Bank of Namibia

NAMIBIAN BANKING INDUSTRY
COMPUTATION OF CAPITAL BASE BASEL II
QUARTERLY FIGURES FOR THE YEAR 2020 (N$'000)

Constituents of Capital	Line no	31-Mar	30-Jun	30-Sep	31-Dec
TIER 1 CAPITAL					
Paid-up ordinary shares	1	735,100	735,100	735,100	
Paid-up non-cumulative perpetual preference shares	2	215,085	215,085	215,085	
Share premium	3	59,524	59,524	59,524	
Retained profits/(accumulated losses)	4	292,222	272,071	249,912	
General Reserves	5	23,061	22,474	22,795	
Minority interests (consistent with the above capital constituents)	7	-	-	-	
Sub-Total (Sum of Line items 1 to 7)	8	**1,324,993**	**1,304,254**	**1,282,415**	**-**
Deduct: Goodwill related to consolidated subsidiaries, subsidiries deconsolidated for regulatory capital purposes, and proportional consolidation	9	-	-	-	
Deduct: Investments in unconsolidated banking & financial subsidiary companies	10	-	-	-	
Deduct: Investment in the capital of other banks & financial institutions and significant and minority investments in other financial entities	11	-	-	-	
Deduct:Increase in equity capital resulting from a securitisation transactions (e.g. Capitalised future marging income, gains on sale)	12	-	-	-	
Deduct: 50% investments in securitisation exposure for third party investors with long-term credit ratings of B+ abd below, and in unrated exposures.	13	-	-	-	
Deduct: 50% of credit -enhancing interest only strips, net of any increases in equity capital resulting from securitisation transaction.	14	-	-	-	
Deduct: 50% of investments in securitisation exposures for third party investors with short-term credit ratings of below A-3/P-3/R-3 and in unrated exposures.	15	-	-	-	
Deduct:50% of retained securitisation exposures for originating banks that are rated below investment grade(below BBB-) , or that are unrated.	16	-	-	-	
NET-Total TIER 1 CAPITAL (line item 8 less line items 9 to 16)	17	**1,324,993**	**1,304,254**	**1,282,415**	**-**
TIER 2 CAPITAL					
Hybrid (debt/equity) capital instruments	18	-	-	-	
Eligible subordinated term debt (limited to 50% of total Tier 1 capital)	19	-	-	-	
Asset revaluation reserves	20	-	-	-	
General provisions (general loan loss reserves (limited to 1.25% of total risk-weighted assets)	21	33,481	39,958	53,131	
Current unaudited profits (if applicable)- [see Note 1]	22	16,271	16,977	16,166	
Sub-total (sum of line items 18 to 22)	23	**49,752**	**56,935**	**69,297**	**-**
Deduct: back-to-back placements of new tier 2 capital, arranged either directly or indirectly , between banking and financial institutions.	24	-	-	-	
Deduct: 50% of credit-enhancing interest -only strips, net of any increases in equity capital resulting from securitisation transaction.	25	-	-	-	
Deduct: 50% of investments in unconsolidated subsidiaries and in subsidiaries deconsolidated for regulatory capital purposes , net of goodwill that is deducted from tier 1 capital.	26	-	-	-	
Deduct: 50% of investments in securitisation exposures for third party investors with long-term credit- rating of B+ and below, and in unrated exposures.	27	-	-	-	
Deduct:50% of investments in securitisation exposures for third party investors with short-term credit-rating below investment grade (below BBB-), or unrated exposures	28	-	-	-	
Deduct:50% of retained securitisation exposures for originating banks that are rated below investment grade (below BBB-) , or that are unrated.	29	-	-	-	
NET-TOTAL TIER 2 CAPITAL (line item 23 less items 24 to 29)	30	**49,752**	**56,935**	**69,297**	**-**
TIER 3 CAPITAL					
Eligible short-term subordinated debt (see Note 2)	31	-	-	-	
TOTAL TIER 3 CAPITAL	32				
Tier 1 available for Market risk	33	1,200,716	1,183,686	1,161,343	
ELIGIBLE TIER 3 CAPITAL (See Note 3)	34				
ELIBLE TIER 2 and TIER 3 CAPITAL (See Note 4)	35	49,752	56,935	69,297	-
TOTAL QUALIFYING CAPITAL (sum of line items 17 and 35)	36	**1,374,745**	**1,361,189**	**1,351,713**	**-**
COMPUTATION OF RISK -WEIGHTED ASSETS					
1. Credit Risk: Standardised Approach					
Total Risk-Weighted Amount for Credit Risk	37	1,603,686	1,540,807	1529710.799	
2. Operational Risk: (see Note 5):					
2 (a). Basic Indicator Approach : Calibrated risk-weighted amount	38	56,131	58,755	61,705	
2 (b). The Standardised Approach: Calibrated risk-weighted amount	39	115,565	122,835	138,187	
Calibrated Risk-Weighted Amount for Operational Risk	40	**171,696**	**181,590**	**199,892**	**-**
3. Market Risk: Standardised Approach					
Calibrated Risk-Weighted Amount for Market Risk	41	1,568	1,368	1,311	
AGGREGATE RISK-WEIGHTED ASSETS (sum of line items 37; 40; and 41)	**42**	**1,776,949**	**1,723,765**	**1,730,914**	
TOTAL RISK-WEIGHTED CAPITAL RATIO (line item 54 divided by line item 66) (minimum of 10%)	43	**77.4%**	**79.0%**	**78.1%**	
OF WHICH:					
TIER 1 RISK-BASED CAPITAL RATIO (line item 17 divided by line item 42) (minimum of 7%)	44	**74.6%**	**75.7%**	**74.1%**	
TIER 2 RISK-BASED CAPITAL RATIO (line item 30 divided by line item 42)	45	**2.8%**	**3.3%**	**4.0%**	
TIER 3 RISK-BASED CAPITAL RATIO (line item 32 divided by line item 42)	46	**0.0%**	**0.0%**	**0.0%**	
ADDITIONAL CAPITAL SPECIFIED BY THE REGULATOR	47				
Total risk-weighted capital ratio (including additional capital specified)	48	**77.4%**	**79.0%**	**78.1%**	
OTHER CAPITAL MEASURES					
Gross Assets (total assets plus general and specific provisions)	49	2,527,849	2,357,662	2,372,330	
TIER 1 LEVERAGE RATIO (line item 17 divided by line item 47) (minimum of 6%)	50	**52.4%**	**55.3%**	**54.1%**	

Note 1: All banking institutions shall treat and report unaudited profits in accordance with the provisions of BID-5

Note 2: Only available to cover a portion of the banking institution's capital charge for market risk

Note 3: Limited to 250% of Tier 1 capital available to support market risk

Note 4: The sum of eligible Tier 2 and Tier 3 capital shall not exceed 100% of eligible Tier 1 capital

Note 5: Only complete the Operational Risk approach which is applicable to your institution