

**NAMIBIAN BANKING INDUSTRY
COMPUTATION OF CAPITAL BASE BASEL III
QUARTERLY FIGURES FOR THE YEAR 2021 (N\$ '000)**

CONSTITUENTS OF CAPITAL	Line no.	31-Mar	30-Jun	30-Sep	31-Dec
COMMON EQUITY TIER 1 CAPITAL (CET1)					
Ordinary shares (Paid-Up Equity Capital) issued by banks	1	23,861	23,861	0	0
Share premium resulting from the issue of Ordinary shares included in CET 1	2	2,262,554	2,262,554	0	0
Retained earnings after deducting any interim audited loss or final dividend which have been declared by the board of the bank on any class of shares	3	7,865,866	8,792,455	0	0
Accumulated other comprehensive income and other disclosed reserves, excluding revaluation of surplus on land and building assets	4	4,330,667	4,329,910	0	0
Current year's interim profits that satisfy all conditions set out in paragraph 10.1 (e) of BID-5A	5	292,544	292,544	0	0
Ordinary shares issued by consolidated subsidiaries of the bank and held by the third parties that meet the criteria for inclusion in the CET 1 Capital	6	0	0	0	0
Regulatory adjustments applied in the calculation of CET 1 Capital due to capital shortfall on AT 1 and Tier 2 capital	7	0	0	0	0
Sub total of CET 1 Capital (sum of line item 1 to item 7)	8	14,775,492	15,701,324	0	0
Regulatory adjustments/Deduction					
Deduct: Goodwill and other intangibles (except mortgage servicing rights)	9	520,171	528,723	0	0
Deduct: Deferred tax assets	10	174,818	180,335	0	0
Deduct: Cash flow hedge reserves	11	0	0	0	0
Deduct: Gain on sale related to securitization transactions (deconstruct any increase in equity capital resulting from securitization transaction, such as that associated with expected future margin income resulting in a gain on sale)	12	0	0	0	0
Deduct: Cumulative gains and losses due to change in own credit risk on fair valued financial liabilities	13	0	0	0	0
Deduct: Defined benefit pension fund assets and liabilities	14	66,132	68,303	0	0
Deduct: Investment in own shares (Treasury stock)	15	0	0	0	0
Deduct: Reciprocal cross holdings in the capital of banking, financial and insurance entities	16	0	0	0	0
Deduct: Investment in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own 20% or more of the issued common share capital of the entity	17	0	0	0	0
Deduct: Significant investment in the capital of banking, financial and insurance that are outside the scope of regulatory consolidation	18	0	0	0	0
Deduct: Threshold deductions	19	0	0	0	0
Sub total of Regulatory adjustments/Deduction Line item 9 to 19)	20	761,121	777,361	0	0
NET Total CET 1 Capital Line item 8 Less line item 20)	21	14,014,371	14,923,963	0	0
ADDITIONAL TIER 1 CAPITAL (AT 1) INSTRUMENTS					
Instrument issued by the bank that meets the criteria for inclusion in Additional Tier 1 Capital (and are not included in Common Equity Tier 1 Capital)	22	0	0	0	0
Share premium resulting from the issue of instruments included in Additional Tier 1 Capital	23	0	0	0	0
Instrument issued by consolidated subsidiaries of the bank and held by the third parties that meets the criteria for inclusion in Additional Tier 1 Capital and are not included in Common Equity Tier 1 Capital	24	0	0	0	0
Regulatory adjustments applied in the calculation of Additional Tier 1 Capital	25	0	0	0	0
Sub total of Additional Tier 1 Capital (AT 1) (Sum of line item 22 to 25)	26	0	0	0	0
Regulatory adjustments/Deduction					
Deduct: Investment in own shares not meeting the criteria for CET 1 capital	27	0	0	0	0
Deduct: Investment in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own 20% or more of issued common capital of the entity (that does not meet criteria CET 1 capital)	28	0	0	0	0
Deduct 50% of securitization exposure where the applicable risk weight has not been applied	29	0	0	0	0
Sub total of Regulatory adjustments/Deduction Line item 27 to 29)	30	0	0	0	0
NET Total Additional Tier 1 Capital (Line item 26 Less line item 30)	31	0	0	0	0
TOTAL ELIGIBLE TIER 1 CAPITAL (the sum of item 21 and item 31)	32	14,014,371	14,923,963	0	0
TIER 2 CAPITAL INSTRUMENTS					
Instruments issued by the bank that meet the criteria for inclusion in Tier 2 Capital (and are not included in Tier 1 capital)	33	605,579	607,334	0	0
Share premium (Stock surplus) resulting from the issue of instruments included in Tier 2 capital	34	0	0	0	0
Instrument issued by consolidated subsidiaries of the bank and held by the third parties that meets the criteria for inclusion in tier 2 capital and are not included in tier 1 capital	35	0	0	0	0
Certain loan loss provisions as specified in Section 10 of BID-5A	36	1,054,587	1,076,963	0	0
Unaudited interim profits (will be phased out over a period of five years from the implementation date of Basel III starting early 2019)	37	757,259	209,862	0	0
Surplus arising from revaluation of land building that meet conditions explained in Section 10 (f) of BID-5A	38	22,152	22,152	0	0
Regulatory adjustments applied in the calculation of Tier 2 capital (further clarity is given in Section 11 & 12 of BID-5A)	39	0	0	0	0
Sub total Tier 2 Capital (Sum of line item 33 to 39)	40	2,439,577	1,916,311	0	0
Regulatory adjustments/Deduction					
Deduct 50% of securitization exposure where the applicable risk weight has not been applied	41	0	0	0	0
Deduct any other deductible items that do not meet criteria for CET1 and for AT 1	42	0	0	0	0
Sub total of Regulatory adjustments/Deduction Line item 41 to 42)	43	0	0	0	0
NET total Tier 2 Capital (Line item 40 Less 43)	44	2,439,577	1,916,311	0	0
TOTAL ELIGIBLE CAPITAL (the sum of item 32 and 44)	45	16,453,948	16,840,274	0	0
Capital Conservation buffer amount	46	6,785,198	6,680,095	0	2,137
COMPUTATION OF RISK-WEIGHTED ASSETS					
1. Credit Risk: Standardized Approach (including RW equivalent for Off-balance sheet exposures)					
Total Risk-weighted Amount for Credit Risk	47	94,545,863	92,942,553	0	0
2. Operational Risk (see Note 5):					
2(a). Basic Indicator Approach: Calibrated risk-weighted amount	48	0	0	0	0
2(b). The Standardized Approach: Calibrated risk-weighted amount	49	12,727,142	12,855,015	0	0
Total Calibrated Risk-weighted Amount for Operational Risk	50	12,727,142	12,855,015	0	0
3. Market risk: Standardized Approach					
Calibrated Risk-weighted Amount for Market Risk	51	1,290,155	1,083,956	0	34,185
AGGREGATE RISK-WEIGHTED ASSETS (sum of line items 47; 50; and 51)	52	108,563,161	106,881,524	0	34,185
TOTAL ELIGIBLE CAPITAL RATIO (the sum of item 45 divided by line item 52) (Minimum of 10.0%)	53	15.2%	15.8%	-	0.0%
OF WHICH:					
CET 1 Capital Ratio (line item 21 divided by line item 52) (Minimum of 6%)	54	12.9%	14.0%	-	0.0%
Additional Tier 1 Capital Ratio (line item 31 divided by line item 52) (Maximum of 1.5%)	55	-	-	-	-
Eligible Tier 1 Capital Ratio (Line item 32 divided by line item 52) (Minimum of 7.5%)	56	12.9%	14.0%	-	0.0%
Tier 2 Capital Ratio (Line item 44 divided by line item 52) (Maximum of 2.5%)	57	2.2%	1.8%	-	0.0%
ADDITIONAL CAPITAL BUFFERS AS MAY BE SPECIFIED BY THE REGULATOR FROM TIME TO TIME					
Total risk-weighted capital ratio (including additional capital buffer specified)	58	0.0%	0.0%	0.0%	0.0%
Capital conservation buffer Ratio (Line item 52 divided by line item 46) (Commence at 0.625% to reach final level of 2.5%)	59	15.2%	15.8%	-	0.0%
Counter Cyclical Buffer (2.5% of aggregated risk-weighted assets)	60	1.6%	1.6%	-	1.6%
	61	2,714,079	2,672,038	0	855
OTHER CAPITAL MEASURES					
Gross Assets (total assets plus general and specific provisions and off-balance sheet exposures)	62	153,091,145	148,160,065	0	0
TIER 1 LEVERAGE RATIO (line item 32 divided by line item 61) (Minimum of 6%)	63	9.2%	10.1%	-	-

Note 1: All banking institutions shall treat and report unaudited profits in accordance with section as per section 11.1 of BID-5A.

Note 2: The sum of the eligible Tier 2 shall not exceed 25% of Tier 1 capital.

Note 3: Deduct 50% from Tier 1 capital and 50% from Tier 2 capital if the applicable risk-weight for securitization is not applied

Note 4: The countercyclical buffer will be determined and pre-announced by the national authority from time to time