (Act No. 94 of 1990), and any word or expression to which a meaning has been assigned in the Act or the Regulations relating to Banks shall bear the meaning so assigned thereto and, unless the context otherwise indicates—

"bank" includes a mutual bank;

"listed entity" means a listed entity as defined in section 1 of the Reporting by Public Entities Act;

"NHFC" means The National Housing Finance Corporation Limited;

"Reporting by Public Entities Act" means the Reporting by Public Entities Act, 1992 (Act No. 93 of 1992);

"The National Housing Finance Corporation Limited" means the public company, with Registration Number 96 05577/06, that—

(a) is incorporated in terms of the Companies Act; and

(b) being a listed entity, is subject to the provisions of the Reporting by Public Entities Act;

"target market" means that sector of the housing market in the Republic consisting of persons who have an ability to contribute financially to their housing costs, but to whom bank-funded housing finance is not readily available.

### 2. Institution

The National Housing Finance Corporation Limited.

### 3. Conditions

3.1 The activities of NHFC shall, in so far as they correspond to the activities contemplated in paragraphs (a), (b), (c) and (d) of the definition of "the business of a bank" in section 1 (1) of the Act, be performed solely in pursuit of NHFC's—

3.1.1 main business of—

3.1.1.1 managing facilitative interventions supporting bank lending for housing in the target market;

3.1.1.2 undertaking funding as a wholesale intermediary and acting as a fund and risk manager;

3.1.1.3 specialising in identifying assessing, pricing, monitoring and managing the risks associated with the placement of wholesale funds with retail intermediaries active in the target market or in facilitating the flow of wholesale funds to such retail intermediaries; and

3.1.1.4 managing pro-active programmes aimed at building institutional and financial capacity at the retail level and mobilising funds into the housing process, in the target market;

3.1.2 mission of ensuring the—

3.1.2.1 introduction of facilitative programmes supporting increased and sustained engagement by the banking sector in the target market;

3.1.2.2 development and appropriate funding of institutions other than banks that provide affordable housing finance at the retail level to the lowest possible income levels, where debts are still serviceable, in the target market;

3.1.2.3 development and appropriate funding of institutions offering housing under tenure rights other than freehold title in the target market; and

- 3.1.2.4 sustained and growing mobilisation of funds into the housing process in the target market, through appropriate intermediaries,  
on a financially and economically sustainable basis; and
- 3.1.3 core functions, designed to—
  - 3.1.3.1 initiate and manage programmes aimed at encouraging and promoting increased engagement of the banking sector in the target market;
  - 3.1.3.2 fund or underwrite the funding of specialised alternative lenders able and equipped to operate where banks find it difficult to operate;
  - 3.1.3.3 fund or underwrite the funding of institutions in the business of providing housing under tenure rights other than individual freehold title in the target market; and
  - 3.1.3.4 administer, on behalf of Government or other donors, capacity-building funds for emerging retail lenders and housing institutions, for purposes of providing housing under tenure rights other than individual freehold title.
- 3.2 NHFC shall not, in the performance of its activities—
  - 3.2.1 become involved in retail lending activities in competition with retail lending intermediaries and shall not itself engage directly in the business of acquiring, or developing, residential property;
  - 3.2.2 lend directly to, or borrow from, individual members of the public;
  - 3.2.3 use, or refer to itself, or any of its divisions, by any name, description or symbol indicating, or calculated to lead persons to infer, that it or such a division is a bank registered as such under the Act; or
  - 3.2.4 in respect of itself, or any of its divisions, or undertakings use a name or description that includes the word “bank”, or any derivative thereof, unless such name or description is composed of words that include the word “bank” as part of a place-name or a personal name.
- 3.3 NHFC shall—
  - 3.3.1 provide services and funding to specialised intermediaries, which intermediaries, in turn, shall service the target market;
  - 3.3.2 offer services to banks aimed at the possible enhancement of such banks’ credit facilities to the target market.
- 3.4 NHFC shall, at all times whilst performing activities corresponding to the activities contemplated in paragraphs (a), (b), (c) and (d) of the definition of “the business of a bank” in section 1 (1) of the Act—
  - 3.4.1 be managed in such a way that the sum of its issued primary and secondary share capital and its primary and secondary unimpaired reserve funds in the Republic does not at any time amount to less than an amount that represents 8 (eight) per cent of the sum of amounts calculated by multiplying the average amounts of such different categories of—
    - 3.4.1.1 assets; and
    - 3.4.1.2 other risks exposures in the conduct of NHFC’s business,  
as set forth in ANNEXURE A, by risk weightings expressed as percentages, as so set forth, in respect of such different categories of assets and other risk exposure; and
  - 3.4.2 hold an average daily amount of liquid assets in the Republic that shall not be less than an amount equal to 5 (five) per cent of its total liabilities to the public.



## ANNEXURE A

## TABLE OF RISK WEIGHTINGS

Risk weighting %	Transactions with the following counterparties (including contingent liabilities)
0	<p>Central government of RSA.</p> <p>Explicit guarantees by central government.</p> <p>Bank notes, subsidiary coin, gold coin and bullion.</p> <p>Postal and money orders, service deposits and stamps.</p> <p>Performance-related guarantees on behalf of RSA and public-sector bodies and governments in common monetary area.</p> <p>Irrevocable letters of credit with an original maturity of up to three months.</p>
5	<p>Irrevocable letters of credit with an original maturity of more than three months on behalf of public-sector bodies.</p> <p>Irrevocable, unutilized facilities with an original maturity of one year and over to public-sector bodies.</p> <p>Irrevocable, unutilized draw-down facilities to public-sector bodies.</p>
10	RSA public-sector bodies.
20	<p>Public-sector bodies in countries in common monetary area.</p> <p>Banks in RSA and OECD countries.</p> <p>Banks in other countries where residual maturity is less than or equal to 12 months.</p> <p>Committed capital expenditure.</p>
50	<p>Loans fully secured by mortgages on urban residential dwellings or individual sectional title dwellings, which loans are repayable in equal monthly instalments, where the monthly instalments are not overdue and where the capital amount outstanding does not exceed the market valuation of the property.</p> <p>Performance-related guarantees.</p> <p>Remittances in transit.</p> <p>All other irrevocable facilities, including all other unutilized draw-down facilities.</p> <p>Underwriting exposures.</p>
100	All other counterparties and assets not covered above.

No. 281

14 Februarie 1997

**AANWYSING VAN 'N INSTELLING WAARVAN DIE BEDRYGWIGHEDE NIE BINNE DIE BETEKENIS VAN "DIE BEDRYF VAN 'N BANK" VAL NIE ("THE NATIONAL HOUSING FINANCE CORPORATION LIMITED")**

Kragtens paragraaf (dd) (i) van die omskrywing van "die bedryf van 'n bank" in artikel 1 van die Bankwet, 1990 (Wet No. 94 van 1990), wys ek, Trevor Andrew Manuel, Minister van Finansies, hiermee vir die tydperk wat op 1 Januarie 1997 begin en op 31 Desember 1997 verstryk, en onderworpe aan die voorwaardes uiteengesit in paragraaf 3 van die Bylae, die instelling vermeld in paragraaf 2 van die Bylae aan 'n instelling waarvan die bedrywighede nie binne die betekenis van "die bedryf van 'n bank" val nie.

**T. A. MANUEL****Minister van Finansies****BYLAE****1. Woordomskrywing**

In hierdie Bylae beteken "die Wet" die Bankwet, 1990 (Wet No. 94 van 1990), en het 'n woord of uitdrukking waaraan in die Wet op die Regulasies aangaande Banke 'n betekenis geheg is daardie betekenis en, tensy uit die samehang anders blyk, beteken—

**"bank"** ook 'n onderlinge bank;

**"gelyste entiteit"** 'n gelyste entiteit soos omskryf in artikel 1 van die Wet op Verslagdoening deur Openbare Entiteite;

**"NHFC"** 'The National Housing Finance Corporation Limited';

**"teikenmark"** daardie deel van die behuisingsmark in die Republiek wat bestaan uit persone wat daartoe in staat is om finansiële tot die koste van hul behuising by te dra maar vir wie bankgefundeerde behuisingsfinansiering nie geredelik beskikbaar is nie;

**"'The National Housing Finance Corporation Limited'"** die publieke maatskappy, met Registrasienommer 96 05577/06, wat—

(a) ingevolge die Maatskappywet, 1973, ingelyf is; en

(b) synde 'n gelyste entiteit, aan die bepalings van die Wet op Verslagdoening deur Openbare Entiteite onderworpe is.

**"Wet op Verslagdoening deur Openbare Entiteite"** die Wet op Verslagdoening deur Openbare Entiteite, 1992 (Wet No. 93 van 1992).

**2. Instelling**

"The National Housing Finance Corporation Limited".

**3. Voorwaardes**

3.1 Die bedrywighede van NHFC moet, vir sover hulle ooreenstem met die bedrywighede bedoel in paragrawe (a), (b), (c) en (d) van die omskrywing van "die bedryf van 'n bank" in artikel 1 (1) van die Wet, verrig word uitsluitlik ter nastrewing van NHFC se—

3.1.1 hoofbesigheid van—

3.1.1.1 die bestuur van vergemaklikende intervensies ter ondersteuning van uitlening deur banke vir behuising in die teikenmark;

3.1.1.2 die onderneem van fundering as 'n groothandel tussenganger en optrede as 'n fonds- en risikobestuurder;

3.1.1.3 spesialisering in die identifisering, beoordeling, prysbepaling, monitering en bestuur van risiko's verbonde aan die plasing van groothandelfondse by kleinhandeltussengangers wat in die teikenmark bedrywig is of in die vergemakliking van die vloei van groothandelfondse na sodanige kleinhandeltussengangers; en

- 3.1.1.4 die bestuur van daadwerklike programme gerig op die uitbou van institusionele en finansiële kapasiteit op kleinhandelsvlak en die mobilisering van besparings vir die behuisingsproses in die teikenmark;

3.1.2 missie van die bewerkstelling van—

- 3.1.2.1 die daarstelling van vergemaklikende programme ter ondersteuning van groter en volgehoue betrokkenheid van die banksektor in die teikenmark;
- 3.1.2.2 die ontwikkeling en doelmatige fundering van ander instellings as banke wat bekostigbare behuisingsfinansiering op kleinhandelsvlak verskaf aan die laags moontlike inkomstevlakke in die teikenmark waar skulde steeds invorderbaar is;
- 3.1.2.3 die ontwikkeling en doelmatige fundering van instellings wat behuising in die teikenmark aanbied kragtens ander besitsregte as eiendomsreg; en
- 3.1.2.4 volgehoue en toenemende losmaak van fondse vir die behuisingsproses in die teikenmark, deur bemiddelling van toepaslike tussengangers,

op 'n finansiële en ekonomies volhoubare grondslag; en

3.1.3 kernbedrywighede, wat ten doel het om—

- 3.1.3.1 programme wat gerig is op die aanmoediging en bevordering van groter betrokkenheid van die banksektor in die teikenmark, te inisieer en te bestuur;
- 3.1.3.2 gespesialiseerde alternatiewe uitleners wat bevoeg en toegerus is om te werk waar banke dit moeilik vind om dit te doen, te fundeer of die fundering daarvan te onderskryf;
- 3.1.3.3 instellings wat sake doen in die verskaffing van behuising in die teikenmark kragtens ander besitsregte as eiendomsreg, te fundeer of die fundering daarvan te onderskryf; en
- 3.1.3.4 kapasiteitskeppende fondse vir opkomende kleinhandeluitleeners en behuisingsinstellings, vir doeleindes van die verskaffing van behuising kragtens ander besitsregte as eiendomsreg, namens die Regering of ander skenkers te administreer.

3.2 NHFC mag nie, by die verrigting van sy werksaamhede—

- 3.2.1 betrokke raak in kleinhandeluitleenbedrywighede in mededinging met kleinhandeluitleen-tussengangers nie en mag nie self direk sake doen in die verkryging of ontwikkeling van residensiële eiendom nie;
- 3.2.2 direk aan individuele lede van die publiek uitleen nie, of van sodanige persone geld leen nie;
- 3.2.3 enige naam, beskrywing of teken wat aandui, of daarop gemik is om persone te laat aflei, dat hy of enige van sy afdelings 'n bank is wat as sodanig kragtens die Wet geregistreer is, gebruik of op homself of so 'n afdeling toepas nie; of
- 3.2.4 ten opsigte van homself of enige van sy afdelings of ondernemings 'n naam of beskrywing gebruik wat die woord "bank", of enige daarvan afgeleide woord, of die woord "bouvereniging", of enige daarvan afgeleide woord, insluit nie tensy sodanige naam of beskrywing saamgestel is uit woorde wat die woord "bank" as deel van 'n pleknaam of 'n persoonsnaam insluit.

3.3 NHFC moet—

- 3.3.1 dienste en fondse aan gespesialiseerde tussengangers verskaf, welke tussengangers op hul beurt die teikenmark moet bedien;

3.3.2 aan banke dienste aanbied wat gemik is op die moontlike uitbreiding van sodanige banke se kredietfasiliteite aan die teikenmark.

3.4 NHFC moet, te alle tye terwyl dit bedrywighede verrig wat ooreenstem met die bedrywighede bedoel in paragrawe (a), (b), (c) en (d) van die omskrywing van "die bedryf van 'n bank" in artikel 1 (1) van die Wet—

3.4.1 bestuur word op so 'n wyse dat die som van sy uitgereikte primêre en sekondêre aandelekapi-taal en sy primêre en sekondêre onaangetaste reserwefonds in die Republiek op geen tydstip minder bedra nie as 'n bedrag wat 8 (agt) persent verteenwoordig van die som van bedrae bereken deur die gemiddelde van die bedrae van die verskillende kategorieë—

3.4.1.1 bates; en

3.4.1.2 ander risikoblootstellings in die uitoefening van NHFC se bedryf, soos uiteengesit in BYLAE A, te vermenigvuldig met die risikobeladings, uitgedruk as persentasies, soos aldus uiteengesit ten opsigte van sodanige verskillende kategorieë bates en ander risikoblootstellings; en

3.4.2 'n daaglikse gemiddelde bedrag aan likwiede bates in die Republiek hou wat nie minder is nie as 'n bedrag gelyk aan 5 (vyf) persent van sy totale verpligtinge teenoor die publiek.

## AANHANGSEL A

### TABEL VAN RISIKOBELADINGS

Risiko-belading %	Transaksies met die volgende teenparty (met inbegrip van voorwaardelike verpligtings)
0	<p>Sentrale regering van RSA.</p> <p>Eksplisiete waarborge deur sentrale regering.</p> <p>Banknote, pasmunt, goudmunt en staafgoud.</p> <p>Pos- en geldwissels, diensdeposito's en seëls.</p> <p>Prestasieverwante waarborge ten behoeve van RSA en openbare sektorliggame en regerings in gemeenskaplike monetêre gebied.</p> <p>Onherroepbare kredietbriewe met 'n oorspronklike looptyd van hoogstens drie maande.</p>
5	<p>Onherroepbare kredietbriewe met 'n oorspronklike looptyd van meer as drie maande ten behoeve van openbare sektorliggame.</p> <p>Onherroepbare onbenutte fasiliteite met 'n oorspronklike looptyd van een jaar en langer aan openbare sektorliggame.</p> <p>Onherroepbare, onbenutte ontbrekingsfasiliteite aan openbare sektorliggame.</p>
10	RSA openbare sektorliggame.
20	<p>Openbare sektorliggame in lande in gemeenskaplike monetêre gebied.</p> <p>Banke in RSA en OESO-lande.</p> <p>Banke in ander lande waar oorblywende looptyd minder as of gelyk aan 12 maande is.</p> <p>Verpligte kapitaaluitgawe.</p>



Risiko-belading %	Transaksies met die volgende teenparty (met inbegrip van voorwaardelike verpligtings)
50	<p>Lenings ten volle gedek deur verbande op stedelike woonhuise of individuele deeltitel-wooneenhede, welke lenings in gelyke afbetalings terugbetaalbaar is, waar die maandelikse afbetalings nie agterstallig is nie en waar die kapitaalbedrag wat uitstaande is nie die markwaardasie van die eiendom oorskry nie.</p> <p>Prestasieverwante waarborge.</p> <p>Remises in transito.</p> <p>Alle ander onherroepbare fasiliteite, met inbegrip van alle ander onbenutte onttrekkings-fasiliteite.</p> <p>Blootstellings ten opsigte van onderskrywings.</p>
100	Alle ander teenparty en bates wat nie hierbo behandel word nie.

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