

**BANKING SUPERVISION**

**CIRCULAR on STANDARD RETURNS**

**CIRCULAR NO. 1/20**

**2022**

**STATUTORY RETURNS AND INSTRUCTIONS, DIRECTIVES AND  
INTERPRETATIONS RELATING TO THE COMPLETION THEREOF**

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## **PART I**

### **INTRODUCTION**

The purpose of this Circular is to present the latest returns and instructions, directives and interpretations thereof, to all banking institutions. The objective of the directives and interpretations is to provide guidance on the basic principles to be applied when completing the statutory returns and to provide instructions on the caption on each line item and column on the returns.

All the prescribed returns shall reflect the management accounts as presented to the senior management and board of a bank. In the event of conflict between the instructions prescribed in this circular and the manner in which the management accounts of the bank concerned are completed, the banking institution is welcome to report amounts differently, provided that a detailed explanation on the difference is furnished together with the relevant return, to this office.

The definitions or terms used within this document are as defined in the Act and/or the relevant Determinations, or as reasonably implied by contextual usage.

## **PART II**

### **GENERAL INSTRUCTIONS**

#### **a) Close of Business**

The term "close of business" refers to the time established by the reporting banking institution as the cut-off time for receipt of work for posting transactions to its general ledger accounts for that day. The time designated as the close of business should be reasonable and applied consistently. The posting of a transaction to the general ledger means that both debit and credit entries are recorded as of the same date.

In addition, entries made to general ledger accounts in the period subsequent to the close of business on the reporting date that are applicable to the period covered by the returns (e.g., adjustments of accruals, posting of items held in suspense on the report date to their proper accounts, and other month-end adjusting entries) should be reported in the returns as if they had actually been posted to the general ledger at or before the cut-off time on the reporting date.

With respect to deposits received by the reporting banking institution after the cut-off time for posting them to individual customer accounts for a reporting date, but which are nevertheless posted in any manner to the reporting banking institution's general ledger accounts for that reporting date (including, but not limited to, through the use of one or more general ledger contra accounts), such deposits must be reported in returns pertaining to that reporting date.

## **Reporting Date**

The term "Reporting Date" as referred to in this document shall mean the date determined by the Bank as the cut-off date for reporting of balances, transactions or events on the specified returns or reports. Except for the Minimum Liquid Assets Requirement (BIR 610) which shall be reported covering the compliance periods commencing the 15<sup>th</sup> of the month to which the return relates up to the 14<sup>th</sup> of the following month, all other monthly returns and reports shall be reported as at or for the period covering up to the end of each calendar month. For returns and reports submitted at quarterly intervals, the reporting date shall be the 31st of March and December and the 30<sup>th</sup> June and September. For returns and reports submitted at semi-annual and annual intervals, the reporting dates shall be the 30<sup>th</sup> of June and 31st of December respectively. Otherwise, the reporting date shall be as and when the transaction or event happens.

## **Frequency of Reporting**

Returns are required to be submitted monthly by all banking institutions except for the following returns, which are required on a less frequent basis:

### **Quarterly**

BIR 108	- Customer Complaints
BIR 170	- Country Risk
BIR 301	- Information Security Part B
BIR 401	- Capital Adequacy Requirements Basel II
BIR 401A	- Capital Adequacy Requirements Basel III
BIR 501	- Credit Risk return
BIR 511	- Single Borrower and Concentration Risk
BIR 520	- Interbank Exposures
BIR 631	- Interest Rate Risk in the Banking Book

**Half Yearly**

BIR 150 - Investments and Interest Held

BCR 009 – Intra-Group Exposures and Transactions

BCR 010 – Group Members

**Yearly**

BIR 130 - Bank Charges and Fees

BIR 140 - Shareholders of Banks/Controlling Companies

**Daily**

BIR 611A and B- Daily Liquidity Return

In addition, the following information is to be rendered annually:

- Audited Annual Financial Statements
- Management letter
- Audited returns and
- Proof of insurance cover
- Information Security Self - Assessment

**As and When**

BIR 301 (A) - Information Security

**Preparation of the Returns and Reports**

Banking institutions are required to prepare returns and statutory reports in accordance with these instructions and directives. All returns and reports shall be prepared in a consistent manner.

The banking institution's financial records shall be maintained in such a manner and scope so as to ensure that the returns and statutory reports can be prepared and submitted in accordance with these instructions and directives and reflect a fair presentation of the banking institution's financial condition and results of operations.

Questions and requests for interpretations of matters appearing in any part of these instructions and directives should be addressed to the Head of the Banking Supervision Department. Regardless of whether a banking institution requests an interpretation of a matter appearing in these instructions,

when the Bank's interpretation of the instructions differs from the banking institution's interpretation, the Bank may require the banking institution to prepare its returns and reports in accordance with the Bank's interpretation and to revise returns and reports previously submitted.

### **Certification for submission of statutory returns**

The BSD has two methods of submitting regulatory returns. Following the digitization introduced by the Bank, most of the regulatory returns will be submitted on a portal. Nonetheless, the following regulatory returns will be submitted through an email/electronic copy.

#### **Banking Institutions:**

##### **Quarterly submissions**

- BIR: Report on Fraud and Economic Crime

##### **Half yearly submissions**

- BIR-150: Investments and Interest Held
- BIR-009: Intragroup exposures and transactions
- BIR-010: Group members

##### **Yearly submissions**

- BIR-130: Bank charges and fees
- BIR-140: Shareholding in a banking institution / controlling company

##### **Electronic copy/email**

The regulatory returns to be submitted through the electronic copy-/email should be accompanied by the BSD 999. This form shall be signed and certified by the principal officer and the chief accounting officer of a reporting banking institution in respect of each return indicated on the said form, whether such a return is rendered on hardcopy format or by way of an electronic transfer facility. A duly completed, signed and certified form BSD 999 shall accompany every set of statutory returns.

In the event that the Principal Officer and/or Chief Accounting Officer is not available to sign a completed form BSD 999, the designated officer performing the relevant function shall sign the form BSD 999 in an acting capacity and not on behalf of the absent Officer.

The furnishing of the returns referred to in this document, whether by way of the completion of the prescribed forms or by electronic means, shall be done at the intervals indicated in this document, and such returns shall be forwarded to the Office of Banking Supervision at the Bank of Namibia.

### **Specimen Signatures**

As a form of control, the banking institutions shall be required to submit a list of specimen signatures of its Principal Officer and Chief Accounting Officer as well as the officers designated to prepare and submit returns in the absence of such Officers, on or before 21<sup>st</sup> January each year or after any change in the designated Officers.

### **Submission of the Returns and Reports**

Each banking institution must submit its returns and reports in the manner and format prescribed by the Bank from time to time.

Each banking institution is responsible for ensuring that the return used on each reporting date is the appropriate form for the banking institution to use and reflects fully and accurately the item reporting requirements for that reporting date, including any changes that may be made from time to time.

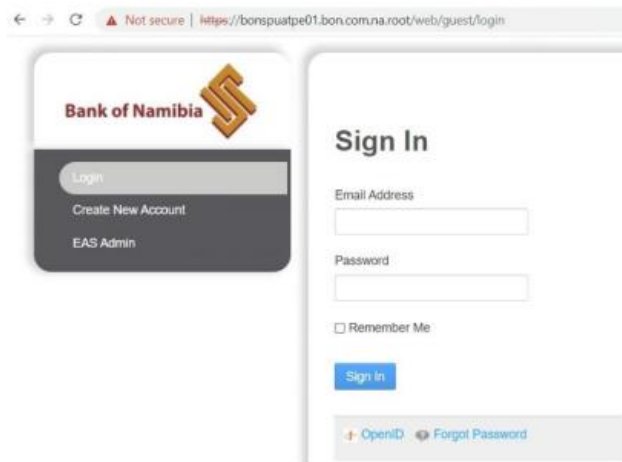
### **Navigating the automated system**

#### **Automated System reporting**

The regulatory returns shall be prepared by designated officer of the reporting banking institution. Thereafter, the regulatory returns shall be reviewed and submitted by the chief accounting officer or the designated officer performing the relevant function. The chief accounting officer of a banking institution or a delegated officer is attesting the correctness by submitting the regulatory returns.



Power Forms is accessed through the Power EAS Login portlet.



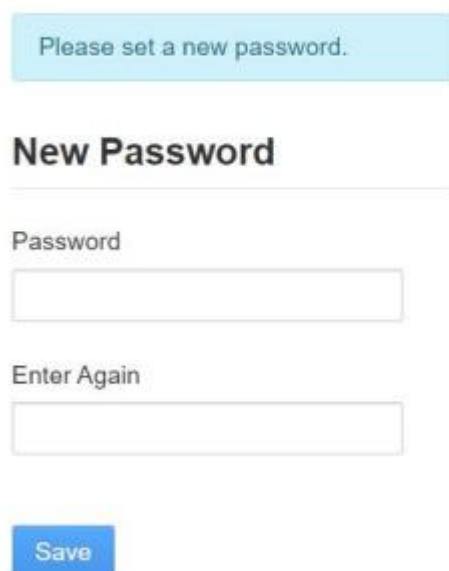
The screenshot shows a web browser window with the URL <https://bonsputape01.bon.com.na/root/web/guest/login>. The page features the Bank of Namibia logo and a 'Sign In' section. The 'Sign In' section includes input fields for 'Email Address' and 'Password', a 'Remember Me' checkbox, and a 'Sign In' button. Below the 'Sign In' button are links for 'OpenID' and 'Forgot Password'. On the left side, there is a dark grey box with the Bank of Namibia logo and a menu with 'Login', 'Create New Account', and 'EAS Admin'.

## Connecting – New Use

Signing in:

- Use your email account for the login.
- Initially, the user is assigned a default password.
- The user is prompted to change this password upon logging in.

## New Password



The screenshot shows a 'New Password' form. At the top, there is a light blue box with the text 'Please set a new password.' Below this, the section is titled 'New Password'. There are two input fields: 'Password' and 'Enter Again'. At the bottom, there is a blue 'Save' button.

Change Password



## My Account


[Account Settings](#) [My Pages](#)

### Password

Current Password

New Password

Enter Again

	Test Filer
User Information	
Details	
Password	
Organizations	
Sites	
User Groups	
Roles	
Categorization	

## Unlock Account

- After 6 failed password attempts, the account will be locked.
- The user needs to contact the administrator to unlock their account.

**Sign In**

Your request failed to complete.

This account has been locked. Please contact an administrator to have this account unlocked.

Email Address  
filer@test.com

Password  
\*\*\*\*\*

☒ Remember Me

[Sign In](#)

[Forgot Password](#)

## Forgot Password

- The user can click on 'Forgot Password' to send an email with their new password.
- The user can change their password after logging in.

**Sign In**

Email Address  
filer@test.com

Password  
\*\*\*\*\*

☐ Remember Me

[Sign In](#)

[Forgot Password](#)

## Forgot Password

Email Address (Required)

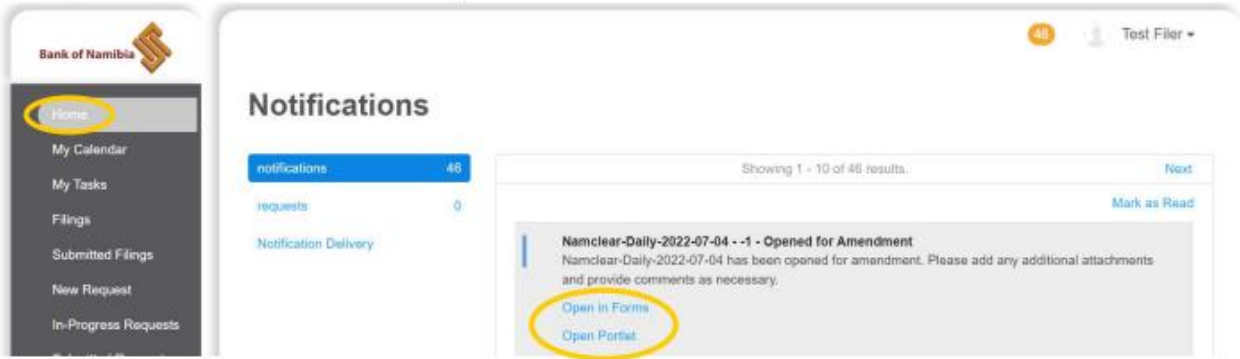

Text Verification (Required)

[Send New Password](#)

### Home Page - Notifications portlet

- Displays process and workflow notification messages to notify users of submission status and general document status updates.
- Notifications are also sent to the user's email.
- User can directly access the process by clicking on the “Open Portlet” link.
- The ‘Open in Forms’ link will open the form in which the notification relates to My Tasks.



The screenshot shows the Bank of Namibia user interface. On the left is a sidebar with a menu where 'Home' is highlighted. The main content area is titled 'Notifications'. It shows a summary of 46 notifications and 0 requests. A specific notification is displayed: 'Namclear-Daily-2022-07-04 - 1 - Opened for Amendment'. The notification text states: 'Namclear-Daily-2022-07-04 has been opened for amendment. Please add any additional attachments and provide comments as necessary.' Below this text, two links are visible: 'Open in Forms' and 'Open Portlet', both of which are circled in yellow.

### My Tasks

- A user “to-do list” - displays a list of all tasks/returns across communities that the user can act upon.

- Includes a generic search box to narrow down by request, organization, due date (Upcoming or Overdue), and assignment type (All Assignment, Assigned to Me, or Assigned to My Role).
- Can expand the task to show more information, such as all the related process items.
- Default display is sorted by task most recently due - highlighted red if past due date.

## My Tasks Not For Production Use

Q Keywords  search  Due Date:  Assignment Type:

Match:

of the following fields:

Request Id

Request Name

Organization Id

Organization Name

Org Name	Group Name	Status	Due Date	Manager	Assigned To	Priority	Actions
Test Bank	Banking Supervision	Available	2022/04/30	Analyst		MEDIUM	<input type="button" value="v"/>
Test Bank	Banking Supervision	Available	2022/04/30	Analyst		MEDIUM	<input type="button" value="v"/>
Test Bank	Banking Supervision	Available	2022/04/30	Analyst		MEDIUM	<input type="button" value="v"/>
Test Bank	Banking Supervision	Available	2022/04/30	Analyst		MEDIUM	<input type="button" value="v"/>
Test Bank	Banking Supervision	Available	2022/04/30	Analyst		MEDIUM	<input type="button" value="v"/>

## Requests

- Requests can either be standalone or a process
- Standalone requests are requests where only one form or task needs to be completed
  - Represented by a Form icon

	BIR 301 - Information Security	1725629	10003	Test Bank	2022/07/13	Available
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- Processes are requests that require more than one form or task to be completed
  - Represented with a '+' symbol
  - Clicking '+' symbol will expand the process showing all tasks assigned to the applicant

	License Application Process	1725730	729174	Crown Financial	2022/07/21	In-Progress
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## Request vs. Filing

- Reporting windows
  - Can be created as Requests or scheduled as Filings/Returns
  - Can be Standalone Documents or Processes

## Prepare New Request

**Bank of Namibia**

Home  
My Calendar  
My Tasks  
Filings  
Submitted Filings  
**New Request**  
In-Progress Requests  
Submitted Requests

### New Request Not For Production Use

Please select an organization  
Test Bank

Request Name
BIR 301 - Information Security
Generic Statutory Application
License Application
Other Non Compliance Return

- **Accessed from New Request page**
- User can select the Organization that they want to submit the request on behalf (typically user belongs to only one organization)
- The user can sort requests by alphabetical order by clicking on the column header 'Request Name'
- Start filling out a new form by clicking the Request Name link – launches the request in Power Forms

## Prepare New Request

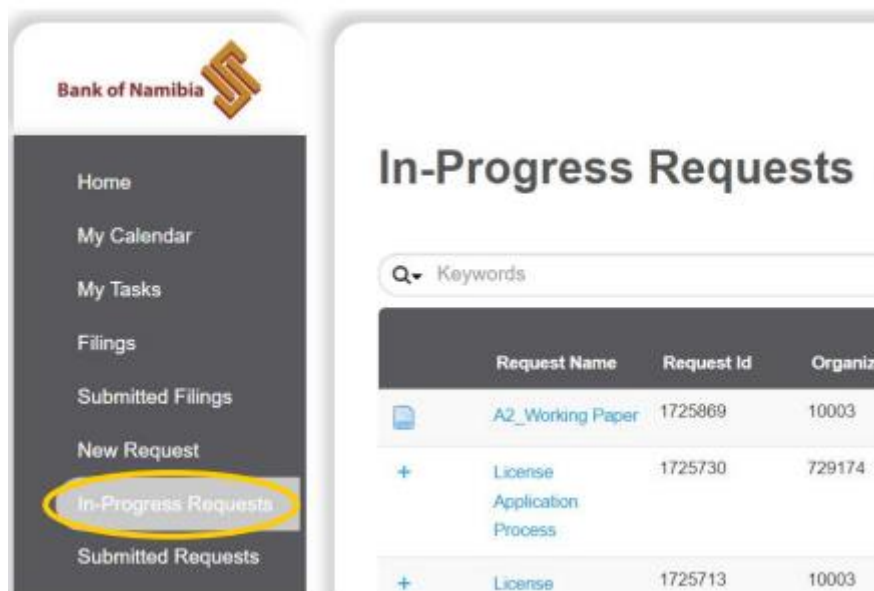
### New Request Not For Production Use

Please select an organization  
Test Bank

Request Name
BIR 301 - Information Security
Generic Statutory Application
License Application
Other Non Compliance Return

- Start by clicking the New Requests page
  - this opens the New Requests portlet
- The user will see a list of requests that are available for them to submit
- The requests are always available for on-demand use and can be filled out on an as-needed basis.

## In-Progress Requests



- Requests that have been started but not submitted can be accessed on the In-Progress Request page.
- Any values initially entered in the document is saved. The user can re-access the same request form and continue where left off.
- Every form has a unique Request ID number (internal users can search for the submitted form by using the Request ID, which is also shown in notification messages).

## In-Progress Requests

### In-Progress Requests Not For Production Use

Keywords

Match

All

of the following fields:

Request Id

Request Name

Organization Id

Organization Name

Id	Organization Id	Organization Name	Status Date	Status
10003	Test Bank	2022/07/26	Available	
729174	Crown Financial	2022/07/21	In-Progress	
10003	Test Bank	2022/07/20	In-Progress	
10003	Test Bank	2022/07/13	Available	
1725164	License Application	2022/05/18	In-Progress	

- Users can filter by Request Name, Request ID, Organization ID, Organization Name, Group Name, Status User, and Status.
- Filters use the 'contain' search criteria.
- They will look for anything that contains the values you entered.
- Applications are ordered with the most recent applications appearing at the top.

## View Submitted Requests

[Home](#)
[My Calendar](#)
[My Tasks](#)
[Filings](#)
[Submitted Filings](#)
[Now Request](#)
[In-Progress Requests](#)
[Submitted Requests](#)

### Submitted Requests

Keywords

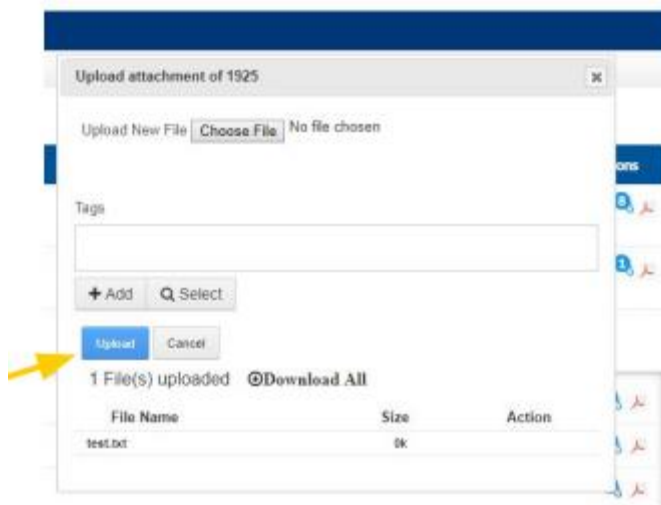
Request Name
A2_Working Paper
A2_Working Paper
Other Non Compliance Return
BSDLicenseApplication

- Filers and Analysts will access the Submitted Requests page to view submitted requests.
- Filers can only view submitted requests for their own organization.
- Analysts can view submitted requests for all organizations that belong to the community (site)
- The submissions are in read-only format



- The submitted requests can be printed and downloaded in PDF.

## Attachments



- Users can upload an attachment to a request after it has been submitted by clicking on the Upload Attachment icon.
- Any number of attachments can be attached.
- Any attachments attached within the document will also be displayed.
- Users have the option to download all attachments into a .zip folder containing all Attachments.

## Reviewing Submitted Requests

- Download the submitted request in .pdf format by clicking on the “Adobe Acrobat” logo
- If a process, you must expand it to view the symbol
- Will be created with most recent data to reflect any amendments
- Analyst users can download the submitted request during any reviewal step in the workflow

## Revised Returns and Reports

The Bank may require the submission of revised returns or reports if the returns or reports as previously submitted contain errors, as determined by the Bank, in how the reporting banking institution classified or categorized items in the returns or reports, i.e., on what line of the return an item has been reported.

When dealing with the recognition and measurement of events and transactions in the returns, revised returns may be required if the Bank determines that the returns as previously submitted contain errors that are material for the reporting banking institution.

## **REPORTING REQUIREMENTS**

### **a) Scope of the "Consolidated Banking Institution" Required to be reported in the Submitted Reports**

When preparing returns for submission to the Bank, banking institutions and their subsidiaries shall present their financial condition and results of operations on a consolidated basis in accordance with the relevant Financial Reporting Standards. Accordingly, the consolidated returns shall consolidate the operations of:

- (1) the banking institution's head office;
- (2) all domestic and foreign branches of the banking institution;
- (3) all majority-owned foreign banks held by the reporting banking institution; and
- (4) all other majority-owned subsidiaries

Each banking institution shall account for any investments in unconsolidated subsidiaries, associated companies, and those corporate joint ventures over which the bank exercises significant influence in accordance with the relevant Financial Reporting Standards.

### **Exclusions from the Coverage of the Consolidation**

*Trust accounts* - For purposes of the returns, the reporting banking institution's trust department is not to be consolidated into the reporting banking institution's Statement of Financial Position or Statement of comprehensive income. Assets held in or administered by the bank's trust department and the income earned on such assets are excluded from all of the other returns except when trust funds are deposited with the reporting banking institution.

When such trust funds are deposited in the banking institution, they are to be reported as deposit liabilities on form BIR 101 in the deposit category appropriate to the beneficiary. Interest paid by the bank on such deposits is to be reported as part of the reporting banking institution's interest expense on form BIR 201.

*Custody accounts* - All custody and safekeeping activities (i.e., the holding of securities, jewellery, coin collections, and other valuables in custody or in safekeeping for customers) are not to be reflected on any basis in the Statement of Financial Position unless cash funds held by the banking institution in safekeeping for customers are commingled with the general assets of the reporting banking institution. In such cases, the commingled funds would be reported as deposit liabilities of the reporting banking institution.

## **Rules of Consolidation**

For purposes of this Circular, all offices (i.e., branches and subsidiaries) that are within the scope of the consolidated bank as defined above are to be reported on a consolidated basis. Unless the line item instructions specifically state otherwise, this consolidation shall be on a line-by-line basis, according to the caption shown.

As part of the consolidation process, the results of all transactions and all inter-company balances (e.g., outstanding asset/debt relationships) between offices, subsidiaries, and other entities *included* in the scope of the consolidated bank are to be *eliminated* in the consolidation and must be *excluded* from the Statement of Financial Position and Statement of comprehensive income. For example, eliminate in the consolidation (1) loans made by the banking institution to a consolidated subsidiary and the corresponding liability of the subsidiary to the bank, (2) a consolidated subsidiary's deposits in the bank and the corresponding cash or interest-bearing asset balance of the subsidiary, and (3) the inter-company interest income and expense related to such loans and deposits of the banking institution and its consolidated subsidiary.

However, this elimination excludes (1) loans made by the banking institution to the parent company, unconsolidated subsidiaries, associated companies, and those corporate joint ventures over which the bank exercises significant influence and the corresponding liability of those companies, or conversely, (2) the parent company's, unconsolidated subsidiaries', associated companies', deposits in the bank and the corresponding cash or interest-bearing asset balance. (3) Accordingly, interest income and expense related to such loans and deposits of the banking institution and its parent and associates shall not be eliminated on consolidation.

### *Subsidiaries of subsidiaries –*

For a subsidiary of banking institution which is in turn the parent of one or more subsidiaries;

- (1) Each subsidiary shall consolidate its controlled subsidiaries in accordance with the consolidation requirements set forth above.
- (2) Each subsidiary shall account for any investments in unconsolidated subsidiaries, corporate joint ventures over which it exercises significant influence, according to the equity method of accounting.

*Minority interests* – For the purpose of this Circular, a minority interest arises when the reporting banking institution owns less than 100 percent of the equity of a consolidated subsidiary. The minority interest is part of the net results of operations and of net assets of a subsidiary attributable to interests that are not owed, directly or indirectly through subsidiaries, by the parent. Report minority interests in the reporting banking institution's consolidated subsidiaries in the "Minority interest in consolidated subsidiaries," line of the statement of financial position. Report income (or loss) associated with such minority interests on the Statement of comprehensive income under line item "Other sundry income".

### **Applicability of International Financial Reporting Standards to Regulatory Reporting Requirements**

For recognition and measurement purposes, the regulatory reporting requirements applicable to returns and reports shall conform to International Financial Reporting Standards (IFRS) unless expressly stated otherwise in these instructions or the determinations issued in terms of the Banking Institutions Act, no.2 of 1998, as amended. However, when reporting events and transactions not covered in principle by these instructions or authoritative IFRS standards, banking institutions are encouraged to discuss such event or transaction with the Bank.

Regardless of whether a banking institution discusses a reporting issue with the Bank, when the Bank's interpretation of how IFRS should be applied to a specified event or transaction (or series of related events or transactions) differs from the banking institution's interpretation, the Bank may require the banking institution to reflect the event(s) or transaction(s) in its returns in accordance with the Bank's interpretation and to revise previously submitted returns or reports.

These instructions contain certain specific reporting guidance that falls within the range of acceptable practice under IFRS. These instructions have been adopted to achieve safety and soundness and other public policy objectives and to ensure comparability. Should the need arise in the future; other specific reporting guidance that falls within the range of IFRS may be issued.

There may be areas in which a banking institution wishes more technical detail on the application of accounting standards and procedures to the requirements of these instructions. Such information may be requested from the Bank or from the banking institution's external auditors.

## **MISCELLANEOUS GENERAL INSTRUCTIONS**

### **a) Calculation of averages**

- 1) The average daily balance for the month in respect of liabilities or asset item, or any other balance, identified in the statutory returns, shall be calculated by totaling the amounts thereof for each day of all the days in the month and dividing such a total by the number of calendar days in the particular month to which the statement relates.
- 2) The balance used in respect of a day on which the reporting banking institution is not open for business shall be the total of the relevant liability or asset item, or any other balance as at the close of business on the preceding business day. This rule is only applicable where the systems of the reporting banking institution are not able to calculate balances on non-business days.
- 3) If the reporting banking institution is unable to calculate an average daily balance for the month as envisaged in (1) above, the bank may apply to the Bank of Namibia for approval to use, in respect of a particular item, the month-end figure for the reporting month and the relevant figures for the preceding two month-ends to calculate the average balance.

### **Gross balances**

- 1) Unless otherwise provided in these Directives, including the statutory returns, all information required to be reported in the returns shall be reported on the basis of gross balances.
- 2) The reduction of balances shall only be permitted as a result of the application of set-off and cash management scheme, in terms of Circular BIA 5/98.
- 3) Assets pledged as security for liabilities of the reporting banking institution, and such liabilities, shall be reported respectively on the basis of gross balances.

### **Verification**

- 1) All addition and deductions should be double-checked before returns and reports are submitted. Totals and subtotals should be crosschecked to corresponding items elsewhere in the returns and reports. Before a return or report is submitted, all amounts should be compared with the corresponding amounts in the previous return or report.
- 2) If there are any unusual changes from the previous report, a brief explanation of the changes should be attached to the submitted reports. Banking institutions should retain work papers and other records used in the preparation of these reports.

**List of forms prescribed in respect of returns to be submitted to the Bank**

Form Number	Heading of form
<b>Monthly</b>	
BIR 101	Statement of Financial Position
BIR 111	Off-balance sheet
BIR 201	Statement of comprehensive income
BIR 610	Minimum liquid assets requirements
BIR 621	Liquidity Risk
MRR	Minimum reserve requirements ( <i>Average daily amount of total liabilities to the public</i> )
<b>Quarterly</b>	
BIR 108	Customer Complaints
BIR 170	Country risk
BIR 190 (A)	Report on fraud and other economic crime
BIR 301 (B)	Information Security
BIR 401	Capital adequacy requirements- Basel II
BIR 401	Capital adequacy requirements- Basel III
BIR 501	Credit risk
BIR 511	Single borrower and concentration risk
BIR 520	Interbank exposures
BIR 631	Interest rate risk in the banking book
<b>Yearly</b>	
BIR 140	Return regarding shareholders of banks / controlling companies
Proof of Insurance	Return regarding insurance for banks

Audited AFS	Report regarding the fair presentation of the bank's financial position and results
Management letter	Management letter
Audit Reports	Audited returns as at year-end
<b>As and when</b>	
BIR 190 (B)	Report on fraud and other economic crime
BIR 301 (B)	Report on information security
<b>Daily</b>	
BIR 611 A and B	Report on intraday liquidity

1. All statutory returns shall be submitted within 26 days immediately following the periods to which it relates, except the following:
  - a. MRR 1 - 14 days immediately following the month-end to which it relates.
  - b. Audited annual financial statements, Management letter and Audit reports to be submitted within 90 days immediately following the date to which it relates.

**PART III:**

**RETURNS AND DIRECTIVES**

**A – MONTHLY SUBMISSIONS**



## **STATEMENT OF FINANCIAL POSITION**

- 1) BIR 101 - **Statement of Financial Position**
- 2) Directives and interpretation for the completion of the Statement of Financial Position (BIR 101)

STATEMENT OF FINANCIAL POSITION							BIR 101							
(Confidential and not available for inspection by public)							(Monthly)							
(All amounts to be rounded off to the nearest NS'000)														
Line no.	LIABILITIES AND CAPITAL	Liabilities at month-end						Quarter end balances						
		Short-term	Medium-term	Long-term	Total	Daily average balance for month	Cost of funds (annualised) %	Group TOTAL	Intragroups SUB-TOTAL	PARENT	BANK	ASSET MANAGEMENT	MICROLENDING ENTITY	OTHER (5 % OR MORE OF CONSOLIDATED)
		1	2	3	4	5	6	7	8	9	10	11	12	
1	BANK FUNDING -DEPOSITS & BORROWINGS (total of items 2, 5 & 8)													
2	DEPOSITS (total sum of items 3 and 4)													
3	Intragroup													
4	Interbank													
5	BORROWINGS (total sum of items 6 and 7)													
6	Intragroup													
7	Interbank													
8	BALANCES DUE TO BANK OF NIMBIA													
9	NON-BANK FUNDING (total of items 10,17and 24)													
10	HOUSEHOLD DEPOSITS (total sum of items 11 to 16)													
11	Current accounts													
12	Call deposits													
13	Savings deposits													
14	Fixed and notice deposits													
15	Negotiable Certificates of Deposits													
16	Foreign currency deposits													
17	COMMERCIAL DEPOSITS (total sum of items 18 to 23)													
18	Current accounts													
19	Call deposits													
20	Savings deposits													
21	Fixed and notice deposits													
22	Negotiable Certificates of Deposits													
23	Foreign currency deposits													
24	BORROWINGS (total sum of items 18 to 22)													
25	Trading Liabilities													
26	Loans received under repurchase agreements													
27	Debt instruments issued													
28	Foreign currency loans received													
29	Other borrowings													
30	TOTAL FUNDING-RELATED LIABILITIES (total sum of items 1 & 9)													

\* For the purpose of this return, the definition of bank shall extend to all deposit taking intermediaries

\* For the purpose of this return, the definition of bank shall extend to all deposit-taking intermediaries

Line no.	LIABILITIES AND CAPITAL	Liabilities at month-end				Daily average balance for month	Cost of funds (annualised) %	Adjustment after end balances						
		Short-term	Medium-term	Long-term	Total			Group TOTAL	Intragroup SUB-TOTAL	PARENT SUB-TOTAL	BANK SUB-TOTAL	ASSET MANAGEMENT SUB-TOTAL	ROLLING BNT OF CONSOLIDATED SUB-TOTAL	OTHER (5 % OR MORE)
		1	2	3	4			1	2	3	4	5	6	7
31	NON-FUNDING RELATED LIABILITIES- (total sum of items 32 to 39)													
32	Taxes payable													
33	Deferred Tax Payable													
34	Dividends payable													
35	Accrued expenses													
36	Remittances in transit													
37	Derivative financial instruments													
38	Other trading liabilities													
39	Others													
40	TOTAL LIABILITIES- (total sum of items 30 and 31)	-	-	-										
41	CAPITAL AND RESERVES- (total sum of items 42, 45, 46 & 47)													
42	ISSUED SHARE CAPITAL (total of items 36 and 37)													
43	Ordinary share capital													
44	Preference share capital													
45	SHARE PREMIUM													
46	NON-DISTRIBUTABLE RESERVES													
47	DISTRIBUTABLE RESERVES (total sum of items 41 & 42)													
48	General reserve													
49	Retained income													
50	MINORITY INTEREST													
51	TOTAL LIABILITIES AND CAPITAL- (total of items 40, 41 and 50)	-	-	-										
52	Intragroup bank deposits denominated in foreign currency													
53	Interbank deposits denominated in foreign currency													
54	Intragroup bank borrowings denominated in foreign currency													
55	Interbank borrowings denominated in foreign currency													
56	Non-bank group deposits denominated in foreign currency													
57	Non-bank group borrowings denominated in foreign currency													

Line no	ASSETS	Month-end	Daily average	Annualised gross	Adjustment		Quarter end balances				OTHER (5 % OR MORE OF CONSOLIDATED)
		balance	balance	yield (pre-tax)	Group TOTAL	Intragroups SUB-TOTAL	PARENT SUB-TOTAL	BANK SUB-TOTAL	ASSET MANAGEMENT SUB-TOTAL	MICROLENDING SUB-TOTAL	
		1	2	3	4	5	6	7	8	9	10
58	Cash and Balances with the Banks (total sum of items 59, 60, 61 & 65)										
59	Legal tender in Namibia										
60	Other currency holdings, gold coins and bullion										
61	Balances with Bank of Namibia (total sum of items 55 to 57)										
62	Statutory reserve account										
63	Clearing account										
64	Other										
65	Balances with Banks (total sum of items 59 to 60)										
66	Denominated in legal tender in Namibia										
67	Denominated in foreign currencies										
68	Short term negotiable securities (total of items 69 to 71 less 72)										
69	Negotiable certificates of deposits (NCDs)										
70	Treasury bills										
71	Other										
72	Less: Specific provisions										
73	Total Loans and Advances (total of items 74 to 87)										
74	Loans to banks - repayable in legal tender										
75	Loans to banks - repayable in foreign currencies										
76	Loans to non-banks - repayable in foreign currencies										
77	Installment debtors, hire purchase, suspensive sales and leases										
78	Residential mortgages										
79	Commercial real estate mortgages										
80	Personal loans										
81	Fixed term loans										
82	Overdraft										
83	Credit card debtors										
84	Acknowledgement of debts discounted										
85	Loans granted under resale agreement										
86	Preference shares held to provide credit										
87	Other Loans and Advances										
88	Less: Specific provisions										
89	Less: General provisions										
90	Less: Interest-in-suspense										
91	Net loans and advances (item 73 less 88, 89, 90)										
92	Trading Securities - after mark-to-market adjustments (total of items 86 to 89)										
93	Fixed income										
94	Equities										
95	Derivative instruments										
96	Other										

Line no.	ASSETS	Month- end	Daily average	annualised gross	Adjustment							
		balance	balance	yield (pre-tax)	Group TOTAL	Intragroups SUB-TOTAL	PARENT SUB-TOTAL	BANK SUB-TOTAL	ASSET MANAGEMENT SUB-TOTAL	MICROLENDING SUB-TOTAL	OTHER (5 % OR MORE OF CONSOLIDATED) SUB-TOTAL	
		1	2	3	1	2	3	4	5	6	7	
97	Available for sale securities - after marking-to-market (total of items 98 to 100)											
98	Fixed income- (including NCDs held with banks)											
99	Listed equities											
100	Others- (including unlisted equities)											
101	Held to maturity securities (total of items 102 to 103 less 104)											
102	Fixed income- (including NCDs held with banks)											
103	Others- (including unlisted equities)											
104	Less: Specific provisions on investments											
105	Investments in consolidated entities											
106	Investments in unconsolidated subsidiaries, associates and joint ventures											
107	Investments in unconsolidated entities (sum of line items 106 to 112)											
108	Investments in significant insurance entities											
109	Investments in deconsolidated financial subsidiaries											
110	Investments in significant commercial entities											
111	Investments in significant financial entities											
112	Investments in non-significant entities											
113	Total trading and investment securities- (total sum of items 92, 97, 101, 98, 99 and 100)											
114	Property, plant and equipment- (total sum of items 115 to 118) -119											
115	Premises of banking institution											
116	Other fixed property											
117	Computer equipments including peripherals											
118	Other- including vehicles, furniture and fittings											
119	Depreciation											
120	Other assets- (total of items 121 to 125)											
121	Repossessed items											
122	Remittances in transit											
123	Receivables (net of provision)											
124	Deferred taxation											
125	Intangibles											
126	Other											
127	Other insurance related assets (sum of line items 119 to 121)											
128	Policy loans on investments contracts											
129	Reinsurance assets											
130	Other											
131	TOTAL ASSETS- (total sum of items 51, 61, 84, 99, 100, 106, 107, 112, 118 & 105)											
132	Memorandum debts:											
133	Nominal value of trading portfolio											
134	Nominal value of available for sale investment portfolio											
135	Market value of held-to-maturity investment portfolio											
136	Average total liabilities payable in Namibia Dollars (excluding capital funds)											
137	Average minimum local assets maintained											
137	Excess/deficiency (line item 126 minus line item 127)											

## **DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF STATEMENT OF FINANCIAL POSITION (BIR 101)**

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### **1. PURPOSE**

This return is to determine the financial condition of a banking institution at each month end as well as the cost of funds (liabilities) and gross yield on assets.

### **2. FREQUENCY**

Monthly

### **3. GENERAL GUIDELINES**

The maturity classification of a liability shall be determined with reference to the earliest refinancing date of the liability.

Short-term liabilities shall include all the liabilities due within 0 – 3 months. Medium-term shall include balances due between >3 months to 12months. Long-term liabilities will include balances maturing after 1 year.

The cost of funds in respect of a liability item identified in the statement shall be calculated on an annualized basis. (Express the applicable expense item appearing on the Statement of comprehensive income as a percentage of the average daily balance for the month of the corresponding liability item and multiply the result by the number of days in a calendar year divided by the number of calendar days in the month to which this statement relates).

The gross yield in respect of an asset item identified in the statement shall be calculated on an annualized basis and before taxation on such income is taken into consideration. (Express the applicable income item appearing on the Statement of comprehensive income as a percentage of the average daily balance for the month of the corresponding asset item and the result is multiplied by the number of days in a calendar year divided by the number of calendar days in the month to which this statement relates).

All the information shall be reported on the basis of gross balances unless otherwise provided in this particular directive.

All liabilities shall include interest accrued up to the end of the period to which the statement relates. Assets shall include interest accrued up to the end of the period to which the statement relates in accordance with the determinations on Asset classification, suspension of interest and provisioning (BID 2).

Amounts shall be shown to the nearest thousand Namibian dollar (N\$'000).

#### **4. INSTRUCTIONS**

Instructions relating to the completion of this return are furnished, with reference to the headings and item descriptions of line item numbers on the return form BIR 101, as follows:

*Line item*

*No.*

##### **3 Intragroup bank deposit**

Report all deposits received by the reporting bank from all depository institutions affiliated with.

##### **4 Interbank deposits:**

Report all deposits (including Vostro accounts and NCDs) received by the reporting bank from all other depository institutions (other than those affiliated with it).

##### **6 Intragroup bank borrowing**

Report balances on all credit facilities (including overnight overdraft facilities) at depository institutions affiliated with the reporting institution.

##### **7 Interbank borrowing**

Report balances on all credit facilities (including overnight overdraft facilities) at other depository institutions other than those affiliated with the reporting institution.

##### **8 Balances due to Bank of Namibia**

Report all balances due to the Bank of Namibia

##### **11 Current Accounts**

Report all household credit balances on current accounts from which any part of the balance can be withdrawn on demand i.e. in cash, by means of direct debit orders or an automated teller machine or any other electronic means. This item will include amounts transferable on demand and have no fixed maturity or period of notice requirement for withdrawal of funds.

## **12 Call deposits**

Report household balances on all call deposit accounts excluding savings deposits -as defined below- but including the following balances:

- Call money received from non-banks or monies withdrawable with a notice period of less than or equal to 24 hours including money market deposits.
- Matured fixed deposits, excluding those deposits which the deposit agreement provides the funds to be transferred at maturity to another type of account.
- Unclaimed funds that can be withdrawn at anytime (other than the foregoing).

## **13 Savings deposits**

Report all household non-transaction deposit accounts or funds for which the bank does not reserve the right to require written notice on an intended withdrawal.

These are accounts from which cash can be withdrawn through a teller or an automated teller machine.

## **14 Fixed and Notice Deposits**

Report the household balance on all deposit accounts which the depositor does not have a right, and is not permitted to make withdrawals without a specified number of days after notice to do so has elapsed or the specified time after the date of the deposit has expired.

## **15 Negotiable certificates of deposits (NCDs)**

Report the household balance of NCDs issued by the reporting banking institution that are not reported under line item 3 & 4 of this return. This item will also include promissory notes and other similar character debt securities issued by the reporting bank.

## **16 Foreign currency deposits**

Report all household non-bank deposits, including intragroup non-bank, repayable in foreign currencies.

## **18 Current Accounts**

Report all commercial credit balances on current accounts from which any part of the balance can be withdrawn on demand i.e. in cash, by means of a third party, by means of direct debit orders or an automated teller machine or any other electronic means. This item will include amounts transferable on demand and have no fixed maturity or period of notice requirement for withdrawal of funds.

## **19 Call deposits**



Report commercial balances on all call deposit accounts excluding savings deposits -as defined below- but including the following balances:

- Call money received from non-banks or monies withdrawable with a notice period of less than or equal to 24 hours including money market deposits.
- Matured fixed deposits, excluding those deposits which the deposit agreement provides the funds to be transferred at maturity to another type of account.
- Unclaimed funds that can be withdrawn at anytime (other than the foregoing).

## **20 Savings deposits**

Report all commercial non-transaction deposit accounts or funds for which the bank does not reserve the right to require written notice on an intended withdrawal.

These are accounts from which the balance in cash can be withdrawn through a teller or an automated teller machine.

## **21 Fixed and Notice Deposits**

Report the commercial balance on all deposit accounts which the depositor does not have a right, and is not permitted to make withdrawals without a specified number of days after notice to do so has elapsed or the specified time after the date of the deposit has expired.

## **22 Negotiable certificates of deposits (NCDs)**

Report the commercial balance of NCDs issued by the reporting banking institution that are not reported under line item 3 & 4 of this return. This item will also include promissory notes and other similar character debt securities issued by the reporting bank.

## **23 Foreign currency deposits**

Report all commercial non-bank deposits, including intragroup non-bank, repayable in foreign currencies.

## **24 Trading liabilities**

Report the amount of liabilities from the bank's trading activities. Include all liabilities for short positions, revaluation losses resulting from marking to market on interest rate, foreign exchange rate, and other commodity and equity contracts, which the bank has entered for trading or customer accommodation, and similar purposes. This item shall also include rediscounted debts purchased for trading purposes.

## **26 Loans received under repurchase agreements**

Report the amount received for the sale of assets under repurchase agreements. The liability of the reporting bank, by virtue of a repurchase agreement entered into by the bank with any other person, shall

constitute a loan to the bank, and the bank shall bring the loan liability into account at the amount of the consideration received for the asset so sold.

**27 Debt instruments issued**

Report all debentures or any other such instruments issued.

**28 Foreign currency loans received**

Report all non-bank borrowings repayable in foreign currencies.

**29 Other borrowings**

Report all other loans received by the banking institution not included elsewhere in the line items described above.

**32 Taxes payable**

Report the liability for income tax as at the reporting date.

**33 Deferred tax payable**

Report the gross amount of credit items on a deferred tax account. This item will include the amount of income taxes payable in future periods in respect of taxable temporary differences.

**34 Dividends payable**

Report the aggregate amount declared or recommended for distribution by way of dividend before or on the Statement of Financial Position date.

**35 Accrued expenses**

Report all expenses accrued and outstanding at the Statement of Financial Position date.

**36 Remittances in transit**

Report drafts issued but still outstanding, credits in transit in respect of mail, telegraphic or similar transfers not yet presented for payment.

**37 Derivative financial instruments**

Report the aggregate amount of all derivative instruments which forms part of the reporting bank's liabilities.

**38 Other trading liabilities**

Report all trading liabilities not catered for under above line items.

**39 Others**

Report other liabilities not included elsewhere on this return.

**43 Ordinary share capital**

Report the par value of ordinary shares fully paid for by the shareholders of this particular class of shares. In case of no par value shares report the value of the asset concerned.

**44 Preference share capital**

Report the value of issued preference shares fully paid for by shareholders of this particular class of shares.

**45 Share premium**

Report the excess amount above the par value of shares. In case of no-par value shares, report an amount equal to the value of the asset concerned.

**46 Non-distributable reserves**

Report the unrealized profit on revaluation of property, plant, equipment (valued by an independent sworn appraiser) and other non-current assets. This will include also amounts of which the articles of the bank prohibit distribution and any reserves regarded non-distributable by the directors of the reporting bank.

**47 General reserve**

Report any amount, which has been transferred as reserves and which may be distributed by way of dividends.

**49 Retained income**

Report the accumulated profits or losses at the end of the reporting period, as reported in the Statement of comprehensive income of the same period.

**50 Minority Interest**

Report the part of net results of operations and of net assets of a subsidiary attributable to minority interest (interest that is not owned directly or indirectly through subsidiaries) accounted for using the equity method.

**52 Intragroup bank deposits denominated in foreign currency**

Report all deposits received in foreign currency by the reporting bank from all depository institutions affiliated with.

**53 Interbank deposits denominated in foreign currency**

Report all deposits (including Vostro accounts and NCDs) in foreign currency received by the reporting bank from all other depository institutions (other than those affiliated with it).

**54 Intragroup bank borrowings denominated in foreign currency**

Report balances on all credit facilities (including overnight overdraft facilities) in foreign currency at depository institutions affiliated with the reporting institution.

**55 Interbank borrowings denominated in foreign currency**

Report balances on all credit facilities (including overnight overdraft facilities) in foreign currency at other depository institutions other than those affiliated with the reporting institution.

**56 Non-bank group deposits denominated in foreign currency**

Report all non-bank deposits received by the reporting bank in foreign currency.

**57 Non-bank group borrowings denominated in foreign currency**

Report balances on all credit facilities (including overnight overdraft facilities) in foreign currency.

**ASSETS**

**59 Legal tender in Namibia**

Report coins and notes that are legal tender in Namibia.

**60 Other currency holdings, gold coin and bullion**

Report the value at the month-end using the Namibia Dollar price for gold established at the afternoon gold price fixing on the London Gold Market and converted by using the closing middle NAD/USD exchange rate on that day. For non-gold foreign balances use the closing mid-rate for that day.

**62 Statutory reserve account**

Report the balance on the statutory reserve account held with BON as at the reporting date.

**63 Clearing account**

Report the balance on the clearing account held with BON as at the reporting date.

**64 Other**

Report any other credit account balances maintained with the Bank of Namibia, such as call accounts (interest bearing or not) and foreign currency deposit account balances. Do not set-off against balances due to BON.

**66 Bank balances denominated in legal tender**

Report placements or investment of funds with banks (excluding loans) denominated in a currency, which is a legal tender in Namibia.

**67 Bank balances denominated in foreign currencies**

Report placements or investment of funds (excluding loans but including nostro accounts) denominated in a foreign currency.

**69 Negotiable certificates of deposits (NCDs)**

Report the balance of NCDs bought by the reporting banking institution that are not reported under line item 59 & 60 of this return.

**70 Treasury bills**

Report the aggregate amount of all treasury bills holdings from the Government of Namibia.

**71 Other**

Report any other short-term negotiable securities not included under line item 62 and 63 such as Investment graded debt securities issued by Multilateral Development Banks or Multilateral Development Organizations, denominated in domestic currency.

**72 Specific provision**

This item will include all the provisions raised by the reporting banking institution on short-term negotiable securities in terms of internal provisions laid by the board.

**74 Loans to banks – repayable in legal tender**

Report all loans and advances, granted by the reporting bank and repayable in legal tender to any other bank, including intra group loans.

**75 Loans to banks – repayable in foreign currencies**

Report all loans and advances granted by the reporting bank and repayable in foreign currency to any other bank, including intragroup loans.

**76 Loans to non-banks – repayable in foreign currencies**

Report all loans and advances granted by the reporting bank to any non-bank person, which are repayable in foreign currency.

#### **77 Instalment debtors, hire purchase, suspensive sales and leases**

Report the balances on installment debtors or hire purchases, suspensive sales and lease accounts. The amount reported shall be the full amount of future installments or rentals due and payable less related unearned finance charges. The item shall exclude goods repossessed (their estimated net realizable value shall be included under the item "repossessed items" on this return).

If retention has been withheld from the suppliers of goods that are the subject of agreements, such retentions shall be deducted from the amounts reported under this item only if a legal right so to withhold is embodied in the written agreement. (When no such right exists, the amount withheld shall be included under the liability item 'other borrowing').

Leasing transactions means a transaction in terms of which a lessor leases property to a lessee against payment, by the lessee to the lessor, of a stated or determinable sum of money at a stated or determinable future date or in whole or in part in installments over a period in the future, but does not include a transaction by which it is agreed at the time of the conclusion thereof that the debtor or any person on his behalf shall at any stage during or after the expiry of the lease or after the termination of that transaction become the owner of those goods or after such expiry or termination retain the possession or use or enjoyment of those goods.

#### **78 Residential Mortgages**

Report all loans granted to acquire or improve immovable property including loans granted against the security of such property where the primary collateral reliance is that property and the purpose was to purchase or improve the property or refinance existing debt against such property.

#### **79 Commercial real estate mortgages**

Report all loans secured by mortgage on commercial real estates.

#### **80 Personal Loans**

Report study loans, staff personal loans and all other loans to individuals (including micro loans) granted for personal use and not included in any of the other categories.

#### **81 Fixed term Loans**

Report loans granted with a future due date. In other words, loans which are not callable by the bank until that maturity date.

**82 Overdraft:**

Report all debit balances or overdrawn amounts (planned or unplanned) on current account or other similar accounts including the following;

- Debit balances on central group accounts opened for the purposes of cash–management schemes conducted in accordance with the provisions of Circular BIA 5/98.
- Amount due in respect of factoring agreements, net of unearned finance charges.
- Lending in order to finance a dealer's stock, in terms of floor plans.

**83 Credit Card Debtors**

Report all the amounts due to the reporting bank by credit card holders on their credit card accounts, in respect of credit card transactions, less related unearned finance charges. Credit balances on the credit card accounts will be reported as liabilities (demand deposits).

**84 Acknowledgement of debts discounted**

Report all bills, promissory notes, acceptances and other acknowledgements of debt discounted or purchased in order to provide credit. Bills, promissory notes, acceptances and acknowledgements of debt purchased for trading purposes shall be reported as assets.

**85 Loans granted under resale agreement**

Report the amount (equal to the consideration paid) for assets acquired by the reporting banking institution subject to a resale agreement. If the asset is subsequently sold to another person in terms of a repurchase agreement, the amount reported under this item shall be unaffected, and the liability by virtue of the repurchase agreement shall be reflected as liability.

**86 Preference shares held to provide credit**

Report the preference shares held in accordance with the provision of Circular BONA 2/99.

**87 Other loans and advances**

Report any other loans and advances that cannot be categorized under any of the aforementioned loan categories.

**88 Specific provisions**

Report the amount of specific provisions raised in terms of paragraph 11 of the Determinations on Asset Classification, Suspension of Interest and the Provisioning (BID–2).

**89 General provisions**

Report the amount of general provisions raised in terms of paragraph 11 of the Determinations on Asset Classification, Suspension of Interest and the Provisioning (BID–2).

**90 Interest in suspense**

Report the amount of interest suspended in terms of paragraph 9 of the Determinations on Asset Classification, Suspension of Interest and the Provisioning (BID–2).

**92 Trading securities**

These are financial assets acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin and are reported at fair value.

**93 Fixed Income Securities**

Report all interest and non-interest-bearing debt instruments with a fixed or determinable payments and fixed maturity held for trading purposes, (including NCDs held with banks) recognised and measured at fair value, in accordance with the relevant accounting standard.

**94 Equities**

Report all listed equities held for trading purposes.

**95 Derivative instruments**

Report all derivative instruments except designated and effective hedging instruments. Typical examples of derivatives are futures, and forward, swap, and option contracts.

**96 Other trading securities**

Report any other assets held for trading purpose not included on lines 78 to 80 above.

**97 Available for sale securities**

Report all financial assets, which are not loans or receivables originated by the bank, which are also not designated as held to maturity or as held for trading purposes.

**98 Fixed Income**

Report all interest and non-interest bearing debt instruments (including NCDs held with banks) as available for sale.

**99 Listed equities**



Report all listed equities that is not either held for trading purposes or held to maturity as available for sale

**100 Others – (including unlisted equities)**

Report any other financial asset that is not either held for trading purposes or held to maturity as available for sale.

**101 Held to maturity securities**

Report all financial assets with fixed or determinable payments and fixed maturity that the reporting bank has the positive intent and ability to hold to maturity other than loans and receivables originated by the reporting bank.

**102 Fixed Income (including NCDs held with banks)**

Report all interest and non-interest bearing debt instruments (including NCDs held with banks) designated as held to maturity.

**103 Others (including unlisted equities)**

Report any other asset designated as held to maturity, but not included as fixed income securities above.

**104 Specific provisions on investments**

This item will include all the provisions raised by the reporting banking institution in terms of internal provisions laid by the board.

***Line item 105 to 112 is for holding group (consolidated) regulatory returns only.***

**105 Investments in consolidated entities**

For holding companies report any investments in consolidated entities in this return using the equity method.

**106 Investments in unconsolidated subsidiaries, associates and joint ventures**

Report any investments in subsidiaries not consolidated in this return, associates and joint ventures using the equity method.

**107 Investments in unconsolidated entities**

For holding companies report any investments entities not consolidated in this return using the equity method.

**108 Investments in significant insurance entities**

For holding companies report any investments in insurance entities using the equity method.

**109 Investments in deconsolidated financial subsidiaries**

For holding companies report any investments in deconsolidated financial subsidiaries using the equity method.

**110 Investments in significant commercial entities**

For holding companies report any investments in commercial entities using the equity method.

**111 Investments in significant financial entities**

For holding companies report any investments in significant financial entities using the equity method.

**112 Investments in non-significant entities**

For holding companies report any investments in non-significant entities using the equity method.

**115 Premises of banking institution**

Report all land and buildings owned by the reporting bank and used or intended to be used by it mainly for the purpose of the conduct of its business as a bank, including official residences. Amounts relating to capital cost of leasehold premises shall also be included. Report the amounts of shares in, or loans and advances to, subsidiary companies of which the main object is the holding of fixed property that is used or intended to be used by the reporting bank mainly for the purpose of the conduct of its business as a bank. Amounts shall be stated at net book values.

**116 Other fixed property**

Report all investments in fixed property at net book values not used or intended to be used by the reporting bank mainly for the purpose of the conduct of its business as a bank. This shall include, amounts owing to the reporting bank in respect of immovable property sold by it under deed of sale.

**117 Computer equipment, including peripherals**

Report the net book value of all computer equipment including their peripherals

**118 Other (including vehicles, furniture and fittings)**

Report any other property, plant or equipment, including but not limited to vehicles, furniture and fittings at their net book value

**119 Depreciation**

Report the estimated reduction in value of fixed assets due to wear and tear.

### **121 Repossessed items**

Report:

- Assets bought in to protect an advance or investment and not yet disposed of, such as moveable assets, immovable property or companies of which the main object is the acquisition and holding or development of immovable property.
- Investment in shares of companies of which the main object is not the holding of fixed property and which shares were bought in to protect an advance or an investment.
- Assets so bought in shall be valued at the lower of either cost or estimated net realizable value.
- After a lapse of five years, the asset bought in shall no longer be regarded as protecting an advance or investment and shall be reclassified to the appropriate line item on this return.
- The bank shall furnish details in respect of selected items included under this item on this return.

### **122 Remittances in transit**

Report balances due by head office and branches in Namibia. The net interbranch and head-office debit balances resulting from entries that originate or require response outside the head office or outside any particular branch shall be included under this item. A net credit balance shall be reported as liability. Report the amounts of other orders to pay, drawn on one of a bank's branches in Namibia or on another bank in Namibia or on the Bank of Namibia, and with another branch of or bank in Namibia has credited a client or which it has paid out but with which the first-mentioned branch or bank or the Bank of Namibia has not yet debited a client, as well as the amount of a warrant voucher that the reporting bank has paid out but for which it has not yet received repayment, shall be included under this item.

### **123 Receivables (net of provision)**

Report any accrued and outstanding balances at the Statement of Financial Position date.

### **124 Deferred taxation**

Report the gross amount of debit items on a deferred tax account. This will include any amount of taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and carry forward of unused tax credits.

### **125 Intangibles**

Report the value of intangible assets such as goodwill, brand recognition, intellectual property etc.

### **126 Other**

Report postal and money orders, tax overpaid, services deposits and stamps, as well as all assets not specifically required to be shown elsewhere in form BIR-101.

**128 Policy loans on investments contracts**

For Holding company to report, a loan is issued which uses the cash value of a borrower's life insurance policy as collateral.

**129 Reinsurance assets**

Report the total of re-insurance assets of the group.

**130 Other**

Report the total of other assets relating to business or activities of insurance entities of the group.

**137 Average total liabilities to the public in Namibian Dollars**

Report the aggregate of the total liabilities (excluding capital funds) of all days in the month divided by the number of calendar days in the particular month, to which the return relates.

**138 Average minimum local assets maintained**

This item will include the aggregate of all assets denominated in Namibian dollars and situated in Namibia, divided by the number of calendar days in the particular month.

## **OFF - BALANCE SHEET**

- 1) BIR 111 - **Off - Balance sheet**
- 2) Directives and interpretation for the completion of the off-balance sheet (BIR 111)

OFF-BALANCE SHEET ITEMS			BIR 111	
(Confidential and not available for inspection by the public)			(Monthly)	
			Bank	Group
Line No	ITEM (S)		(N\$' 000)	(N\$' 000)
1	<b>Guarantee and other similar Contingent Liabilities (sum of line items 2 to 10)</b>			
2		Guarantees		
3		Acceptances		
4		Transaction with recourse (sales and repurchase agreement and assets sales with recourse where the credit risk remain with the bank.)		
5		Repurchase type transactions involving security borrowing and lending		
6		Standby letter of credit		
7		Documentary letter of credit		
8		Warrantees, Indemnities, bid bonds and performance bonds		
9		Endorsements		
10		Lending of bank's security or the posting of security as collateral by banks including instances where these arise out of repo-style transactions		
11	<b>Commitments (sum of line items 12 to 15)</b>			
12		Irrevocable commitments, Note issuance facilities (NIFs) and revolving underwriting facilities (RUFs)		
13		Revocable commitments		
14		Foreign exchange, interest rate, forward assets purchase, forward deposits and partly - paid share and securities which represent commitment with certain drawdown		
15		Undrawn loan commitments		
16	<b>Advisory, Management and Underwriting functions (sum of 16 to 20)</b>			
17		Portfolio managed		
18		Security Underwriting		
19		Security under safe keeping		
20		Other		
21	<b>Securitization exposures</b>			
22	<b>Other contingent liabilities (including obligations arising from debt endorsed and rediscounted)</b>			
23	<b>Total (sum of items 1, 11, 15, 20 and 22)</b>			

## **DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF OFF- BALANCE SHEET (BIR 111)**

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### **1. PURPOSE**

This return is to determine the nature and the extent of off-balance sheet activities to which the reporting bank is irrevocably committed.

### **2. FREQUENCY**

Monthly

### **3. GENERAL GUIDELINES**

In order for the reporting bank to clearly distinguish the off-balance-sheet activities to which it is irrevocably committed from the off-balance-sheet activities to which it is not irrevocably committed, a bank shall ensure that the applicable documentation between the bank and its clients clearly provides for such a distinction.

For the purposes of these Regulations –

- (a) Irrevocable commitment means the bank commits itself to honoring an obligation, and the obligation may not be cancelled or amended without the prior written agreement of all parties, or until the client defaults in terms of the conditions of the contract;
- (b) Revocable commitment means the obligation may be cancelled at the discretion of the reporting bank.

### **4. INSTRUCTIONS**

Instructions relating to the completion this return are furnished with reference to the headings and item descriptions of line item numbers on the return form BIR 111, as follows:

*Line item Number*

#### **2 Guarantees**

Report undertakings by the reporting banking institution (the guarantor) to stand behind the *current* obligations of third parties and to carry out their obligations should they fail to do so, e.g. a *loan guarantee*

under which A makes a loan to B against a guarantee of repayment provided by the reporting banking institution.

### **3 Acceptances**

Report obligations by the reporting banking institution to pay on maturity the face value of a bill of exchange, normally covering the sale of goods.

### **4 Transactions with recourse**

Report arrangements whereby the reporting banking institution sells a loan or other asset to a third party but retains an obligation to assume the credit risk if the borrower defaults or the value of the asset otherwise deteriorates. Typically, these involve the sale of assets previously owned by the bank ("*asset sales with recourse*"). They may also take the form of "*put options*", where the holder of the asset is entitled to "put" the asset back to the bank if, for example, the credit quality deteriorates.

### **5 Repurchase type transactions involving security borrowing and lending**

Report all arrangements whereby the reporting banking institution engage in the lending of its securities or the posting of securities as collateral; including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and security lending/security borrowing transactions).

### **6 Standby letters of credit**

Report obligations on the part of the reporting banking institution to a designated beneficiary to perform or provide compensation under the terms of the underlying contracts to which they refer, should the bank's customers fail to do so. The underlying contracts may involve either financial or non-financial undertakings, e.g. the customer's payment of commercial paper, delivery of merchandise or completion of construction contracts. The range of obligations encompassed under this heading can be very wide, from a conventional guarantee to a commitment to take up commercial paper. If the customer fails, the bank may have a preferential claim on its assets.

### **7 Documentary letters of credit**

Report letters of credit guaranteeing payment by the reporting banking institution (issuing or opening bank) in favor of an exporter against presentation of shipping and other documents. When issued by an importer's bank it may be "confirmed" by an exporter's bank. Confirmation provides an additional guarantee of payment.

### **8 Warranties, indemnities and Performance Bonds**

Report counter-guarantees provided by the reporting banking institution that a customer will pay compensation if goods or services (including financial contracts) provided to a third party do not meet the



terms specified in a contract, e.g. *performance bonds*. Also, any general guarantee that a customer will make payment to a third party in specific circumstances, e.g. *customs and tax bonds*.

## **9 Endorsements**

Report guarantees (or warranties) to pay, on maturity, the face value of a bill of exchange (e.g. by endorsing it "per aval").

## **10 Lending of bank security or posting of security as collateral by banks, including instances where these arise out of repo-style transactions.**

Report all contingent liabilities related to the lending of bank's securities or the positing of securities as collaterals by banks, including instances where these arise out of repo style transaction (i.e. repurchase/reverse repurchase and security lending /security borrowing transactions).

## **12 Irrevocable commitments**

Report the following irrevocable commitments by the reporting banking institution as gross amounts, Asset sale and repurchase agreements, Outright forward purchases, Outright forward sales, Forward deposits, Partly-paid shares and securities, Banks standby facilities or Irrevocable revolving lines of credit, Note Issuance Facilities (NIFs) and Revolving Underwriting Facilities (RUFs)

## **13 Revocable commitments**

Report the credit lines and undrawn overdraft facilities by the reporting banking institution to customers.

## **14 Foreign exchange, interest rate and related transactions**

Report the following as gross amounts: Forward foreign exchange contracts, Currency and interest rate swaps, Currency futures, Currency options, Forward rate agreements, Interest rate futures, Interest rate (Interest rate guarantees (IRGs) a.k.a. interest rate capping agreements also a form of interest rate option, Stock index futures, Stock index options.

## **15 Undrawn loan commitments**

Report the gross loans that the reporting banking institution undertake to make funds available to the borrower under a revolving credit facility or a delayed term facility that the borrower has either drawn or has drawn and repaid. Including loans approved but not advanced (LANA), revocable undrawn loan commitments such as the undrawn portion of an overdraft limit (which facilities are usually provided as an on-demand facility. Commitments (i.e. these are commitments where a letter of offer for a new loan has been issued by a bank to a potential or existing customer (particularly after the customer has accepted the offer and a contract is completed legally and it becomes irrevocable (subject to some issue with a term or condition of the offer not being fulfilled or other inadequacy in the documentation (e.g.

security is found to be unenforceable or defective prior to drawdown) for the loan), prior to that it is a revocable commitment by the bank or a letter of offer that may never be accepted by the offeree), but documentation etc. is still going on and the new loan is not drawn down yet.

#### **17      Portfolios Managed**

Report obligations of the reporting banking institution arising from the management of assets legally the property of customers and other parties, either on the basis of discretion in the choice of investments or otherwise.

#### **18      Securities underwriting**

Report obligations of the reporting banking institution (the underwriter) where it undertakes to take up the whole or a pre-agreed part of a capital market issue at a predetermined price.

#### **19      Securities under safe keeping**

Report obligations of the reporting banking institution, arising from its undertakings to hold and to service stocks, bonds, or money-market instruments. The bank will be liable for negligence, for example, if it fails to collect due dividend or interest payments and to present the instrument at maturity.

#### **20      Other**

Report all other advisory, management and underwriting functions including Agency functions and counter trade (or barter trade).

#### **21      Securitization exposures**

The information to be reported under this line item include the amount equal to the value of credit protection facilities sold to other banking institutions or other credit protection buyers by the reporting banking institution under credit derivative arrangements, which may become an actual exposure in the event of default by the borrower in whose favour the protection cover is provided. The amount should also include other contingent liabilities emanating from securitisation transactions where the reporting banking institution strongly feel that, the inherent credit risk in a given pool of securitised exposures has not been adequately transferred due to uncertainties that exist about certain exposures in the pool, that may become non-performing in future (e.g. Eligible liquidity facilities and Eligible Service Cash Advance Facilities, or risk retained by the originating bank for securitized exposures.).

#### **22      Other contingent liabilities (including obligations arising from debt endorsed and rediscounted)**

Report all other obligations for which the reporting bank may assume liability, and which are not classified elsewhere in this return, including all bills, promissory notes, commercial paper and other

acknowledgements of debt endorsed and rediscounted, but still outstanding on behalf of clients per contra. Exclude rediscounted debts purchased for trading purposes.

## STATEMENT OF COMPREHENSIVE INCOME

- 1) BIR 201 - **Statement of comprehensive income**
- 2) Directives and interpretation for the completion of the Statement of comprehensive income (BIR 201)

## STATEMENT OF COMPREHENSIVE INCOME

(Confidential and not available for inspection by the public)

BIR-201

(All amounts to be rounded off to the nearest N\$'000)

Line no.	ITEM(S)	Bank Current month	GROUP	ADJUSTMENTS (intragroup transactions and balances)	PARENT	BANK (quarterly)	ASSET MANAGEMENT COMPANY	MICROLENDING ENTITY	OTHER (5% or more of consolidated total assets)
		1							
1	Interest income from loans and advances and deposits placed- (total of items 2 to 18 less 19)								
2	Balances with Bank of Namibia								
3	Balances with banks								
4	Short-term negotiable securities								
5	Loans to banks - repayable in legal tender								
6	Loans to banks - repayable in foreign currencies								
7	Loans to non-banks - repayable in foreign currencies								
8	Instalment debtors, hire purchase, suspensive sales and leases								
9	Residential mortgages								
10	Commercial real estate mortgages								
11	Personal loans								
12	Fixed term loans								
13	Overdraft								
14	Credit card debtors								
15	Acknowledgement of debts discounted								
16	Loans granted under resale agreement								
17	Preference shares held to provide credit								
18	Other loans and advances								
19	Less: Net interest suspended								
20	Interest expense in respect of deposits and loans received- (total of items 21 to 37)								
21	Intragroup deposits								
22	Interbank deposits								
23	Intragroup borrowings								
24	Interbank borrowings								
25	Balances due to Bank of Namibia								
26	Current accounts								
27	Call deposits								
28	Savings deposits								
29	Fixed and notice deposits								
30	Negotiable certificates of deposits								
31	Foreign currency deposits								
32	Loans received under repurchase agreement								
33	Debt instruments issued								
34	Foreign currency loans received								
35	Other borrowings								
36	Non-Bank deposits								
37	Non-Bank Borrowings								
38	Net interest income-(total of items 1 less 20)								
39	Provisions and Write-offs (total of items 40 to 43)								
40	Specific loan loss provisions-								
41	Bad debts directly written-off								
42	General provisions								
43	Other provisions								
44	Other Operating Income ( total of items 45 and 49)								

45	Fee income - (total of items 44 and 45)								
46	Transaction-based banking-related fee income								
47	Knowledge-based fee income								
48	Other sundry income								
49	<b>Net trading income / (loss) (total of items 50 to 53)</b>								
50	Fixed income								
51	Equities								
52	Derivative instruments								
53	Other								
54	<b>Income from non-traded securities- (total of items 55 to 58)</b>								
55	Fixed income								
56	Equities								
57	Derivative instruments								
58	Other								
59	<b>Insurance related income (sum of line items 60 &amp; 61)</b>								
60	Net insurance premium income								
61	Other insurance related income								
62	<b>Other operating expenses- (total of items 63 to 70)</b>								
63	Staff cost								
64	Directors fees and remuneration								
65	Marketing								
66	Auditing								
67	Consultancy and management fees								
68	Occupancy expenses								
69	Depreciation and amortization								
70	Administration and other overheads								
71	<b>Income before tax- (total of items 38 - 39 + 44 + 49 + 55 + 59 - 62)</b>								
72	<b>Taxation- (total of items 73 to 75)</b>								
73	Current								
74	Deferred								
75	Gross-up adjustment								
76	<b>Net income after tax- (item 71 less 72)</b>								
77	Extraordinary items								
78	Associate income/(expenditure) - AC 110								
79	Reser - Transfers to								
80	- Transfers from								
81	Dividends paid or proposed								
82	RETAINED INCOME FOR THE PERIOD- (item 76 to 81)								
83	RETAINED INCOME AT BEGINNING OF THE PERIOD								
84	RETAINED INCOME AT END OF THE PERIOD- (item 77 + 78)								

## **DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF STATEMENT OF COMPREHENSIVE INCOME (BIR 201)**

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### **1. PURPOSE**

The purpose of this return is to determine the performance of a banking institution for the month.

### **2. FREQUENCY**

Monthly

### **3. GENERAL GUIDELINES**

The column titled “Current year to date” in this return shall reflect the year-to- date amounts in respect of the financial year of the reporting banking institution. Should there be an error on a return previously submitted, the banking institution shall revise and submit such return and all other subsequent returns.

### **4. INSTRUCTIONS**

Instructions relating to the completion of this return are furnished with reference to the item descriptions and line item numbers appearing on the return, as follows (where appropriate, the corresponding balance – sheet item number(s) is / are indicated):

The items listed in the Statement of comprehensive income shall reflect income/expense in respect of the corresponding item listed in the Statement of Financial Position, excluding unearned/deferred finance charges as follows:

<b>Statement of comprehensive income Income line item</b>	<b>Corresponding Statement of Financial Position - Asset line item</b>	<b>Statement of comprehensive income - Expense line item</b>	<b>Corresponding Statement of Financial Position -Liability line item</b>
2	61	21	3
3	65	22	4
4	68	23	6
5	74	24	7
6	75	25	8

7	76	26	11, 18
8	77	27	12, 19
9	78	28	13, 20
10	79	29	14, 21
11	80	30	15, 22
12	81	31	16, 23
13	82	32	26
14	83	33	27
15	84	34	28
16	85	35	29
17	86	36	23
18	87		
20, 21, 22, 23, 24.25			
<b>Income from Trading and Investment activities</b>			
49	92	55	97, 101



## **DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF STATEMENT OF COMPREHENSIVE INCOME (BIR 201)**

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### **5. PURPOSE**

The purpose of this return is to determine the performance of a banking institution for the month.

### **6. FREQUENCY**

Monthly

### **7. GENERAL GUIDELINES**

The column titled “Current year to date” in this return shall reflect the year-to- date amounts in respect of the financial year of the reporting banking institution. Should there be an error on a return previously submitted, the banking institution shall revise and submit such return and all other subsequent returns.

### **8. INSTRUCTIONS**

Instructions relating to the completion of this return are furnished with reference to the item descriptions and line item numbers appearing on the return, as follows (where appropriate, the corresponding balance – sheet item number(s) is / are indicated):

The items listed in the Statement of comprehensive income shall reflect income/expense in respect of the corresponding item listed in the Statement of Financial Position, excluding unearned/deferred finance charges as listed on the table above.

#### **19 Net interests suspended**

Report the amount of interest suspended on loans and advances during the month.

#### **40 Specific loan loss provisions**

Report all provision charges for loans and advances during the month.

#### **41 Bad debts written off**

Report bad debts for which no specific provision was made.

**42 General provisions**

Report the amount of general provision charges for loans and advances during the month.

**43 Other provisions**

Report any other provision charges for loans and advances during the month.

**46 Transaction-based banking-related fee income**

This item shall include all non-interest income earned as a direct result of any service rendered by the reporting banking institution at a fee levied on the basis of standardized tariff. Typically, this includes fees levied in respect of services relating to money transactions. (This item shall include fees levied in respect of off-balance sheet transactions but excludes interest income.)

**47 Knowledge-based fee income**

This item shall include all income earned as a result of any services rendered by the reporting banking institution at a fee that is negotiable. For example, the bulk of the income from a corporate finance department of a banking institution-undertaking merchant - type of banking business. It may include, but are not limited to, fees from;

- Provision of advice and drawing of documentation,
- Corporate finance, project finance property finance deals,
- Exchange control applications.

**48 Other sundry income**

This line item intends to capture for all other fee income such as rental received by banking institutions and any other type of income not specified anywhere in the return. Bad debts recovered during the month and income (or loss) associated with minority interests shall be included under this item.

**50 Fixed income**

Report income/ (losses) from all interest and non-interest bearing debt instruments with a fixed or determinable payments and fixed maturity.

**51 Equities**

Report income/ (losses) from all listed equities whether held for trading purposes or to maturity or available for sale

**52 Derivative instruments**

Report income/losses) on derivative instruments

**53 Other**

Report any other income/ (losses) from all listed equities whether held for trading purposes or to maturity or available for sale not reported on the above, for holding companies.

**55 Fixed income**

Report income/ (losses) from all non-traded securities with a fixed or determinable payments and fixed maturity.

**56 Equities**

Report income/ (losses) from all non-traded equities whether held for trading purposes or to maturity or available for sale.

**57 Derivative instruments**

Report income/losses) on non-traded derivative instruments.

**58 Other**

Report any other income/ (losses) from all non-traded equities whether held for trading purposes or to maturity or available for sale not reported on the above for holding companies.

**60 Net insurance premium income**

Report the total operating income from insurance activities for holding companies.

**61 Other insurance related income**

Report any other operating income from insurance activities not reported for holding companies.

**63 Staff cost**

The item shall include all salaries, wages, fringe benefits, company contributions to pension and provident funds, medical schemes, and all other costs directly related to staff. This shall also include all the expenses relating to staff training and development.

**64 Director's fees and remuneration**

Report fees paid to directors and amounts paid to executive directors as basic salary, bonuses and performance related payments, expense allowances, estimated monetary value of other material benefits received, contributions paid to a pension scheme and gains made on the exercise of share options.

**65 Marketing**

Report advertising, promotional, public relations and other marketing related expenses. This includes donations, sponsorships and the cost of sporting activities in which officers and employees participate when the purpose is for marketing or public relations.

**66 Auditing**

This item shall include all fees paid to independent auditors for external audit work. Fees paid for internal auditing (audit work) and any other services rendered by independent auditors will be part of management fees.

**67 Consultancy and management fees**

This item will include amounts paid other than to *bonafide* employees of the bank, for managerial, technical, administrative, and secretarial services. It shall not include amounts paid for services of executive directors and external auditors in respect of external audit.

**68 Occupancy expenses**

This item will include all operating lease payments made by the bank on premises (including parking lots), equipment, furniture, and fixtures.

**69 Depreciation and amortization**

This item relates to normal and recurring depreciation and amortization charges against assets reportable in line item 92 of BIR 101 including capital lease assets, whether they represent direct reductions in the carrying value of the assets or additions to accumulated depreciation or amortization accounts. Any method of depreciation or amortization conforming to accounting principles that are generally acceptable for financial reporting purposes may be used. Depreciation for premises and fixed assets may be based on a method used for income tax purposes if the results would not be materially different from depreciation based on the asset's estimated useful life.

**70 Administration and other overheads**

This item will include administrative expenses, overheads and all other expenses not attributed to other lines. For example, cost of heat, electricity, water, and other utilities connected with the use of premises and fixed assets, fuel, maintenance, and other expenses related to the use of the bank-owned automobiles, airplanes, and other vehicles for bank business. Cost of printing, stationery, and office supplies, postage and mailing expenses and telephone and telegraph expenses.

**73 Current taxation**

Report the total estimated income tax expense applicable to item 58, "Income before taxes". Include as applicable income taxes all taxes based on a net amount of taxable revenues less deductible expenses.

Include the tax benefit of an operating loss brought forward or carry back, for which the source of the income or loss in the current year is reported in line item 58. Also include the dollar amount of any material adjustments or settlements reached with a taxing authority (whether negotiated or adjudicated) relating to disputed income taxes of prior years. A bank shall include all direct and indirect taxes currently paid or payable under this item on an accrual basis.

**74      Deferred taxation**

This item shall include amounts of income taxes payable or recoverable in future periods in respect of temporary differences, carry forward of unused tax losses and the carry forward of unused tax credits.

**75      Gross-up adjustment**

Where a reporting bank has reported a tax-exempt amount against any of the foregoing items at a notional pre – tax value, the relevant contra entry shall be reflected under this item.

**77      Extra-ordinary items**

This item shall include material events and transactions that are unusual and infrequent. An event or transaction must be highly abnormal or clearly unrelated to the ordinary and typical activities of the bank. However, an event or transaction that is beyond bank managements control is not automatically considered to be unusual and therefore not necessarily extra-ordinary. These events should not be expected to recur in the foreseeable future. Some examples of events that can be reported under this item are gains or losses from disposals of segments of the bank's business, a prohibition under a newly establish law or regulation, losses resulting from a major disaster such as earthquake or expropriation of assets.

**78      Associate income/ (loss)**

The bank shall report all the income or expenditure derived from investments in unconsolidated subsidiaries, joint ventures, and associates.

**79      Reserves – Transfers to**

This item shall include all transfers to general reserves, including the creation or increase of a taxation equalization reserve.

**80      Transfers from**

This item shall include all transfers from general reserves, including the utilization of a taxation equalization reserve.

**81      Dividends**

This item shall include all the dividends declared and or paid.

## **MINIMUM LIQUID ASSETS**

- 1) BIR 610 - **Minimum liquid assets**
- 2) Directives and interpretation for the completion of the return on minimum liquid assets (BIR 610)

<b>MINIMUM LIQUID ASSETS</b>					<b>BIR 610</b>
(Confidential and not available for inspection by the public)					(Monthly)
(Covering the compliance period commencing the 15th of the abovementioned month up to the 14th of the following month)					
	Line No.	Gross Amount (N\$' 000)	Pledged Collateral Actually Utilized (N\$' 000)	Net of Pledged Collateral (N\$' 000)	
		1	2	3	
Average total deposits (incl. NCDs issued)* .....	1				
Average amount of loans and advances received .....	2				
Average amount of other liabilities (Excl. capital) .....	3				
Average total liabilities (total of line items 1 - 3)** .....	4				
Liquid assets required to be held over the compliance period at 10% of line item 4, column 1 .....	5				
Average daily amount of liquid assets held over the compliance period (total of line items 7-18) .....	6				
Notes and coins which are legal tender in Namibia, gold coin and bullion .....	7				
Clearing account balances held with Bank of Namibia .....	8				
Call account balances held with Bank of Namibia .....	9				
Foreign currency deposits placed with the Bank of Namibia .....	10				
Securities of the Bank of Namibia .....	11				
Treasury Bills of the Government of Namibia .....	12				
Investment graded debt securities issued by Multilateral Development Banks or Multilateral Development Organizations, denominated in domestic currency. ....	13				
Stocks, securities, bills and bonds of the Government of Namibia .....	14				
STRIPS*** bonds .....	15				
Investment graded debt securities issued by Namibian Public Sector Entities (PSE) and Corporates .....	16				
Any other securities, bonds and bills fully guaranteed by the Government of Namibia, which form part of the public issue .....	17				
Net amount of loans and deposit, repayable on demand, plus the net amount of negotiable certificate of deposits (NCDs) with Namibian banking institutions or building societies other than a subsidiary or fellow subsidiary of the banking institution or building society concerned or of a banking institution or building society by which the banking institution or building society concerned is controlled directly or indirectly .....	18				
Excess/deficiency (line item 6 above less line item 5) .....	19				
Memorandum item: AVERAGE NET INVESTMENTS IN NCDs AND INTERBANK TERM DEPOSITS/ LOANS .....	20				



## **DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF THE RETURN ON MINIMUM LIQUID ASSETS (BIR 610)**

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### **1. PURPOSE**

This return is to determine:

- (a) The minimum amount of liquid assets required to be held by a banking institution over the compliance period.
- (b) The average daily amount of liquid assets actually held over the compliance period.
- (c) Compliance with the Minimum Liquid Assets Requirement.

### **2. FREQUENCY**

Monthly

### **3. INSTRUCTIONS**

Instructions relating to the completion of this return are furnished with reference to the item descriptions and line item numbers appearing on form BIR **610**, as follows:

*Column I*

*Line item number*

#### **1 Average total deposits**

Report the aggregate of total deposits (including Negotiable Certificates of Deposits issued) of all days in the month divided by the number of calendar days in the particular month, to which the return relates. All the claims against a banking institution, which are repayable on demand or at a specific future date, will be included in this item. Investments in NCD's and interbank term deposit / loans should be set-off against total deposits.

#### **2 Average amount of borrowings (including loans and advances received)**

Report the aggregate of all borrowings, loans and advances received by the reporting bank for all days in the month divided by the number of calendar days in the particular month, to which the return relates.

#### **3 Average amount of other liabilities to the public**

Report the aggregate of all other liabilities (excluding capital and reserves) of all days in the month divided by the number of calendar days in the particular month, to which the return relates.

Column 1

Line item number

### **7 – 18 Average daily amount of liquid assets held over the compliance period**

All banking institutions shall report, in line items 7 to 18 the “*average daily amounts of its holdings during the reporting month for the individual categories of readily marketable liquid assets*”, held. The average daily balances for the compliance period in respect of liquid assets shall be calculated by totaling the amounts of the individual liquid assets for each day of the compliance period and dividing such a total by the number of calendar days in the compliance period, to which the return relates.

Column 2

Line item number

### **7 – 18 Pledged collaterals actually utilized**

All banking institutions shall report, in line items 7 to 18, the “average daily amounts of its pledged collateral utilized” during the reporting month. The average daily amounts shall be calculated by totaling the amounts of the pledged collateral utilized for each day of the compliance period and dividing such a total by the number of calendar days in the compliance period, to which the return relates.

Column 3

Line item number

### **7 – 18 Net of pledged collateral**

All banking institutions shall report, the “average daily amounts of its holdings net of pledged collateral utilized”, an amount which shall equal gross amount (Column 1 minus pledged collateral actually utilized (Column 2) for the corresponding line items 7 to 18.

Composition of liquid assets, line item 7 to 18.

**7. Notes and coins which are legal tender in Namibia, gold coin and bullion**

Report notes and coins that are legal tender in Namibia

**8. Settlement account balances held with the Bank**

Report the balances in the transactional account held with Bank of Namibia by the NISS participants.

**9. Call account balances held with the Bank**

Report the banking institution's deposit held with the Bank of Namibia.

**10. Securities of the Bank**

Report Government debt issued by the Government.

**11. Treasury Bills of the Government of Namibia**

Report the aggregate amount of all treasury bills holdings from the Government of Namibia.

**12. Stocks, securities, bills and bonds of the Government of Namibia issued in domestic and foreign currencies**

Report all stocks, securities, bills and bonds of the Government of Namibia issued in domestic and foreign currencies, issued by the Government in terms of the State Finance Act of 1991.

**13. STRIPS bonds**

Report all separate trading of registered interest and principal of securities of Namibian Government securities, where security is created by separating the bond principal, from interest coupons, or interest payments.

**14. Any other securities, bonds and bills fully guaranteed by the Government of Namibia, which form part of the public issue**

Report any other method for inviting offers from the public, for the subscription or purchase of shares in, or debentures of, a body corporate by means of a notice, circular or advertisement in the press.

**15. Debt securities (rated by reputable international rating agency such as Fitch, Moody's and Standard & Poor's (S&P) or any other reputable institution recognized by the Bank) issued by Namibian Public Sector Entities (PSE) and Corporates**

Report the negotiable short and long term debt instruments, including NCD's, but excluding equity shares, investment funds and warrants. Further to this, NCD's can be classified as money market securities that are short-term, highly liquid, low risk debts of government, banking institutions or corporate

**16. Net amount of loans and deposits**, repayable on demand, plus the net amount of negotiable certificates of deposits with maturities of twelve months or less, with Namibian banking institutions or building societies other than a subsidiary or fellow subsidiary of the banking institution or building society concerned or of a banking institution or building society by which the banking institution or building society concerned is controlled directly or indirectly

**17. Investment graded debt securities (rated by reputable international rating agencies such as Fitch, Moody's and Standard & Poor's or any other reputable institution recognized by the Bank) issued by Multilateral Development Banks or Multilateral Development Organizations, denominated in domestic currency**

Report the investment graded debt securities (refer to debt security definition above).

**18. Foreign currency deposits placed with the Bank of Namibia**

Report all foreign currencies deposits placed with the Bank of Namibia.

## **LIQUIDITY RISK**

- 1) BIR 621 - **Liquidity Risk**
- 2) Directives and interpretation for the completion of the return on liquidity risk (BIR 621)



(All amounts to be rounded off to the nearest N\$ 000)								
Line no.	ITEM (s)	Time Bands						
		1 - 7 Days	8 - 31 Days	>1 month to 2 months	>2 months to 3 months	>3 months to 6 months	>6 months to 1 year	More than 1 year to 5 years
		1	2	3	4	5	6	7
	Business as usual (BaU) on-balance sheet mismatch							
17	BaU maturity of assets (Items 18 to 20)	-	-	-	-	-	-	-
18	Loans and advances							
19	Trading, hedging and other investment instruments							
20	Other assets							
21	BaU maturity of liabilities (Items 22 to 25)	-	-	-	-	-	-	-
22	Stable deposits							
23	Volatile deposits							
24	Trading and hedging instruments							
25	Other liabilities							
26	On-balance sheet BaU mismatch (Item 17 less 21)	-	-	-	-	-	-	-
27	Cumulative on-balance sheet BaU mismatch	-	-	-	-	-	-	-
28	Regulatory and Board recommended guideline percentages	0%	-5%					

(All amounts to be rounded off to the nearest N\$ 000)								
	Bank- specific stress mismatch	Time Bands						
		1 - 7 Days	8 - 31 Days	>1 month to 2 months	>2 months to 3 months	>3 months to 6 months	>6 months to 1 year	More than 1 year to 5 years
		1	2	3	4	5	6	7
29	Date of stress testing: YYYYMMDD							
30	Cash Flows - Inwards (Stressed maturity of assets)							
31	Cash Flows - Outwards (Stressed maturity of liabilities)							
32	On-balance sheet stress mismatch (line item 30 less item 31)	-	-	-	-	-	-	-
33	Cumulative on balance sheet stress mismatch	-	-	-	-	-	-	-
34	Stressed outflows arising from off-balance sheet exposure							
35	Cumulative stressed outflows	-	-	-	-	-	-	-
	Available sources of stress funding							
36	Realisable by forced sale (line items 37 to 39)	-	-	-	-	-	-	-
37	Investment securities classified as available for sale							
38	Unencumbered trading securities							
39	Assets available for securitisation vehicles							
40	FX market liquidity							
41	Available repo facilities							
42	Estimated unutilised interbank funding capacity							
43	Uncovered funding lines							
44	Covered funding lines							
45	Drawdown capacity in respect of call loans							
46	Other funding							
47	Total available liquidity (Total of items 36 and 40 to 46)	-	-	-	-	-	-	-

		(All amounts to be rounded off to the nearest NS 000)							
	Concentration of funding resources	Time Bands							
		1 - 7 Days	8 - 31 Days	>1 month to 2 months	>2 months to 3 months	>3 months to 6 months	>6 months to 1 year	More than 1 year to 5 years	More than 5 years
		1	2	3	4	5	6	7	8
48	Negotiable paper funding instruments (line item 49 to 50)	-	-	-	-	-	-	-	-
49	of which: issued for a period not exceeding twelve months								
50	of which: issued for a period not exceeding five years								
51	Funding supplied by associates of the reporting bank								
52	Ten largest customer depositors								
53	Ten largest bank borrowings								
54	Ten largest customer depositors as a percentage of total liabilities to the public								
55	Ten largest bank borrowings as a percentage of total liabilities to the public								
	Foreign exchange contractual maturity ladder	1 - 7 Days	8 - 31 Days	>1 month to 2 months	>2 months to 3 months	>3 months to 6 months	>6 months to 1 year	More than 1 year to 5 years	More than 5 years
		1	2	3	4	5	6	7	8
56	FX assets (total of items 57 to 61)	-	-	-	-	-	-	-	-
57	USD								
58	EUR								
59	GBP								
60	OTHER								
61	NAD leg of FX derivatives								
62	FX liabilities (total of items 63 to 67)	-	-	-	-	-	-	-	-
63	USD								
64	EUR								
65	GBP								
66	OTHER								
67	NAD leg of FX derivatives								
68	NAD funding position of FX exposures (item 56 less item 62)	-	-	-	-	-	-	-	-



	Anticipated Change in Business During the next 12 months	Total	During next 6 months	More than 6 months to 1 year
69	Expected increamental change due to change in assets (total of items 70 to 72)	-	-	-
70	Advances	-		
71	Trading, hedging and other investment instruments	-		
72	Others assets	-		
73	Expected increamental change due to change in liabilities (total of items 74 to 77)	-	-	-
74	Stable deposits	-		
75	Volatile deposits	-		
76	Trading and hedging instruments	-		
77	Other liabilities	-		
78	Expected funding inflow/ (outflows) to fund change in business (item 69 less item 73)	-	-	-

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF THE RETURN ON LIQUIDITY RISK (BIR621)**

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### **1. BEHAVIOURAL ADJUSTMENT PROCEDURES**

#### **INITIAL BEHAVIOURAL ADJUSTMENT SUBMISSION**

- a) Following the effective date of the Determination on Liquidity Risk Management (BID-6), all banking institutions are required to present their initial rationale to the Bank to seek for authorization on the behavioural adjustments that they intend to apply on their cash flow projections, in line with the guidelines contained in Annexure 2 of the aforementioned Determination.
- b) The initial application referred to under (a) should be made to the Bank within one month after the effective date of BID-6, and should, at a minimum, contain the following:
  - (i) The proposed behavioural adjustments to be applied to the banking institution's cash flows; in line with guidelines contained in Annexure 2 of BID-6;
  - (ii) The rationale/ analysis for the behavioural adjustments applied (in line with guidelines contained in Annexure 2 of BID-6) based on two (2) years of historical data; and
  - (iii) A completed liquidity risk return (in line with directives contained in section 4 below).
- c) Once the initial application has been accepted without objection, a banking institution must maintain ongoing analyses to support its case for behavioural adjustments and such analysis should be made available to the Bank upon request.

#### **SUBSEQUENT BEHAVIOURAL ADJUSTMENT SUBMISSIONS**

- d) Should a banking institution's deposits or assets profile undergo material change (a shift of ten (10) percent or more in deposits or assets under business as usual), a banking institution must notify the Bank prior to the submission of the next monthly return, providing full details. A banking institution must, at any time, present its rationale to the Bank to alter the levels of behavioural adjustments previously agreed.
  - Notification for material change should, at a minimum, include:

- (i) The reason for the material change;
- (ii) How the change will impact on the cash flow mismatches;
- (iii) In the case of negative impact, how and by when the impact will be rectified; and;
- (iv) Whether or not there is a need to alter the levels of behavioural adjustments previously agreed with the Bank.

- The rationale to the Bank to alter the levels of behavioural adjustments previously agreed should, at a minimum, include:

- (i) The factors that necessitated the alteration;
- (ii) The analysis conducted to support the need for alteration;
- (iii) The proposed alteration; and
- (iv) The impact on the cash flow mismatches positions or a fully completed BIR-621 reflecting the proposed adjustments.

## **GENERAL CONSIDERATIONS**

- e) The level of behavioural adjustments submitted to the Bank for review and to which the Bank has not raised objection must be reflected in the banking institution's liquidity risk management policy.
- f) In certain circumstances, e.g. during a period of liquidity disruption, the Bank holds the right to cause the banking institutions to vary levels of behavioural adjustments applied. To this effect, the Bank will provide reasons and justifications for the need to change behavioral adjustments previously applied, which will be discussed with the concerned banking institution.

## **REPORTING OF BREACHES**

- g) A banking institution must, at all times, maintain a maximum liquidity mismatch limit, in the time bands of sight to 7 days and 8 days to 30 days, at 0 percent and -5 percent of total funding liabilities, respectively, calculated on a behaviourally adjusted basis. Banking institutions must

report to the Bank immediately on any day that these liquidity mismatch limits are breached. The report should include:

- (i) The reason(s) for such breach and to indicate how and when the breach is to be rectified; and
  - (ii) Explain the steps to be taken to ensure such breaches will not occur again.
- h) All immediate notifications to the Bank are to be made in the form of an email to the Director of Banking Supervision and Deputy Director of Off-Site Division and should be followed by a formal letter within a period of two working days.

## **2. PURPOSE**

This return is to determine:

- a) at the reporting date, in respect of specified time buckets
  - (i) the contractual on-balance sheet mismatch between assets and liabilities;
  - (ii) the off-balance sheet exposure to liquidity risk;
  - (iii) the “business-as-usual” on-balance sheet mismatch between assets and liabilities; and
  - (iv) the bank specific stress mismatch.
- b) in respect of a crisis scenario, the quantity and sources of funding available to the reporting banking institution.
- c) in respect of funding sources, the reporting bank’s available sources of stress funding and potential concentration risk
- d) in respect of significant currencies, the reporting banking institution’s exposure to foreign exchange; and
- e) the expected change in the banking institution’s balance sheet.

### 3. FREQUENCY

Monthly reporting. Each banking institution must, at the end of each month submit to the Bank a return (BIR-621) in terms of the aforementioned Determination by not later than the fifteenth (15<sup>th</sup>) day of the following month, as per the instructions in section 4 below.

### 4. INSTRUCTIONS

Detailed instructions relating to the completion of this return are furnished with reference to the headings, item descriptions and line item numbers appearing on form BIR 621, as follows:

Number

Line item

A banking institution shall report in line item:

**1 Contractual maturity of assets** shall include the aggregate sum of: loans and advances; trading, hedging and other investment instruments and other assets, included in the relevant time bucket based on the remaining term to contractual maturity.

**2 Loans and advances**, shall include

- i. all loan or advances made by the reporting banking institution, whether asset-backed or unsecured;
- ii. all advances originated by the reporting banking institution through transactional banking facilities, such as overdrafts;
- iii. any structured finance loan.

**3 Trading, hedging and other investment instruments**, shall include:

- i. any financial market investment instrument, collateral deposits and unlisted equity investments;
- ii. any derivative position; and

- iii. any asset held in terms of a trading or investment activity of the reporting banking institution.

**4 Other assets**, shall include all assets other than the asset items included in line item 2 and 3 above, including:

- i. any debit balance in respect of items in transit arising from timing differences in external settlement processes; and
- ii. fixed assets, and intangible assets such as goodwill, patents and trademarks, which assets, by virtue of their nature, shall be regarded as non-contractual or of indeterminate maturity, as the case may be.

**5 Contractual maturity of liabilities**, is the aggregate sum of stable deposits, volatile deposits, trading and hedging instruments, and other liabilities (line items 6 to 9), included in the relevant time bucket **based on the remaining term to contractual maturity**.

**6 Stable deposits** shall include the aggregate amount in respect of deposit placements by retail and Micro, Small and Medium Enterprises (MSME) (as defined in BID-6) clients, excluding individual deposits by retail or MSMEs clients that makes up 1 percent or more of the bank's total deposit base. These are the deposits that are regarded to be less price sensitive and stickier.

**7. Volatile deposits**, shall include the aggregate amount in respect of deposit placements by large corporate and wholesale clients, including individual deposits by retail or MSMEs (as defined in BID-6) clients that makes up 1.0 percent or more of the bank's total deposit base. These are the deposits that are regarded to be more price sensitive and less sticky.

**8. Trading and hedging instruments**, shall include:

- i. any financial market instruments, collateral liabilities, and unlisted equity instruments, but not any derivative instrument; and
- ii. any liability arising from a trading or investment activity of the reporting banking institution, but not any derivative instrument.

**9. Other liabilities** shall include all liability positions arising from derivative instruments, and any other non-funding related liability.

**10. On-balance sheet contractual mismatch** is the difference between contractual maturity of assets and contractual maturity of liabilities (line item 1 minus line item 5).

**11. Cumulative on-balance sheet contractual mismatch**, the excess or deficit of funds on the balance contractual mismatch, which shall be calculated as follows:

The amount reflected in line item 11, under the time band (1-7 days), shall be exactly the same as the amount under line item 10 (1-7 days). Subsequently, the cumulative on-balance sheet amount under the time band (1-7 days) shall be added to the on-balance sheet contractual mismatch balance for the next time band (8-31 days) to make up the balance of the cumulative on-balance sheet mismatch under the same time band.

**12.** The aggregate amount in respect of **liquidity facilities provided by the reporting banking institution to any off-balance sheet vehicle**. For example, when the reporting banking institution acts as a liquidity provider in respect of a special purpose institution in asset-backed securitisation structure, the reporting banking institution shall include in item 12 the aggregate amount relating to a liquidity facility provided by the reporting banking institution to the said special purpose institution.

**13.** The relevant required aggregate amounts in respect of **undrawn commitments** (line items 14 to 16) granted to provide funds, provided that no amount in respect of a commitment to provide funds, which commitment may unconditionally be cancelled by the reporting banking institution at any time, shall be included in any of the aforementioned items.

**17.** The line items 17 to 27 with respect to on-balance sheet mismatches is intended to determine the **business-as-usual mismatch between assets and liabilities**. The components used in calculating the mismatches (assets minus liabilities) are as described under line items 1 to 11 above.

**28. Regulatory and Board recommended guideline percentages**, shall refer to the Regulatory maximum liquidity mismatch limit set in the time bands of sight to 7-days and 8 days to 30 days, at 0 percent and -5 percent of total funding liabilities, respectively, calculated on a behavioural adjusted basis. The subsequent time bands will contain percentages of funding limits set out in the liquidity management policy of the reporting banking institutions, approved by the board of directors.

**29.** Reporting banking institution should indicate the date that stress testing was conducted.

**30.** Line items 30 to 35 represent the **bank-specific stress mismatches**. These items shall reflect the relevant required aggregate amounts relating to a stress simulation performed by the reporting banking institutions in respect of all relevant asset and liability items specified above in respect of items 1 to 11. The simulated stress mismatch shall include stress modification approved by the reporting bank's board of directors or board committee with the aim to provide an indication of the potential deterioration in the reporting bank's business as usual liquidity position under a bank specific stress scenario.

**34.** Any amount relating to a stress outflow that may arise from off-balance sheet exposures, such as liquidity calls in respect of off-balance sheet commitment relating to a special purpose institution.

**Items 36 to 47** shall reflect the relevant required aggregate amounts in respect of funding sources available to the reporting bank under a stress scenario, before taking into consideration any dispensation that may be granted by the Bank of Namibia.

**36. Realisable by forced sale**, is the aggregate of investment securities classified as available for sale, unencumbered trading securities, and assets available for sale in respect of securitisation vehicles (line items 37 to 39).

**37. Investment securities classified as available for sale**, the aggregate amount in respect of long-term investments that may be realised by the reporting bank within seven days.

**38. Unencumbered trading securities**, the aggregate amount in respect of liquid marketable securities held for trading purposes, which securities shall be unencumbered. This item shall not include any amount relating to a security held that is subject to further commitment or in terms of which agreement the security will be repurchased at a future date.

**39.** The aggregate amount relating to **assets available for sale in respect of securitisation vehicles**, that is assets within already approved securitisation structures in respect of which issues or further issues can readily be made available to the market.

**40. Forex market liquidity**, the aggregate amount in respect of foreign exchange positions that may be executed by the reporting bank in order to obtain funding.



41. The aggregate amount relating to **repo facilities available to the reporting banking institution** in order to obtain funding.
42. **Unutilised interbank funding capacity**, the aggregate amount in respect of funds available to the reporting banking institution from the interbank market in terms of undrawn lines or interbank funding agreements.
43. **Uncovered funding lines**, the aggregate amount in respect of uncommitted secured funding lines available to the reporting bank, such as bilateral funding lines derived from banking relationships.
44. **Covered funding lines**, the aggregate amount in respect of committed funding lines available to the reporting bank, such as lines raised by the payment of commitment fees.
45. **Drawdown capacity in respect of call loans**, the aggregate amount in respect of loans that will mature, and which amount may be used by the reporting bank for funding purposes in the case of a liquidity stress event.
46. **Other funding**, shall include other sources of liquid funding available within a period of 7 days, other than what is contained in line items 36, and 40 to 45.
47. **Total available liquidity**, is the total of items 36 and 40 to 46.
48. **Negotiable paper funding instruments**, the aggregate amount in respect of these instruments issued by the reporting bank, including all relevant amounts relating to negotiable certificates of deposit, promissory notes, medium term notes and floating rate notes (line items 49 to 50).
51. The aggregate amount in respect of **funding supplied by associates** of the reporting banking institution.
52. The aggregate amounts relating to **the top ten largest customer depositors** in respect of funds received from the relevant sectors, excluding amounts reported under line item 48.
53. The aggregate amount in respect of **the ten largest bank borrowings/ interbank placements**.
54. The **top ten largest depositors as a percentage of total liabilities** to the public.

**55.** The **top ten largest bank borrowings/ interbank placements as a percentage of total liabilities** to the public.

**56. Forex assets**, the aggregate amount held in terms of USD, EUR, GBP and other currencies (line items 57 to 60), included in the relevant time bucket **based on the remaining term to contractual maturity**.

**61.** Item 61 and 67, in the case of all NAD cross currency swap contracts, the reporting bank shall report the relevant NAD legs relating to the said contracts.

**62. Forex liabilities**, the aggregate amount held in terms of USD, EUR, GBP and other currencies (line items 63 to 66), included in the relevant time bucket **based on the remaining term to contractual maturity**.

**Items 69 to 78**, a reporting bank shall estimate the expected change in its balance sheet during the 12-month period immediately following the reporting period, that is, for example, the reporting bank's expected incremental balance sheet growth during the two six month periods immediately following the current reporting date, which change shall exclude any rolling on maturity of existing products, that is, the bank shall only report the relevant change in its balance sheet.

**69.** In respect of the specified periods, **expected incremental change due to change in assets**, is the aggregate of items 70 to 72, based on the relevant directives specified for line items 2 to 4 above. These items shall reflect the relevant required aggregate amounts in respect of the reporting bank's estimated change in business.

**73.** In respect of the specified periods, **expected incremental change due to change in liabilities**, is the aggregate of items 74 to 77, based on the relevant directives specified for line items 6 to 9 above. These items shall reflect the relevant required aggregate amounts in respect of the reporting bank's estimated change in business.

## **DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF THE RETURN ON MINIMUM RESERVE REQUIREMENTS (MRR1)**

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- 1) MRR 1- **Minimum reserve requirements (Average daily amount of liabilities to the public)**
- 2) Directives and interpretation for the completion of the return on minimum reserve requirements, "Average daily amount of total liabilities to the public" (MRR 1).

<b>MINIMUM RESERVE REQUIREMENTS</b>				<b>MRR 1</b>
AVERAGE DAILY AMOUNT OF TOTAL LIABILITIES TO THE PUBLIC				
(Confidential and not available for inspection by the public)				
Day	Total deposits including foreign deposits	Total loans and advances received	Total other liabilities to the public, excluding capital	Total liabilities to the public
	(1)	(2)	(3)	(4) = (1) + (2) + (3)
1st				
2nd				
3rd				
4th				
5th				
6th				
7th				
8th				
9th				
10th				
11th				
12th				
13th				
14th				
15th				
16th				
17th				
18th				
19th				
20th				
21st				
22nd				
23rd				
24th				
25th				
26th				
27th				
28th				
29th				
30th				
31st				
Average Daily Amount of Total Liabilities to the Public				
Required Minimum Balance (B)				

**DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF MINIMUM RESERVE REQUIREMENTS RETURN (MRR 1) “AVERAGE DAILY AMOUNT OF TOTAL LIABILITIES TO THE PUBLIC)**

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**1. PURPOSE**

The return is used to determine the average daily amount of total liabilities to the public and the minimum statutory reserve balance to be maintained by a banking institution in accordance with the provisions of paragraph 4 of the Directive on the Minimum Reserve Requirements (BON-D 1/2005).

**2. FREQUENCY**

Monthly

**3. INSTRUCTIONS**

Instructions relating to the completion of this return are furnished with reference to the item descriptions and column item numbers appearing on form MRR 1, as follows:

**Column 1 Total deposits (including foreign deposits)**

Report the total deposits (including foreign deposits) at the close of each calendar day for all the days in the particular month, to which the return relates.

**Column 2 Loans and advances received**

Report all borrowings and loans and advances received by the reporting bank at the close of each calendar day for all days in the particular month, to which the return relates.

**Column 3 Total other liabilities to the public (excluding capital)**

Report all other liabilities to the public (excluding capital and reserves) at the close of each calendar day for all days in the particular month, to which the return relates.

**Note:** Total liabilities (including foreign liabilities) such as deposits, loans and advances received and other liabilities as at the end of the previous working day shall be used for liabilities on Sundays and Public holidays.



## **PART III: RETURNS AND DIRECTIVES**

### **B – QUARTERLY SUBMISSIONS**

## **CUSTOMERS COMPLAINTS**

- 1) BIR 108 - **Customer Complaints**
- 2) Directives and interpretation for the completion of the return on customer complaints (BIR 108)



CUSTOMER COMPLAINTS										BIR-108
										(Quarterly)
(All amounts to be rounded off to the nearest N\$'000)										
No.	Date of Complaint	Branch / Agency	Department/ Division	Customer Name	Customer Account No.	Summary of Complaint	Amount involved (if applicable)	Action Taken	Status	Date Resolved
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
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34										
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41										

## **DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF THE RETURN ON CUSTOMER COMPLAINTS (BIR 108)**

---

### **1. PURPOSE**

The purpose of this return, form BIR-108 is to obtain information in respect of the volume and details of customer complaints.

### **2. FREQUENCY**

Quarterly

### **3. INSTRUCTIONS**

The form BIR-108 shall be compiled in the format as prescribed and submitted by all banking institutions on a quarterly basis. Instructions relating to the completion of this return are furnished with reference to the headings appearing on the return-BIR 108 as follows:

#### **1. Date of complaint**

The reporting banking institution shall report the date when the customer filed the complaint.

#### **2. Branch/Agency / Department / Division**

Report the banking institution's branch, agency, department or division where the customer was not satisfied with the service which led to the complaint to be lodged.

#### **3. Customer name**

Under this column the reporting banking institution shall report the name of the complainant either individual or corporate. The name should be recorded in full together with a valid positive identity document number such as ID, passport, registration number etc.

#### **4. Customer Account Number**

The reporting banking institution shall report the specific number of the account(s) that the customer has with the individual bank which he/she was transacting with at the time of the complaint.

**5. Summary of the Complaint**

Under this column the reporting banking institution shall report in a concise manner the complaint as narrated by the complainant.

**6. Amount involved (if any)**

If the complaint involved money, the reporting banking institution shall report the amount involved.

**7. Action Taken**

The reporting banking institution shall report what actions has been taken to address the issue since reported.

**8. Status**

The reporting banking institution should state whether the complaint is still pending or resolved.

**9. Date Resolved**

If the complaint has been resolved, the reporting banking institution shall report the date when it was resolved.

## **COUNTRY EXPOSURE RETURN**

- 1) BIR 170 - **Country Exposure Return (PART A, B &C)**
- 2) Directives and interpretation for the completion of the country exposure return - BIR 170 (PART A, B & C)

COUNTRY EXPOSURES RETURN											
(Confidential and not available for inspection by the public)											PART A

Table 1		Amount N\$ Millions)									
		Cross Border Exposure					On-Balance Sheet Items	Off-Balance Sheet Items	Total (column 7 plus 8)	Country Limit	Percentage NPL
	Name of Country	Bank	PSE	Government	Corporate	Other					
	1	2	3	4	5	6	7	8	9	10	11
Grand Total											
1											

Table 2: Non-Performing Country Exposures (Confedential and not available for inspection by the public)

Item no.	Name of Borrower	Type of Borrower	Total Amount	Type of Facility	Amount of NP Exposure	Value of Security Held against NP Ex	Interest Suspended	Net Amount of NP exposures (column 5 less 6 & 7)	Country risk provisions
	1	2	3	4	5	6	7	8	9
			-		-	-	-	2	-

Table 3: Country Exposure Return (Confedential and not available for public inspection)

		(Amounts in N\$*Millions)				
Item no.	Name of Country	Type of Borrower	Direct Claim	Indirect Claim	Total	Total Provisions
	1	2	3	4	5	6

## DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF COUNTRY RISK EXPOSURE RETURN (BIR 170)

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### 1. PURPOSE

This report provides information on the distribution, by country, of cross-border claims held by Namibian banks and bank holding companies. The data collected are used for supervisory purposes and to assess country and transfer risks.

### 2. FREQUENCY

*Quarterly*

### 3. INSTRUCTIONS

Instructions relating to the completion of the quarterly country exposure return are furnished with reference to the headings and item descriptions of certain line item numbers appearing on forms Country Exposure (Part A), Non-Performing Country Exposure (Part B), and Classification of claims (Part C) as follows:

#### Country Exposure (Part A)

*Column Number*

1. **Name of country**, refers to the country of borrower to which a credit facility is granted.
2. **Bank**, refers to the total amount of exposure to a bank or banks which borrowed from the reporting institution.
3. **Public Sector Entity (PSE)**, refers to the total amount of exposure to a PSE or PSEs which borrowed from the reporting institution.
4. **Government**, refers to the total amount of exposures to a government which borrowed from the reporting institution.

5. **Corporate**, refers to the total amount of exposure to a corporate or corporates which borrowed from the reporting institution.
6. **Other**, refers to the total amounts of exposures to other persons other than the once referred to in column 2, 3, 4 and 5.
7. **On-balance sheet items**, shall consist of the gross amounts of all on-balance sheet exposures to a given country as at the quarter-end to which the return relates.
8. **Off-balance sheet items**, shall consist of the gross amounts of all off-balance sheet exposures to a given as at the quarter-end to which the return relates.
9. **Total**, shall consist of the sum of amounts in columns 2 to 6.
10. **Country limit**, this shall be an internal limit set by a bank on an aggregate amount of exposures it is willing lend, at any given time, to any given country.
11. **Percentage of NPL**, shall consist of the percentage of non-performing exposures to total exposures to a cross-border country.

### **Non-Performing Country Exposure (Part B)**

Part B shall be completed on country basis only where non-performing exposure is reported in column 11 of Part A.

#### *Column Number*

1. **Name of borrower**, disclose the name of borrower defaulting on its payment.
2. **Type of borrower**, specify the type of borrower e.g. bank, PSE etc.
3. **Total amount** refers to the total amount of exposure lent to borrower of reporting institution.
4. **Type of facility**, specify the type of facility granted, e.g. fixed term loan, overdraft, etc.

5. **Amount of non-performing exposure**, shall consist of the amount classified as non-performing in terms of the Determination on Asset Classification, Suspension of Interest and Provisioning (BID-2) which are reported as substandard, doubtful and loss.
6. **Value of security held against non-performing exposure**, shall consist of the book value stated in Namibia Dollars, for the collateral held against a non-performing country exposure.
7. **Interest suspended**, shall include interest suspended in accordance with paragraph 9 of the Determination on Asset Classification, Suspension of Interest and Provisioning (BID-2), relating to non-performing exposures.
9. **Country risk provisions**, shall include provisioning made in accordance with the individual banking institutions' country provisioning policy approved by the board of directors.

## **Classification of Country Exposure/Claim (Part C)**

### **Claims**

In the report, a distinction is made between "direct claim" on a given country and "indirect claim". However, the total of all the direct claims should be the same as the total column in Part A.

### **Direct claim**

Column 3, a direct claim on a given country is one in which the immediate borrower is a resident of that country. The term "direct claim" shall be construed to refer to the following type's gross claims:

- Balances with foreign central banks and official institutions
- Balances with banks
- Country exposure as defined
- Direct lease financing, or
- Any other asset that results in a claim on a foreign resident.



When classifying direct claim by country, a claim on a branch or agency of a bank is to be treated as a direct claim on the country where the branch is located, regardless of the location of the branch's head office.

### **Indirect claim**

Column 4, an indirect claim on a given country occurs when a resident of another country through guarantees or other means that create the formal legal obligation of the lender to claim if the direct borrower fails to do so. For the purposes of this report, documents – such as letters of comfort, letters of awareness or letters of intent – that do not establish firm legal obligations do not qualify as guarantees.

## INFORMATION SECURITY INCIDENT REPORTING

### 1) BIR 301 - Information Security Incident Reporting (PART B)

Directives and interpretation for the completion of the return on Information Security Incident Reporting - BIR 301 (PART B)

<b>Information Security Incident Reporting</b>						<b>BIR 301</b>
(Confidential and not available for inspection by the public)						
TABLE A						
Incident number	Date and Time of Incident	Nature and details of incident (incl. chronological order of events)	Action Taken	Impact Assessment	Date and Time of Resolution	Action Taken to mitigate future incidents
A	B	C	D	E	F	G
TABLE B						
Description						
Number of Security Penetration Tests / System Audits Performed	2					
Number of Attempted Security Breaches	2					
Number of Successful Security Breaches	2					
Brief Description of Successful Security Breaches (If Applicable)	5					
Number of Security Related Service Downtimes	2					
Brief Description of Security Related Breaches (If Applicable)	5					

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF THE INFORMATION SECURITY INCIDENT RERPORTING RETURN (BIR301) - PART B**

### **1. PURPOSE**

The purpose of this return is to obtain information related to material or adverse information security related incidents, including cyber incidents.

### **2. FREQUENCY**

#### *Quarterly*

The banking institution shall submit a full Incident report of material and non-material information security related incidents in PART B (quarterly) of the BIR-301 return, on a quarterly basis, on or before the 26th day after the end of each quarter.

### **3. INSTRUCTIONS**

Detailed instructions relating to the completion of this return are furnished with reference to the headings, column and item descriptions appearing on form BIR 301, as follows:

Heading; Column

**3.1 Incident number (column A)** – number incident in chronological order according to date of occurrence.

**3.2 Date and Time of Incident (column B)** – provide details of date of incident and discovery date of incident if different from date of incident (DD/MM/YY). Further, provide details of time of incident and discovery time of incident if different from time of incident (HH:MM).

**3.3 Nature and details of incident (column C)** –Provide details of the category that the incident is classified as, non-material or material incident. Also indicating if the reported incident is new or an update to a previously reported incident.

**3.5 Action Taken (column D)** – provide details of actions or responses taken by the banking institution to recover from the incident. The banking institution shall report the interim measures taken to mitigate/resolve the issue, and reasons for taking such measures, and steps identified or to be taken to address the problem in the longer term.

**3.6 Impact Assessment (column E)**- report on the impact of the incident on the banking institution and affected stakeholders as outlined in section 3.4, and for material incidents provide an updated of the information reported in PART A, column D.

**3.7 Date and Time of Resolution (column F)** – indicate the date and time the incident was considered closed or target date of resolution if not resolved by date of reporting. (DD/MM/YY), (HH:MM).

**3.8 Action Taken to mitigate future incidents (column G)** – list the main corrective actions taken/planned to prevent future occurrences of similar types of incidents.

## **CONSOLIDATED RETURN ON CAPITAL ADEQUACY RATIO**

- 1)      BIR 401            -            Consolidated Return on Capital Adequacy Ratio – Basel II  
  
          BIR 401-A        -            Consolidated Return on Capital Adequacy Ratio - Basel III
  
- 2)      Directives and interpretation for the completion of the Consolidated Return on Capital Adequacy Ratio – (BIR 401 - RWCR 1, 2 & 3)

Institution:

Financial Year:

Start Date:

End Date:

RISK-WIGHTED ASSETS FOR CREDIT RISK: STANDARDIZED APPROACH

(All amounts to be rounded off to the nearest N\$'000)										
Line no.	PART A: RISK-WEIGHTED AMOUNTS (ON-BALANCE SHEET EXPOSURES)	Exposure Amounts	Specific Provisions for Past Due Exposures	Credit Risk Mitigation (CRM)	Exposure Amounts after CRM	Risk-weights (%)	Risk-weighted Amounts			
1	<b>Portfolio I: Claims on Sovereign or Central banks</b>									
2	Exposures to the sovereign or (central bank) of incorporation denominated in domestic currency and funded in that currency subject to the condition that the local sovereign and the central bank controls the issuing of local currencies or where the exposures is assigned a credit quality grade of one by ECAL.				-	0%	-			
3	Exposure where the sovereign has no current ECAI rating assigned to the debt obligation issued or undertaken by the sovereign.				-	100%	-			
4	Exposures assigned credit quality grade of AAA to AA-				-	0%	-			
5	Exposures assigned credit quality grade of A+ to A-				-	20%	-			
6	Exposures assigned credit quality grade of BBB+ to BBB-				-	50%	-			
7	Exposures assigned credit quality grade of BB+ to B- or unrated.				-	100%	-			
8	Exposures assigned credit quality grade of below B-				-	150%	-			
9	Past due exposure where specific provision is less than 20% of the loan.				-	150%	-			
10	Past due exposure where specific provision is equal to or greater than 20% but less than 50% of the loan.				-	100%	-			
11	Past due exposure where specific provision is equal to 50% or more of the loan.				-	50%	-			
12	<b>Sub-total</b>	-	-	-	-		-			
13	<b>Portfolio II: Claims on Public Sector Entities (PSEs)</b>									
14	Exposures with an original maturity of three months or less denominated and funded in domestic currencies.				-	20%	-			
15	Exposures with an original maturity of more than three months and above				-	50%	-			
16	Exposures to Namibian Regional government and local authorities (regardless of their maturity profile).				-	20%	-			
17	Exposures assigned credit quality grade of AAA to AA-				-	0%	-			
18	Exposures assigned credit quality grade of A+ to A-				-	20%	-			
19	Exposures assigned credit quality grade of BBB+ to BBB-				-	50%	-			
20	Exposures assigned credit quality grade of BB+ to B- or unrated.				-	100%	-			
21	Exposures assigned credit quality grade of below B-				-	150%	-			
22	Past due exposure where specific provision is less than 20% of the loan.				-	150%	-			
23	Past due exposure where specific provision is equal to or greater than 20% of the loan.				-	100%	-			
24	Past due exposure where specific provision is equal 50% or more of the loan.				-	50%	-			
25	<b>Sub-total</b>	-	-	-	-		-			

[illegible]

[illegible]



107	PART B: RISK-WEIGHTED AMOUNTS (OFF-BALANCE SHEET EXPOSURES)	Exposure Amounts	CRM	Exposure amount after CRM	Credit Conversion Factors (CCF)	Credit Equivalent Amounts	Risk-weights of Credit Equivalent Amounts	Risk- weighted Amounts			
108	Any solicitation limit, that is, a facility not yet contracted.			-	0%	-		-			
109	Commitments that are unconditionally cancellable at any time without prior notice or that effectively provide for automatic cancellation due to a deterioration in a borrower's credit worthiness.			-	0%	-		-			
110	Commitments with original maturity of up to one year.	-	-	-	-	-		-			
111	Sovereign or Central Banks			-	-	-		-			
112	Public Sector Entities			-	-	-		-			
113	Multilateral Development Banks			-	-	-		-			
114	Security Firms			-	-	-		-			
115	Corporates			-	-	-		-			
116	Retail Portfolios			-	-	-		-			
117	Other Assets			-	-	-		-			
118	Commitments with original maturity of more than one year.	-	-	-	-	-		-			
119	Sovereign or Central Banks			-	-	-		-			
120	Public Sector Entities			-	-	-		-			
121	Multilateral Development Banks			-	-	-		-			
122	Security Firms			-	-	-		-			
123	Corporates			-	-	-		-			
124	Retail Portfolios			-	-	-		-			
125	Other Assets			-	-	-		-			
126	Repurchase type of transactions involving security borrowing and lending.	-	-	-	-	-		-			
127	Sovereign or Central Banks			-	-	-		-			
128	Public Sector Entities			-	-	-		-			
129	Multilateral Development Banks			-	-	-		-			
130	Security Firms			-	-	-		-			
131	Corporates			-	-	-		-			
132	Retail Portfolios			-	-	-		-			
133	Other Assets			-	-	-		-			
134	Short-term self-liquidating trade letters of credits.	-	-	-	-	-		-			
135	Sovereign or Central Banks			-	-	-		-			
136	Public Sector Entities			-	-	-		-			
137	Multilateral Development Banks			-	-	-		-			
138	Security Firms			-	-	-		-			
139	Corporates			-	-	-		-			
140	Retail Portfolios			-	-	-		-			
141	Other Assets			-	-	-		-			
142	Direct credit substitute e.g. general guarantees of indebtedness (including stand-by letter of credit serving as financial guarantees for loans and securities) and acceptance.	-	-	-	-	-		-			
143	Sovereign or Central Banks			-	-	-		-			
144	Public Sector Entities			-	-	-		-			
145	Multilateral Development Banks			-	-	-		-			
146	Security Firms			-	-	-		-			
147	Corporates			-	-	-		-			
148	Retail Portfolios			-	-	-		-			
149	Other Assets			-	-	-		-			
150	Sales and repurchase agreement and assets sale with recourse where the credit risk remain with the bank:	-	-	-	-	-		-			
151	Sovereign or Central Banks			-	-	-		-			
152	Public Sector Entities			-	-	-		-			
153	Multilateral Development Banks			-	-	-		-			
154	Security Firms			-	-	-		-			
155	Corporates			-	-	-		-			
156	Retail Portfolios			-	-	-		-			
157	Other Assets			-	-	-		-			



200	PART C: RISK-WEIGHTED AMOUNTS ON SECURITIZATION EXPOSURES: ON-BALANCE SHEET EXPOSURES	Exposure Amounts	Credit Risk Mitigation (CRM)	Exposure Amounts after CRM	Risk-weights (%)	Risk-weighted Amounts					
201	(a) Long-term Exposures										
202	Exposures assigned an ECAI credit assessment rating of AA to AA-			-	20%	-					
203	Exposures assigned an ECAI credit risk assessment rating of A+ to A-			-	50%	-					
204	Exposures assigned an ECAI credit risk assessment rating of BBB+ to BBB-			-	100%	-					
205	Exposures assigned an ECAI credit risk assessment rating of BB+ to BB-			-	350%	-					
206	Sub-total	-	-	-		-					
207	(b) Short-term Exposures										
208	Exposures assigned an ECAI credit risk rating of A-1/P-1.			-	20%	-					
209	Exposures assigned an ECAI credit assessment rating of A-2/P-2.			-	50%	-					
210	Exposures assigned an ECAI credit assessment rating of A-3/P-3.			-	100%	-					
211	Unrated exposures or exposures assigned a credit assessment rating not specified in this return.			-	100%	-					
212	Sub-total	-	-	-		-					
213	TOTAL ON-BALANCE SHEET SECURITIZATION RISK-WEIGHTED AMOUNT					-					

214	PART D: SECURITIZATION EXPOSURES: OFF-BALANCE SHEET EXPOSURES	Exposure Amounts	CRM	Exposure Amount after CRM	Credit Conversion Factors	Credit Equivalent Amounts	Risk-weights of Credit Equivalent	Risk-weighted Amounts			
215	Eligible liquidity facilities										
216	Eligible liquidity facilities with an original maturity of one year or less, subject eligibility conditions as provided in <b>Annexure B</b> .			-	20%	-		-			
217	Eligible liquidity facilities with an original maturity of more than one year subject to eligibility conditions as provided in <b>Annexure B</b> .			-	50%	-		-			
218	Eligible liquidity facilities where the external rating of the facility itself is used for the purpose of risk weighting the exposure.			-	100%	-		-			
219	Eligible service cash advance facility that are unconditionally cancellable without prior notice.			-	0%	-		-			
220	Eligible service cash advance facilities that cannot be cancelled without prior notice.			-	100%	-		-			
221	Sub-total	-	-	-		-		-			
222	TOTAL OFF-BALANCE SHEET SECURITIZATION RISK-WEIGHTED AMOUNT							-			

223	PART E: CONTROLLED EARLY AMORTISATION FEATURES	Exposure Amounts	CRM	Exposure Amounts after CRM	Credit Conversion Factors for Uncommitted	Credit Equivalent Amounts for Uncommitted Lines	Credit Conversion factors for Committed	Credit Equivalent Amounts for Committed Lines	Risk-weights of Credit Equivalent	Risk-weighted Amounts
224	(a) Retail credit lines									
225	Exposures where 3-month average excess spread is at 133.33% or more of trapping point.			-	0%	-	90%	-		-
226	Exposures where 3-month average excess spread is at less than 133.33% to 100% of trapping point.			-	1%	-	90%	-		-
227	Exposures where 3-month average excess spread is at less than 100% to 75% of trapping point.			-	2%	-	90%	-		-
228	Exposures where 3-month average excess spread is at less than 75% to 50% of trapping point.			-	10%	-	90%	-		-
229	Exposures where 3-month average excess spread is at less than 50% to 25% of trapping point.			-	20%	-	90%	-		-
230	Exposures where 3-month average excess spread is at less than 25% of trapping point.			-	40%	-	90%	-		-
231	(b) Non-retail credit lines									
232	All non-retail credit lines under controlled early amortization.			-	90%	-	90%	-		-
233	Sub-total	-	-	-		-		-		-
234	TOTAL CONTROLLED EARLY AMORTIZATION FEATURES									-

235	PART F: NON-CONTROLLED EARLY AMORTIZATION FEATURES	Exposure Amount	CRM	Exposure Amounts after CRM	Credit conversion Factors for Uncommitted	Credit Equivalent Amounts for Uncommitted Lines	Credit Conversion factors for Committed	Credit Equivalent Amounts for Committed Lines	Risk-weights of Credit Equivalent	Risk-weighted Amounts
236	(a) Retail credit lines									
237	Exposures where 3-month average excess spread is at 133.33% or more of the trapping point.			-	0%	-	100%	-		-
238	Exposures where 3-month average excess spread is at less than 133.33% to 100% of the trapping point.			-	5%	-	100%	-		-
239	Exposures where 3-month average excess spread is at less than 100% to 75% of trapping point.			-	15%	-	100%	-		-
240	Exposures where 3-month average excess spread is at less than 75% to 50% of trapping point.			-	50%	-	100%	-		-
241	Exposures where 3-month average excess spread is at less than 50% of trapping point.			-	100%	-	100%	-		-
242	(b) Non-retail credit lines									
243	All non-retail credit lines under non-controlled early amortization features.			-	100%	-	100%	-		-
244	Sub-total	-	-	-		-		-		-
245	TOTAL NON-CONTROLLED EARLY AMORTIZATION FEATURES	-	-	-		-		-		-
246	GRAND TOTAL: ALL EXPOSURES									-



<b>Institution:</b>			
<b>Financial Year:</b>			
<b>Start Date:</b>			
<b>End Date:</b>			
<b>MARKET RISK SUMMARY RETURN: STANDARDISED APPROACH</b>			

(All amounts to be rounded off to the nearest N\$'000)

Line no.	A. INTEREST RATE RISK	Amounts
1	a) Specific risk (Total from Table 1 and Table 2)	-
2	b) General market risk (Total from Table 3)	-
3	c) Interest rate options - simplified method (Total from Table 8)	-
4	d) Interest rate options - delta-plus method (Total from Table 9)	-
5	<b>Total Interest Rate Risk</b>	-
	<b>B. EQUITY POSITION RISK</b>	
6	a) Equity position risk (Total from Table 4)	-
7	b) Equity options - simplified method (Total from Table 8)	-
8	c) Equity options - delta-plus method (Total from Table 9)	-
9	<b>Total Equity Position Risk</b>	-
	<b>C. FOREIGN EXCHANGE RISK</b>	
10	a) Foreign exchange risk (Total from Table 5)	-
11	b) Foreign exchange options - simplified method ( Total from Table 8)	-
12	c) Foreign exchange options - delta-plus method (Total from Table 9)	-
13	<b>Total Foreign Exchange Risk</b>	-
	<b>D. COMMODITIES RISK</b>	
14	a) Simplified method (Total from Table 6)	-
15	b) Maturity ladder method (Total from Table 7)	-
16	c) Commodity options - simplified method (Total from Table 8)	-
17	d) Commodity options - delta-plus method (Total from Table 9)	-
18	<b>Total Commodities Risk</b>	-
19	<b>TOTAL MARKET RISK CAPITAL CHARGE</b>	-
20	<b>CALIBRATED RISK-WEIGHTED EQUIVALENT AMOUNT</b>	-

Institution:						
Financial Year:						
Start Date:						
End Date:						

#### A. INTEREST RATE RISK

Specific Risk

**Table 1: Capital charge for securities denominated in domestic currency** (All amounts to be rounded off to the nearest N\$'000)

Line no.	Risk Categories	Position		Gross market value	Specific risk-weights	Capital charge
		Short	Long			
21	Government			0	0.00%	0
22	Qualifying residual term to maturity 6 months or less			0	0.25%	0
23	Qualifying residual term to maturity 6 to 24 months			0	1.00%	0
24	Qualifying residual term to maturity exceeding 24 months			0	1.60%	0
25	Other			0	8.00%	0
26	<b>Total capital charge</b>					<b>0</b>

Specific Risk

**Table 2: Capital charge for securities denominated in foreign currency** (All amounts to be rounded off to the nearest '000)

Line no.	Risk Categories	Position		Gross market value	Specific risk-weights	Capital charge
		Short	Long			
27	<b>Government Exposures (external credit ratings)</b>					
28	AAA to AA-			0	0.00%	0
29	<b>A+ to BBB-</b>					
30	6 months or less residual term to final maturity			0	0.25%	0
31	greater than 6 months residual term to final maturity but up to and including 24 months			0	1.00%	0
32	greater than 24 months residual term to final maturity			0	1.60%	0
33	BB+ to B-			0	8.00%	0
34	Below B-			0	12.00%	0
35	Unrated			0	1.00%	0
36	Qualifying residual term to maturity 6 months or less			0	0.25%	0
37	Qualifying residual term to maturity 6 to 24 months			0	1.00%	0
38	Qualifying residual term to maturity exceeding 24 months			0	1.60%	0
39	Other [see Note 1 below]			0		0
40	<b>Total capital charge</b>					<b>0</b>

Note 1: Exposures under this category will receive the same specific risk-weight as a private sector borrower under credit risk requirements, i.e. 10% or risk-weight of 100%.

Table 3:					
Currency					
Method					
(All amounts to be rounded off to the nearest '000)					
Line no.	Time bands	Coupon < 3% or Duration method	Net risk-weighted positions		Total general market risk charge
	Coupon 3% or more		Long	Short	
41					
56	Total capital charge across all currencies				0

B. EQUITY POSITIONS RISK

Table 4:

(All amounts to be rounded off to the nearest NS'000)								
Line no.	Country	Gross Positions for Specific Risk			Total specific risk charge	Net positions for general market risk	General market risk charge	Total market risk charge
		Positions attracting 8% specific risk	Positions attracting 4% specific risk	Positions attracting 2% specific risk				
57					-			-
58					-			-
59					-			-
60					-			-
61					-			-
62					-			-
63					-			-
64					-			-
65					-			-
66					-			-
67					-			-
68					-			-
69	Total capital charge across all countries							-



C. FOREIGN CURRENCY LIMITS							
Table 5:							
(All amounts to be rounded off to the nearest N\$'000)							
Line no.	Positions in Foreign Currencies				Exchange Rate at Spot Rate	Positions in Namibia Dollar	
	Foreign Currencies	On-Balance Positions	Off-Balance Positions	(Column B+C)		Overall net position (Columns D x E)	Percentage of Capital
	A	B	C	D	E	F	G
70	USA Dollar				-	-	#DIV/0!
71	Pound Sterling				-	-	#DIV/0!
72	Euro				-	-	#DIV/0!
73	Swiss Franc				-	-	#DIV/0!
74	Japanese Yen				-	-	#DIV/0!
75	Other				-	-	#DIV/0!
76	Gold				-	-	#DIV/0!
77	Total					-	#DIV/0!
78							
79	Qualifying Capital in N\$	1	#DIV/0!	5	Total of overall "long" positions		-
80	Single Currency Limit			6	Total of overall "short" positions		-
81	5% of Qualifying Capital	2	#DIV/0!	7	Gross aggregate position (sum of line items 5&6)		-
82	10% of Qualifying Capital	3	#DIV/0!	8	Net aggregate position (difference between line items 5&6)		-
83	Overall Currency Limit:			9	Shorthand Method: Higher of aggregate net long or short position (Greater of line items 5 and 6) plus Gold (line 76 column F)		-
84	20% of Qualifying Capital	4	#DIV/0!	10	Capital charge		-
D. COMMODITIES RISKS							
Table 6: Simplified method							
(All amounts to be rounded off to the nearest N\$'000)							
Line no.	Commodity	Total short positions	Total long positions	Capital charge (15% of net open position + 3% of the gross position)			
85		-	-	-			
86		-	-	-			
87		-	-	-			
88		-	-	-			
89		-	-	-			
90		-	-	-			
91		-	-	-			
92	Total capital charge across all commodities		-				

D. COMMODITIES RISKS

Table 7: Maturity ladder method

Amounts to be rounded off to the nearest NS'0																
Line no.	Commodities	0 - 1 month		1 - 3 months		3 - 6 months		6 - 12 months		1 - 2 years		2 - 3 years		Over 3 years		Total capital charge
		Long position	Short position	Long position	Short position	Long position	Short position	Long position	Short position	Long position	Short position	Long position	Short position	Long position	Short position	
93																-
94																-
95																-
96																-
97																-
98																-
99																-
100	Total capital charge across all commodities															

OPTIONS

Table 8: Simplified method

		(All amounts to be rounded off to the nearest N\$'000)			
Line no.	Position	A. Interest rates	B. Equities	C. Foreign exchange	D. Commodities
101	Purchased put & long underlying				
102	Purchased call & short underlying				
103	Purchased put				
104	Purchased call				
105	Total capital charge	-	-	-	-

Table 9: Delta-plus method

Report the capital charge for each category.

		(All amounts to be rounded off to the nearest N\$'000)			
Line no.	Position	A. Interest rates	B. Equities	C. Foreign exchange	D. Commodities
106	Gamma impact				
107	Vega impact				
108	Total capital charge	-	-	-	-

CONSOLIDATED RETURN ON CAPITAL ADEQUACY RATIO

ITEMS	REGULATORY CONSOLIDATION									
		GROUP	ADJUSTMENT	PARENT	BANK 1	BANK 2	ASSET	MICROLENDING	Other (5% or more of consolidated total assets)	
	Bank	(specify)	5 (intragroup transactions and balances)	(specify)	(specify)	(specify)	MANAGEMENT COMPANY (specify)	LOAN ENTITIES (specify)		
1	2	3	4	5	6	7	8	9		
<b>COMMON EQUITY TIER 1 (CET1) - BASEL III (BII-5A)</b>										
1 Ordinary shares (Paid-Up Equity Capital) issued by banks										
2 Share premium resulting from the issue of Ordinary shares included in CET 1										
3 Retained earnings after deducting any interim admitted loss or final dividend which have been declared by the board of the bank on any class of shares										
4 Accumulated other comprehensive income and other disclosed reserves, excluding revaluation of surplus on land and building assets										
5 Current year's interim profits that satisfy all conditions set out in paragraph 10.1 (c) of BII-5A										
6 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										
7 Regulatory adjustments applied in the calculation of CET 1 Capital due to capital shortfall on AT1 and Tier 2 capital										
<b>Sub total of CET 1 Capital (sum of line item 1 to item 7)</b>										
<b>Regulatory adjustments/Deductions</b>										
9 Deduct: Goodwill and other intangibles (except mortgage servicing rights)										
10 Deduct: Deferred tax assets										
11 Deduct: Cash flow hedge reserves										
12 Deduct: Gain or loss related to securitization transactions (derecognizes any increase in equity capital resulting from securitization transactions, such as that associated with expected future margin income resulting in a gain on sale)										
13 Deduct: Cumulative gains and losses due to change in own credit risk on fair valued financial liabilities										

14 Deduct: Defined benefit pension fund assets and liabilities										
15 Deduct: Investment in own shares (Treasury stock)										
16 Deduct: Reciprocal cross holdings in the capital of banking, financial and insurance entities										
17 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										
18 Deduct: Significant investment in the capital of banking, financial and insurance that are outside the scope of regulatory consolidation										
19 Deduct: Threshold deductions										
<b>Sub total of Regulatory adjustments/Deductions (line item 9 to 19)</b>										
<b>NET Total CET 1 Capital (line item 8 less line item 20)</b>										
<b>TIER 1 CAPITAL - BASEL II (BII-5)</b>										
22 Paid-up ordinary shares										
23 Paid-up non-cumulative perpetual preference shares										
24 Share premium										
25 Retained profits (accumulated losses)										
26 General reserves										
27 Minority interests (consistent with the above capital constituents)										
28 Minority interest eliminated (i.e. paragraph 11.1 (g) of Determination on CS)										
29 Less: Investments in equity of consolidated entities (intra-group shareholdings in consolidated entities)										
<b>Sub total (sum of line items 22 to 29)</b>										

31 Deduct: Goodwill (including intangible assets) related to consolidated & deconsolidated subsidiaries										
32 Deduct: 50% investments in deconsolidated financial subsidiaries										
33 Deduct: 50% investments in significant minority owned financial entities (20-50% shareholding)										
34 Deduct: 50% investments in significant minority & majority insurance entities										
35 Deduct: 50% investments in significant commercial entities										
36 Deduct: Reciprocal shareholdings in Tier 1 Capital										
37 Deduct: Increase in equity capital resulting from a securitization transactions (e.g. capitalized future merging income, gains on sale)										
38 Deduct: 50% of credit-enhancing interest-only strips, net of any increases in equity capital resulting from securitization transaction										
39 Deduct: 50% of investments in securitization exposures for third party investors with long-term credit ratings of B+ and below, and in unrated exposures										
40 Deduct: 50% of investments in securitization exposures for third party investors with short-term credit ratings of below A-3/P-3/R-3 and in unrated exposures										
41 Deduct: 50% of retained securitization exposures for originating banks that are rated below investment grade (below BBB-) or that are unrated										
<b>Sub total Tier 1 capital (line item 31 to 41)</b>										
<b>NET-TOTAL TIER 1 CAPITAL (line item 30 less line item 42)</b>										



87	DEDUCTIONS FROM TOTAL QUALIFYING CAPITAL (SUM OF ITEM 87 TO 91)										
88	Capital shortfalls										
89	Minority interests which do not qualify for capital inclusion										
90	Lending of a capital nature to significant minority & majority investments										
91	Encumbered assets										
92	Portion of unsecured loans & advances in excess of prudential lending limits										
93	NET TOTAL CAPITAL (ITEM 86 LESS ITEM 87) - BASEL II										
94	TOTAL ELIGIBLE CAPITAL ( the sum of item 54 and 80) - BASEL III										
95	Minimum Capital Conservation Amount ( 2.5% of aggregated risk weighted assets)										
96	COMPUTATION OF RISK-WEIGHTED ASSETS										
97	1. Credit Risk: Standardized Approach (including RW equivalent for Off-balance sheet exposures)										
98	Total Risk-weighted Amount for Credit Risk - BASEL II										
99	Total Risk-weighted Amount for Credit Risk - BASEL III										
100	2. Operational Risk (see Note 5):										
101	2(a). Basic Indicator Approach: Calibrated risk-weighted amount										
102	2(b). The Standardized Approach: Calibrated risk-weighted amount										
103	Total Calibrated Risk-weighted Amount for Operational Risk - BASEL II										
104	Total Calibrated Risk-weighted Amount for Operational Risk -BASEL III										

105	3. Market risk: Standardized Approach										
106	Calibrated Risk-weighted Amount for Market Risk - BASEL II										
107	Calibrated Risk-weighted Amount for Market Risk - BASEL III										
108	AGGREGATE RISK-WEIGHTED ASSETS (sum of line items 96; 100; and 102) - BASEL II										
109	AGGREGATE RISK-WEIGHTED ASSETS (sum of line items 97; 101; and 103) - BASEL III										
110	BASEL II TOTAL RISK-WEIGHTED CAPITAL RATIO (the sum of item 93 divided by line item 104) (Minimum of 10.0%)										
111	OF WHICH:										
112	TIER 1 RISK-BASED CAPITAL RATIO (line item 21 divided by line item 62) (Minimum of 7%)										
113	TIER 2 RISK-BASED CAPITAL RATIO (line item 41 divided by line item 62)										
114	TIER 3 RISK-BASED CAPITAL RATIO (line item 46 divided by line item 62)										
115	CAPITAL SURPLUS /DEFICIT										
116	ADDITIONAL CAPITAL SPECIFIED BY THE REGULATOR										
117	Total risk-weighted capital ratio (including additional capital specified)										
118	OTHER CAPITAL MEASURES - BASEL II										
119	Gross Assets (total assets plus general and specific provisions)										
120	TIER 1 LEVERAGE RATIO (line item 3 divided by line item 70) (Minimum of 6%) - BASEL II										
121	Amount equal to 10% of RWA of group										
122	Aggregate amount of required capital funds of consolidated entities										

123	BASEL III TOTAL ELIGIBLE CAPITAL ( the sum of item 54 and 80)										
124	Capital Conservation Buffer Amount(CET1 Capital-Minimum Capital Conservation Amount)										
125	BASEL III TOTAL ELIGIBLE CAPITAL RATIO (the sum of item 94 divided by line item 105) (Minimum of 10.0%)										
126	OF WHICH:										
127	CET 1 Capital Ratio (line item 21 divided by line item 105) (Minimum of 6%)										
128	Additional Tier 1 Capital Ratio (line item 53 divided by line item 105) (Maximum of 1.5%)										
129	Eligible Tier 1 Capital Ratio (line item 54 divided by line item 105) (Minimum of 7.5%)										
130	Tier 2 Capital Ratio (Line item 80 divided by line item 105) (Maximum of 2.5%)										
131	ADDITIONAL CAPITAL BUFFERS AS MAY BE SPECIFIED BY THE REGULATOR FROM TIME TO TIME										
132	Total risk-weighted capital ratio (including additional capital buffer specified)										
133	Capital Conservation Buffer (line item 105 divided by line item 119) (Commence at 0.625% to reach final level of 2.5%)										
134	Countercyclical Buffer (2.5% of aggregated risk-weighted assets)										
135	OTHER CAPITAL MEASURES - BASEL III										
136	Gross Assets (total assets plus general and specific provisions and off-balance sheet exposures)										
137	TIER 1 LEVERAGE RATIO (line item 54 divided by line item 105) (Minimum of 6%) - BASEL III										

## **DIRECTIVES AND INSTRUCTIONS FOR THE COMPLETION OF CONSOLIDATED RETURN ON CAPITAL ADEQUACY RATIO**

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### **1. PURPOSE**

The purpose of this return is to calculate the risk-weighted amount for credit risk of banking institutions in Namibia, capturing both on- and off-balance sheet exposures based on the requirements of the standardized approach framework as specified by the Bank under the:

- **Determination on the Measurement and Calculation of Capital Charges for Credit Risk, Operational Risk, and Market Risk (BID-5); and,**
- **Determination on the Measurement and Calculation of Capital Charges for Credit Risk, Operational Risk and Market Risk for Domestic Systemically Important Banks (BID-5A).**

All reporting banking institutions in Namibia are required to use the standardized approach to compute their risk-weighted amounts for credit risk.

### **2. FREQUENCY**

Quarterly

### **3. GENERAL GUIDELINES**

These directives and instructions for completion of the returns should be read in conjunction with the general notes, definitions and relevant provisions of BID-5.

### **4. REPORTING BANKING INSTITUTIONS**

For locally authorised banking institutions, data should be prepared for the consolidated group i.e. the global operations of the banking institutions and all its controlled entities (where relevant), consolidated in accordance with International Financial Reporting Standards.

Banking institutions should consult the Bank in case of doubt as to whether a subsidiary or controlled entity that engaged in non-financial operations should be consolidated for capital adequacy purposes.

## **5. UNIT OF MEASUREMENT**

Banking institutions are required to complete the returns in thousands of Namibian Dollars. The amounts denominated in foreign currency are to be converted to N\$ in accordance with *The Effects of Changes in Foreign Exchange Rates*.

### **RWCR-2: CREDIT RISK WEIGHTED ASSETS – PART 1**

## **6. SPECIFIC INSTRUCTIONS**

Reporting banking institutions shall, under these directives and instructions compute their risk-weight amounts for credit risk by:

(a) multiplying the amount of on balance sheet exposures (net off realizable value of recognized collaterals net off of amount of specific provisions in respect of past due exposures) by the applicable risk weights as specified in the return, taking into consideration whether such an exposures are to clients with specific ECAI credit assessment rating or not, and

(b) multiplying the principal amount of off-balance sheet exposures by the relevant credit conversion factors, the resultant credit-equivalent shall be assigned a risk-weight applicable to the corresponding on balance sheet assets category.

### **LINE ITEMS**

#### **1 to 11 Portfolio I: Claims on sovereign or central banks**

Report all types of exposures to sovereign or central banks that are denominated and funded in the domestic currency, including exposures with or without credit rating by ECAs under this portfolio.

#### **13 to 24 Portfolio II: Claims on Public Sector Entities**

Report all exposures to Public Sector Entities with the original maturity of three months or less as well as long term exposures including loans to Namibian Regional Government and Local Authorities and past due exposures under this class of asset.

#### **26 to 40 Portfolio III: Claims on Multilateral Development Banks (MDBs)**

#### **27 to 33 - Long-term**

Report all the long-term exposures to MDBs, including the respective ECAI ratings applicable to various exposures to MDBs and the related risk-weights including past due exposures.

**34 to 40      - Short-term**

Report the exposures to banks, capturing both exposures to banks that are assigned an ECAI credit assessment rating as well as exposures to banks that are unrated including the treatment of both long-term exposures, short-term exposures and past due exposures in terms of relevant risk-weight application.

**42 to 56      Portfolio IV: Claims on Banks**

**43 to 47      - Long-term**

Report all exposures, which are of a long-term nature, to banks according to the status of their respective credit ratings, under this portfolio.

**48 to 56      - Short-term**

All short-term exposures to banks, whether rated or unrated and exposures that are past due and where specific provision within the set thresholds has been made shall be reported under this category.

**58 to 66      Portfolio V: Claims to Security Firms**

Report all exposures, including past due exposures to security firms, and allocate relevant risk-weights based on their ECAI credit rating status.

**68 to 75      Portfolio VI: Claims on Corporates**

Report all exposures to corporate clients and provide guidance on the treatment of different exposures falling under this category including past due exposures and allocate the relevant risk-weights based on the ECAI credit rating status.

**77 to 82      Portfolio VII: Claims on Regulatory Retail Exposures**

Report all exposures falling under the regulatory retail exposures category and identify exposures that are past due or non-past due and align them to the relevant risk-weights in this portfolio.

**84 to 90      Portfolio VIII: Claims Secured by Residential Mortgage Property**

Report all exposures fully secured by residential mortgage property including the past due portion under this portfolio.



**92 to 96      Portfolio IX: Claims Secured by Commercial Real Estate**

All claims secured by mortgage property on commercial real estate including past due portions should be reported under this category.

**98 to 107      Portfolio X: Other Assets**

Exposures relating to the items listed in this portfolio shall be reported here.

**109 to 122      Part B: Risk-Weighted Amounts (Off-balance Sheet Exposures)**

Report all off-balance sheet exposures and provide guidance on the applications of different credit conversion factors for various exposures listed under this category.

**124 to 136      Part C: Risk-Weighted Amounts on Securitization Exposures (On-balance sheet Exposures)**

**126 to 131      – Long-term**

Report all exposures that are regarded as long-term under this category, taking into account their credit rating status to assign appropriate risk-weights.

**132 to 137      – Short-term**

Report the grand totals of all columns, which are sums of all subtotals of individual loan portfolios as grouped under item 15 of this directives/instructions.

**CREDIT RISK WEIGHTED ASSESTS – PART 2 – 6**

**140 to 232 Part B: Risk-Weighted Amounts (Off-balance Sheet Exposures)**

Report all off-balance sheet exposures and provide guidance on the applications of different credit conversion factors for various exposures listed under this category.

**233 to 246 Part C: Risk-Weighted Amounts on Securitization Exposures (On-balance sheet Exposures)**

**234 to 239 – Long-term**

Report all exposures that are regarded as long-term under this category, taking into account their credit rating status to assign appropriate risk-weights.

**240 to 245 – Short-term**

Report the grand totals of all columns, which are sums of all subtotals of individual loan portfolios as grouped.

**226 to 254 Part 4: Securitization Exposures: Off-balance Sheet Exposures**

All off-balance sheet securitized exposures that meet the eligibility criteria as outlines under Annexure B of BID-5 shall be reported under this part.

**255 to 267 Part 5 Controlled Early Amortization Features****258 to 263 - Retail Credit Lines**

Report retail credit lines with controlled early amortization characteristics in this part.

**265 to 267 - Non-retail Credit Lines**

Report non-retail credit lines with controlled early amortization characteristics in this part.

**268 to 280 Part 6: Non-Controlled Early Amortization Features****270 to 274 - Retail Credit Lines**

Report retail credit lines with non-controlled early amortization characteristics in this part.

**276 to 277 - Non-retail Credit Lines**

Report non-retail credit lines with non-controlled early amortization characteristics in this part.

**279 and 280 Grand Total: Exposures**

Sum-up all the total amounts provided under the line items: 232; 246; 255; 267; 278.

## COLUMNS

**Exposure Amounts:** provide the balances of the exposures in this column.

**Specific Provisions for Past Due Exposures:** specific provision for past due exposures shall be deducted from the exposure amounts.

**Credit Risk Mitigation:** deduct any amount of credit risk mitigation from the respective exposure amount.

**Exposure Amount after Credit Risk Mitigation:** the net balances of the exposure amounts after deducting specific provisions and credit risk mitigations will appear in this column.

**Risk-weights:** the applicable risk-weights for the respective exposures are provided under this column.

**Risk-weighted Amounts:** the applicable risk-weights shall be multiplied by the net exposure amounts (adjusted for provisions and credit risk mitigation) to obtain the riskweighted amounts.

**Credit Conversion Factors:** credit conversion factors have been provided for off-balance sheet exposures.

**Credit Equivalent Amounts:** this is derived by multiplying the exposure amounts (adjusted for credit risk mitigation) by the credit conversion factors.

**Risk-weights for Credit Equivalent:** risk-weights applicable to the corresponding on-balance sheet asset categories should be allocated to the respective off-balance sheet exposures.

**Risk-weighted Amounts:** this amount is derived by multiplying the credit equivalent amounts by the applicable risk-weights.

**Credit Conversion Factors for Uncommitted Lines:** the credit conversion factors applicable to uncommitted lines have been provided in this column.

**Credit Conversion Factors for Committed Lines:** the credit conversion factors applicable to committed lines have been provided in this column.

**Credit Equivalent Amounts for Committed Lines:** this amount is obtained by multiplying the credit conversion amounts by the allocated credit conversion factors applicable to committed lines.

**Credit Equivalent Amounts for Uncommitted Lines:** this amount is obtained by multiplying the credit conversion amounts by the allocated credit conversion factors applicable to uncommitted lines.

**RWCR- 4: MARKET RISK RETURN**

**1. SPECIFIC INSTRUCTIONS**

**Basis of preparation**

Capital charges for each relevant component of the market risk should be reported on this form. The total capital charge for each asset class assessed using the standardized method is then calculated by summing the various components. Finally, the total market risk capital charge is to be entered as the sum of the standardized method charges for each asset class plus any charge reported under the Value at Risk (**VaR**) or Internal Limit approaches. The total market risk capital charge must then be multiplied by a constant factor of 10 and reported on the *Capital Adequacy Returns*

**2. STANDARD METHOD**

**2.1 Interest rate risk**

All positions forming part of the trading book in debt or other interest rate-related securities, including interest rate derivatives, forward foreign exchange and quasi-debt securities that behave like debt *The Standard Method* should be reported in Tables 1 and 2.

The total capital requirement for interest rate risk consists of charges for specific risk, general market risk, and interest rate-sensitive options risks.

**Specific Tables**

**(a) Table 1: Specific risk – securities denominated in domestic currency**

The sum of the market values of individual positions in each issuer category should be reported in the first and second column for short and long positions respectively. In summing the market values within each category, if there is a matched position in the same security (i.e. both the issuer and issue are identical), the matching positions may be offset and omitted from the calculation of specific interest rate risk.

Specific risk is to be assessed according to the classification of issuer of the security or underlying security in the case of derivative instruments. Issuers are classified into the categories of government, qualifying and other, as defined in BID-5. Instruments with issuers in the qualifying category should be further classified according to the residual term to final maturity of the security or underlying security.

The capital charge is calculated as the risk weight multiplied by the gross market value and is reported in the last column of Table 1. The total specific risk charge for interest rate risk is also reported under item “A (a)” of the *Market Risk Summary Report*.

**(b) Table 2: Specific risk – securities denominated in foreign currency**

The sum of the market values of individual currency positions in each issuer category should be reported in the first and second column for short and long positions respectively. In summing the market values within each category, if there is a matched position in the same security (i.e. both the issuer and issue are identical), the matching positions may be offset and omitted from the calculation of specific interest rate risk.

Specific risk is to be assessed according to the classification of issuer of the security or underlying security in the case of derivative instruments. Issuers are classified into the categories of government, qualifying and other, as defined in BID-5. Instruments with issuers in the qualifying category should be further classified according to the residual term to final maturity of the security or underlying security.

The capital charge is calculated as the risk-weight multiplied by the gross market value and is reported in the last column of Table 2. The total specific risk charge for interest rate risk from Tables 1 and 2 is also reported under item “A (a)” of the *Market Risk Summary Report*.

**(c) Table 3: General market risk**

The data to be entered into Table 3 should be calculated according to the methodology detailed in BID-5. These calculations should be performed and the results reported on Table 3 separately (without offsetting across currencies) for each currency in which material interest rate exposures are held and in aggregate for all currencies in which there are non-material interest rate exposures. BID-5 allows the

choice between different methods for the calculation of general interest rate risk (i.e. maturity and duration methods).

For each currency, specify the method used in calculating the capital charge. If more than one method is being used for a currency, report the calculations for each method on a different currency and method combination table. BID-5 allows the offsetting of positions. Banking institutions performing such offsetting should report those positions (netted).

The net long and net short risk weighted positions for each time band should be reported according to the definitions of the bands in BID-5. Offsetting of positions is allowable according to the requirements set out in the Determination.

The total general market risk charge is to be reported in the respective lines of the final column of Table 3 for each currency and method combination. This is the sum of the net position and vertical and horizontal disallowances (calculated in accordance with BID-5).

The total general market risk charge summed across all currencies and methods will be entered in the bottom row of Table 2 and will also be reported under item "A (b)" of the *Market Risk Summary Report*.

## **2.2 Equity Positions Risk**

### **(d) Table 4: Equity positions risk**

Positions are to be reported on a market-by-market basis, with a separate calculation for each national market in which the banking institutions hold equities to be reported as a separate line. Equities with listings in more than one market should be reported as positions in the market of their primary listing.

#### **Specific risk charge**

An "equity position" is the net of short and long exposures to an individual company. Specific risk is assessed as the sum of the net short or long exposure to individual companies irrespective of sign.

- **Positions attracting 8 per cent specific risk charge**

The capital charge for specific risk is equal to 8 per cent of the gross position (i.e. the sum of the absolute value of all long equity positions and of all short equity positions). The exceptions to this rule are where:

- the portfolio is both liquid and well diversified (refer to BID-5);
- the position is in an approved index contract; and

The gross value of all positions not eligible for any of these exceptions is to be reported in the second column: "Positions attracting 8% specific risk".

- **Positions attracting 4 per cent specific risk charge**

A portfolio is both liquid and well diversified if it satisfies the conditions outlined in BID-5. The specific risk charge is then equal to 4 per cent of the gross position. The gross value of all positions subject to a 4 per cent specific risk charge is to be reported in the third column: "Positions attracting 4% specific risk".

- **Positions attracting 2 per cent specific risk charge**

Positions eligible for a 2 per cent specific risk capital charge are set out in BID-5. The gross value of all positions subject to a 2 per cent specific risk charge is to be reported in the fourth column: "Positions attracting 2% specific risk".

- **Total specific risk charge**

The total specific risk charge is the sum of 8 per cent of column 1, plus 4 per cent of column 2, plus 2 per cent of column 3. This amount is to be reported in the fifth column: "Total Specific Risk Charge".

- **Net positions for general market risk**

The net position in each market is to be reported in column 6. The net position in each equity market is calculated as the difference between the sum of the long positions and the sum of the short positions. An overall net short position in a market should be indicated by a negative sign.

### **General market risk charge**

The general market risk charge for each market, to be reported in column 7, is 8 per cent of the absolute value of the net position.

### **Total market risk charge**

The total market risk charge is the sum of the value of column 5 (total specific risk charge) and the value of column 7 (general market risk charge). For each market this total is to be reported in column 8: "Total Market Risk Charge".

The total market risk charge across all countries will equal to the sum of column 7. This capital charge number will be reported as Equity Position Risk under item "B (a)" of the *Market Risk Summary Report*.

## **2.3    Foreign Currency Limits**

### **(e)    Table 5: Foreign currency limits**

**Note:**            Column or item numbers below refer to column and subscript numbers in Table 5. A net long position (assets > liabilities) is shown as a positive number and a net short position as a negative number.

#### **COLUMN A:   Foreign currency**

Currencies for which the maximum net position exceeds 1% of capital base should be listed specifically in the lines provided for under “Other”.

#### **COLUMN B:   On-balance sheet net**

Transfer the appropriate amounts in the different currencies shown on Table 5 to the appropriate lines in this column.

#### **COLUMN C:   Off-balance sheet net**

Transfer the appropriate amounts in the different currencies shown from Table 4 to the appropriate lines in this column.

#### **COLUMN E:   Exchange rates at reporting date**

All banking institutions shall show prevailing close-of-business spot rate.

#### **COLUMN F: Overall net position**

To properly convert some of the currencies which are reported under this column, banking institutions will need to divide 1 by the currency.

**LINE ITEM  
NUMBERS**



#### **1: Qualifying capital in N\$**

For the purpose of this return, qualifying capital shall mean capital funds as determined in accordance with the BID-5. This amount shall be reported in Namibia Dollar.

#### **5: Total of overall “long” positions**

Banking institutions shall report in this line item the sum of only the overall “long” positions from column F. Amounts must be shown as absolute numbers, i.e. +105 shall be reported as 105.

#### **6: Total of overall “short” positions**

Banking institutions shall report in this line item the sum of only the overall net “short” positions from column F. Amounts must be shown as absolute numbers, i.e. -105 shall be reported as 105.

### **2.4 Commodities**

#### **(f) Table 6: Simplified method: Commodities**

Banking institutions which use the standard approach to calculate the capital charge for commodities risk should complete Table 6. Banking institutions which use the maturity ladder approach should complete Table 7.

All commodity positions, both on- and off-balance sheet, which are affected by changes in commodity prices should be included. This includes commodity forwards, commodity futures and commodity swaps. It also includes the delta-equivalent of commodity options (where the delta-plus method for options is used). Commodity derivatives should be converted into notional commodity positions according to the methods set out in BID-5.

Each commodity position should first be expressed in terms of the standard unit of measurement (barrels, kilos, grams, etc) and then converted into Namibian Dollars using spot rates applying at the close of business on the reporting date (report the Namibian Dollar figure). If prior approval has been obtained from the Bank, positions in foreign currency denominated commodities may be segmented into a commodity exposure and a foreign currency exposure.

The capital charge must be calculated separately for each commodity. Positions in different commodities may not, as a general rule, be offset (refer to BID-5 for details of permissible offsetting).

List each separate commodity in which your banking institution has positions. Report the total short position and the total long position in each commodity.

In the last column report the capital charge for each commodity. This is calculated as 15 per cent of the net open position (the difference between the total short position and the total long position) plus 3 per cent of the gross position (the sum of the absolute values of the total short position and the total long position).

The capital charges for each individual commodity will be summed to give the total capital charge for commodities risk under the simplified method. This will then be reported at item “D (a)” of the *Market Risk Summary Report*.

**(g) Table 7: Maturity ladder method**

List each separate commodity in which your banking institution has positions. In each of the maturity bands, report the total long position and the total short position in each commodity. Physical stocks should be allocated to the first time band. Positions in commodity derivatives should be assigned maturities following the treatment set out in BID-5.

In the last column report the total capital charge for each commodity. The method for calculating the capital charge is outlined in BID-5. A separate calculation must be performed for each commodity in which the banking institution has a position.

The capital charges for each individual commodity will be summed to give the total capital charge for commodities risk under the maturity ladder method and reported in the last row of Table 6. This will also be reported under item “D (b)” of the *Market Risk Summary Report*.

**(h) Table 8: Options - Simplified method**

The simplified method may only be used by those banking institution handling a limited range of purchased options. The method requires that options and any associated underlying positions be excluded from the asset class calculations detailed in tables 1 to 7. Instead a separate capital charge is calculated for each option portfolio.

The method for calculating the capital charge on an options position depends on whether the position is covered or naked. Option positions, which are partially covered, should be separated into a fully covered position and a naked position.

For both covered and naked positions, if positions do not fall within the trading book, for example options on certain foreign exchange or commodities positions, banking institution may use the book value rather than market value.

For each asset class (interest rates, equities, foreign exchange and commodities) report the capital charge (refer to BID-5) for the following positions separately:

**Covered positions:**        - purchased put and long underlying  
                                     - purchased call and short underlying

**Naked positions:** - purchased put  
                                     - purchased call

The sum of the capital charges for all positions within each asset class will be reported in the “total capital charge” row. These totals for each asset class will then be entered on the *Market Risk Summary Report* under items “A (c)”; “B (b)”; “C (b)”; and “D (c)” respectively.

**(i) Table 9: Options – Delta-plus method**

- Those banking institutions that have obtained approval from the Bank to use the delta-plus method must complete Table 9.
- Banking institutions using this method must first calculate the delta-equivalent position of each option. The delta-equivalent position is calculated by multiplying the market value of the underlying position by the absolute value of the delta calculated on that position.
- For options with interest rate instruments as the underlying, the delta-equivalent position must be included in the positions and capital charge calculations entered in Tables 1 and 2 in accordance with the instructions applicable to interest rate instruments.
- For options with equity instruments as the underlying, the delta-equivalent position must be incorporated in Table 4 in the appropriate column as part of a gross position for specific risk depending on whether the underlying instrument attracts an 8 per cent, 4 per cent or 2 per cent specific risk charge. The delta-equivalent position must also be included in Table 4 in the column titled Net Position for General Market Risk. The specific risk and general market risk treatment should be in accordance with the instructions for Table 4.

- For options with foreign exchange or gold as the underlying, the delta-equivalent position must be entered in Table 5 in accordance with reporting instructions applicable to foreign exchange and gold.

**Note:** for an option over a currency pair not involving Namibian Dollar, two delta-equivalent positions must be entered into Table 5, one corresponding to the currency bought and the other corresponding to the currency sold. For currency pairs involving Namibian Dollar, only one delta-equivalent position is entered in Table 5 for the foreign currency.

- For options with commodities as the underlying, the delta-equivalent position must be slotted into either the simplified method (Table 5) or the maturity ladder method (Table 6). This should be reported in accordance with instructions that apply to commodity risk.
- Secondly, banking institutions must calculate the gamma impact of each option as detailed in BID-5. Total gamma impacts must be calculated and reported separately for options over interest rates, equities, foreign exchange and gold, and commodities respectively in Table 9.
- Thirdly, Vega impacts must be calculated (using the method set out in Appendix 7 of BID-5) and reported separately in Table 9 for options over interest rates, equities, foreign exchange and gold, and commodities respectively.
- Fourthly, totals will be calculated in Table 9 by adding the gamma impact and the Vega impact for each of the interest rate, equities, foreign exchange and gold, and commodities categories. These four totals will also be entered on the *Market Risk Summary Report* at items “A (d)”; “B (c)”; “C (c)”; and “D (d)” respectively.

### 3. SCENARIO ANALYSIS METHOD

Those banking institutions that have obtained approval from the Bank to use the contingent loss method must complete Tables 10 to 13. The contingent loss method requires exclusion of the options and any associated hedges in the underlying instrument from the asset class calculations in Tables 1 to 7. Instead a separate capital charge is determined. A scenario matrix is constructed that contains changes in the value of the options portfolio and hedges given specified changes in underlying prices and volatility. A capital charge for general market risk is then determined by taking the largest loss that appears in the matrix.

Specific risk charges, for those options where specific risk is present, are to be separately assessed based on the delta-equivalent amount of each option. For options with interest rate instruments as the underlying, the delta-equivalent positions must be included in the positions and capital charge calculations entered in Table 1. For equity options the delta-equivalent position must be included in Table 4 as part of the gross position for specific risk.

**(j) Table 10: Interest rate options**

A different scenario matrix must be established for each time band and by each currency (refer to Appendix 2 of BID-5). Banking institutions that have obtained the Bank's approval to do so, may base the calculation on a minimum of six sets of time bands.

**Specific instructions:**

1. for each currency, select the method used in calculating the capital charge;
2. report the maximum loss figure obtained from the scenario matrix constructed for each time band in each currency;
3. sum each column to obtain a maximum loss figure for all time bands by each currency. Report this figure in the top line of the final column for each currency; and
4. the total maximum loss in each currency will be summed to obtain a total capital charge. This figure will also be entered under item "A (e)" of the *Market Risk Summary Report*.

**(k) Table 11: Equity options**

Report the maximum loss figure obtained from the scenario matrix constructed for each national market (see Appendix 3 of BID-5). The column will be summed to obtain a total capital charge. This figure will also be entered in item "B d)" on the *Market Risk Summary Report*.

**(l) Table 12: Foreign exchange and gold options**

Report the maximum loss figure obtained from the scenario matrix constructed for each currency pair and gold (see Appendix 4 of BID-5). The column will be summed to obtain a total capital charge. This figure will also be entered under item "C (d)" of the *Market Risk Summary Report*.

**(m) Table 13: Commodities options**

Report the maximum loss figure obtained from the scenario matrix constructed for each commodity (see Appendix 5 of BID-5). The column will be summed to obtain a total capital charge. This figure will also be entered under item “D (e)” of the *Market Risk Summary Report*.

### **RWCR-3: OPERATIONAL RISK**

#### **7. SPECIFIC INSTRUCTIONS**

- Under the BIA and TSA (Basic Indicator and The Standardised Approach to Operational Risk), the reporting banking institution’s risk-weighted amounts for operational risk will be calculated based on its average gross<sup>1</sup> income of the last 3 years. If a banking institution has been in operation for 18 months or more but less than 3 years, it should treat any partial year of operation of 6 months or more as a full year, and any partial year of operation of less than 6 months as zero for the purposes of calculating the last 3 years mean average of its gross income - banking institution’s business lines.
- A newly established banking institution that does not have the required gross income data to calculate the required gross income figures may with the prior written approval of the Bank and subject to such conditions as may be specified, use gross income projections for all or part of the three-year period. These projections shall be reasonable in relation to the expected risk profile of such a banking institution.
- If any partial year is counted as a full year, the gross income of that partial year should be annualized and taken as the gross income of that year. If any partial year is treated as zero, the gross income for that partial year should be taken as zero.
- The following paragraphs explain how to report the gross income, capital charges and risk-weighted amounts under both the BIA and TSA.

#### **1. BASIC INDICATOR APPROACH (BIA)**

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<sup>1</sup> Gross income is defined as net interest income plus net non-interest income. It should: (i) be gross of any provisions (e.g. for unpaid interest); (ii) be gross of operating expenses, including fees paid to outsourcing service providers; (iii) exclude realised profits/losses from the sales of securities in the banking book; and (iv) exclude extraordinary or irregular items as well as income derived from insurance.

The capital charge for operational risk under the BIA should be calculated using the following formula:

$$K_{BIA} = [\sum GI_{1...n} \times \alpha] / n$$

Where:

$K_{BIA}$  = the capital charge under the basic indicator approach for calculating operational risk;

GI = gross income, where positive, of the last 3 years;

n = number of the last three years for which gross income is positive; and

$\alpha$  = 15%

**Note:** (a). Any gross income for a year that is negative or zero shall be excluded from the numerator (GI) and the denominator (n) reduced by the year (s) in which negative gross income occurred in the above formula.

(b). Reporting banking institutions using the BIA shall complete line items 1.0 to 1.3

## NATURE OF ITEMS

Report the gross income and capital charges for each of the last 3 years ending on the reporting calendar quarter end date.

### 1.1: Gross income for the last 3 years is calculated by:

- **First year:** aggregating the gross income recognised by the banking institution in the calendar quarter ending on the reporting calendar quarter end date and in each of the immediately preceding 3 calendar quarters;
- **Second year:** aggregating the gross income recognised by the banking institution in the 4 calendar quarters immediately preceding the first year; and
- **Third year:** aggregating the gross income recognized by the banking institution in the 4 calendar quarters immediately preceding the second year.

### 1.2: Capital charges (BIA)

Capital charge is calculated by multiplying the gross income in each of the relevant quarters in the first, second and third year, where positive, as calculated under (line item 1 above) by a capital charge factor of 15%.

### **1.3: Gross Income Mean Average**

This is calculated by dividing the aggregate of capital charges for each of the relevant quarters for the last 3 years, reported in line item 4 by 3.

### **1.4: Calibrated risk-weighted amount (BIA)**

This is calculated by multiplying the capital charge under the BIA (as reported under item 1.2) by 10 to obtain the calibrated risk-weighted amount.

## **2. THE STANDARDIZED APPROACH**

The capital charge for operational risk under the TSA should be calculated using the following formula:

$$K_{TSA} = \{ \sum_{\text{years 1-3}} \max [\sum (GI_{1-8} \times \beta_{1-8}), 0] \} / 3$$

Where:

$K_{TSA}$  = the capital charge under the TSA for calculating operational risk;

$GI_{1-8}$  = gross income for each of the 8 standardized business lines for each of the last 3 years;  
and

$\beta_{1-8}$  = the capital charge factor assigned to each of the 8 standardized business lines (as set out in BID-5 under paragraph 8).

## **LINE ITEMS**

### **7 to 16: Gross income for the last 3 years is calculated by:**

Report gross income recognized by the banking institution in the respective business lines in each quarter of the 3 calendar years. The quarterly gross incomes in each year should be summed up to derive the aggregate gross income per year, which should then be multiplied by the applicable capital charge factor to obtain the capital charge for each business line.

### **17 Total Capital Charge (TSA)**

The total capital charge is calculated by adding the capital charges of all the business lines for the three year, where positive gross incomes have been recognized.



**19 Gross Income Mean Average**

This is calculated by dividing the Total Capital Charge (TSA) by the number of years, where positive gross incomes have been recognized.

**20 Calibrated Risk-weight Amount (TSA)**

This is calculated by multiplying the Total Capital Charge under the TSA (as reported under item 17) by 10 to obtain the calibrated risk-weighted amount.

**Note:** Any gross income for a year that is negative or zero shall be excluded from the numerator (GI) and the denominator (n) shall reduced by the year (s) in which negative gross income occurred in the above formula.

**COLUMNS**

**Aggregate Gross Income (years 1 to 3)**

The quarterly gross incomes reported in over the three years shall be summed up to derive an Aggregate Gross Income figure for each business line (for both the BIA and TSA Approaches). In any given year of the last 3 years, the reporting banking institution may offset a positive capital charge for any standardized business line in the given year with a negative capital charge for any other standardized business line in that given year. However, it shall not offset positive or negative capital charges for standardized business lines between any of the last 3 years.

**Capital Charges**

This is calculated by multiplying the Aggregate Gross Income amounts of each business line by the respective allocated capital charge factors.

## **CREDIT RISK**

- 1) BIR 501 - **Credit risk**
- 2) Directives and interpretation for the completion of the return on credit risk - BIR 501

<b>CREDIT RISK</b>	
(Confidential and not available for inspection by the public)	

## PART A

(All amounts to be rounded off to the nearest N\$'000)

Line no	ITEMS	CLASSIFICATION CATEGORY					
		Pass or Acceptable	Special mention	Sub-standard	Doubtful	Loss/Bad	Total
		1	2	3	4	5	6
	<b>(D) CLAIMS ON SECURITY FIRMS</b>						
25	Gross exposure to security firms at beginning of quarter						-
26	Movements during the quarter						-
27	Written off during the quarter						-
28	Gross exposure to security firms at end of quarter (25+26-27)	-	-	-	-	-	-
29	Realizable value of security						-
30	Net exposure to security firms before provisioning (28-29)	-	-	-	-	-	-
31	Interest suspended						-
32	Provisions						-
	Minimum provision in percentages, G=general, S=specific	G=1%	G=2%	S=10%	S=50%	S=100%	
	<b>(E) CLAIMS ON CORPORATES</b>						
33	Gross exposure to corporates at beginning of quarter						-
34	Movements during the quarter						-
35	Written off during the quarter						-
36	Gross exposure to corporates at end of quarter (33+34-35)	-	-	-	-	-	-
37	Realizable value of security						-
38	Net exposure to corporates before provisioning (36-37)	-	-	-	-	-	-
39	Interest suspended						-
40	Provisions						-
	Minimum provision in percentages, G=general, S=specific	G=1%	G=2%	S=10%	S=50%	S=100%	
	<b>(F) CLAIMS INCLUDED IN THE RETAIL PORTFOLIO</b>						
41	Gross exposure to retail portfolio at beginning of quarter						-
42	Movements during the quarter						-
43	Written off during the quarter						-
44	Gross exposure to retail portfolio at end of quarter (41+42-43)	-	-	-	-	-	-
45	Realizable value of security						-
46	Net exposure to retail portfolio before provisioning (44-45)	-	-	-	-	-	-
47	Interest suspended						-
48	Provisions						-
	Minimum provision in percentages, G=general, S=specific	G=1%	G=2%	S=10%	S=50%	S=100%	



Institution: 0  
Financial Year: 0  
Start Date: 0  
End Date: 0

CREDIT RISK  
(Confidential and not available for inspection by the public)

PART A

Line no.	ITEMS	CLASSIFICATION CATEGORY					
		Pass or Acceptable	Special mention	Sub-standard	Doubtful	Loss/Bad	Total
		1	2	3	4	5	6
	(J) TOTAL EXPOSURE						
73	Total exposure at beginning of quarter	-	-	-	-	-	-
74	Movements during the quarter	-	-	-	-	-	-
75	Written off during the quarter	-	-	-	-	-	-
76	Total exposure at end of quarter (73+74-75)	-	-	-	-	-	-
77	Realizable value of security	-	-	-	-	-	-
78	Net exposure before provisioning (76-77)	-	-	-	-	-	-
79	Interest suspended	-	-	-	-	-	-
80	Provisions	-	-	-	-	-	-
81	Accounting adjustments on general provisions	-	-	-	-	-	-
	Minimum provision in percentages, G=general, S=specific	G=1%	G=2%	S=10%	S=50%	S=100%	

Line no.	PART B	(A) Claims on Sovereign or Central Banks	(B) Claims on Public Sector Entities	(C) Claims on Banks	(D) Claims on Security Firms	(E) Claims on Corporates	(F) Claims included in the Retail Portfolios	(G) Claims secured by Residential Mortgage Properties	(H) Claims secured by Commercial Properties	(I) Other Assets	Total Exposures
	AGEING ANALYSIS - COUNTER PARTIES	1	2	3	4	5	6	7	8	9	11
82	Current non-overdue exposures										-
83	Overdues:	-	-	-	-	-	-	-	-	-	-
84	Amount overdue: 1 to < 2 months										-
85	Amount overdue: 2 to < 3 months										-
86	Amount overdue: 3 to < 6 months										-
87	Amount overdue: 6 to < 12 months										-
88	Amount overdue: 12 months and above										-
89	Gross Exposure	-	-	-	-	-	-	-	-	-	-

Line no	AGEING ANALYSIS - PRODUCT TYPES	Instalment sales and leases	Mortgage loans	Overdrafts	Personal loans	Credit cards	Other loans & advances	Interbank advances	Total
		A	B	C	D	E	F	G	H
90	Current non-overdue exposures								-
91	Overdues:	-	-	-	-	-	-	-	-
92	Amount overdue: 1 to < 2 months								-
93	Amount overdue: 1 to < 2 months								-
94	Amount overdue: 2 to < 3 months								-
95	Amount overdue: 3 to < 6 months								-
96	Amount overdue: 6 to < 12 months								-
97	Amount overdue: 12 months and above								-
98	Gross Exposure	-	-	-	-	-	-	-	-



## **DIRECTIVES AND INTERPRETATIONS FOR THE COMPLETION OF THE RETURN ON CREDIT RISK (BIR 501)**

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### **1. PURPOSE**

This return form BIR 501 is to determine –

- a) The classification of all direct and indirect extensions of credit, including but not limited to, loans and advances;
- b) The distribution of loans and advances including overdue loans across several counter parties;
- c) The asset quality and adequacy for overall provisions to absorb estimated credit losses;

### **2. FREQUENCY**

**Quarterly**

### **3. GENERAL GUIDELINES**

- i. All gross loans and advances at the beginning of the quarter shall include full amounts outstanding under the transactions concerned, amounts not yet written off, interest accrued although not yet paid, and shall exclude interest not yet due.
- ii. The 'Minimum provision in percentages' as indicated in the return shall be maintained at all times.
- iii. All loans and other assets shall be classified into five classification grades, namely, pass, special mention, substandard, doubtful and loss, illustrated in paragraph 10 of BID 2. Such classification shall by no means depend on the amount or quality of collateral pledged.
- iv. Banking institutions are required to complete all line items in the return. If some of the information cannot be disclosed as a result of system problems, the reporting banking

institution should address the problem as a matter of urgency.

- v. While utilizing this directive, the banks are advised to cross reference to BID-2 for further guidance on treatment and definitions of specific items used in both this directive and the credit risk return (BIR-501).

#### 4. INSTRUCTIONS

Detailed instructions relating to the completion of this return are furnished with reference to the headings, item descriptions and line item numbers appearing on form BIR 501 as follows:

##### PART A

###### *Line Item Number*

**1 Gross exposure to sovereign or central banks at beginning of quarter**

This line item shall include all types of exposures to sovereigns or central banks that are denominated in the domestic currency, including exposures with or without credit rating by ECAs at the beginning of the quarter. For the purpose of the return (BIR-501), the gross exposures to sovereign and central banks exclude investment in instruments issued by GRN and BON that do not have a pre-established repayment schedule that is applicable to normal loans and advances (e. i. GRN Stocks TBs and Bills issued by Bank Of Namibia).

**2 Movements during the quarter** (The explanation here-under shall also apply to the similar line items in other counterparty categories). Report the difference between the position reported in the previous quarter and the current quarter, to reflect the movement that occurred due to reclassification, new classifications and exposures, recoveries, payment received and other credits.

**3 Written-off during the quarter** (The explanation here-under shall also apply to the similar line items in other counterparty categories). Accounts written off during the quarter shall be reflected in this line item. A banking institution is required to write off all debts that it regards as non-recoverable as guided by section 10 of BID-2.

**4 Gross exposures to sovereign or central banks at end of quarter** (The explanation here-under shall also apply to the similar line items in other counterparty categories).



- 5 Realizable value of security/collateral** (The explanation here-under shall also apply to the similar line items in other counterparty categories). This line item shall include the realizable value of security as determined under paragraph 11(d) and (e) of BID 2.
- 6 Net exposures to Sovereign and Central banks** (The explanation here-under shall also apply to the similar line items in other counterparty categories). Report the amount of net exposures to sovereign and central banks before provisioning.
- 7 Interest suspended** (The explanation here-under shall also apply to the similar line items in other counterparty categories). This line item shall include all interest suspended by a banking institution in terms of paragraph 9 of BID-2.
- 8 Provisions** (The explanation here-under shall also apply to the similar line items in other counterparty categories). This line item shall include loan loss provisions made by the banking institution, (general and specific provisions) which is determined in accordance with the provisions of BID-2.
- 9 Gross exposure to public sector entities at beginning of quarter**  
Report all exposures to Public Sector Entities with the original maturity of three months or less as well as long term exposures including loans to Namibian Regional Government and Local Authorities and past due exposures under this class of asset. For the purpose of the return, the gross exposures to PSE exclude investment instruments issued by PSE that do not have a pre-established repayment schedule that is applicable to normal loans and advances.
- 17 Gross exposures to banks at beginning of quarter**  
This line item shall include all exposures, which are of a long-nature, to banks according to the status of their respective credit ratings and all short-term exposures to banks, whether rated or unrated and exposures that are past due and where specific provision has been made.
- 25 Gross exposures to security firms at beginning of quarter**  
This line item shall include all exposures, including past due exposures to security firms.
- 33 Gross exposures to corporates at beginning of quarter**  
This line item shall include the total of all exposures to corporate clients.

**41 Gross exposures included in the retail portfolios at beginning of quarter**

Report all exposures falling under the regulatory retail exposures category.

**49 Gross exposures secured by residential mortgage property - beginning of quarter**

This line item shall include all exposures fully secured by residential mortgage property. This part of the return is intended to capture data related to loans granted for the purposes of acquisition of undeveloped or developed land, purchasing, building and renovation of an existing residential properties including data pertaining to other types of loans granted for other reasons other than the purposes specified above, that are secured by residential mortgage properties at the initiation of the loan agreement and that are outstanding at the end of the reporting quarter.

**57 Gross exposures secured by commercial real estate at beginning of quarter**

Report all claims secured by mortgage property on commercial real estate including the past due portion under this portfolio. This item shall include the relevant aggregate amount relating to any loans secured by mortgaged property other than the mortgage lending reported under exposures secured by residential mortgage properties.

**65 Gross other assets at beginning of quarter**

Report all assets not specifically required to be shown in any of the above categories. This will mostly be assets that carry no credit risk, like cash and reserves with Bank of Namibia.

**81 Accounting adjustments on general provisions**

Report the difference in the treatment of provisions as required by the BID 2 and the impairments computed in terms of IFRS.

**PART B**

**AGEING ANALYSIS – COUNTER PARTIES**

**82 Current (non-overdue) exposures**

Current exposures shall include all claims that are not yet overdue in respect of both principal and interest (pass or acceptable).

**83 Overdues**

Overdues shall include any asset for which; any portion of principal and/or interest is due and unpaid for 30 days or more. The entire principal balance outstanding (not just the amount of payments in arrears) is to be shown as “overdue” for purposes of this return. “Overdue” is well defined in paragraph 4(8) of BID-2.

**84 - 88 Amount overdue**

These items shall reflect the accounts overdue and banks are required to allocate these amounts according to number of months in arrears or excess.

**89 Gross Exposure**

This line item shall reflect the sum of the total claims to all the relevant counterparty as stated in the return.

**AGEING ANALYSIS – PRODUCT TYPES**

**90 Current (non-overdue) exposures**

Current exposures shall include all loans and advances (based on product types) that are not yet overdue in respect of both principal and interest (pass or acceptable).

**91 Overdues**

Overdues shall include any loan and advances for which; any portion of principal and/or interest is due and unpaid for 30 days or more. The entire principal balance outstanding (not just the amount of payments in arrears) is to be shown as “overdue” for purposes of this return.

**92 - 97 Amount overdue**

These items shall reflect the loan accounts overdue and banks are required to allocate these amounts according to number of months in arrears or excess.

**98 Gross Exposure**

This line item shall reflect the sum of the total loans and advances and should correlate to gross loans and advances per BIR 101.

### **SECTORAL RISK CONCENTRATION - PART C**

The sectoral classification of loans and advances concentration is based on the purpose for which the loan was granted. Loans granted to a borrower carrying on a mixed business should be classified according to the main activities in which the borrower is engaged, except where separate accounts are maintained which allow simple classification according to the purpose. If several items are integrated in a single unit, and no separate accounts are maintained, the loan should be classified according to the final product, any type of loans or advances given to a borrower for the purpose other than the main type of business, should be regarded as given for the purpose of the main business, i.e. a loan given to a transport company, and the company used the loan to construct a bus terminal should be classified as given to the transport industry.

In cases where a specific company is dependent on another company's operations, for a major part of its income, the classification shall be tied to the sector of the company where main operating activities generate income for both companies.

#### **1 Distributions**

- This line item shall represent the sectoral distribution of discounts, loans and advances. All amounts reflected in this line item shall be gross amounts. The following sectors have been identified as suitable for the Namibian economy:
- **Column 1 – Agriculture, Hunting and Forestry:** This shall include all loans and advances granted to individuals and institutions for the purpose of agriculture up to the point where the product is ready for processing, e.g. agronomy, forestry, livestock, dairying, meat processing, poultry, gaming and trophy hunting and all the related.
- **Column 2 – Fishing:** This shall include all loans and advances granted to individuals and institutions for the purpose of involving in fishing activities such as fish processing, fish farming and the related.

- **Column 3 – Mining and Quarrying:** This shall include all loans and advances granted to individuals and institutions for the purpose of mining exploration, mining and quarrying and all mineral products. Examples of such products are diamonds, uranium, copper, zinc and the related.
- **Column 4 – Manufacturing:** This shall include all loans and advances granted to individuals and institutions for the purpose of engaging in the processing and manufacturing of goods/commodities, e.g. alcoholic beverages, soft drinks, other food processing, wood and wooden product and other related, except canned fish.
- **Column 5 – Construction:** This shall include all loans and advances granted to individuals and institutions for the purpose of constructing new residential, commercial and industrial buildings, road and railway infrastructure, including construction materials and all the related.
- **Column 6 – Electricity, Oil, Gas and Water:** This shall include all loans and advances granted to individuals and institutions for the purpose of providing electricity, gas, oil and water.
- **Column 7 – Trade and Accommodation:** *Loans for trading* purposes shall include all loans and advances granted to individuals and companies involved in retailing and wholesaling.

*Loans for accommodation* purposes shall include all loans and advances granted to individuals that want to buy existing property for residential purposes, e.g. residential mortgage loans and advances granted to hotels, lodges, restaurants and the related.

- **Column 8 – Transport, Storage and Communication:** *Loans to the transport* sector shall include all loans and advances granted to individuals and companies that are involved in transportation of either passengers or goods and courier services.

*Loans to communication* sector shall include all loans and advances granted to institutions that are involved in delivering communication services.

- **Column 9 – Finance and Insurance:** This shall include all loans to all financial institutions including banks and insurance companies.
- **Column 10 - Real Estate:** This shall include all loans to real estate agencies granted for the purpose of facilitating their services and of improving existing buildings that they intend to sell.

- **Column 11 - Business Services:** Business services shall include companies or individuals that are to provide services such as professional, scientific and technical services, health, education, auditing and consultancy and the related.
- **Column 12 – Government Services:** This shall include all loans granted to all government institutions.
- **Column 13 – Individuals:** This shall include only loans granted for personal use by individuals and not for business purposes. Loans granted to individuals for the purpose of operating a business for clothing or farming, for example, shall not fall under individual category.
- **Column 14 – Other:** Any loans given for a purpose not specified in any of the categories above shall be included under this line item. However, banking institutions should be careful not to report huge figures in this column; otherwise they will need to specify what other is composed of.
- **Column 15 – Total:** This shall reflect the total of the fourteen columns or sectors. This amount shall tie up with the gross loans per the BIR 100.

#### **99 Non-performing loans**

This line item shall include all loans that are viewed to be not performing according to the economic sectors and no accrual of interest on such loans.

A loan is said to be non-performing if it does not generate any income or it is no longer prudent to credit interest receivable to the Statement of comprehensive income. The entire outstanding loan amount shall be considered as non-performing when: any portion of principal or interest is due and unpaid for 90 days or more; or interest payments for 90 days or more have been capitalised, refinanced, or rolled-over into a new loan.

#### **100 Security values**

Collateral provided to secure the loans per sector given by a reporting banking institution shall be included in this line item. Banks are referred to paragraph 11(d) and (e) of BID 2, for instructions on the treatment and valuation of collateral to ensure prudence.

#### **101 Specific provisions**

Banking institutions are required to make specific provisions against losses on a debt that has been identified as substandard doubtful and loss/bad and any provision made against groups of debts on the basis of their age. The specific provisions shall be reported according to sectors of economy.

**102 Net secured and with no provisions**

This reflects the difference between total distribution, minus non-performing loans, security values and specific provisions.

**103 Sector total as percentage of total capital funds**

It reflects each sector's total concentration as a percentage of total capital funds in terms of the Determination on Capital Adequacy (BID-5).

**104 Number of clients**

Banking institutions shall report the number of clients from each sector in this line item and reflect the total in the last column.

**105 Total capital funds**

Report the total capital base of the institution at the reporting date.

**PART D**

**MEMORANDUM ITEMS**

**106 Exposures secured by residential mortgage properties**

This line item shall include all loans and advances per type, fully secured by residential mortgage property.

**107 Exposures secured by commercial real estate**

All loans and advances per type, secured by mortgage property on commercial real estate including the past due portion under this portfolio.

**108 to 113 Assets repossessed or bought in to protect an advance or investment**

These line items refer to the value of the following assets:

- Assets bought in to protect an advance or investment and not yet disposed of, such as moveable assets, immovable property or companies of which the main object is the acquisition and holding or development of immovable property.
- Investment in shares of companies of which the main object is not the holding of fixed property and which shares were bought in to protect an advance or an investment.
- Assets so bought in shall be valued at the lower of either cost or estimated net realizable value.
- After a lapse of five years, banking institutions are required to furnish explanation to the Bank as to why management is unable to dispose off such property in an effort to recover the outstanding loan amount. (In the absence of the required valid explanations, the asset bought in shall no longer be regarded as protecting an advance or investment and shall be reclassified to the appropriate line item on this return).

### **115 to 119 Residential mortgage loans granted and taken up during the quarter**

For the purpose of this return, report the number of all residential mortgage loans granted and taken up during the calendar quarter with the loan value.

## **GEOGRAPHICAL DISTRIBUTION OF LOANS AND ADVANCES**

### **121 Distribution**

This line item shall represent the geographical distribution of discounts, loans and advances. All amounts reflected in this line item shall be gross amounts.

### **122 Non-performing loans**

This line item shall include all loans that are viewed to be not performing according to the regions and no accrual of interest on such loans. A loan is said to be non-performing if it does not generate any income or it is no longer prudent to credit interest receivable to the Statement of comprehensive income. The entire outstanding loan amount shall be considered as non-performing when: any portion of principal or interest is due and unpaid for 90 days or more; or interest payments for 90 days or more have been capitalized, refinanced, or rolled-over into a new loan.

### **104 Number of clients**

Banking institutions shall report the number of clients from each region in this line item and reflect the total in column 14.





## **SINGLE BORROWER AND CONCENTRATION RISK**

- 1) BIR 511 - **Single Borrower and Concentration Risk return** (PART A – Large exposures, PART B – Non-performing large exposures and PART C Sectoral Risk Concentration)
- 2) Directives and interpretation for the completion of the Single Borrower and Concentration Risk return - BIR 511.

Item N°	1			2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	Borrower			Type of Facility	Approved Limit	OUTSTANDING			Statutory Exposure	Purpose of Exposure	Sector	Authorisation Date	Maturity Date	Value of Security held against Exposure (See note 1)	Total exposure as % of Capital funds	Indicate if exposure is Performing or Non performing	Amount of Non-Performing Exposures NS'000	Value of Security Held Against Non-Performing Exposures NS'000	Interest Suspended NS'000	Net Amount of Non-Performing Exposures (Column 15 less 16 & 17) NS'000	Specific provisions NS'000
						On-Balance Sheet items	Off-Balance Sheet items	Total (Column 4 plus 5)													
		Borrowing Group	Total Approved Limit: Borrowing Group	Total Statutory Exposure: Borrowing Entity	Amount (NS Million)																

**DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF SINGLE BORROWER AND CONCENTRATION RISK RETURNS (BIR 511: PART A - LARGE EXPOSURES, PART B - NON-PERFORMING LARGE EXPOSURES AND PART C - CONCENTRATION RISK)**

---

**1. PURPOSE**

The purpose of this return is to (i) report exposures to single borrowers, which are equal to or exceeding 10% of the capital funds and the performance of such exposures; and (ii) determine compliance with limits on exposures to single borrowers set out in BID-4.

**2. FREQUENCY**

Quarterly

**3. GENERAL GUIDELINES**

The form BIR 511 shall be completed on the basis of exposures to a single borrower, or to a group of related borrowers, and not on the basis of exposure per account.

**4. INSTRUCTIONS**

Instructions relating to the completion of the quarterly return concerning large exposures are furnished with reference to the item descriptions and column numbers appearing on the forms Large Exposures (PART A) and Non-Performing Large Exposures (PART B), as follows:

**Large Exposures - Part A**

*Column*

*Number*

**1 Borrower** refers to the name of the person, or group of related persons to which a credit facility is granted and on whom reliance is placed for repayment of debt. In the case of a group of related persons, please specify each company's exposure separately.

- 2**      **Type of facility**, specify the type of facility granted, e.g. fixed term loan, Overdraft, etc.
- 3**      **Approved limit** shall consist of an amount agreed on by a banking institution to be disbursed in terms of any credit facility to a single borrower.
- 4**      **On- balance sheet items** shall consist of all gross amounts of all on-balance sheet exposures to borrowers as at the quarter-end to which the return relates.
- 5**      **Off-balance sheet items** shall consist of all gross amounts of all off-balance sheet exposures to borrowers as at the quarter-end to which the returns relates.
- 7**      **Statutory exposure** shall consist of the amount of the approved limit (Column 3) or the total amount outstanding (Column 6), whichever amount is higher. In the case of fully disbursed fixed term loans, only the amount outstanding should be reported.
- 8**      **Purpose of exposure** shall include full details of what the credit facility was intended for.
- 9**      **Sector** shall be based on the main purpose for which the exposure was extended. Please, indicate the economic sector, e.g. fisheries, mining, etc.
- 10**     **Authorisation date** shall be the date that on which the credit facility was approved by the reporting banking institution.
- 11**     **Maturity date** shall be the date the credit facility reaches maturity and/or be fully settled.
- 12**     **Value of the security held against the exposure**, shall consist of an amount stated in Namibian Dollars, for the collateral held against the exposure.
- 13**     **Total exposure as a percentage of capital funds**, shall equal the total amount reported in column 6 of this particular return, divided by the total capital funds computed in terms of the Determination on Capital Adequacy (BID-5) multiplied by 100.
- 14**     **Indicate if exposure is Performing or Non-performing**, shall specify if the exposure is performing by choosing a yes or no.

**15 Amount of non-performing large exposures** shall consist of the amount classified as non-performing in terms of the Determination on Asset Classification, Suspension of Interest and Provisioning (BID-2) which are reported as substandard, doubtful and loss under Part A.

**16 Value of security held against non-performing exposures** shall consist of the book value stated in Namibian Dollars, for the collateral held against a non-performing large exposure.

**17 Interest Suspended**, include all interest suspended by a banking institution in terms of paragraph 9 of BID-2.

**19 Specific provisions**, shall include specific provisions made in accordance with paragraph 11 of the Determination on Asset Classification, Suspension of Interest and Provisioning (BID-2), relating to non-performing large exposures.

## **INTERBANK EXPOSURES**

- 1) BIR 520 - **Interbank Exposures**
- 2) Directives and interpretation for the completion of the interbank exposure return - BIR 520 (Form A & B)

[illegible]



## DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF INTERBANK EXPOSURES RETURN (BIR 520)

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### 1. PURPOSE

The purpose of this return is to determine compliance with limits on interbank placements in terms of BID 15.

### 2. FREQUENCY

Quarterly.

### 3. GENERAL GUIDELINES

The return form BIR-520 shall be completed on the basis of exposure to other banking institutions and not on the basis of exposure per account.

### 4. INSTRUCTIONS

Instructions relating to the completion of this return are furnished with reference to the items descriptions and column numbers appearing on the return form BIR 520.

*Column*

*Number*

- A Counter party** refers to the name of the banking institution to which a credit facility is granted.
- B Derivates** will only include derivative instruments as described by the relevant accounting standards.
- C Securities** will include all securities issued by other banks and held by the reporting bank.
- D Gross Deposits** will be the amount of the investments in other banks including call balances at gross.

- E**     **Gross Loans** will be the amount lent to another bank.
- F**     **Foreign Exchange Settlement** will be shown at net open position
- G**     **Securities Lent.** Report assets pledged to secure credit facility with other banking institutions exclude securities pledged with Bank of Namibia.
- H**     **Repurchase Agreements** will include the amount equal to the consideration paid for assets acquired by the reporting bank from another bank subject to a resale agreement.
- I**     **Other Collateralised Interbank Loans** will be all other exposures to other banks not included elsewhere on this return.
- J**     **Maturity Period** shall be the date the credit facility reaches maturity and/or be fully settled.
- K**     **Total exposure as a percentage of capital funds** shall equal the total amount reported in column J of this particular return, divided by the total capital funds computed in terms of the Determination on Capital Adequacy (BID-5) multiplied by 100.

Note:     The above-mentioned instructions for completion of the returns should be applied to both FORM A (Exposure maturing within 7 days) and FORM B (Exposures maturing after 7 days).

## **INTEREST RATE RISK IN THE BANKING BOOK**

- 1) BIR 631 - **Interest Rate Risk in the Banking Book**
- 2) Directives and interpretation for the completion of the return on Interest Rate Risk in the Banking Book - BIR 631

INTEREST RATE RISK EXPOSURES								BIR 631
(Confidential and not available for inspection by the public)								(Quarterly)
(All amounts to be rounded off to the nearest NS'000)								
Line No	Item	Up to one month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 9 months	More than 9 months to 12 months	More than one year	Total
1	Assets (total of items 2-7)							
2	Fixed Rate Assets							
3	Variable rate assets							
4	Managed rate assets							
5	Non-rate sensitive assets							
6	Weighted Average Yield							
7	Non-interest earning assets							
8	Liabilities & Capital (total of items 9 to 15)							
9	Fixed Rate Liabilities							
10	Variable rate liabilities							
11	Managed rate liabilities							
12	Non-rate sensitive liabilities							
13	Weighted Average Cost							
14	Equity Capital							
15	Other Non-interest bearing liabilities							
16	Net funding to/from trading							
17	Net funding to /from banking book							
18	Off Balance-Sheet Positions - L (Sum of item 20, 22,24,26 & 28)							
19	Off Balance-Sheet Positions - S (Sum of item 21, 23,25,27 & 29)							
20	Forward Foreign Exchange Contracts - L							
21	Forward Foreign Exchange Contracts - S							
22	Interest rate/cross country swaps - L							
23	Interest rate/cross country swaps - S							
24	Futures/ Forward Rate Agreement - L							
25	Futures/ Forward Rate Agreement - S							
26	Options - L							
27	Options - S							
28	Others - L							
29	Others - S							
30	Net repricing gap (total sum of items 1, 16, 17, 18, less 19 and 8)							
Interest rate sensitivity: banking book								
Impact on Net Interest Income (NII)		Up to one month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 9 months	More than 9 months to 12 months	Cumulative total for 12 months	
Impact of parallel rate shock - Earnings Perspective								
31	Time weight on earnings							
32	Interest rate increases							
33	Interest rate decreases							
Impact of parallel rate shock - Economic Value Perspective								
34	Weighting factor for standardised interest rate shock							
35	Interest rate increases							
36	Interest rate decreases							
37	Total Qualifying Capital Funds at reporting date							
38	Impact on Economic value as % of Qualifying Capital							
39	Interest rate increases							
40	Interest rate decrease							

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF THE RETURN ON INTEREST RATE RISK IN THE BANKING BOOK (BIR 631)**

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### **1. PURPOSE**

The purpose of this return is to determine the exposure of banking institutions to interest rate risk in the banking book in terms of BID 20.

### **2. FREQUENCY**

Quarterly

### **3. INSTRUCTIONS**

Instructions relating to the completion of the return are furnished with reference to certain item descriptions and line items appearing on the form BIR 631, as follows:

#### *Line items*

#### **Item 2 Fixed rate assets**

Assets with interest rates fixed up to final maturity date, such as fixed rate term loans, should be slotted into the appropriate time bands according to their residual maturities.

#### **Item 3 Variable rate assets**

This item shall include assets which will automatically be repriced at the next repricing date in accordance with the movements in interest rates. These assets should be slotted into the appropriate time bands according to the next interest rate fixing date. Such assets include, for example, floating rate CDs/notes and other loans which are automatically priced in accordance with movements in the relevant reference rates. During the period between the final repricing date and the final maturity, these assets should continue to be reported as variable rate assets and slotted into the appropriate time bands according to their residual maturities.

**Item 4            Managed rate assets**

This item shall include assets for which there are no fixed repricing dates and the interest rates can be adjusted at any time at the discretion of the reporting institution. These assets should be slotted into the appropriate time bands according to the earliest date on which their interest rates can be adjusted assuming that the reference rate (e.g. prime) is adjusted on the business day immediately following the reporting date.

**Item 5            Non-rate sensitive assets**

This item shall include any asset item, the relevant value of which is not sensitive to or influenced by a change in interest rates, such as deferred tax asset.

**Item 6            Weighted average yield**

Report the weighted average yield of all the interest earning assets reported under items 2-5. The rate reported should be rounded to 2 decimal places. Interest rates applicable to assets at the reporting date should be used for the purpose of calculation.

**Item 7            Non – interest bearing assets**

This item shall include, for example, properties, shares, fixed assets and other receivables which are non-interest bearing. Properties and fixed assets should be reported net of depreciation.

**Item 9            Fixed rate liabilities**

This item shall include liabilities, such as fixed rate deposits, money market deposit and term deposits are to be slotted into the appropriate time bands according to their residual maturities.

**Item 10           Variable rate liabilities**

This item shall include, for example, floating rate debt instruments issued by the reporting banking institution where the interest rate is adjusted automatically on the repricing date in accordance with movements in the relevant reference rates. The liabilities should be slotted into the appropriate time bands according to the next interest rate fixing date. As with variable rate assets, these liabilities should continue to be classified as variable rate liabilities according to their residual maturities during the period between the final repricing date and the maturity date.

**Item 11           Managed rate liabilities**

This item shall include, for example, deposits for which interest rates can be adjusted at the discretion of the reporting banking institution. They should be slotted into the appropriate time bands according to the earliest date on which their interest rates can be adjusted assuming that the reference rates are adjusted on the business day immediately following the reporting date.

**Item 12      Non-rate sensitive liabilities**

This item shall include any liability item, the relevant value of which is not sensitive to or influenced by a change in interest rates.

**Item 13      Weighted average interest cost**

Report the weighted average interest cost of all the interest bearing liabilities reported in line items 9 to 12. The rate reported should be rounded to the nearest 2 decimal places.

**Item 14      Equity Capital**

These include the capital, reserves (including retained earnings) and profit and loss accounts of the reporting institution. Interest bearing capital items (such as preference shares and subordinated debts) should be reported under items 9, 10 and 11 as appropriate.

**Item 15      Other non-interest bearing liabilities**

These include, for example, deposits in current accounts and other payables/liabilities which are non-interest bearing, and loan loss provisions etc.

**Item 16      Net funding to/from trading**

This amount shall reflect the net amount of funds borrowed from or lent to the banking related activities of the reporting bank by the bank's treasury, which treasury activity normally is managed in accordance with the market risk limits and included in the market risk return as part of the reporting bank's trading activities.

**Item 17      Net funding to/from N\$ banking book**

This item relates to the completion of the return on a legal entity basis that includes any relevant activity or exposure of a foreign branch and shall reflect the net amount of funds borrowed from or lent to the foreign denominated activities of the reporting bank by the Namibia dollar banking book.

**Item 20, 21      Forward foreign exchange contracts**

This item shall include unmatured spot contracts which are for value not more than two business days after the transactions are contracted, and should be slotted into the appropriate time bands according to the residual maturity of the individual contracts.

**Item 22, 23      Interest rate / cross currency swaps**

An interest rate / cross currency swap contract obligates an institution to both receive and remit payments that are based on the notional amount of the swap contract. Depending on the contract, an institution

may receive fixed-rate and pay floating rate interest on the notional principal and vice versa. Report interest-rate swap contract in terms of which the reporting bank receives a floating-rate as being equal to a long position in a floating rate instrument with the maturity equivalent to the period until the next interest-rate fixing, and a short position in a fixed rate instrument with the same maturity as the interest-rate swap contract itself.

**Item 24, 25     Futures / FRAs**

These should be treated in the same way as a combination of a long and a short position in government securities. The maturity of a futures or a forward rate agreement (FRA) would be the period until delivery or exercise of the contract, plus where applicable, the life of the underlying instruments.

**Item 26, 27     Options**

This item shall include option contracts which are related to interest rate instruments and currencies. Report the contract amounts in the relevant time bands based on the relevant settlement date and maturity date of the contract. Option contracts should be reported by using the delta equivalent value of these contracts, which is calculated by multiplying the principal value of the underlying by the delta or, in the case of options on debt instruments, the market value of such debt instruments by the delta.

**Item 28, 29     Others**

This item shall include the aggregate amount of any other off-balance sheet items (other than those specifically provided for in the return) which are sensitive to changes in interest .

**Item 30           Net reprising gap**

This is the net amount of items 1, 8, 16, 17, 18 and 19. Show figures in brackets to indicate a short position in any of the time bands.

**Item 31           Time weight on earnings**

The time weight on earnings (item 31) is used to measure the impact of an interest rate change of 200 basis points on the earnings of the reporting institution in a period of 12 months. For example, if an institution has a positive position of N\$10 million in the second (1 to 3 months) time band, an increase in interest rates of 200 basis points would produce additional interest income of approximately \$166,667 (\$10,000,000 x 2% x 10/12) during the 12-month period. This assumes that all positions are repriced at the mid-point of each time band. The time weights of individual time bands are thus computed as follows:

Up to one month:	$(11.5/12) \times 2\% = 1.917\%$
1 to 3 months	$(10/12) \times 2\% = 1.667\%$
3 to 6 months	$(7.5/12) \times 2\% = 1.250\%$
6 to 9 months	$(4.5/12) \times 2\% = 0.750\%$



9 to 12 months  $(1.5/12) \times 2\% = 0.250\%$

**Item 32-33 Impact of Parallel rate shocks – Earnings Perspective**

The total impact on earnings over the next 12 months should be calculated by summing the weighted positions in different time bands up to 12 months, as computed by multiplying the net position in each time band reported under item 30 by the corresponding time weight specified under item 31. The amounts reported, with short positions shown in brackets, should be rounded to the nearest N\$'000 without decimal place.

Report the sum of the weighted positions of all time bands under the cumulative total for 12 months column;

Based on parallel shift or shock of 200 basis points in the yield curve, up and down, these items shall reflect the simulated impact of the said rate change on the reporting bank's net interest income, which impact shall be reported in respect of each discrete time bucket, with the cumulative total impact amount reported in the last column.

**Item 34-36 Impact of parallel rate shocks – Economic Value Perspective**

The Bank applies a standardised 200-basis-point parallel rate shock to institutions' interest rate risk exposures to measure the economic value impact of the shock. The impact of the shock is calculated as follows:

- multiply the net repricing gap position reported on line item 30 by the corresponding weighting factor as per the table below to obtain a weighted position in each time band;
- report the amount (with short positions shown in brackets) on line item 35 and 363 of each time band and round the amount to the nearest N\$'000 without decimal place;
- report the sum of the weighted positions of all time bands under the cumulative total for 12 months column;

**Table 1: Weighting factors per time band (second step in the calculation process)**

Time-band	Middle of time-band	Proxy of modified duration	Assumed change in yield	Weighting factor
Up to 1month	0.5 months	0.04 years	200 bp	0.08%
1 to 3 months	2 months	0.16 years	200 bp	0.32%
3 to 6 months	4.5 months	0.36 years	200 bp	0.72%
6 to 12 months	9 months	0.71 years	200 bp	1.43%

1 to 2 years	1.5 years	1.38 years	200 bp	2.77%
2 to 3 years	2.5 years	2.25 years	200 bp	4.49%
3 to 4 years	3.5 years	3.07 years	200 bp	6.14%
4 to 5 years	4.5 years	3.85 years	200 bp	7.71%
5 to 7 years	6 years	5.08 years	200 bp	10.15%
7 to 10 years	8.5 years	6.63 years	200 bp	13.26%
10 to 15 years	12.5 years	8.92 years	200 bp	17.84%
15 to 20 years	17.5 years	11.21 years	200 bp	22.43%
over 20 years	22.5 years	13.01 years	200 bp	26.03%

**Item 37      Total Qualifying Capital**

Report the total capital base of the institution at the reporting date in line 37 under the cumulative total column.

**Item 38-40      Impact of economic value of Equity**

Based on the relevant amounts reported in items 35 and 36 above, the reporting bank shall express the impact on economic value as a percentage of total qualifying capital under this items for the twelve-month period following the reporting month.

## **PART III: RETURNS AND DIRECTIVES**

### **C – HALF YEARLY SUBMISSIONS**

**INVESTMENTS AND INTEREST HELD**

- 1)     BIR 150       -       **Investments and interest held**
  
- 2)     Directives and interpretation for the completion of investments and interest held return - BIR 150



## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF INVESTMENTS AND INTEREST HELD RETURN (BIR 150)**

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### **1. PURPOSE**

The purpose of this return form BIR 150 is to determine the details of investments and interest held in all companies and associates, with the exception of companies bought in.

### **2. FREQUENCY**

Half-yearly

### **3. INSTRUCTIONS**

Details concerning companies bought in during a period of five years prior to the date of this return shall not be shown on this form. This form is to be accompanied by a detailed organogram reflecting all investments and interest held in subsidiary companies, including companies bought in, and associates as envisaged.

In the case of a subsidiary company, or an associate, that conducts business outside Namibia, the date on which the Senior Manager: Bank Supervision's approval of the investment or interest was acquired, the nature of the business of such subsidiary company or associate and, in the latter instance, the country in which the associate is operating shall be indicated under its name.

In the absence of market values, the valuation placed on an investment or interest by the directors shall be indicated in column 5.

The attributable share of profits (or losses) of associates shall be in respect of the latest financial year-end and shall be calculated in accordance with the provisions of the Statements of Generally Accepted Accounting Practice, AC110.

## **PART III: RETURNS AND DIRECTIVES**

### **D – YEARLY SUBMISSIONS**

## **BANK CHARGES AND FEES**

- 1) BIR 130 - **Bank charges and fees**
- 2) Directives and interpretation for the completion of the bank charges and fees return - BIR 130



<b>v1.00</b>	<b>Institution:</b>	
	<b>Financial Year:</b>	
	<b>Start Date:</b>	
	<b>End Date:</b>	

# **BANK CHARGES AND FEES**

**BIR 130**  
(Annually)

Item N°		MAXIMUM CHARGES (AMOUNT OR AS A PERCENTAGE)
	<b>CHEQUE ACCOUNTS</b>	
1	Opening of account	
2	Client using facility for the first time	
3	Closing of account	
4	Withdraw als	
5	Service fees	
6	<b>ATM</b>	
7	ATM transactions	
8	Local - ATM	
9	Withdraw al (per transaction)	
10	Balance enquiry	
11	Mini statement	
12	Inter account transfer	
13	<b>Saswitch - ATM</b>	
14	Withdraw al (per transaction)	
15	Balance enquiry	
16	Mini statement	
17	Inter account transfer	
18	First issue of ATM card	
19	Replacement of lost and/or damaged ATM card	
20	<b>Cheques</b>	
21	Cheque books	
22	Counter cheques (per cheque)	
23	Returned cheques (for technical reasons)	
24	Unpaid cheques (for lack of funds)	
25	Referral fees (contacting customer to avoid dishonouring paper)	
26	Special presentation of cheques	
27	Encashment of cheques draw n on other banks	
28	Stop payment of cheques	
29	Transfer/payments	
30	Stop orders (per transaction)	
31	Additional are telegraphic and telex charges	
32	Magtapes/debit orders	
33	Stop payment	
34	Sw ift	
35	Telegraphic transfers (plus service fees)	
36	<b>Electronic banking (Internet Banking)</b>	
37	Current account	
38	Savings account	
39	Transfers/Payments on "Self Service Terminal"	
40	<b>Deposits</b>	
41	Cash deposit fees	
42	Postdated cheques (per cheque)	
43	Deposit books	
44	<b>Various</b>	
45	Stop payments (per payment)	
46	Statements (monthly)	
47	Copies of old statements (per statement)	
48	Statements (provisional)	
49	Search fee	
50	Photocopies	
51	Fax charges	
52	Auditors certificates	

53	<b>SAVINGS ACCOUNTS</b>	
54	Opening of account	
55	Minimum balance	
56	Closing of account	
57	Deposits	
58	Cash	
59	Cheques	
60	Withdrawals	
61	<b>ATM</b>	
62	At teller with ATM card or withdrawal slip	
63	At other branches	
64	Savings ATM card	
65	First issue of ATM card	
66	Replacement of damaged and/or lost ATM card	
67	Mini statement	
68	Balance enquiry	
69	Savings book	
70	Replacement of lost book	
71	<b>ADVANCES AND OVERDRAFT FACILITIES</b>	
72	Penalty interest (on the amount exceeding the arranged overdraft limit)	
73	Overdraft notices/reminders	
74	Annual review of facility	
75	Commitment fees for overdrafts	
76	<b>RESIDENTIAL HOME LOANS</b>	
77	Property guarantees (mortgage bond transfer)	
78	Property valuations	
79	Bond registration fee	
80	<b>ASSET BASED FINANCE</b>	
81	Opening of account	
82	<b>SAFE CUSTODY AND SECURITIES</b>	
83	Closed custody	
84	Envelopes and boxes	
85	Safe deposit lockers	
86	Open custody	
87	<b>EXCHANGE CONTROL WORK</b>	
88	Additional holiday allowance	
89	Additional student allowance	
90	Additional maintenance allowance	
91	Attestation fees	
92	Credit card endorsements	
93	General	
94	<b>INTERNATIONAL PAYMENTS</b>	
95	Incoming	
96	<b>SWIFT transfer, bank draft, mail transfer</b>	
97	Outward	
98	<b>SWIFT transfer</b>	
100	Bank draft	
101	Mail transfer	
102	Teletransmission fee	
103	General	
104	<b>GUARANTEES AND LETTERS OF CREDIT</b>	
105	Advising commissions	
106	Confirming commissions	
107	General	
108	<b>COLLECTIONS AND LEGAL</b>	
109	Letters	
110	Reminders	
112	General	

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF THE RETURN BANK CHARGES AND FEES (BIR 130)**

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### **1. PURPOSE**

The purpose of this return form BIR 130 is to ensure the disclosure of bank charges and fees are displayed in a conspicuous place within each branch.

### **2. FREQUENCY**

Yearly

### **3. INSTRUCTIONS**

The return form BIR 130 shall be compiled in the format as prescribed above and shall be submitted annually. Notwithstanding the annual notification, all banking institutions shall notify and inform the Bank within two weeks of any changes in their fee structure taking place in between formal submission dates.

## **SHAREHOLDING IN A BANKING INSTITUTION / CONTROLLING COMPANY**

- 1) BIR 140 - **Shareholding in a banking institution/controlling company**
- 2) Directives and interpretation for the completion shareholding in a banking institution/ controlling company - BIR 140

Institution:					
Financial Year:					
Start Date:					
End Date:					

SHAREHOLDING IN BANKING INSTITUTIONS					
(Confidential and not available for inspection by public)			(Annually / As-and-w hen)		

(All amounts to be rounded off to the nearest N\$'000)

Item N°	NAME OF SHAREHOLDER AND COUNTRY INDICATE COUNTRY OF RESIDENCE/DOMICILE IF NOT NAMIBIAN SHAREHOLDER	LINE NO.	TOTAL NOMINAL VALUE OF SHARES HELD	TOTAL NUMBER OF SHARES HELD AS A % OF THE VOTES	TOTAL NUMBER OF SHARES HELD AS A % OF CAPITAL	INDICATE IF SHAREHOLDER IS A CONTROLLING COMPANY / BANKING INSTITUTION OR CONDUCTS SIMILAR BUSINESS IN OTHER COUNTRIES
	Names of domestic shareholders holding 5% or more listed in alphabetical order of class of shares	1				
1						
2						
3						
4						
5						
6						
7						
	Aggregate of domestic shareholders not detailed (by class of shares*)	2				
8						
9						
10						
11						
12						
13						
14						
15						
	Names of foreign shareholders holding 5% or more listed in alphabetical order of class of shares	3				
16						
17						
18						
19						
20						
21						
22						
	Aggregate of foreign shareholders not detailed	4				
23						
24						
25						
26						
27						
28						
29						
30						

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF SHAREHOLDING IN A BANKING INSTITUTION / CONTROLLING COMPANY RETURN (BIR 140)**

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### **1. PURPOSE**

The purpose of this returns form BIR 140 is to obtain selected information in respect of domestic and foreign shareholders.

### **2. FREQUENCY**

Yearly

### **3. INSTRUCTIONS**

The form BIR 140 shall be compiled in the format as prescribed by the Bank and submitted -

- a) By a banking institution within 90 days of its registration;
- b) By a controlling company within 90 days of its registration;
- c) Annually thereafter as indicated above, in accordance with the requirements of section 20 of the Act; and
- d) Immediately after any change in shareholding structure of a banking institution.

## **INTRA-GROUP EXPOSURES AND TRANSACTIONS**

- 1) BCR - 009 - **Intra-Group Exposures and Transactions Return**
- 2) Directives and interpretation for the completion of the Intra-Group Exposures and Transactions Return (BCR – 009)

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF INTRA-GROUP EXPOSURES AND TRANSACTIONS RETURNS (BCR - 009: INTRA-GROUP EXPOSURES AND TRANSACTIONS)**

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### **1. PURPOSE**

The purpose of this return is to report intra-group exposures and determine compliance with relevant Determinations.

### **2. FREQUENCY**

Semi--Annual

### **3. GENERAL GUIDELINES**

The form BCR - 009 shall be completed on the basis of exposures to group entities.

### **4. INSTRUCTIONS**

Report all facilities granted to affiliated companies, on a group level (borrower) basis. However, the exposures shall be reported separately, that is, as per individual accounts granted to the counterparty e.g. overdraft, term loan, preference share, etc. Report the gross commitments i.e. the level of intra-group exposures and transactions, amount, nature and residual maturity of the commitments as indicated in the Return. Intra-group exposures and transactions include at least the following:

Credit or a line of credit which either the parent grants to a subsidiary or one subsidiary makes available to another subsidiary.

Intra-group cross shareholdings;

Trading operations whereby one group company deals with or on behalf of another group company;  
Central management of short term liquidity within the conglomerate;

Guarantees and commitments provided to or received from other companies in the group; and The provision of such services as pension arrangements to employees or directors.

- Select exposures to *group wide shareholders*, where applicable, and report the total amounts of facilities granted to the substantial shareholders of the group. Provide the information relating to



the on-balance sheet amount, nature of exposure (e.g. bankers acceptance, overdraft), type of security, (e.g. Treasury Bills, mortgage bond), value of the security and the exposure as a percentage of capital as indicated in the Return.

- Select exposures to *group wide directors*, where applicable and report the total amounts of facilities granted to the directors of the group on an individual account basis, that is, as per single credit facility/individual accounts granted to the counterparty e.g. overdraft, term loan, preference share, etc. Provide the information relating to the on-balance sheet amount, nature of exposure (e.g. bankers acceptance, overdraft), type of security, (e.g. Treasury Bills, mortgage bonds), value of the security and the exposure as a percentage of capital as indicated in the Return.
- Select exposures to *group wide directors' companies*, where applicable, and report the total amounts of facilities granted to entities controlled by directors and related entities at individual account level, that is, as per single credit facility/individual accounts granted to the counterparty e.g. overdraft, term loan, preference share, etc. Provide the information relating to the on-balance sheet amount, nature of exposure (e.g. bankers acceptance, overdraft), type of security, (e.g. Treasury Bills, mortgage bond), value of the security and the exposure as a percentage of capital as indicated in the Return.
- Select exposures to *executive directors of other banks*, where applicable and report the total amounts of facilities granted to entities controlled by directors of other banking institutions. Provide the information relating to the on-balance sheet amount, nature of exposure (e.g. bankers acceptance, overdraft), type of security, (e.g. Treasury Bills, mortgage bonds), value of the security and the exposure as a percentage of capital as indicated in the Return.

Banking Group:										BCR - 009		
Financial Year:												
Start Date:								NET CAPITAL BASE		SEMI-ANNUAL		
End Date:												
INTRA-GROUP EXPOSURES AND TRANSACTIONS							(All amounts to be rounded off to the nearest NQ000)					
Line No.	NAME	EXPOSURE TO:					LENDING ENTITY	EXPOSURE		NATURE OF EXPOSURE	VALUE OF SECURITY	EXPOSURE AS % OF CAPITAL
		Associate	Substantial shareholder	Director's groupwide	Director's companies-groupwide	Directors of other Banking Institutions		LIMIT	OUTSTANDING BALANCE			
1							1	2	3	4	5	6
2												0.00%
3												0.00%
4												0.00%
5												0.00%
6												0.00%
7												0.00%
8												0.00%
9												0.00%
10												0.00%
11												0.00%
12												0.00%
13												0.00%
14												0.00%
15												0.00%
16												0.00%
17												0.00%
18												0.00%
19												0.00%
20												0.00%
21												0.00%
22												0.00%
23												0.00%
24												0.00%
25												0.00%

00

## **GROUP MEMBERS**

- 1) BCR - 010 - **Group Members Return**
- 2) Directives and interpretation for the completion of the Group Members Return (BCR – 010)

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF GROUP MEMBERS RETURN (BCR - 010: GROUP MEMBERS)**

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### **1. PURPOSE**

The purpose of this return is to report group members and determine compliance with relevant Determinations.

### **2. FREQUENCY**

Semi--Annual

### **3. GENERAL GUIDELINES**

The form BCR – 010 shall be completed on the basis of the entities in the group.

### **4. INSTRUCTIONS**

Report all members in the banking group.

Banking Group:				BCR - 010
Financial Year:				
Start Date:				semi-ANNUAL
End Date:				
GROUP MEMBERS				
(All amounts to be rounded off to the nearest N\$000)				
LINE NO.	NAME	NATURE OF ACTIVITY	PERCENTAGE SHAREHOLDING	CONSOLIDATION TECHNIQUE/TREATMENT OF ENTITY
1				
2				
3				
4				
5				
6				
7				
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40				

## **PART: RETURNS AND DIRECTIVES**

### **E – AS AND WHEN SUBMISSIONS**

## **REPORT ON FRAUD AND OTHER ECONOMIC CRIME**

- 1) BIR 190 (PART B) - **Report on fraud and other economic crime**
- 2) Directives and interpretation for the completion of the report on fraud and other economic crime return - BIR 190 (PART B)

**BIR 190**

## PART B

(As and when)

Name:

(For individual amounts in excess of N\$10,000)

[illegible]



	<b>8. Features of fraud/economic crime: (Please Tick)</b>	<b>Yes (=1)</b>	<b>No (=0)</b>	
	8.1. Manipulation/forgery of negotiable instruments			
	8.2. Forgery of authorised signatures			
	8.3. Manipulation of accounting or other bank records			
	8.4. ATM computer fraud			
	8.5. Computer related fraud			
	8.6. Fraud committed with insider assistance			
	8.7. Fraud committed by outsiders			
	8.8. Inadequate internal controls			
	8.9. Failure to adhere to bank's procedures			
	8.10. Inadequate supervision			
	8.11. Other features :			

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Note: Fraud shall include robberies, embezzlements and theft of assets.

The dates on these returns (pages 1-3) need to be completed in the format of a number, e.g.

2005/01/01 - (yyyy/month/day) should be entered as 20050101 - (yyyymonthday)

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF THE REPORT ON FRAUD AND OTHER ECONOMIC CRIME (BIR 190: PART B)**

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### **1. PURPOSE**

This return BIR 190 (PART B) is to obtain selected information in respect of fraud and other economic crimes within reporting banking institutions.

### **2. FREQUENCY**

This return is to be prepared and submitted as and when instance of such a nature occur.

### **3. INSTRUCTIONS**

The return BIR 190 (PART B) shall be completed for an individual amount of more than N\$10 000 in the format as prescribed above and submitted by all banking institution as and when any fraudulent or criminal or any attempted fraudulent or criminal activity perpetrated against and/or involving the reporting banking institutions.

*Column*

*Number*

### **4. AMOUNT INVOLVED**

The total amount involved should be reported. This amount should correspond to the amounts reported in the categories of lost to date and recovered to date.

#### **(a) LOST TO DATE**

Report all amounts lost to date due to any fraudulent or criminal activities or any attempted fraudulent or criminal activities not yet recovered.

#### **(b) RECOVERED TO DATE**

The item shall include amounts recovered.

**(c) FURTHER ESTIMATED RECOVERY**

Report a portion of the amounts lost to date that are estimated to be recovered in future.

## **INFORMATION SECURITY INCIDENT REPORTING**

- 1) BIR 301 (PART A) - **Information Security Incident Reporting**
- 2) Directives and interpretation for the completion of the return on information security incident reporting - BIR 301 (PART A)



## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF THE RETURN ON INFORMATION SECURITY INCIDENT REPORTING (BIR 301: PART A)**

---

### **1. PURPOSE**

The purpose of this return is to obtain information related to material or adverse information security related incidents, including cyber incidents.

### **2. FREQUENCY**

Immediate (as and when it happens) and Quarterly.

The banking institutions shall immediately, upon becoming aware of material information security related incidents, inform the Director, Banking Supervision Department, through telephone or otherwise.

The banking institution shall subsequently submit information related to the incident in a return as issued by the Bank within 24 hours after detecting the incident or the next immediate working day in case of weekends and public holidays. This information shall be furnished in PART A (immediate) of the BIR 301 return. The banking institution shall provide subsequent updates to the Bank on the incidents reported in PART A of the return as and when there are changes to the current situation or as requested by the Bank.

### **3. INSTRUCTIONS**

Detailed instructions relating to the completion of this return are furnished with reference to the headings, column and item descriptions appearing on form BIR 301, as follows:

Heading; Column

## **PART A - Immediate**

**3.1 Incident number (column A)** – number incident in chronological order according to date of occurrence

**3.2 Date of incident (column B)** – provide details of date of incident and discovery date of incident if different from date of incident (DD/MM/YY).

**3.3 Time of incident (column C)** – provide details of time of incident and discovery time of incident if different from time of incident (HH:MM).

**3.4 Details of Incident (Chronological order of events) (column D)** – provide detailed description of the incident, including but not limited to the following:

- i. The type (e.g. Denial of Service, malware, data breach, extortion) and cause of the incident
- ii. Status of incident (ongoing, contained, resolved or unknown)
- iii. Duration of incident
- iv. Escalation steps taken, including approvals sought on interim measures to mitigate the event, and reasons for taking such measures
- v. Stakeholders informed or involved
- vi. Critical system(s) or network(s) that is/are impacted
- vii. Various channels of communications involved
- viii. Rationale on the decision/activation of business continuity plan (BCP) and/or IT disaster recovery (DR).

**3.5 Impact Assessment (column E)** –report on the impact of the incident on the banking institution and affected stakeholders, the following examples are given but are not exhaustive:



- i. Business impact including availability of services – Treasury Services, Cash Management, Trade Finance, Branches, ATMs, Internet Banking, Clearing and Settlement activities etc.
- ii. Stakeholders impact – affected retail/corporate customers, staff affected, affected participants including operator, settlement institution and service providers etc.
- iii. Financial and market impact – Trading activities, transaction volumes and values, monetary losses, liquidity impact, bank run, withdrawal of funds etc.
- iv. Reputational impact – how incident could affect reputation e.g. media coverage, potential legal or regulatory infringement.
- v. Regulatory and Legal impact.

**3.6 Incident number (column A)** – number incident in chronological order according to date of occurrence

**3.7 Nature of incident (column B)** – provide details of the category that the incident is classified as, non-material or material incident. Also indicating if the reported incident is new or an update to a previously reported incident.

**3.8 Date of incident (column C)** – provide details of date of incident and discovery date of incident if different from date of incident (DD/MM/YY).

**3.9 Time of incident (column D)** – provide details of time of incident and discovery time of incident if different from time of incident (HH:MM).

**3.10 Details of Incident (column E)** – provide details of incidents both material and non-material as outlined in section 3.3. Further, for material incidents, provide an update of the information reported in PART A, column C, including but not limited to the following:

## **F – DAILY SUBMISSIONS**

## **INTRADAY LIQUIDITY**

- 1) BIR 611 (PART A and B) - **Intraday Liquidity**
- 2) Directives and interpretation for the completion of the intraday liquidity return - BIR 611 (PART A and B)



Line no.	BANKS THAT USE CORRESPONDENT BANKS	TABLE B		
	Reporting month			
	Name of the correspondent bank			
	Daily intraday liquidity usage	Max	Min	Avg
22	Positive net cumulative position			
23	Negative net cumulative position			
	Available intraday liquidity at the start and end business day	Opening	Closing	
	Total	-	-	
	Of which:			
24	Balance with the correspondent bank			
25	Total credit lines from the correspondent bank		-	
	Of which secured			
	Of which committed			
26	Collateral pledged at the correspondent bank			
27	Collateral pledged at the central bank			
28	Unencumbered liquid assets on a bank's balance sheet			
29	Central bank reserves			
30	Balances with other banks			
31	Other			
	Total payments			
32	Gross payment sent			
33	Gross payment received			
	Time-specific obligations	Total		
34	Total value of time-specific obligations	-		

Line no.	BANKS THAT PROVIDE CORRESPONDENT BANKING SERVICES	TABLE C		
	Reporting month			
	Value of payments made on behalf of correspondent banking customers	Total		
35	Total gross value of payments made on behalf of correspondent banking customers			
	Intraday credit lines extended to customers	Total		
36	Total value of credit lines extended to customers	0		
	Of which secured			
	Of which committed			
	Of which used at peak usage			

FINANCIAL MARKETS LIQUIDITY RETURN						
Date:		Jul-15				BIR 611B (Daily)
Date	Borrowings from Bank of Namibia	Lending to BoN (Settlement account)	Settlement account balance pledged for	Settlement account balance excluding	Net (Borrowings from)/ Lendings to South African	Total Net Borrowing/ Lending Position
01-Jul-15	-	-	-	-	0.00	NAD 0.00
02-Jul-15	-	-	-	-	0.00	NAD 0.00
03-Jul-15	-	-	-	-	0.00	NAD 0.00
04-Jul-15	-	-	-	-	0.00	NAD 0.00
05-Jul-15	-	-	-	-	0.00	NAD 0.00
06-Jul-15	-	-	-	-	0.00	NAD 0.00
07-Jul-15	-	-	-	-	0.00	NAD 0.00
08-Jul-15	-	-	-	-	0.00	NAD 0.00
09-Jul-15	-	-	-	-	0.00	NAD 0.00
10-Jul-15	-	-	-	-	0.00	NAD 0.00
11-Jul-15	-	-	-	-	0.00	NAD 0.00
12-Jul-15	-	-	-	-	0.00	NAD 0.00
13-Jul-15	-	-	-	-	0.00	NAD 0.00
14-Jul-15	-	-	-	-	0.00	NAD 0.00
15-Jul-15	-	-	-	-	0.00	NAD 0.00
16-Jul-15	-	-	-	-	0.00	NAD 0.00
17-Jul-15	-	-	-	-	0.00	NAD 0.00
18-Jul-15	-	-	-	-	0.00	NAD 0.00
19-Jul-15	-	-	-	-	0.00	NAD 0.00
20-Jul-15	-	-	-	-	0.00	NAD 0.00
21-Jul-15	-	-	-	-	0.00	NAD 0.00
22-Jul-15	-	-	-	-	0.00	NAD 0.00
23-Jul-15	-	-	-	-	0.00	NAD 0.00
24-Jul-15	-	-	-	-	0.00	NAD 0.00
25-Jul-15	-	-	-	-	0.00	NAD 0.00
26-Jul-15	-	-	-	-	0.00	NAD 0.00
27-Jul-15	-	-	-	-	0.00	NAD 0.00
28-Jul-15	-	-	-	-	0.00	NAD 0.00
29-Jul-15	-	-	-	-	0.00	NAD 0.00
30-Jul-15	-	-	-	-	0.00	NAD 0.00
31-Jul-15	-	-	-	-	0.00	NAD 0.00

## **DIRECTIVES AND INTERPRETATIONS FOR COMPLETION OF THE RETURN OF THE INTRADAY LIQUIDITY RETURN (BIR 611)**

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### **1. PURPOSE**

The intraday liquidity return serves as a monitoring tool for the intraday liquidity management of banking institutions.

### **2. FREQUENCY**

The return should be submitted to the Bank on a daily basis, before 11h00 of the business day succeeding the reporting period.

### **3. GENERAL GUIDELINES**

For the purpose of this document, the following definitions will apply to the terms stated below:

- a) Intraday Liquidity: funds which can be accessed during the business day, usually to enable banks to make payments in real time;
- b) Business Day: the opening hours of the large-value payment system (LVPS) or of correspondent banking services during which a bank can receive and make payments in a local jurisdiction;
- c) Intraday Liquidity Risk: the risk that a bank fails to manage its intraday liquidity effectively, which could leave it unable to meet a payment obligation at the time expected, thereby affecting its own liquidity position and that of other parties.
- d) Time-specific obligations: obligations which must be settled at a specific time within the day or have an expected intraday settlement deadline.

#### 4. INSTRUCTIONS

Instructions relating to the completion of this return are furnished, with reference to the headings and item descriptions of line item numbers on the return form BIR 611, as follows:

*Line item*

*No.*

#### **Table A: To be completed by direct participants in the payment and settlement system**

*The submitter will be prompted to choose a participant and the table to be compiled will pop up.*

##### **Daily intraday liquidity usage**

1. Positive net cumulative position

Report the largest and smallest positive net cumulative positions on the settlement account for the day and the daily average of the positive net cumulative positions for the day.

2. Negative net cumulative position

Report the largest and smallest negative net cumulative positions on the settlement account for the day and the daily average of the negative net cumulative positions for the day.

##### **Available intraday liquidity at the start and end of business day**

3. Central bank reserve

Report the opening and closing balances available on the central bank reserves account at the start and end of business day, respectively.

4. Collateral pledged at the central bank

Report the opening and closing values of collateral pledged with the central bank at the start and end of business day, respectively, which can be freely converted into intraday liquidity.

5. Collateral pledged at ancillary systems



Report the opening and closing values of collateral pledged with ancillary systems<sup>2</sup> at the start and end of business day, respectively, which can be freely converted into intraday liquidity.

6. Unencumbered liquid assets on a bank's balance sheet

Report the opening and closing values of unencumbered assets on a bank's balances sheet at the start and end of business day, respectively, which can be freely converted into intraday liquidity.

7. Total credit lines available

Of which secured:

Report the opening and closing values of secured credit lines available at the start and end of business day that can be used for intraday settlement, respectively.

Of which committed:

Report the opening and closing values of committed credit lines<sup>3</sup> available at the start and end of business day, respectively, which can be used for intraday settlement.

8. Balances with other banks

Report the opening and closing values of all balances held with other banks at the start and end of business day, respectively, which can be used for intraday settlement.

9. Other

Report the opening and closing balance of payments received from other LVPS participants and payments from ancillary systems at the start and end of business day, respectively.

**Total Payments**

10. Gross payments sent

Report the daily values for gross payments sent during the business day.

11. Gross payments received

Report the daily values for gross payments received during the business day.

**Time Specific obligations**

---

<sup>2</sup> Ancillary systems include other payment systems such as retail payment systems, CLS, securities settlement systems and central counterparties

<sup>3</sup> Although uncommitted credit lines can be withdrawn in times of stress, such lines are an available source of intraday liquidity in normal times

12. Total value of time-specific obligations<sup>4</sup>

Calculate and report the total value of time-specific obligations that is settled during the business day.

**Intraday throughput (%)**

13. Throughout within each hour

Report the daily average of the percentage of the outgoing payments, relative to total payments, that settle by specific times during the day, by value within each hour of the business day.

**Table B: To be completed by banks that use correspondent banks**

*The submitter will be prompted to choose a participant and the table to be compiled will pop up.*

NB: Duplicate Table B according to the number of correspondent banks used by your banking institution.

**Daily intraday liquidity usage**

22. Positive net cumulative position

Report the largest and smallest positive net cumulative positions on the correspondent account for the day and the daily average of the positive net cumulative positions for the day.

23. Negative net cumulative position

Report the largest and smallest negative net cumulative positions on the correspondent account for the day and the daily average of the negative net cumulative positions for the day.

**Available intraday liquidity at the start and end of business day**

24. Balance with the correspondent bank

---

<sup>4</sup> These obligations include, for example, those for which there is a time-specific intraday deadline, those required to settle positions in other payment and settlement systems, those related to market activities and other payments critical to a bank's business or reputation.

Report the opening and closing balances available on the correspondent bank account at the start and end of business day, respectively.

25. Total credit lines from the correspondent bank

Of which is secured

Report the opening and closing values of secured credit lines available at the start and end of business day, respectively, which can be used for intraday settlement.

Of which is committed

Report the opening and closing values of committed credit lines available at the start and end of business day, respectively, which can be used for intraday settlement.

26. Collateral pledged at the correspondent bank

Report the opening and closing values of collateral pledged with the correspondent bank at the start and end of business day, respectively, which can be freely converted into intraday liquidity.

27. Collateral pledged at the central bank

Report the opening and closing values of collateral pledged with the central bank at the start and end of business day, respectively, which can be freely converted into intraday liquidity.

28. Unencumbered liquid assets on a bank's balance sheet

Report the opening and closing values of unencumbered assets on a bank's balances sheet at the start and end of business day, respectively, which can be freely converted into intraday liquidity.

29. Central bank reserves

Report the opening and closing values of collateral pledged with the central bank at the start and end of business day, respectively, which can be freely converted into intraday liquidity.

30. Balances with other banks

Report the opening and closing values of all balances held with other banks at the start and end of business day, respectively, which can be used for intraday settlement.

31. Other

Report the opening and closing balance of payments received from other LVPS participants and payments from ancillary systems at the start and end of business day, respectively.

**Total Payments**

32. Gross payments sent

Report the daily values for gross payments sent during the business day

33. Gross payments received

Report the daily values for gross payments received during the business day.

**Time Specific obligations**

34. Total value of time-specific obligations<sup>5</sup>

Calculate and report the total value of time-specific obligations that is settled during the business day.

**Table C: To be completed by banks that provides corresponding banking services**

NB: Duplicate Table C according to the number of correspondent banking services provided by your banking institution.

**Value of payments made on behalf of correspondent banking customers**

35. Total gross value of payments made on behalf of correspondent banking customers

Calculate and report the total value of payments made on behalf of all customers of correspondent banking services on the business day.

**Intraday credit lines extended to customers**

36. Total value of credit lines extended to customers

Of which secured

Report the total intraday secured credit lines extended to customers during the business day.

Of which committed

---

<sup>5</sup> These obligations include, for example, those for which there is a time-specific intraday deadline, those required to settle positions in other payment and settlement systems, those related to market activities and other payments critical to a bank's business or reputation.

Report the total intraday committed credit lines extended to customers during the business day.

Of which used at peak usage

Report the total intraday credit lines used at peak usage extended to customers during the business day.

**A. GUIDELINES FOR THE COMPLETION OF THE FINANCIAL MARKETS RETURN (BIR-611 B)**

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A) Column 1. Borrowings from Bank of Namibia (7 day/REPO):

– The Banking institution should fill-in all daily closing amounts the Banking institution may have borrowed from the Bank of Namibia for liquidity reasons (this amount should include the 7-day and overnight repo)

B) Column 2. Lending to BON (Settlement account balance):

– The Banking institution should fill-in the amount on the settlement account or any investments held with BON as at the close of each business day.

C) Column 3. Settlement account balance pledged for Liquid Asset requirement:

– The Banking institution should fill-in the portion (value) of the settlement account that is pledged for Liquid asset requirement.

D) Column 4. Settlement account balance excluding balances pledged for Liquid Asset requirement:

– Balance in Column 2 less Column 3

- E) Column 5. Net (Borrowings from)/ Lending's to South African Banks:  
– Daily Net amount of banking institution's holdings or borrowing in South Africa (this includes placement with parent company and any other counter parties).
- F) Column 6. Total Net Borrowing/ Lending Position:  
– Column 2 plus column 5

**THE END**