Bank of Namibia

**NAMIBIAN BANKING INDUSTRY**
**COMPUTATION OF CAPITAL BASE (RWCR 1)**
**QUARTERLY FIGURES FOR THE YEAR 2011**

| Constituents of Capital | Line no | 31-Mar | 30-Jun | 30-Sep | 31-Dec |
|---|---|---|---|---|---|
| **TIER 1 CAPITAL** | | | | | |
| Paid-up ordinary shares | 1 | 23 822 | 23 822 | 23 822 | 23 822 |
| Paid-up non-cumulative perpetual preference shares | 2 | - | - | - | - |
| Share premium | 3 | 1 791 099 | 1 791 099 | 1 791 099 | 1 791 099 |
| Retained profits/(accumulated losses) | 4 | 1 038 360 | 1 178 287 | 1 173 167 | 1 163 479 |
| General Reserves | 5 | 1 941 744 | 1 938 457 | 2 095 070 | 2 065 925 |
| Minority interests (consistent with the above capital constituents) | 7 | - | - | - | - |
| **Sub-Total (Sum of Line items 1 to 7)** | 8 | **4 795 025** | **4 931 665** | **5 083 158** | **5 044 325** |
| Deduct: Goodwill related to consolidated subsidiaries, subsidiries deconsolidated for regulatory capital purposes, and proportional consolidation | 9 | 310 553 | 316 215 | 406 949 | 341 252 |
| 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 | **4 484 472** | **4 615 450** | **4 676 209** | **4 703 073** |
| | | | | | |
| **TIER 2 CAPITAL** | | | | | |
| Hybrid (debt/equity) capital instruments | 18 | - | - | - | - |
| Eligible subordinated term debt (limited to 50% of total Tier 1 capital) | 19 | 666 039 | 724 230 | 717 074 | 572 565 |
| Asset revaluation reserves | 20 | 18 962 | 18 962 | 18 962 | 20 823 |
| General provisions (general loan loss reserves (limited to 1.25% of total risk-weighted assets) | 21 | 146 329 | 187 974 | 250 959 | 334 698 |
| Current unaudited profits (if applicable)- [see Note 1] | 22 | 388 422 | 397 920 | 409 996 | 459 298 |
| **Sub-total (sum of line items 18 to 22)** | 23 | **1 219 752** | **1 329 086** | **1 396 991** | **1 387 384** |
| 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 | - | - | - | - |
| 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 | **1 219 752** | **1 329 086** | **1 396 991** | **1 387 384** |
| | | | | | |
| **TIER 3 CAPITAL** | | | | | |
| Eligible short-term subordinated debt (see Note 2) | 31 | - | - | - | - |
| **TOTAL TIER 3 CAPITAL** | 32 | - | - | - | - |
| **Tier 1 available for market risk** | 33 | 1 745 822 | **1 798 998** | **1 783 297** | **1 674 238** |
| **ELIGIBLE TIER 3 CAPITAL (See Note 3)** | 34 | - | - | - | - |
| **ELIBLE TIER 2 and TIER 3 CAPITAL (See Note 4)** | 35 | 1 219 752 | **1 329 086** | **1 396 991** | **1 387 384** |
| **TOTAL QUALIFYING CAPITAL (sum of line items 17 and 35)** | 36 | **5 704 224** | **5 944 536** | **6 073 200** | **6 090 457** |
| | | | | | |
| COMPUTATION OF RISK -WEIGHTED ASSETS | | | | | |
| 1. Credit Risk: Standardised Approach | | | | | |
| **Total Risk-Weighted Amount for Credit Risk** | 37 | **34 399 545** | **35 432 063** | **36 425 698** | **38 324 043** |
| 2. Operational Risk: (see Note 5): | | | | | |
| 2 (a). Basic Indicator Approach : Calibrated risk-weighted amount | 38 | - | - | - | - |
| 2 (b). The Standardised Approach: Calibrated risk-weighted amount | 39 | **4 724 020** | **4 802 965** | **4 901 616** | **4 945 028** |
| **Calibrated Risk-Weighted Amount for Operational Risk** | 40 | **4 724 020** | **4 802 965** | **4 901 616** | **4 945 028** |
| 3. Market Risk: Standardised Approach | | | | | |
| **Calibrated Risk-Weighted Amount for Marketl Risk** | 41 | **187 407** | **220 843** | **394 346** | 214 109 |
| | | | | | |
| **AGGREGATE RISK-WEIGHTED ASSETS (sum of line items 37; 40; and 41)** | **42** | **39 310 972** | **40 455 872** | **41 721 661** | **43 483 180** |
| N$'000 | | | | | |
| **TOTAL RISK-WEIGHTED CAPITAL RATIO (line item 54 divided by line item 66) (minimum of 10%)** | 43 | **14.5%** | **14.7%** | **14.6%** | **14.0%** |
| OF WHICH: | | | | | |
| **TIER 1 RISK-BASED CAPITAL RATIO (line item 17 divided by line item 42) (minimum of 7%)** | 44 | **11.4%** | **11.4%** | **11.2%** | **10.8%** |
| **TIER 2 RISK-BASED CAPITAL RATIO (line item 30 divided by line item 42)** | 45 | **3.1%** | **3.3%** | **3.3%** | **3.2%** |
| **TIER 3 RISK-BASED CAPITAL RATIO (line item 32 divided by line item 42)** | 46 | **0.0%** | **0.0%** | **0.0%** | **0.0%** |
| | | | | | |
| **ADDITIONAL CAPITAL SPECIFIED BY THE REGULATOR** | 47 | | | | |
| Total risk-weighted capital ratio (including additional capital specified) | 48 | **14.5%** | **14.7%** | **14.6%** | **14.0%** |
| | | | | | |
| **OTHER CAPITAL MEASURES** | | | | | |
| Gross Assets (total assets plus general and specific provisions) | 49 | **52 897 472** | **53 249 579** | **56 559 034** | **60 574 381** |
| **TIER 1 LEVERAGE RATIO (line item 17 divided by line item 47) (minimum of 6%)** | 50 | **8.5%** | **8.7%** | **8.3%** | **7.8%** |

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