

BancABC Botswana Pillar III Disclosures

March 2020

Table 22 (a)

Basel III Common Equity Tier I Disclosure Template (With Transitional Adjustments)

Common Equity Tier I capital: instruments and reserves		BWP'000
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	222,479
2	Retained earnings	858,870
3	Accumulated other comprehensive income (and other reserves)	15,386
4	Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non-joint stock companies)	39,725
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	1,136,460
Common Equity Tier I capital: regulatory adjustments		
8	Goodwill (net of related tax liability)	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(98,245)
28	Total regulatory adjustments to Common equity Tier I	(98,245)
29	Common Equity Tier I capital (CET1 CAPITAL)	1,038,215
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	1,038,215
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	172,000
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	75,002
51	Tier II capital before regulatory adjustments	247,002
Tier II capital: regulatory adjustments		
57	Total regulatory adjustments to Tier II capital	
58	Tier II capital (T2)	247,002
59	Total capital (TC = T1 + T2)	1,285,217
60	Total risk-weighted assets	7,001,181
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	14.8%
62	Tier I (as a percentage of risk-weighted assets)	14.8%
63	Total capital (as a percentage of risk weighted assets)	18.4%
64	Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.0%
65	of which: capital conservation buffer requirement	2.5%
66	of which: bank specific countercyclical buffer requirement	
67	of which: G-SIB buffer requirement	

Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)		
National minima (if different from Basel III)	National Common Equity Tier I minimum ratio (if different from Basel III minimum)	4.5%
71	National total capital minimum ratio (if different from Basel III minimum)	15.0%
76	Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach (prior to application of cap)	Provisions

Table 22 (b)

Basel III Common Equity Tier I Disclosure Template (Fully Loaded)

Common Equity Tier I capital: instruments and reserves		BWP'000
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	222,479
2	Retained earnings	858,870
3	Accumulated other comprehensive income (and other reserves)	15,386
6	Common Equity Tier I capital before regulatory adjustments	1,096,735
Common Equity Tier I capital: regulatory adjustments		
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(98,245)
28	Total regulatory adjustments to Common equity Tier I	(98,245)
29	Common Equity Tier I capital (CET1 CAPITAL)	998,490
43	Total regulatory adjustments to Additional Tier I capital	-
44	Additional Tier I capital (AT1)	-
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	998,490
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	172,000
50	Provisions	75,002
51	Tier II capital before regulatory adjustments	247,002
57	Total regulatory adjustments to Tier II capital	-
58	Tier II capital (T2)	247,002
59	Total capital (TC = T1 + T2)	1,245,492
60	Total risk-weighted assets	7,001,181

Capital ratios and buffers		BWP'000
61	Common Equity Tier I (as a percentage of risk weighted assets)	14.3%
62	Tier I (as a percentage of risk-weighted assets)	14.3%
63	Total capital (as a percentage of risk weighted assets)	17.8%
64	Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.0%
65	of which: capital conservation buffer requirement	2.5%
66	of which: bank specific countercyclical buffer requirement	
67	of which: G-SIB buffer requirement	
Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)		
National minima (if different from Basel III)	National Common Equity Tier I minimum ratio (if different from Basel III minimum)	4.5%
70	National Tier I minimum ratio (if different from Basel III minimum)	
71	National total capital minimum ratio (if different from Basel III minimum)	15.0%
76	Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach (prior to application of cap)	75,002

Table 22 (c): Transitional Disclosures

		a	b	c	d	e
		Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
Available capital (P'000)						
1	Common Equity Tier 1 (CET1)	1,136,460	1,155,813	1,079,072	1,108,948	1,075,111
1a	Fully loaded ECL accounting model	1,096,735	1,076,362	999,622	1,029,497	995,661
2	Tier 1	1,038,215	1,072,335	996,355	1,024,528	990,544
2a	Fully loaded ECL accounting model Tier 1	998,490	992,884	916,905	945,078	911,094
3	Total capital	1,285,217	1,321,208	1,251,257	1,291,788	1,254,884
3a	Fully loaded ECL accounting model total capital	1,245,492	1,241,757	1,171,807	1,212,338	1,175,434
Risk-weighted assets (P'000)						
4	Total risk-weighted assets (RWA)	7,001,181	7,111,423	6,806,993	6,883,750	6,732,545
Risk-based capital ratios as a percentage of RWA (%)						
5	Common Equity Tier 1 ratio	16.2%	16.3%	15.9%	16.1%	16.0%
5a	Fully loaded ECL accounting model Common Equity Tier 1	15.7%	15.1%	14.7%	15.0%	14.8%

6	Tier 1 ratio	14.8%	15.1%	14.6%	14.9%	14.7%
6a	Fully loaded ECL accounting model Common Equity Tier 1	14.3%	14.0%	13.5%	13.7%	13.5%
7	Total capital ratio	18.4%	18.6%	18.4%	18.8%	18.6%
7a	Fully loaded ECL accounting model total capital ratio	17.8%	17.5%	17.2%	17.6%	17.5%
8	Capital conservation buffer requirements (2.5% from 2019) (%)	175,030	177,786	170,175	172,094	168,314

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.

Explanation of each row of the common disclosure	Row number	BWP'000
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.	1	222,479
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.	2	836,093
Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.	3	15,386
Trans Directly issued capital instruments subject to phase-out from CET1 Capital in accordance with the requirements of the Directive. This is only for applicable to non-joint stock company. Banks structured as joint stock companies must report zero in this row.	4	-
Transitional Adjustment Amount Added Back to CET1	5	39,725
Sum of rows 1 to 5.	7	1,113,683
Other intangibles other than mortgage-servicing rights (net of related tax liability), as set out in the Directive.	10	(98,245)
Total regulatory adjustments to Common equity Tier I	28	(98,245)
Common Equity Tier I capital (CET1 CAPITAL)	29	1,015,438
Tier I capital	45	1,015,438
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.	46	172,000
Current year unaudited profits	47	22,777
Provisions included in Tier II, calculated in accordance with the Directive.	50	75,002
The sum of rows 46 to 47 and row 50.	51	269,779
Tier II capital	58	269,779
Total capital	59	1,285,217
Total risk weighted assets of the reporting group.	60	7,001,181
Common Equity Tier I (as a percentage of risk weighted assets)	61	14.50%
Tier I ratio (as a percentage of risk weighted assets)	62	14.50%
Total capital ratio (as a percentage of risk weighted assets)	63	18.36%
Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets). To be calculated as 4.5% plus 2.5% plus the bank specific countercyclical buffer requirement calculated in accordance with paragraphs 142 to 145 of Basel III plus the bank G-SIB requirement (where applicable) as set out in Global systemically important banks: assessment methodology and the additional loss absorbency requirement: Rules text (November 2011). This row will show the CET1 CAPITAL ratio below which the bank will become subject to constraints on distributions.	64	

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 31 March 2020	As at period end 31 March 2020
		BWP'000
Assets		
Cash and balances at central banks		
Trading portfolio assets		
Financial assets designated at fair value		
Derivative financial instruments		
Loans and advances to banks		(467,077)
Loans and advances to customers		
Reverse repurchase agreements and other similar secured lending		467,077
Available for sale financial investments		
Current and deferred tax assets		
Prepayments, accrued income and other assets		
Goodwill and intangible assets		
Property, plant and equipment		
Total assets		
Liabilities		
Deposits from banks		
Customer accounts		
Repurchase agreements and other similar secured borrowing		
Trading portfolio liabilities		
Financial liabilities designated at fair value		
Derivative financial instruments		
Accruals, deferred income and other liabilities		
Current and deferred tax liabilities		
Subordinated liabilities		
Provisions		
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 March 2020	As at period end 31 March 2020
	BWP'000	BWP'000
Assets		
Cash and balances at central bank	660,444	660,444
Items in the course of collection from other banks		467,077
Trading portfolio assets	343,884	343,884
Derivative financial instruments	60,371	60,371
Loans and advances to banks	1,287,162	820,085
Loans and advances to customers	6,485,186	6,485,186
Current and deferred tax assets	40,991	40,991
Prepayments, accrued income and other assets	88,557	88,557
Goodwill and intangible assets of which other intangibles (excluding MSRs)	98,245	98,245
Property, plant and equipment	121,860	121,860
Total assets	9,186,700	9,186,700
Liabilities		
Deposits from banks	443,888	443,888
Items in the course of collection due to other banks	15,115	15,115
Customer accounts	6,683,787	6,683,787
Borrowed funds	597,983	597,983
Derivative financial instruments	52,914	52,914
Accruals, deferred income and other liabilities	52,894	52,894
Subordinated liabilities (Tier II borrowings)	205,000	205,000
Provisions	38,384	38,384
Total liabilities	8,089,965	8,089,965
Shareholders' Equity		
Paid-in share capital	222,479	222,479
Retained earnings	858,870	858,870
Accumulated other comprehensive income	15,386	15,386
Total shareholders' equity	1,096,735	1,096,735

Common Equity Tier I capital: instruments and reserves			
		Component of regulatory capital reported by bank BWP'000	Source based on Reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2. BWP'000
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	222,479	
2	Retained earnings	858,870	
3	Accumulated other comprehensive income (and other reserves)	15,386	
6	Common Equity Tier I capital before regulatory adjustments	1,096,735	

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