



South African Reserve Bank

**Co-operative Banking Supervision Unit
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CO-OPERATIVE BANKS DEVELOPMENT AGENCY

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GN6/2011

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CO-OPERATIVE BANKS ACT, 2007**

**BOARD AND STAFF RELATED LOANS RETURN
(FORM-CBR4)**

1. INTRODUCTION

Guidelines are provided to assist with the completion of the board and staff-related loans return (FORM-CBR4). FORM-CBR4 is part of the Co-operative Banks Act Supervisors' Rules (the Rules) as published in *Government Gazette* No.32860 dated 12 January 2010. These guidelines should be read in conjunction with the Co-operatives Act, Act No.14 of 2005 (the Co-operatives Act), the Co-operative Banks Act, Act No.40 of 2007 (the Act), the regulations issued in terms of Section 86 of the Act (the Regulations) and the Rules.

2. PURPOSE

The purpose of this return is for the Supervisor to establish the extent of board and staff-related loans and whether the terms of such loans are in line with the lending policy of the co-operative bank and practice applied to the general members of the co-operative bank.

"Board and staff related loans" as defined in the Rules means:

"loans granted to employees, officials and directors of the co-operative bank or their direct family members or business associates as defined in its lending policy, whereas direct family member in relation to any person, means –

- (a) a spouse;
- (b) a child, stepchild, parent or step-parent; and
- (c) the spouse of any of the persons mentioned in (b)".

3. COMPLETION OF FORM-CBR4

The completed return should be submitted under cover of a signed FORM-CBR0 within twenty (20) business days immediately following the month end to which it relates. Both the managing director and the chief financial officer of the co-operative bank must sign the FORM-CBR0. In cases where the managing director is also the Chief Financial Officer, the chairperson of the board must co-sign the FORM CBR0 with the managing director. Every page of the attachments to the FORM-CBR0 must be initialled by the signatories.

Extracts from FORM-CBR4 are reflected in the shaded areas, followed by the guidance notes in the non-shaded areas. The headings of the various columns will be explained followed by typical examples. The loans granted to each borrower must be listed separately.

FORM-CBR 4							
Report on Board and Staff Related Loans							
(add additional pages if necessary)							
Name of borrower	Name and Relationship (if applicable) (1)	Position in Co-op bank (if applicable) (2)	Date issued	Term of loan (Months)	Amount disbursed	Current balance	Arrears
					R	R	R
(1) If direct family member or business associate: State the name of director, management or staff member the borrower is related to and the nature of the relationship (See definition of Board and Staff Related Loans)							
(2) State whether director, management or staff member of the co-operative bank							

3.1. Name of borrower

Reflect the name of the person to whom the loan was granted.

3.2. Name and Relationship

Reflect the name of the employee, official or director of the co-operative bank and the relationship with the borrower, i.e. spouse, child, stepchild, parent, step-parent or the spouse of child, stepchild, parent, stepparent or business associate. If the borrower is the employee, official or director of the co-operative bank, the word "self" must be reflected in this column.

3.3. Position in the co-operative bank

Reflect the position in the co-operative bank, i.e. employee, official or director or the co-operative bank

3.4. Examples

Example 1: Mr M has been granted a loan. Mr M is the Managing Director of the co-operative bank:

Name of borrower	Name and Relationship (if applicable) (1)	Position in Co-op bank (if applicable) (2)
<i>Mr M</i>	<i>Self</i>	<i>Managing Director</i>

Example 2: Ms Y has been granted a loan. Ms Y is the daughter of the Managing Director of the co-operative bank, Mr M:

Name of borrower	Name and Relationship (if applicable) (1)	Position in Co-op bank (if applicable) (2)
<i>Ms Y</i>	<i>Mr M-Child</i>	<i>Managing Director</i>

Example 3: Mr W has been granted a loan. Mr W is the spouse of Ms Y. Ms Y is the daughter of the Managing Director of the co-operative bank Mr M:

Name of borrower	Name and Relationship (if applicable) (1)	Position in Co-op bank (if applicable) (2)
<i>Mr W</i>	<i>Mr M-spouse of Child</i>	<i>Managing Director</i>

Example 4: Ms Z is a teller at the co-operative bank

Name of borrower	Name and Relationship (if applicable) (1)	Position in Co-op bank (if applicable) (2)
<i>Ms Z</i>	<i>Self</i>	<i>Teller</i>

Example 5: Business ABC Ltd is granted a loan. Business ABC Ltd is a business associate (as defined in the lending policy) of the Chief Financial Officer of the co-operative bank, Mr F:

Name of borrower	Name and Relationship (if applicable) (1)	Position in Co-op bank (if applicable) (2)
<i>Business ABC Ltd</i>	<i>Mr F-Business Associate.</i>	<i>Chief Financial Officer</i>

3.5. Date issued

Reflect the date when the loan was granted to the borrower.

3.6. Term of the loan

Reflect the period (in months) in which the loan must be repaid. The interest rate (annualised) must also be reflected.

3.7. Amount disbursed

Reflect the full amount of the loan approved, irrespective of whether it has been availed of or not.

3.8. Current balance

Reflect the current balance of the amount due to the co-operative bank as at the date of the return.

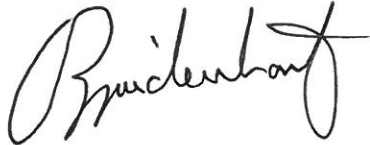
3.9. Arrears

Reflect the amount of repayments outstanding as at the date of the return.

Example in respect of paragraphs 3.5 to 3.9

Date issued	Term of loan (Months)	Amount disbursed	Current balance	Arrears
2009-01-01	12 months (14% p.a.)	R10 000	R 2000	R Nil

FORM-CBR4 must be submitted under cover of FORM-CBR0 to the relevant Supervisor.



SARB Supervisor
André Bezuidenhout



CBDA Supervisor
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