



BancABC Botswana Pillar III Disclosures
June 2019

Financial Disclosures

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

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	788,542
3	Accumulated other comprehensive income (and other reserves)	14,536
4	Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non-joint stock companies)	79,451
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	1,105,008
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)	(84,419)
28	Total regulatory adjustments to Common equity Tier I	(84,419)
29	Common Equity Tier I capital (CET1 CAPITAL)	1,020,588
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	1,020,588
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	194,000
50	Provisions	73,260
51	Tier II capital before regulatory adjustments	267,260
Tier II capital: regulatory adjustments		
58	Tier II capital (T2)	267,260
59	Total capital (TC = T1 + T2)	1,287,848
60	Total risk-weighted assets	6,883,750
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)	18.7%
64	Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical	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%
Applicable caps on the inclusion of provisions in Tier II		
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		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	222,479
2	Retained earnings	788,542
3	Accumulated other comprehensive income (and other reserves)	14,536
6	Common Equity Tier I capital before regulatory adjustments	1,025,557
Common Equity Tier I capital: regulatory adjustments		
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(84,419)
28	Total regulatory adjustments to Common equity Tier I	(84,419)
29	Common Equity Tier I capital (CET1 CAPITAL)	941,138
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	941,138
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	194,000
50	Provisions	73,260
51	Tier II capital before regulatory adjustments	267,260
57	Total regulatory adjustments to Tier II capital	
58	Tier II capital (T2)	267,260
59	Total capital (TC = T1 + T2)	1,208,398
60	Total risk-weighted assets	6,883,750
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	13.7%
62	Tier I (as a percentage of risk-weighted assets)	13.7%
63	Total capital (as a percentage of risk weighted assets)	17.6%
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%
Applicable caps on the inclusion of provisions in Tier II		
76	Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach (prior to application of cap)	73,260

Table 22 (c): Transitional Disclosures

		a	b	c	d	e
		Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Available capital (P'000)						
1	Common Equity Tier 1 (CET1)	1,105,008	1,075,111	1,091,977	1,068,838	1,050,417
1a	Fully loaded ECL accounting model	1,025,557	995,661	972,801	979,070	955,982
2	Tier 1	1,020,588	990,544	1,025,477	1,008,629	991,045
2a	Fully loaded ECL accounting model Tier 1	941,138	911,094	906,301	918,862	896,610
3	Total capital	1,287,848	1,254,884	1,296,592	1,288,865	1,252,961
3a	Fully loaded ECL accounting model total capital	1,208,398	1,175,434	1,177,416	1,199,098	1,158,526
Risk-weighted assets (P'000)						
4	Total risk-weighted assets (RWA)	6,883,750	6,732,545	7,350,576	6,812,634	6,448,352
Risk-based capital ratios as a percentage of RWA (%)						
5	Common Equity Tier 1 ratio	16.1%	16.0%	14.9%	15.7%	16.3%
5a	Fully loaded ECL accounting model Common Equity Tier 1	14.9%	14.8%	13.2%	14.4%	14.8%
6	Tier 1 ratio	14.8%	14.7%	14.0%	14.8%	15.4%
6a	Fully loaded ECL accounting model Common Equity Tier 1	13.7%	13.5%	12.3%	13.5%	13.9%
7	Total capital ratio	18.7%	18.6%	17.6%	18.9%	19.4%
7a	Fully loaded ECL accounting model total capital ratio	17.6%	17.5%	16.0%	17.6%	18.0%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirements (2.5% from 2019) (%)	172,094	168,314	183,764	170,316	161,209

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.		737,226
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.		14,536
5	Transitional Adjustment Amount Added Back to CET1		79,451
7	Sum of rows 1 to 5.		1,053,692
10	Other intangibles other than mortgage-servicing rights (net of related tax liability), as set out in the Directive.		(84,419)
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.		(84,419)
29	Common Equity Tier I capital (CET1 CAPITAL), to be calculated as row 6 minus row 28.		969,272
45	Tier I capital, to be calculated as row 29 plus row 44.		969,272
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.		194,000
47	Current year unaudited profits		51,316
50	Provisions included in Tier II, calculated in accordance with the Directive.		73,260
51	The sum of rows 46 to 48 and row 50.		318,576
58	Tier II capital, to be calculated as row 51 minus row 57.		318,576
59	Total capital, to be calculated as row 45 plus row 58.		1,287,848
60	Total risk weighted assets of the reporting group.		6,883,750
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).		14.1%
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).		14.1%
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).		18.7%
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). 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 <i>Global systemically important banks: assessment methodology and the additional loss absorbency requirement: Rules text (November 2011)</i> . This row will show the CET1 CAPITAL ratio below which the bank will become subject to constraints on distributions.		

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		
Trading portfolio assets		
Financial assets designated at fair value		
Derivative financial instruments		
Loans and advances to banks		
Loans and advances to customers		79,451
Reverse repurchase agreements and other similar secured lending		
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		(79,451)
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 30 June 2019	As at period end 30 June 2019
Assets		
Cash and balances at central banks	822,959	822,959
Items in the course of collection from other banks	542,285	542,285
Trading portfolio assets	564,120	564,120
Financial assets designated at fair value	-	-
Derivative financial instruments	64,991	64,991
Loans and advances to banks	215,563	215,563
Loans and advances to customers	5,947,483	5,947,483
Reverse repurchase agreements and other similar secured lending	-	-
Available for sale financial investments	-	-
Current and deferred tax assets	64,402	64,402
Prepayments, accrued income and other assets	59,626	59,626
Investments in associates and joint ventures	-	-
Goodwill and intangible assets	105,524	105,524
of which other intangibles (excluding MSRs)	105,524	105,524
Property, plant and equipment	132,246	132,246
Total assets	8,519,199	8,519,199
Liabilities		
Deposits from banks	217,192	217,192
Items in the course of collection due to other banks	19,436	19,436
Customer accounts	6,211,160	6,211,160
Borrowed funds	637,930	637,930
Derivative financial instruments	61,940	61,940
Accruals, deferred income and other liabilities	122,726	122,726
Subordinated liabilities (Tier II borrowings)	205,000	205,000
Provisions	18,257	18,257
Total liabilities	7,493,642	7,493,642
Shareholders' Equity		
Paid-in share capital	222,479	222,479
of which amount eligible for CET1 CAPITAL	222,479	222,479
Retained earnings	788,542	788,542
Accumulated other comprehensive income	14,536	14,536
Total shareholders' equity	1,025,557	1,025,557

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	788,542	
3	Accumulated other comprehensive income (and other reserves)	14,536	
6	Common Equity Tier I capital before regulatory adjustments	1,025,557	