



BancABC Botswana Pillar III Disclosures
March 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 22a-Capital Structure: 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 surp	222,479
2	Retained earnings	758,645
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	1,075,111
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)	(84,567)
28	Total regulatory adjustments to Common equity Tier I	(84,567)
29	Common Equity Tier I capital (CET1 CAPITAL)	990,544
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	990,544
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	194,000
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	70,340
51	Tier II capital before regulatory adjustments	264,340
Tier II capital: regulatory adjustments		
57	Total regulatory adjustments to Tier II capital	
58	Tier II capital (T2)	264,340
59	Total capital (TC = T1 + T2)	1,254,884
60	Total risk-weighted assets	6,732,545
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	14.7%
62	Tier I (as a percentage of risk-weighted assets)	14.7%
63	Total capital (as a percentage of risk weighted assets)	18.6%
64	Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus	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	Provisions

Table 22b-Capital Structure: 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	222,479
2	Retained earnings	758,645
3	Accumulated other comprehensive income (and other reserves)	14,536
6	Common Equity Tier I capital before regulatory adjustments	995,661
Common Equity Tier I capital: regulatory adjustments		
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(84,567)
28	Total regulatory adjustments to Common equity Tier I	(84,567)
29	Common Equity Tier I capital (CET1 CAPITAL)	911,094
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	911,094
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	194,000
50	Provisions	70,340
51	Tier II capital before regulatory adjustments	264,340
57	Total regulatory adjustments to Tier II capital	
58	Tier II capital (T2)	264,340
59	Total capital (TC = T1 + T2)	1,175,434
60	Total risk-weighted assets	6,732,545
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	13.5%
62	Tier I (as a percentage of risk-weighted assets)	13.5%
63	Total capital (as a percentage of risk weighted assets)	17.5%
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)	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	70,340

Table 22c-Capital Structure: Transitional Disclosures

	a	b	c	d	e
	T	T-1	T-2	T-3	T-4
Available capital (P'000)					
1 Common Equity Tier 1 (CET1)	1,075,111	1,091,977	1,068,838	1,050,417	1,065,304
1a Fully loaded ECL accounting model	995,661	972,801	979,070	955,982	1,065,304
2 Tier 1	990,544	1,025,477	1,008,629	991,045	1,011,473
2a Fully loaded ECL accounting model Tier 1	911,094	906,301	918,862	896,610	1,011,473
3 Total capital	1,254,884	1,295,745	1,288,865	1,252,961	1,245,806
3a Fully loaded ECL accounting model total capital	1,175,434	1,132,569	1,199,098	1,158,526	1,245,806
Risk-weighted assets (P'000)					
4 Total risk-weighted assets (RWA)	6,732,545	7,282,800	6,812,634	6,448,352	6,531,284
Risk-based capital ratios as a percentage of RWA (%)					
5 Common Equity Tier 1 ratio	16.0%	15.0%	15.7%	16.3%	16.3%
5a Fully loaded ECL accounting model Common Equity Tier 1	14.8%	13.4%	14.4%	14.8%	16.3%
6 Tier 1 ratio	14.7%	14.1%	14.8%	15.4%	15.5%
6a Fully loaded ECL accounting model Common Equity Tier 1	13.5%	12.4%	13.5%	13.9%	15.5%
7 Total capital ratio	18.6%	17.8%	18.9%	19.4%	19.1%
7a Fully loaded ECL accounting model total capital ratio	17.5%	15.6%	17.6%	18.0%	19.1%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirements (2.5% from 2019) (%)	168,314	182,070	170,316	161,209	163,282

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.	735,786
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.	1,052,252
10	Other intangibles other than mortgage-servicing rights (net of related tax liability), as set out in the Directive.	(84,567)
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.	(84,567)
29	Common Equity Tier I capital (CET1 CAPITAL), to be calculated as row 6 minus row 28.	967,685
45	Tier I capital, to be calculated as row 29 plus row 44.	967,685
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	22,860
50	Provisions included in Tier II, calculated in accordance with the Directive.	70,340
51	The sum of rows 46 to 48 and row 50.	287,200
58	Tier II capital, to be calculated as row 51 minus row 57.	287,200
59	Total capital, to be calculated as row 45 plus row 58.	1,254,884
60	Total risk weighted assets of the reporting group.	6,732,545
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).	14.37%
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).	14.37%
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).	18.64%

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	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 31 Mar 2019	As at period end 31 Mar 2019
Assets		
Cash and balances at central banks	942,487	942,487
Items in the course of collection from other banks	523,902	523,902
Trading portfolio assets	661,367	661,367
Financial assets designated at fair value	-	-
Derivative financial instruments	64,290	64,290
Loans and advances to banks	328,994	328,994
Loans and advances to customers	5,691,610	5,771,060
Reverse repurchase agreements and other similar secured lending	-	-
Available for sale financial investments	-	-
Current and deferred tax assets	65,798	65,798
Prepayments, accrued income and other assets	48,038	48,038
Investments in associates and joint ventures	-	-
Goodwill and intangible assets	105,709	105,709
of which other intangibles (excluding MSRs)	105,709	105,709
Property, plant and equipment	75,240	75,240
Total assets	8,507,434	8,586,884
Liabilities		
Deposits from banks	112,325	112,325
Items in the course of collection due to other banks	-	-
Customer accounts	6,458,190	6,458,190
Borrowed funds	648,409	648,409
Derivative financial instruments	60,230	60,230
Accruals, deferred income and other liabilities	83,683	83,683
Subordinated liabilities (Tier II borrowings)	205,000	205,000
Provisions	23,388	23,388
Total liabilities	7,591,225	7,591,225
Shareholders' Equity		
Paid-in share capital	222,479	222,479
of which amount eligible for CET1 CAPITAL	222,479	222,479
Retained earnings	656,335	735,786
Accumulated other comprehensive income	37,395	37,395
Total shareholders' equity	916,210	995,660

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	695,172
	3	Accumulated other comprehensive income (and other reserves)	14,536
	6	Common Equity Tier I capital before regulatory adjustments	932,187