GOVERNMENT GAZETTE

OF THE

REPUBLIC OF NAMIBIA

N$31.20 WINDHOEK - 7 August 2026 No. 8995

CONTENTS

General Notice

BANK OF NAMIBIA

No. 619 2026

DETERMINATION ON PUBLIC DISCLOSURE FOR BANKING INSTITUTIONS, MICROFINANCE BANKING INSTITUTIONS AND CONTROLLING COMPANIES (BID-18): BANKING INSTITUTIONS ACT, 2023

In my capacity as Governor of the Bank of Namibia, and under the powers vested in the Bank in terms of 60(2) and section 108(3)(a) of the Banking Institutions Act, 2023 (Act No. 13 of 2023), I hereby issue the *Determination on Public Disclosures by Banking Institutions, Microfinance Banking Institutions and Controlling Companies (BID-18).*

E. UANGUTA
GOVERNOR

DETERMINATION NO. BID-18 UNDER THE BANKING INSTITUTIONS ACT, 2023 (ACT NO. 13 OF 2023)

ARRANGEMENT OF PARAGRAPHS

PART I
PRELIMINARY MATTERS

1. **Short Title** – Public Disclosure

2. **Authorisation -** Authority for the Bank to issue this Determination is provided in sections 60(2) and 108(3)(a) of the Act..

3. **Application –** This Determination applies to all banking institutions, microfinance banking institutions and controlling companies authorised by the Bank to conduct banking business in Namibia.

4. **Definitions** - Terms used in this Determination are as defined in the Act, as further defined below, or as reasonably implied by contextual usage.

4.1 **"Act" -** means the Banking Institutions Act, 2023 (Act No. 13 of 2023);

4.2 **"Bank" -** means the Bank of Namibia referred to in section 2 of the Bank of Namibia Act, 2020 (Act No. 1 of 2020);

4.3 **"banking group" -** means as defined in the Act;

4.4 **"banking institution"** – means as defined in the Act;

4.5 **"BID" –** means banking institution determination and the corresponding number identifies the determination;

4.6 **"controlling company"** - means as defined in the Act;

4.7 **"capital funds" -** means as defined in the Act;

4.8 **"Capital Distribution Constraints (CDC)" –** means restrictions imposed by the Bank on a banking institution or microfinance banking's ability to distribute capital when its Common Equity Tier 1 (CET1) capital ratio falls within the capital buffer range, which is the area above the minimum CET1 requirement up to the sum of the minimum CET1 requirement and applicable Basel III buffers. The constraints intensify as the CET1 capital is depleted to ensure the bank retains sufficient capital to absorb losses during stress periods. The trigger points are disclosed using two CET1 capital ratios: one excluding CET1 capital used for other minimum regulatory capital or Total Loss-Absorbing Capacity requirements, and one including such capital;

4.9 **day –** means as defined in the Act;

4.10 **“Domestic Systemic Important Banks (DSIBs)” –** means banking institutions authorised to conduct banking business in Namibia that are designated by the Bank of Namibia as Domestic Systemically Important Banks;

4.11 **“exposure” –** means as defined in the Act;

4.12 **“geographic distribution” -** means geographical areas in which the banking institution’s portfolio is managed. In this case, a banking institution or microfinance banking institution may use the same maturity groupings used in accounting;

4.13 **“Materiality”** means the quality of information whose omission, misstatement or obscuring could reasonably be expected to influence the economic, investment or regulatory decisions of users of general-purpose financial reports, including financial statements, concerning the prospects of a banking institution or microfinance banking institution;

4.14 **“material risk-takers” -** means individuals whose professional activities have a material impact on the banking institution, microfinance banking institution, and controlling company’ risk profile. At a minimum, this includes:

a) Senior management, including members of the management body in its management or supervisory function;

b) Staff responsible for key control functions, such as risk management, compliance, and internal audit;

c) Individuals with authority to make decisions or take positions that significantly expose the banking institutions, microfinance banking institutions, and controlling companies to credit, market, operational, liquidity, or other material risks; and

d) Individuals whose total remuneration places them in the same remuneration bracket as senior management and risk takers, and who perform professional activities with a material impact on the institution’s risk profile.

4.15 **“microfinance banking institution”** – means as defined in the Act;

4.16 **“Non-Domestic Systemic Important Banks (Non-DSIBs)” –** means banking institutions that are not classified as DSIBs;

4.17 “**operational resilience” –** means ability of a banking institution, microfinance banking institution, and controlling company to deliver critical operations throughout periods of disruption; and

4.18 **“Senior management”** –means executive officers as defined in the Act and officers of a banking institution or. microfinance banking institution with significant influence on the risk-taking and risk-management activities of an institution.

PART II
STATEMENT OF POLICY

5. **Purpose –** This Determination promotes market discipline and transparency by requiring banking institutions, microfinance banking institutions, and their controlling companies to disclose accurate, reliable, relevant, and timely qualitative and quantitative information. It sets out disclosure requirements and obligations in respect of financial statements and public reports, in addition to those prescribed by other Determinations, and Regulations issued by the Bank.

6. **Scope –** This Determination applies to all banking institutions, microfinance banking institutions, and controlling companies authorised in terms of the Act to conduct business in Namibia.

7. **Responsibility -** The board of directors of each banking institution, microfinance banking institution and controlling company is responsible for providing strategic oversight to ensure adherence to and compliance with the requirements set out in this Determination.

PART III
MINIMUM PILLAR III DISCLOSURE REQUIREMENTS

8. **Minimum public disclosure requirements**

8.1 A banking institution, microfinance banking institution or controlling company must ensure full and comprehensive disclosure of financial and prudential information in accordance with contemporary banking practice, for purposes of enhancing market discipline.

8.2 Public disclosure must be consistent with the principles set out under Pillar III of the *International Convergence of Capital Measurement and Capital Standards: A Revised Framework* Basel III, as issued by the Basel Committee on Banking Supervision, which advocates for transparency and market discipline in the financial system.

8.3 The level of detail and format of a disclosure must be proportionate to the size, complexity, and systemic importance of a banking institution, microfinance banking institution, and its controlling company.

8.4. DSIBs must adhere to more extensive and granular disclosure requirements that reflect their risk profiles and potential impact on financial stability.

8.5 Non-DSIBs must comply with disclosure requirements in a manner that is proportionate to their risk exposures, operational scale, and internal risk management practices. Non-DSIBs must adequately describe their main activities and all significant risks, supported by relevant underlying data, while allowing for flexible approaches that reflect how senior management and the board internally assess and manage those risks and those risks and the banking institution, microfinance banking institution's overall strategy. the institution's overall strategy.

9. **Public disclosure policy**

9.1 A banking institution, microfinance banking institution or controlling company must develop and maintain a disclosure policy for both the interim and annual financial statements, approved by its board of directors, which should meet the minimum disclosure requirements set out in this Determination.

9.2 A public disclosure policy must the disclosure policy must detail information to be disclosed and how such disclosure will be made, including financial and non-financial information, governance, risk management systems, and controls.

9.3 A banking institution, microfinance banking institution or controlling company must have in place an internal process for assessing the appropriateness of disclosures as well as internal controls over the disclosure process.

9.4 The disclosure policy should provide for board and senior management oversight on the information to be published.

9.5 Senior management should be mandated to ensure that the information for publication is verified for accuracy before dissemination.

10. Frequency of public disclosure

10.1 A banking institution or microfinance banking institution must on a regular basis, but not less frequently than once a year, within 90 days after the financial year end, disclose to the public quantitative and qualitative information in respect of the banking institution or microfinance banking institutions and its controlling company as outlined in paragraph 8 of this Determination; and

10.2 A banking institution or microfinance banking institution must on a regular basis, but not less frequently than within 60 days after mid-financial year, at a minimum disclose to the public interim information in respect of –

10.2.1 the banking institution or microfinance banking institution Tier 1 and Tier 2 capital, including the capital ratios thereof;

10.2.2. the banking institution or microfinance banking institution total capital, including the total risk-based capital ratio;

10.2.3 the banking institution or microfinance banking institution’s separate components of capital;

10.2.4 the total required amount of capital funds; and

10.2.5 any risk exposure or other item that is subject to rapid or material changes.

11. Qualitative principles for pillar III public disclosure

11.1 A public disclosure made in terms of this Determination must at a minimum adhere to the Basel Committee on Banking Supervision Pillar III disclosure standards.

11.1.1 **Public disclosures must be clear -** Disclosures must be presented in a form that is understandable to key stakeholders, including investors, financial analysts, and customers, including investors, analysts, and financial customers, and must be communicated through an accessible medium of communication medium. Important messages should be highlighted and easy to find. Complex issues should be explained in simple language with important terms defined. Related risk information should be presented together.

11.1.2 **Public disclosures must be comprehensive -** Disclosures must describe a banking institution or microfinance banking institution's main activities and all significant risks, supported by relevant underlying data and information. Significant changes in risk exposures between reporting periods should be described, together with the appropriate response by senior management. Public disclosures must provide sufficient qualitative and quantitative information pertaining to a banking institution or microfinance banking institution's processes and procedures for identifying, measuring and managing such risks. The level of detail of such public disclosure must be proportionate to the banking institution or microfinance banking institution' size and banking business activities or microfinance banking business activities. Approaches to public disclosure must be sufficiently flexible to reflect how senior management and the board of directors internally assess and manage risks and strategy, helping users to better understand a banking institution or microfinance banking institution's risk appetite.

11.1.3 **Public disclosures must be meaningful to users –** Public disclosures must highlight a banking institution or microfinance banking institution's most significant current and emerging risks and how those risks are managed, including information that is likely to receive market attention. Where meaningful, linkages must be provided to line items on the balance sheet or the income statement. Information is material if its omission or misstatement could influence the economic decisions of users. Is another component of relevance. To be useful, information must be provided to users within the time period in which it is most likely to bear on their decisions.

11.1.4 **Public disclosures must be consistent over time –** Public disclosures should be consistent over time to enable key stakeholders to identify trends in a banking institution or microfinance banking institution's risk profile risk profile across all significant aspects of its business. All material additions, deletions and other important changes in public disclosures from previous reports, including those arising from a banking institution or microfinance banking institution specific, regulatory or market developments, must be highlighted and explained.

11.1.5 **Public disclosures must be comparable across all institutions -** The level of detail and the format of presentation of public disclosures must enable key stakeholders to perform meaningful comparisons of business activities, prudential metrics, risks and risk management between banking institutions or microfinance banking institution, and across jurisdictions.

12. Additional public disclosure principles

12.1 Information in financial statements is reliable if it is complete, neutral and free from material error and biasness and can be depended on by users to represent events and transactions faithfully.

12.2 Information is not reliable when it is purposely designed to influence users' decisions in a particular direction.

12.3 Information in financial statements must be verifiable. Different knowledgeable and independent observers must reach consensus, although not necessarily complete agreement, that a particular depiction is a faithful representation.

13. Consolidated group public disclosure

13.1 A banking institution or microfinance banking institution must at a minimum disclose to the public, at least annually, both qualitative and quantitative information regarding its group structure in accordance with the Basel Committee on Banking Supervision's Pillar III disclosure standards and applicable International Financial Reporting Standards and International Accounting Standards.

13.2 **Qualitative information** - A banking institution or microfinance banking institution must at a minimum disclose –

13.2.1 the name and description, including structure, of the controlling company;

13.2.2 the basis of consolidation for accounting and regulatory purposes, including a description of entities –

a) that are fully or proportionally consolidated;

b) neither consolidated nor deducted and therefore risk-weighted for regulatory capital purposes;

c) that have been excluded from the consolidated capital and provide reasons thereof;

d) that are subject to risk-weighting; and

e) any regulatory, legal, tax or other restrictions or impediments on the transfer of funds or regulatory capital within the group; and

13.2.3 the treatment of insurance and other financial entities in the calculation of capital funds –

13.3 **Quantitative information** - a banking institution or microfinance banking institution must at a minimum disclose:

13.3.1 any capital deficiencies in subsidiaries that are deducted from group capital; and

13.3.2 the book value and capital impact of significant investments that are risk-weighted rather than deducted from capital funds.

13.4 **Material changes and events**

13.4.1 A banking institution or microfinance banking institution must disclose any material changes that occurred since the previous the previous reporting period specific to:

a) the group structure, including acquisitions, disposals, reorganisation, ring-fenced entities, or entities that are under resolution, or resolution entities;

b) the scope of consolidation and regulatory treatment of entities; and

c) any restrictions on capital or liquidity transfers within the group.

PART IV
SPECIFIC DISCLOSURE REQUIREMENTS PERTAINING TO FINANCIAL PERFORMANCE AND POSITION

14. Financial performance

14.1 A banking institution or microfinance banking institution must, in the interim and annually, disclose a Statement of Profit or Loss, Other Comprehensive Income and Statement of Changes in Equity, and Cash Flow Statement.

14.2 The public disclosure must, at a minimum, include –

a) revenue growth;

b) expense growth, including operating expenses relative to operating revenue;

c) efficiency ratio, including non-interest expenses to net interest income plus other income;

d) return on equity;

e) return on average assets; portfolio quality, including ratio of specific provision for credit losses to average loans; ratio of net impaired loans to average loans; and

f) capital management metrics, including Tier 1, Tier 2, Tier 3 and total capital ratios.

15. Financial position

15.1 **Capital structure**

15.1.1 A banking institution or microfinance banking institution must, on an interim and annual basis, disclose its financial position through a Statement of Financial Position and a Statement of Changes in Equity. The public disclosure must contain both qualitative and quantitative information.

15.1.2 **Qualitative information -** in accordance with the requirements set out in BID-5 and BID-5A, a banking institution or microfinance banking institution must disclose a banking institution or microfinance banking institution must detailed terms and conditions of all capital instruments, with emphasis on innovative, complex or hybrid instruments.

15.1.3 **Quantitative information -** in accordance with the requirements set out in BID- 5 and BID-5A, the institution must disclose amounts relating to:

a) permanent capital funds, including paid-up share capital with;

b) reserve funds with;

c) minority interests with;

d) other Tier 1 instruments with;

e) surplus capital from insurance companies with;

f) regulatory calculation differences deducted from Tier 1, and other Tier 1 deductions, including goodwill and investments);

g) Supplementary and tertiary capital (Tier 2 and Tier 3);

h) deductions from supplementary and tertiary capital; and

i) total qualifying capital.

15.2. **Capital adequacy**

15.2.1 **Qualitative information -** in accordance with the requirements set out in BID-5 and BID-5A**,** the institution must disclose its approach to assessing capital adequacy to support current and planned business activities.

15.2.2 **Quantitative information** - in accordance with the governance requirements set out in BID-5 and BID-5A, a banking institution or microfinance banking institution the institution must disclose:

a) capital requirements and equivalent risk-weighted assets for credit risk, including portfolios under the standardised approach and securitisation exposures, market risk, and operational risk with separate disclosure for the basic indicator or standardised approach, as applicable;

b) total capital adequacy and Tier 1 capital adequacy ratios, including any innovative capital instruments, for the banking group and for significant subsidiaries on a stand-alone or sub-consolidated basis, as applicable; and

c) CET1 ratios that trigger capital distribution constraints in accordance with Annexure A.

15.3. **Liquidity**

15.3.1 A banking institution or microfinance banking institution must disclose qualitative information relating to its liquidity risk management framework, including its funding strategy, liquidity risk governance arrangements and liquidity stress-testing practices.

15.3.2 A banking institution or microfinance banking institution must disclose quantitative information relating to its liquidity position including -

a) regulatory liquidity ratios;

b) the composition and adequacy of liquid assets;

c) concentrations of funding sources;

d) the maturity profile of assets and liabilities; and

e) any other liquidity measures,

as prescribed by the Bank in terms of BID-6 and BID-6A.

15.4 Public disclosures requirements on corporate governance

15.4.1 A banking institution or microfinance banking institution must, in the interim and annually, disclose information relating to its corporate governance arrangements, including the governance structures, policies and practices adopted to ensure the sound and prudent management of the banking institution or microfinance banking institution.

15.4.2 Board structure and composition - a banking institution or microfinance banking institution must disclose qualitative information relating to the composition and structure of its board of directors, including:

a) the size and composition of the board of directors;

b) the classification of directors, including executive, non-executive and independent non-executive directors;

c) the nationality, qualifications, skills and experience of directors;

d) the percentage of directors serving concurrently on the board of the banking institution or microfinance banking institution and the board of its controlling company; and

e) any material changes to the composition of the board of directors during the reporting period.

15.4.3 Board committees - a banking institution or microfinance banking institution must disclose information relating to the structure and composition of board committees, including –

a) the board committees established by the board of directors;

b) the mandate and responsibilities of each board committee; and

c) the composition of each board committee.

15.4.4 Board attendance and effectiveness - a banking institution or microfinance banking institution must disclose information relating to the attendance of directors at the meetings of the board and board committees.

15.4.4 Remuneration - a banking institution or microfinance banking institution must disclose information relating to remuneration paid during the reporting period, including –

a) the remuneration governance framework and the role of the board of directors and relevant board committees in overseeing remuneration policies and practices;

b) the remuneration paid to directors and executive officers;

c) the aggregate value of fixed remuneration and variable remuneration; and

d) the value of bonuses, incentives and other performance-related remuneration.

15.4.5 In addition to the requirements set out in paragraph 17.5.1, a banking institution or microfinance banking institution must disclose information pertaining to remuneration and bonuses using the template in annexures D and E of this Determination.

PART V

SPECIFIC DISCLOSURE REQUIREMENTS PERTAINING TO RISK EXPOSURE

16. Nature and extent of risk exposures

16.1 **Credit Risk, including Counterparty Credit Risk and Credit Risk Mitigation**

16.1.1 Qualitative information - the banking institution or microfinance banking institution must disclose –

a) accounting and regulatory definitions of impairment and past due;

b) approaches to credit impairment, specific and general allowances, including statistical methods;

c) credit risk management policies;

d) definition of non-performing exposures and its alignment to BID-2, including materiality thresholds for past-due status, exit criteria and probation periods, and any distinct procedures for corporate vs retail loans;

e) definition of forborne exposures and its alignment to BID-2, including exit criteria and probation periods and, where a common definition is used for restructured and forborne, a statement to that effect and merged disclosures;

f) names of external credit assessment institutions used, exposure types rated, mapping of agency scales to internal risk categories, and risk weights by rating grade;

g) policies and processes for on-off balance sheet netting; collateral valuation and management; types of collateral; main guarantors or credit-derivative counterparties and their creditworthiness; and risk concentrations in risk mitigation activities;

h) collateral and reserve policies;

i) identification, measurement and control of wrong-way risk; and

j) estimated collateral the institution would have provided upon a rating downgrade.

16.1.2 **Quantitative information –** a banking institution or microfinance banking institution must disclose, for each major credit exposure type –

a) aggregate gross exposures after IFRS set-off but before credit risk mitigation;

b) average gross exposure during the period daily average unless period-end is broadly representative, in which case the basis must be stated;

c) geographic distribution per BID-2 and BID-17, industry or counterparty distribution, and residual contractual maturity profile;

d) for each major industry, counterparty or geography: impaired and past-due loans, with ageing analysis, specific and general allowances, and charges for specific allowances and charge-offs, with any unallocated general allowances disclosed separately;

e) gross carrying values of total performing and non-performing exposures, split into debt securities, loans further split into corporate and retail, and off balance-sheet exposures;

f) non-performing loans split into:

i. defaulted and IFRS-9 credit-impaired;

ii. >90 days past due but not defaulted/impaired; and

iii. other exposures where full repayment is unlikely without collateral realisation.

g) value adjustments and provisions for non-performing exposures;

h) gross carrying values of restructured or forborne exposures, debt securities, loans, corporate and retail - and off-balance-sheet, split into performing and non-performing and impaired and not impaired, with provisions for nonperforming;

i) reconciliation of changes in specific and general allowances, including type, opening balance, charge-offs, new provisions or reversals, other adjustments, foreign exchange, business combinations, acquisitions or disposals, transfers, and closing balance, with charge-offs and recoveries recorded directly in profit or loss shown separately;

j) exposures subject to the standardised approach by relevant portfolio; and

k) capital requirements for credit valuation adjustment, including whether the standardised or advanced approach is used.

16.2 **Exposure details by standardised approach**

16.2.1 **Qualitative information –** a banking institution of microfinance banking institution must disclose the rating agencies used, exposure types per agency, the process for assigning public ratings to banking-book assets, mapping of agency scales to internal categories, and risk weights by rating grade or category.

16.2.2 **Quantitative information** – a banking institution or microfinance banking institution must disclose, by risk category:

a) outstanding amounts after risk mitigation for rated and unrated exposures;

b) amounts deducted from capital; and

c) equity exposures under the simple risk-weight method by risk category.

16.3 **Credit risk mitigation by standardised approach**

16.3.1 **Qualitative information-** a banking institution or microfinance banking institution must disclose policies on netting, collateral valuation or management, including main collateral types, main guarantors or credit-derivative counterparties and their creditworthiness, and any concentration risk in mitigation.

16.3.2 **Quantitative information –** a banking institution or microfinance banking institution must disclose total exposure after netting, indicating amounts protected by:

a) eligible financial collateral after haircuts; and

b) guarantees and credit derivatives.

16.4 **Counterparty credit risk and derivatives**

16.4.1 **Qualitative information –** a banking institution or microfinance banking institutions must provide detailed public disclosures on derivative instruments and exposures related to counterparty credit risk.

16.4.2 A public disclosure must include –

a) The methodology used to assign economic capital and credit limits for counterparty credit risk exposures;

b) Policies for securing collateral and establishing adequate credit reserves;

c) Policies for identifying, measuring, and controlling wrong-way risk exposures; and

d) The estimated amount of collateral that would be required in the event of a credit rating downgrade.

16.4.3 **Quantitative information –** a banking institution or microfinance banking institution must disclose to the public –

a) the gross positive fair value of contracts giving rise to counterparty credit risk;

b) the amount of current exposure after recognising legally enforceable netting benefits;

c) the value of collateral held, distinguishing cash, government securities and other eligible instruments;

d) the net derivative credit exposure after the effects of collateral and netting;

e) the notional amount of credit-derivative hedges, disaggregated by protection bought and protection sold;

f) the distribution of current credit exposures by product type, including interest-rate contracts, foreign-exchange contracts, equity contracts, credit-derivative contracts and commodity contracts;

g) exposures at default under the method approved by the Bank, current exposure method, standardised method or internal-model method, as applicable; and

h) the notional and gross market values of derivative instruments distinguished between those used for the institution's own-account credit portfolio and those used for intermediation purposes.

16.5 **Market risk**

16.5.1 **Qualitative information –** a banking institution or microfinance banking institution must identify the portfolios or instruments subject to that approach pertaining to trading book positions measured under the standardised approach.

16.5.2 **Quantitative information –** a banking institution or microfinance banking institution must disclose capital requirements for –

a) interest rate risk;

b) equity position risk;

c) foreign exchange risk; and

d) commodity risk.

16.6 **Equity position in the banking book**

16.6.1 **Qualitative information –** a banking institution or microfinance banking institution must disclose accounting policies and valuation methodologies, key assumptions, significant changes affecting valuation, and whether positions are held for capital gains or strategic or relationship reasons.

16.6.2 **Quantitative information –** a banking institution or microfinance banking institution must disclose –

a) carrying values per the balance sheet and fair values and, where listed prices materially differ from fair value, a comparison;

b) cumulative realised gains or losses on sales or liquidations during the period;

c) unrealised gains or losses recognised in the balance sheet;

d) latent unrealised gains or losses not recognised in the balance sheet or income statement;

e) the extent to which unrealised gains or losses in subparagraphs (g) and (h) are included in core and supplementary capital;

f) capital requirements by approach or position type; and

g) amounts by instrument type, distinguishing publicly traded and privately traded instruments.

16.7 **Interest Rate Risk in the Banking Book**

16.7.1 **Qualitative information -** a banking institution or microfinance banking institution must disclose –

a) the nature of its interest rate in the banking book exposures;

b) key behavioural assumptions, including loan repayments and core deposit behaviour; and

c) the frequency of interest rate in the banking book measurement.

16.7.2 **Quantitative information -** a banking institution or microfinance banking institution the institution must disclose the increase or decrease in earnings, economic value, or the internal measure used, under the prescribed upward and downward interest-rate shocks in BID-21 disaggregated by currency.

16.8 **Operational risk**

16.8.1. **Qualitative information –** a banking institution or microfinance banking institution must disclose –

a) the governance structure for operational resilience, including board approval and senior management implementation and reporting;

b) policies and processes to identify, assess, monitor and mitigate risks from people, processes, systems and external events, aligned to risk appetite and tolerance for disruption;

c) business continuity planning, including severe-but-plausible testing, identification of critical operations and key dependencies;

d) mapping of interconnections or interdependencies for critical operations, including third-party and intragroup dependencies;

e) third-party risk management, due diligence, contingency and exit strategies, for services supporting critical operations;

f) incident management, classification, response, recovery, communication and lessons learned; and

g) the risk mitigation and risk transfer used in the management of operational risk.

16.8.2. **Quantitative information** – a banking institution or microfinance banking institution must disclose capital requirements under the approved operational-risk approach and operational-risk metrics as prescribed by the Bank.

16.9 **Securitisation**

16.9.1 **Qualitative information –** a banking institution must in respect or traditional or synthetic securitisations under the standardised approach, disclose –

a) objectives and extent of risk transfer;

b) roles performed, originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider, and level of involvement;

c) the approach applied, accounting treatment, sale versus financing, recognition of gains, valuation assumptions for retained interests and significant changes;

d) treatment of synthetic transactions; and

e) the external credit assessment institutions used and exposure types rated.

16.9.2 **Quantitative information –** a banking institution or microfinance banking institution must disclose, by asset type and distinguishing traditional and synthetic assets –

a) total outstanding exposures securitised;

b) impaired or past-due securitised assets;

c) losses recognised during the period, including write-offs and provisions on assets retained or interest-only strips and other residual interests;

d) exposures retained or purchased;

e) transactions where the institution acted as originator without retaining exposure, reported in the period of closing;

f) transactions where the institution acted only as sponsor;

g) securitisations concluded during the period, amounts securitised and related gains or losses by asset type; and

h) securitisation exposures under the standardised approach, including associated capital requirements by a meaningful set of risk categories and exposures deducted from capital by underlying asset type, and, where early amortisation mechanisms apply, drawn exposures attributable to sellers' and investors' interests and the related capital requirements.

16.10 **Asset encumbrance**

16.1.1 **Qualitative information –** a banking institution or microfinance banking institution and its controlling company must disclose policies and processes for identifying and managing encumbered assets, the types of transactions or facilities resulting in encumbrance, and material changes in encumbrance levels from the previous disclosure. Where applicable, assets supporting central bank facilities must be described.

16.1.2 **Quantitative information –** a banking institution or microfinance banking institution and its controlling company must disclose, using period-end values and the standard template as per Annexure B, the carrying amounts of encumbered and unencumbered assets by asset category, with totals for encumbered, unencumbered and, where applicable, central-bank-facility columns, and any breakdowns by transaction type or asset category as directed by the Bank.

16.11 **Remuneration**

16.1.1 **Qualitative information –** a banking institution or microfinance banking institution must disclose the governance of remuneration, key features and objectives of the remuneration policy, and processes linking remuneration to current and future risks and performance, including deferral and clawback.

16.1.2 **Quantitative information –** a banking institution or microfinance banking institution must disclose –

a) remuneration awarded during the financial year, split into fixed and variable components for directors, executives and material risk-takers; and

b) guaranteed bonuses, sign-on awards and severance payments for the same cohorts, using the templates in Annexures D and E.

16.12 **Other material risks –** a banking institution or microfinance banking institution must disclose any additional material risks to which it is exposed, including qualitative descriptions of the nature, sources and management of the risk and quantitative metrics sufficient for stakeholders to assess its magnitude and potential impact.

PART VI
OTHER PUBLIC DISCLOSURE REQUIREMENTS

17. Disclosure of substantial shareholding

17.1 A banking institution or microfinance banking institution must disclose, in its annual financial statements, the name of every shareholder who, directly or indirectly, holds ten per cent or more of the total voting rights in such an institution.

17.2 Where such shareholding is held indirectly through one or more entities or nominees, the institution must disclose the ultimate beneficial owner of such interest.

17.3 The disclosure must include the percentage of voting rights held by each such shareholder and any material changes in shareholding from the previous reporting period.

18. Signposting of disclosure requirements

18.1 If a banking institution or microfinance banking institution discloses the required information in a document separate from the annual financial statements, the banking institution or microfinance banking institution must specify where the disclosure requirements have been published, provided that the signposting in the annual financial statement includes –

a) the number and title of the disclosure requirements;

b) the full name of the separate document in which the disclosure requirements have been published;

c) the page and paragraph number of the separate document in which the disclosure requirements are located; and

d) a website link.

19. Regulatory approval

19.1 The disclosure information prescribed in this Determination for both the interim financial statements and annual financial statements must not be published without the Bank's prior written approval.

19.2 Subject to this Determination, a banking institution or microfinance banking institution must not publish or otherwise make public its financial statements or disclosures or disclosures unless the Bank has confirmed in writing that without written approval by the Bank has confirmed in writing that it has no objection to the proposed publication.

19.3 A banking institution or microfinance banking institution must submit to the Bank a complete set of its annual and consolidated financial statements, not less than thirty days prior to the intended publication date, together with a director's declaration confirming board approval and a signed external auditor's opinion prepared in accordance with the International Standards on Auditing.

PART VII
ANCILLARY MATTERS

20. Format of disclosure

20.1 The following constitute the minimum disclosure areas required under this Determination:

a) the board chairperson's statement providing a summary of financial performance, strategy and key governance developments; and

b) the financial statements comprising of:

i. the statement of financial position;

ii. the statement of profit or loss and other comprehensive income;

iii. the statement of changes in equity showing movements in share capital, reserves and retained earnings;

iv. the cash flow statement setting out operating, investing and financing activities; and

v. accompanying comprehensive notes to the financial statements.

21. Accounting framework

21.1 Unless a deviation is specifically authorised by the Act, the annual financial statements a banking institution or microfinance banking institution must be prepared of an institution must be prepared in accordance with the International Financial Reporting Standards issued from time to time, together with any additional disclosures required by this Determination, provided that, in the absence of a specific International Financial Reporting Standards or an approved interpretation thereof, reference must be made to the relevant pronouncements of the International Accounting Standards Board.

22. Interim reports

22.1 **Interim reports must –**

a) be compiled in accordance with International Financial Reporting Standards applicable to interim reporting, with any additional disclosures required by this Determination, and must present amounts in Namibian Dollars, expressed in appropriate level of rounding;

b) in the absence of a specific International Financial Reporting Standards or interpretation, consider the relevant pronouncements of the International Accounting Standards Board; and

c) be submitted to the Bank within a period of thirty days prior to publication.

23. Consolidated financial statements

23.1 The consolidated financial statements must present fairly the state of affairs and results of operations of:

a) A banking institution or microfinance banking institution, or the controlling company and its subsidiaries, as applicable; and

b) any associates over which a banking institution institution or controlling company exercises material influence, in line with IFRS consolidation principles.

23.2 The consolidated financial statements must be prepared in accordance with International Financial Reporting Standards issued from time to time, with any additional disclosures required by the Bank, and must present amounts in Namibia Dollar, and clearly indicate the appropriate level of rounding.

24. Presentation and publication

24.1 All qualitative and quantitative disclosures required by this Determination must be presented in a clear, comprehensive, and comparable format, distinguishing between consolidated and solo data, and must include the tables, templates and annexures prescribed by the Bank.

24.2 Financial statements and disclosures must indicate the reporting currency, units of measurement, accounting period, level of rounding, and applicable accounting policies.

24.3 A banking institution or microfinance banking institution must publish the approved financial statement:

a) on its official website in a publicly accessible location;

b) a condensed version in print media; and

c) in printed format, available for physical inspection by the public at the registered office.

25. Retention of records

25.1 A banking institution or microfinance banking institution must retain all supporting documentation, working papers, data sources, board approvals, and internal sign-offs used in preparing its financial statements and disclosures for a minimum period of five years from the date of publication.

25.2 A banking institution or microfinance banking institution must make available on its website an archive of annual financial statements in respect of the required interim and annual disclosures relating to prior reporting periods, which archive must cover not less than five years from the initial implementation date of this Determination.

PART VIII
CORRECTIVE MEASURES

26. Remedial measures

26.1 If a banking institution or microfinance banking institution fails to comply with this Determination, the Bank may pursue any remedial measures as provided under the Act or any other measures the Bank may deem appropriate in the interest of prudent banking practice.

PART IX
EFFECTIVE DATE

27. Effective date - this Determination comes into effect on the date of publication in government gazette.

28. Repeal of BID-18 – this Determination repeals the Determination on Public disclosures for Banking institutions (BID-18) published as General Notice No. 293 in Government Gazette No. 4373 of 06 November 2009.

ANNEXURE A
CAPITAL DISTRIBUTION CONSTRAINTS

Purpose: To provide disclosure of the capital ratio(s) below which capital distribution constraints are triggered as required under the Basel framework, allowing meaningful assessment by market participants of the likelihood of capital distributions becoming restricted.

Scope of Application: The table is mandatory for banking institutions, microfinance banking institution or controlling companies.

Content: Quantitative information. Includes the CET1 capital ratio that would trigger capital distribution constraints when considering:

(i) CET1 capital that banking institutions, microfinance banking institutions or controlling companies must maintain to meet the minimum CET1 capital ratio and applicable risk-based buffer requirements (i.e., capital conservation buffer) and Pillar 2 capital requirements (if CET1 capital is required) as set out in the Determination on Measurement and Calculation of Capital Charges for Credit Risk, Operational Risk and Market Risk for Domestic Systemically Important Banks (BID – 5A) and the determination on Measurement and calculation of capital charges for credit risk, operational risk and market risk (BID-5) for the non-DSIBs;

(ii) CET1 capital that banking institutions, microfinance banking institutions or controlling companies s must maintain to meet the minimum regulatory capital ratios and any CET1 capital used to meet Tier 1 capital, total capital, and Total Loss-Absorbing Capacity (TLAC) requirements, applicable risk-based buffer requirements (i.e., capital conservation buffer) and Pillar 2 capital requirements (if CET1 capital is required) as set out in BID-5A and BID-5.

Accompanying Narrative: In cases where capital distribution constraints have been imposed, banking institutions, microfinance banking institutions or controlling companies should describe the constraints imposed. In addition, banking institutions, microfinance banking institutions or controlling companies shall provide a link to the Bank of Namibia's website, where the characteristics of the relevant national requirements governing capital distribution constraints are set out (e.g., stacking hierarchy of buffers, relevant time frame between breach of buffer and application of constraints, definition of earnings and distributable profits used to calculate restrictions). Further, banking institutions, microfinance banking institutions or controlling companies may choose to provide any additional information they consider relevant for understanding the stated figures.

	A	**B**
	CET1 capital ratio that would trigger capital distribution constraints (%)	**Current CET1 capital ratio (%)**
1. CET1 minimum requirement plus Basel III buffers (not considering CET1 capital used to meet other minimum regulatory capital/TLAC ratios)	7.5	
2. CET1 capital plus Basel III buffers (considering CET1 capital used to meet other minimum regulatory capital/TLAC ratios)	10.0	

Instructions:

Row 1 Explanation: CET1 minimum plus Basel III buffers (not considering CET1 capital used to meet other minimum regulatory capital/TLAC ratios): CET1 capital ratio that would trigger capital distribution constraints, should the banking institutions, microfinance banking institutions or controlling companies' CET1 capital ratio fall below this level. The ratio considers only CET1 capital that banks must maintain to meet the minimum CET1 capital ratio (7.5%), applicable risk-based buffer requirements (i.e., capital conservation buffer (2.5%)) and Pillar 2 capital requirements (if CET1 capital is required). The ratio does not consider instances where the banking institutions, microfinance banking institutions or controlling company has used its CET1 capital to meet its other minimum regulatory ratios (i.e., Tier 1 capital, total capital and/or TLAC requirements), which could increase the CET1 capital ratio which the banking institutions, microfinance banking institutions or controlling company has to meet in order to prevent capital distribution constraints from being triggered**.**

Row 2 Explanation: CET1 minimum plus Basel III buffers (considering CET1 capital used to meet other minimum regulatory capital/TLAC ratios): CET1 capital ratio which would trigger capital distribution constraints, should the banking institutions, microfinance banking institutions or controlling companies' CET1 capital ratio fall below this level. The ratio considers CET1 capital that banks must maintain to meet the minimum regulatory ratios (i.e., CET1, Tier 1, total capital requirements and TLAC requirements), applicable risk-based buffer requirements (i.e., capital conservation buffer (2.5%)) and Pillar 2 capital requirements (if CET1 capital is required).

ANNEXURE B
ASSET ENCUMBRANCE

Purpose: To provide the amount of encumbered and unencumbered assets.

Scope of application: The template is mandatory for all banking institutions, microfinance banking institutions or controlling companies**.**

Content: Carrying amount for encumbered and unencumbered assets on the balance sheet using period-end values. Banks must use the specific definition of "encumbered assets" set out in the instructions below in making the disclosure. The scope of consolidation for the purposes of this disclosure requirement should be a banking institution, microfinance banking institution or controlling company's regulatory scope of consolidation but including its securitisation exposures.

Banking institutions, microfinance banking institutions or controlling companies should always complete columns (a), (c), and (d). The Bank may separately require the breakdown of column (a) by types of transaction and/or require the breakdown of column (c) into categories of unencumbered assets. The Bank may also provide guidance on the treatment of some assets as encumbered or unencumbered**.**

Frequency: Annual

Optional Column: Irrespective of whether breakdowns are required, the Bank may require banking institutions, microfinance banking institutions or controlling companies to disclose assets supporting central bank facilities separately using the optional column (b).

Accompanying narrative: Banking institutions, microfinance banking institutions or controlling companies are expected to supplement the template with a narrative commentary to explain (i) any significant change in the amount of encumbered and unencumbered assets from the previous disclosure; (ii) as applicable, any definition of the amounts of encumbered and/or unencumbered assets broken down by types of transaction or category; and (iii) any other relevant information necessary to understand the context of the disclosed figures. When the optional column for central bank facilities is used, banking institutions, microfinance banking institutions or controlling companies should describe the types of assets and facilities included.

Definitions (specific to this template):

Encumbered Assets: Assets that the banking institution, microfinance banking institution or controlling company is restricted or prevented from liquidating, selling, transferring, or assigning due to legal, regulatory, contractual, or other limitations. When the optional column on central bank facilities is used, encumbered assets exclude central bank facilities. The definition differs from the Liquidity Coverage Ratio (LCR) for on-balance sheet assets, excluding the aspect of asset monetisation required for high-quality liquid assets under LCR.

Unencumbered Assets: Assets that do not meet the definition of encumbered. When the optional column on central bank facilities is used, unencumbered assets exclude central bank facilities.

Central Bank Facilities: Assets in use to secure transactions or remaining available to secure transactions in any central bank facility, including those used for monetary policy, liquidity assistance, or other ad hoc funding facilities.

	A	B	C	D
Asset Type	**Encumbered** **(N$ million)**	**Central bank facilities** **(N$ million)**	**Unencumbered** **(N$ million)**	**Total** **(N$ million)**
Cash and Balances with the Banks				
Short term negotiable securities				
Loans and Advances				
Held to maturity securities				
Other				

Annexure C: Credit Risk Exposure and Effects of Credit Risk Mitigation

Purpose: This table provides a breakdown of credit risk exposures across major asset classes and the impact of credit risk mitigation (CRM) techniques on those exposures. It is designed to quantify the extent to which CRM techniques such as collateral, guarantees, and credit derivatives, reduce the bank's exposure to credit risk.

Scope of Application: The table is mandatory for banking institutions, microfinance banking institutions or controlling companies.

Frequency: Annual

Contents:

a) Asset Class - A category of credit exposures grouped by borrower type or product, such as corporate loans, retail mortgages, or other exposures.

b) Exposure - The gross credit exposure before the application of any credit risk mitigation techniques.

c) Post-Mitigation Exposure - The net exposure after applying eligible CRM techniques such as collateral, guarantees, or netting agreements.

d) RWA - Risk-Weighted Assets calculated based on the post-mitigation exposure, using regulatory risk weights under the standardized approach.

Asset Class	**Exposure (N$ million)**	**CRM (N$ million)**	**Post-Mitigation Exposure (N$ million)**	**RWA (N$ million)**
Corporate Loans				
Retail Mortgages				
Other				
Total				

ANNEXURE D
REMUNERATION AWARDED DURING THE FINANCIAL YEAR

<table>
<tr><td colspan="5">Purpose: Provide quantitative information on remuneration for the financial year.</td></tr>
<tr><td colspan="5">Scope of application: The template is mandatory for all banking institutions, microfinance banking institutions or controlling companies.</td></tr>
<tr><td colspan="5">Content: Quantitative information.</td></tr>
<tr><td colspan="5">Frequency: Annual</td></tr>
<tr><td colspan="5">Format: Flexible.</td></tr>
<tr><td colspan="5">Accompanying narrative: Banking institutions, microfinance banking institutions or controlling companies may supplement the template with a narrative commentary to explain any significant movements over the reporting period and the key drivers of such movements.</td></tr>
<tr><td></td><td colspan="2"></td><td>a</td><td>b</td></tr>
<tr><td></td><td colspan="2">Remuneration amount</td><td>Senior management</td><td>Other material risk-takers</td></tr>
<tr><td>1</td><td rowspan="8">Fixed remuneration</td><td>Number of employees</td><td></td><td></td></tr>
<tr><td>2</td><td>Total fixed remuneration (rows 3 + 5 + 7)</td><td></td><td></td></tr>
<tr><td>3</td><td>Of which: cash-based</td><td></td><td></td></tr>
<tr><td>4</td><td>Of which: deferred</td><td></td><td></td></tr>
<tr><td>5</td><td>Of which: shares or other share-linked instruments</td><td></td><td></td></tr>
<tr><td>6</td><td>Of which: deferred</td><td></td><td></td></tr>
<tr><td>7</td><td>Of which: other forms</td><td></td><td></td></tr>
<tr><td>8</td><td>Of which: deferred</td><td></td><td></td></tr>
</table>

9.	Variable remuneration	Number of employees		
10.		Total variable remuneration (rows 11 +13+15)		
11.		Of which: cash-based		
12.		Of which: cash-based		
13.		Of which: share or other share-linked instruments		
14.		Of which: deferred		
15.		Of which: other forms		
16.		Of which: deferred		
17.	Total remuneration (rows 2+10)			

ANNEXURE E
SPECIAL PAYMENTS

Purpose: Provide quantitative information on special payments for the financial year.						
Scope of application: The template is mandatory for all banking institutions, microfinance banking institutions or controlling companies.						
Content: Quantitative information.						
Frequency: Annual.						
Format: Flexible.						
Accompanying narrative: Banking institutions, microfinance banking institutions or controlling companies may supplement the template with a narrative commentary to explain any significant movements over the reporting period and the key drivers of such movements.						
Special payments	**Guaranteed bonuses**		**Sign-on awards**		**Severance payments**	
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management						
Other material risktakers						

Definitions and instructions

Guaranteed bonuses are payments of guaranteed bonuses during the financial year.

Sign-on awards are payments allocated to employees upon recruitment during the financial year.

Severance payments are payments allocated to employees dismissed during the financial year.