

**NAMIBIAN BANKING INDUSTRY
COMPUTATION OF CAPITAL BASE BASEL III
QUARTERLY FIGURES FOR THE YEAR 2020 (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	23,861	23,861
Share premium resulting from the issue of Ordinary shares included in CET 1	2	2,262,553	2,262,553	2,262,554	2,262,554
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	11,408,650	11,904,765	7,908,039	7,742,684
Accumulated other comprehensive income and other disclosed reserves, excluding revaluation of surplus on land and building assets	4	10,403	25,232	4,347,973	4,333,385
Current year's interim profits that satisfy all conditions set out in paragraph 10.1 (e) of BID-5A	5	437,128	659,190	222,062	361,868
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	14,142,595	14,875,601	14,764,489	14,724,352
Regulatory adjustments/Deduction					
Deduct: Goodwill and other intangibles (except mortgage servicing rights)	9	338,664	358,106	507,786	510,598
Deduct: Deferred tax assets	10	114,944	120,142	179,764	176,774
Deduct: Cash flow hedge reserves	11	0	0	0	0
Deduct: Gain on sale related to securitization transactions (derecognise 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	48,381	49,269	74,863	64,800
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	501,989	527,517	762,413	752,172
NET Total CET 1 Capital (Line item 8 Less line item 20)	21	13,640,606	14,348,084	14,002,076	13,972,180
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	13,640,606	14,348,084	14,002,076	13,972,180
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	871,013	852,679	661,187	607,054
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	1,006,998	1,020,268	1,041,149	1,057,285
Unaudited interim profits (will be phased out over a period of five years from the implementation date of Basel III starting early 2019)	37	690,337	50,030	343,126	864,509
Surplus arising from revaluation of land building that meet conditions explained in Section 10 (f) of BID-5A	38	22,289	22,289	22,289	22,289
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	2,590,636	1,945,266	2,067,751	2,551,138
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	2,590,636	1,945,266	2,067,751	2,551,138
TOTAL ELIGIBLE CAPITAL (the sum of item 32 and 44)	45	16,231,242	16,293,350	16,069,828	16,523,318
Capital Conservation buffer amount	46	6,535,425	6,620,089	6,672,530	6,666,768
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	90,536,737	92,059,911	93,161,202	93,428,655
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	12,700,848	12,795,592	12,867,789	12,944,918
Total Calibrated Risk-weighted Amount for Operational Risk	50	12,700,848	12,795,592	12,867,789	12,944,918
3. Market risk: Standardized Approach					
Calibrated Risk-weighted Amount for Market Risk	51	1,329,216	1,065,926	731,494	294,709
AGGREGATE RISK-WEIGHTED ASSETS (sum of line items 47; 50; and 51)	52	104,566,802	105,921,429	106,760,484	106,668,282
TOTAL ELIGIBLE CAPITAL RATIO (the sum of item 45 divided by line item 52) (Minimum of 10.0%)	53	15.5%	15.4%	15.1%	15.5%
OF WHICH:					
CET 1 Capital Ratio (line item 21 divided by line item 52) (Minimum of 6%)	54	13.0%	13.5%	13.1%	13.1%
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	13.0%	13.5%	13.1%	13.1%
Tier 2 Capital Ratio (Line item 44 divided by line item 52) (Maximum of 2.5%)	57	2.5%	1.8%	1.9%	2.4%
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	15.5%	15.4%	15.1%	15.5%
Counter Cyclical Buffer (2.5% of aggregated risk-weighted assets)	60	1.6%	1.6%	1.6%	1.6%
	61	2,614,170	2,648,036	2,669,012	2,666,707
OTHER CAPITAL MEASURES					
Gross Assets (total assets plus general and specific provisions and off-balance sheet exposures)	62	146,778,972	151,040,574	149,110,812	148,811,378
TIER 1 LEVERAGE RATIO (line item 32 divided by line item 61) (Minimum of 6%)	63	9.3%	9.5%	9.4%	9.4%

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