



BancABC Botswana Pillar III Disclosures
March 2018

Pillar III Disclosure

Table 22-Capital Structure

Common Equity Tier I capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	222 479
2	Retained earnings	831 753
3	Accumulated other comprehensive income (and other reserves)	11 073
4	<i>Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non-joint stock companies)</i>	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 CAPITAL)	
6	Common Equity Tier I capital before regulatory adjustments	1 065 304
Common Equity Tier I capital: regulatory adjustments		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	-
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(53 831)
28	Total regulatory adjustments to Common equity Tier I	(53 831)
29	Common Equity Tier I capital (CET1 CAPITAL)	1 011 473
Additional Tier I capital: regulatory adjustments		
37	Investments in own Additional Tier I instruments	
38	Reciprocal cross-holdings in Additional Tier I instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments	-
42	Regulatory adjustments applied to Additional Tier I due to insufficient Tier II to cover deductions	
43	Total regulatory adjustments to Additional Tier I capital	-
44	Additional Tier I capital (AT1)	-
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	1 011 473
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	126 694
47	Directly issued capital instruments subject to phase out from Tier II	55 000
48	Tier II instruments (and CET1 CAPITAL and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier II)	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Current year unaudited profits	35 252
51	Provisions and other reserves eligible for inclusion in Tier II	17 387
52	Tier II capital before regulatory adjustments	234 333
Tier II capital: regulatory adjustments		
52	Investments in own Tier II instruments	
53	Reciprocal cross-holdings in Tier II instruments	
57	Total regulatory adjustments to Tier II capital	-
58	Tier II capital (T2)	234 333
59	Total capital (TC = T1 + T2)	1 245 806
60	Total risk-weighted assets	6 686 278
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	15.13%
62	Tier I (as a percentage of risk-weighted assets)	15.13%
63	Total capital (as a percentage of risk weighted assets)	18.63%
Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)		
69	National Common Equity Tier I minimum ratio (if different from Basel III minimum)	4.50%
70	National Tier I minimum ratio (if different from Basel III minimum)	
71	National total capital minimum ratio (if different from Basel III minimum)	15.00%

Table 21- Qualitative and Quantitative Disclosures

Qualitative Disclosures	(a)	African Banking Corporation Of Botswana Limited
	(b)	An outline of the difference in the basis of consolidation for accounting and regulatory purposes, within the group (a) that are fully consolidated. (b) that are pro-rata consolidated; (c) that are given a deduction treatment, and (d) equity accounted.
	(c)	Any restrictions, or other major impediments, on the transfer of funds or regulatory capital within the group.
Quantitative Disclosures	(d)	The aggregate amount of capital deficiencies in all subsidiaries, that are not included in the consolidation for regulatory purposes (i.e., that are deducted) and the name (s) of such subsidiaries.
	(e)	The aggregate amounts (e.g., current book value) of a bank’s total interests insurance entities, which are risk-weighted, rather than deducted from capital, as well as their names, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities.

Table 23- Explanation of Capital disclosures

Explanation of each row of the common disclosure Row number		
1	Instruments issued by the parent company of the reporting group that meet all of the CET1 CAPITAL entry criteria set out in the Directive. This should be equal to the sum of common stock (and related surplus only) and other instruments for non-joint stock companies, both of which must meet the common stock criteria. This should be net of treasury stock and other investments in own shares to the extent that these are already derecognised on the balance sheet under the relevant accounting standards. Other paid-in capital elements must be excluded. All minority interest must be excluded.	222 479
2	Retained earnings, prior to all regulatory adjustments. In accordance with the Directive, this row should include interim profit and loss that has met any audit, verification or review procedures that the Bank has put in place. Dividends are to be removed in accordance with the applicable accounting standards, i.e. they should be removed from this row when they are removed from the balance sheet of the bank.	831 753
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.	11 073
4	Directly issued capital instruments subject to phase-out from CET1 CAPITAL in accordance with the requirements of the Directive. This is only applicable to non-joint stock companies. Banks structured as joint-stock companies must report zero in this row.	-
5	Common share capital issued by subsidiaries and held by third parties. Only the amount that is eligible for inclusion in group CET1 CAPITAL should be reported here, as determined by the application of the Directive.	-
6	Sum of rows 1 to 5.	1 065 304
9	Other intangibles other than mortgage-servicing rights (net of related tax liability), as set out in the Directive.	(53 831)
28	Total regulatory adjustments to Common equity Tier I, to be calculated as the sum of rows 7 to 22 plus rows 26 and 27.	(53 831)
29	Common Equity Tier I capital (CET1 CAPITAL), to be calculated as row 6 minus row 28.	1 011 473
30	Instruments issued by the parent company of the reporting group that meet all of the AT1 entry criteria set out in the Directive and any related stock surplus as set out in the Directive. All instruments issued by subsidiaries of the consolidated group should be excluded from this row. This row may include Additional Tier I capital issued by an SPV of the parent company only if it meets the requirements set out in the Directive.	-
43	The sum of rows 37 to 42.	-
44	Additional Tier I capital, to be calculated as row 36 minus row 43.	-
45	Tier I capital, to be calculated as row 29 plus row 44.	1 011 473
46	Instruments issued by the parent company of the reporting group that meet all of the Tier II entry criteria set out in the Directive and any related stock surplus as set out in the Directive. All instruments issued of subsidiaries of the consolidated group should be excluded from this row. This row may include Tier II capital issued by an SPV of the parent company only if it meets the requirements set out in the Directive.	126 694
47	Directly issued capital instruments subject to phase out from Tier II in accordance with the Directive.	55 000
47	Current year unaudited profits	35 252
50	Provisions included in Tier II, calculated in accordance with the Directive.	17 387
51	The sum of rows 46 to 48 and row 50.	234 333
57	The sum of rows 52 to 56.	-
58	Tier II capital, to be calculated as row 51 minus row 57.	234 333
59	Total capital, to be calculated as row 45 plus row 58.	1 245 806
60	Total risk weighted assets of the reporting group.	6 686 278
61	Common Equity Tier I (as a percentage of risk weighted assets), to be calculated as row 29 divided by row 60 (expressed as a percentage).	15.13%
62	Tier I ratio (as a percentage of risk weighted assets), to be calculated as row 45 divided by row 60 (expressed as a percentage).	15.13%
63	Total capital ratio (as a percentage of risk weighted assets), to be calculated as row 59 divided by row 60 (expressed as a percentage).	18.63%

Table 25- Financial (Regulatory v. IFRS)

NO DIFFERENCE BETWEEN REGULATORY AND IFRS. MOVE TO TABLE 26		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at period end	As at period end
Assets		
Cash and balances at central banks		
Items in the course of collection from other banks		
Trading portfolio assets		
Financial assets designated at fair value		
Derivative financial instruments		
Loans and advances to banks		
Loans and advances to customers		
Reverse repurchase agreements and other similar secured lending		
Available for sale financial investments		
Current and deferred tax assets		
Prepayments, accrued income and other assets		
Investments in associates and joint ventures		
Goodwill and intangible assets		
Property, plant and equipment		
Total assets		
Liabilities		
Deposits from banks		
Items in the course of collection due to other banks		
Customer accounts		
Repurchase agreements and other similar secured borrowing		
Trading portfolio liabilities		
Financial liabilities designated at fair value		
Derivative financial instruments		
Debt securities in issue		
Accruals, deferred income and other liabilities		
Current and deferred tax liabilities		
Subordinated liabilities		
Provisions		
Retirement benefit liabilities		
Total liabilities		
Shareholders' Equity		
Paid-in share capital		
Retained earnings		
Accumulated other comprehensive income		
Total shareholders' equity		

Table 26- Financial compared to regulatory disclosure

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at period end 31 Mar 2018	As at period end 31 Mar 2018
Assets		
Cash and balances at central banks	331 791	331 791
Items in the course of collection from other banks	616 671	616 671
Trading portfolio assets	682 811	682 811
Derivative financial instruments	62 943	62 943
Loans and advances to banks	330 976	330 976
Loans and advances to customers	5 993 193	5 993 193
Current and deferred tax assets	4 487	4 487
Prepayments, accrued income and other assets	74 247	74 247
Goodwill and intangible assets	89 719	89 719
of which goodwill	-	-
of which other intangibles (excluding MSR's)	89 719	89 719
Property, plant and equipment	69 182	69 182
Total assets	8 256 019	8 256 019
Liabilities		
Deposits from banks	70 520	70 520
Items in the course of collection due to other banks	37 107	37 107
Customer accounts	6 262 800	6 262 800
Borrowed funds	494 427	494 427
Derivative financial instruments	59 912	59 912
Accruals, deferred income and other liabilities	49 965	49 966
Subordinated liabilities (Tier II borrowings)	181 694	181 694
Provisions	12 936	12 936
Total liabilities	7 169 360	7 169 361
Shareholders' Equity		
Paid-in share capital	222 479	222 479
of which amount eligible for CET1 CAPITAL	222 479	222 479
of which amount eligible for AT1	-	-
Retained earnings	831 753	831 753
Accumulated other comprehensive income	46 325	46 325
Subordinated liabilities	-	-
Total shareholders' equity	1 100 557	1 100 557

Table 27- Common equity composition

Common Equity Tier I capital: instruments and reserves			
		Component of regulatory capital reported by bank	Source based on Reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2.
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	222 479	
2	Retained earnings	831 753	
3	Accumulated other comprehensive income (and other reserves)	11 073	
6	Common Equity Tier I capital before regulatory adjustments	1 065 304	