

**Bank of Namibia****NAMIBIAN BANKING INDUSTRY****COMPUTATION OF CAPITAL BASE BASEL III  
QUARTERLY FIGURES FOR THE YEAR 2022 (N\$ '000)**

CONSTITUENTS OF CAPITAL	Line no.	31-Mar	30-Jun	30-Sep	31-Dec
<b>COMMON EQUITY TIER 1 CAPITAL (CET1)</b>					
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	2,263,424	2,263,423	2,263,423	2,263,423
Retained earnings after deducting any interim dividend loss or final dividend which have been declared by the board of the bank on any class of shares	3	8,780,511	9,980,312	9,133,670	9,094,539
Accumulated other comprehensive income and other disclosed reserves , excluding revaluation of surplus on land and building assets	4	4,329,996	5,221,031	5,221,042	5,225,882
Current year's interim profits that satisfy all conditions set out in paragraph 10.1 (e) of BID-5A	5	282,544	0	0	465,268
Ordinary shares issued by consolidated subsidiaries or 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 AT1 and Tier 2 capital	7	0	0	0	0
Sub total of CET 1 Capital ( sum of line item 1 to item 7)	8	15,690,336	17,488,627	16,641,996	17,072,973
Regulatory adjustments/Deduction					
Deduct: Goodwill and other intangibles (except mortgage servicing rights)	9	640,907	748,874	870,662	876,225
Deduct: Deferred tax assets	10	228,421	32,483	27,896	41,988
Deduct: Cash flow hedge reserves	11	0	0	0	0
Deduct: Gain on sale related to securitization transactions (deem to recognise 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	87,358	88,317	112,068	111,042
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	956,686	869,674	1,010,626	1,029,255
NET Total CET 1 Capital Line item 8 Less line item 20)	21	14,733,650	16,618,954	15,631,370	16,043,717
<b>ADDITIONAL TIER 1 CAPITAL (AT 1) INSTRUMENTS</b>					
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 CET1 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	14,733,650	16,618,954	15,631,370	16,043,717
<b>TIER 2 CAPITAL INSTRUMENTS</b>					
Instruments issued by the bank that meet the criteria for inclusion in Tier 2 Capital and (are not included in Tier 1 capital)	33	270,341	225,655	93,102	304,421
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	1,026,222	1,093,732	1,096,570	1,149,235
Unaudited interim profits (will be phased out over a period of five years from the implementation date of Basel III starting early 2019)	37	855,394	198,293	820,739	1,056,230
Surplus arising from revaluation of land building that meet conditions explained in Section 10 (f) of BID-5A	38	20,858	20,858	20,858	19,538
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	2,172,815	1,538,538	2,031,268	2,529,424
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	2,172,815	1,538,538	2,031,268	2,529,424
<b>TOTAL ELIGIBLE CAPITAL ( the sum of item 32 and 44)</b>	45	16,906,465	18,157,492	17,662,638	18,573,141
Capital Conservation buffer amount	46	6,776,034	6,858,620	6,728,624	6,840,014
<b>COMPUTATION OF RISK-WEIGHTED ASSETS</b>					
exposures)					
Total Risk-weighted Amount for Credit Risk	47	93,902,779	95,011,896	93,111,552	93,862,213
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	13,036,949	13,121,797	13,351,032	13,873,052
Total Calibrated Risk-weighted Amount for Operational Risk	50	13,036,949	13,121,797	13,351,032	13,873,052
3. Market risk: Standardized Approach					
Calibrated Risk-weighted Amount for Market Risk	51	1,476,811	1,604,219	1,195,397	1,704,967
<b>AGGREGATE RISK-WEIGHTED ASSETS (sum of line items 47; 50; and 51)</b>	52	108,416,539	109,737,912	107,657,982	109,440,231
<b>TOTAL ELIGIBLE CAPITAL RATIO (the sum of item 45 divided by line item 52) (Minimum of 10.0%)</b>	53	15.6%	16.5%	16.4%	17.0%
<b>OF WHICH:</b>					
CET 1 Capital Ratio (line item 21 divided by line item 52) (Minimum of 6%)	54	13.6%	15.1%	14.5%	14.7%
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	13.6%	15.1%	14.5%	14.7%
Tier 2 Capital Ratio (Line item 44 divided by line item 52) (Maximum of 2.5%)	57	2.0%	1.4%	1.9%	2.3%
<b>ADDITIONAL CAPITAL BUFFERS AS MAY BE SPECIFIED BY THE REGULATOR FROM TIME TO TIME</b>					
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	15.6%	16.5%	16.4%	17.0%
Counter Cyclical Buffer (2.5% of aggregated risk-weighted assets)	60	1.6%	1.6%	1.6%	1.6%
	61	2,710,413	2,743,448	2,691,450	2,736,006
<b>OTHER CAPITAL MEASURES</b>					
Gross Assets (total assets plus general and specific provisions and off-balance sheet exposures)	62	160,971,648	164,676,507	164,107,607	166,389,357
<b>TIER 1 LEVERAGE RATIO (line item 32 divided by line item 61) (Minimum of 6%)</b>	63	9.2%	10.1%	9.5%	9.6%

Note 1: All banking institutions shall treat and report unaudited profits in accordance with 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

