

BancABC Botswana Pillar III Disclosures

June 2020



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	893,126
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	1,170,716
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)	(106,954)
28	Total regulatory adjustments to Common equity Tier I	(106,954)
29	Common Equity Tier I capital (CET1 CAPITAL)	1,063,762
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	1,063,762
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	290,064
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	71,690
51	Tier II capital before regulatory adjustments	361,754
Tier II capital: regulatory adjustments		
57	Total regulatory adjustments to Tier II capital	
58	Tier II capital (T2)	361,754
59	Total capital (TC = T1 + T2)	1,425,516
60	Total risk-weighted assets	6,792,012
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	15.7%
62	Tier I (as a percentage of risk-weighted assets)	15.7%
63	Total capital (as a percentage of risk weighted assets)	21.0%
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)	12.5%
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	893,126
3	Accumulated other comprehensive income (and other reserves)	15,386
6	Common Equity Tier I capital before regulatory adjustments	1,130,991
Common Equity Tier I capital: regulatory adjustments		
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(106,954)
28	Total regulatory adjustments to Common equity Tier I	(106,954)
29	Common Equity Tier I capital (CET1 CAPITAL)	1,024,036
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	1,024,037
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	290,064
50	Provisions	71,690
51	Tier II capital before regulatory adjustments	361,754
57	Total regulatory adjustments to Tier II capital	
58	Tier II capital (T2)	361,754
59	Total capital (TC = T1 + T2)	1,385,791
60	Total risk-weighted assets	6,792,012
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	15.1%
62	Tier I (as a percentage of risk-weighted assets)	15.1%
63	Total capital (as a percentage of risk weighted assets)	20.4%
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%
70	National Tier I minimum ratio (if different from Basel III minimum)	
71	National total capital minimum ratio (if different from Basel III minimum)	12.5%
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)	71,690

		a	b	c	d	e
		Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
	Available capital (P'000)					
1	Common Equity Tier 1 (CET1)	1,170,716	1,136,460	1,155,813	1,079,072	1,108,948
1a	Fully loaded ECL accounting model	1,130,991	1,096,735	1,076,362	999,622	1,029,497
2	Tier 1	1,063,762	1,038,215	1,072,335	996,355	1,024,528
2a	Fully loaded ECL accounting model Tier 1	1,024,037	998,490	992,884	916,905	945,078
3	Total capital	1,425,516	1,285,217	1,321,208	1,251,257	1,291,788
3a	Fully loaded ECL accounting model total capital	1,385,791	1,245,492	1,241,757	1,171,807	1,212,338
	Risk-weighted assets (P'000)					
4	Total risk-weighted assets (RWA)	6,792,012	7,001,181	7,111,423	6,806,993	6,883,750
	Risk-based capital ratios as a percentage of RWA (%)					
5	Common Equity Tier 1 ratio	17.2%	16.2%	16.3%	15.9%	16.1%
5a	Fully loaded ECL accounting model Common Equity Tier 1	16.7%	15.7%	15.1%	14.7%	15.0%
6	Tier 1 ratio	15.7%	14.8%	15.1%	14.6%	14.9%
6a	Fully loaded ECL accounting model Common Equity Tier 1	15.1%	14.3%	14.0%	13.5%	13.7%
7	Total capital ratio	21.0%	18.4%	18.6%	18.4%	18.8%
7a	Fully loaded ECL accounting model total capital ratio	20.4%	17.8%	17.5%	17.2%	17.6%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirements (2.5% from 2019) (%)	169,800	175,030	177,786	170,175	172,094

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

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.	839,770
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.	15,386
5	Transitional Adjustment Amount Added Back to CET1	39,725
7	Sum of rows 1 to 5.	1,117,360
10	Other intangibles other than mortgage-servicing rights (net of related tax liability), as set out in the Directive.	(106,954)
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.	(106,954)
29	Common Equity Tier I capital (CET1 CAPITAL), to be calculated as row 6 minus row 28.	1,010,406
45	Tier I capital, to be calculated as row 29 plus row 44.	1,010,406
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.	290,064
47	Current year unaudited profits	53,356
50	Provisions included in Tier II, calculated in accordance with the Directive.	71,690
51	The sum of rows 46 to 48 and row 50.	415,110
58	Tier II capital, to be calculated as row 51 minus row 57.	415,110
59	Total capital, to be calculated as row 45 plus row 58.	1,425,516
60	Total risk weighted assets of the reporting group.	6,792,012
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).	14.88%
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).	14.88%
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).	20.99%

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at period end 30 June 2020	As at period end 30 June 2020
Assets		
Cash and balances at central banks	600,844	600,844
Items in the course of collection from other banks	495,335	495,335
Trading portfolio assets	343,378	343,378
Financial assets designated at fair value	-	-
Derivative financial instruments	61,542	61,542
Loans and advances to banks	715,342	715,342
Loans and advances to customers	6,158,505	6,158,505
Reverse repurchase agreements and other similar secured lending	-	-
Available for sale financial investments	-	-
Current and deferred tax assets	36,715	36,715
Prepayments, accrued income and other assets	98,273	98,273
Investments in associates and joint ventures	-	-
Goodwill and intangible assets of which other intangibles (excluding MSRs)	106,955	106,955
Property, plant and equipment	121,261	121,261
Total assets	8,738,149	8,738,149
Liabilities		
Deposits from banks	526,101	526,101
Items in the course of collection due to other banks	16,216	16,216
Customer accounts	5,971,840	5,971,840
Borrowed funds	548,305	548,305
Derivative financial instruments	59,826	59,826
Accruals, deferred income and other liabilities	150,018	150,018
Subordinated liabilities (Tier II borrowings)	323,064	323,064
Provisions	11,788	11,788
Retirement benefit liabilities	-	-
Total liabilities	7,607,158	7,607,158
Shareholders' Equity		
Paid-in share capital of which amount eligible for CET1 CAPITAL	222,479	222,479
Retained earnings	893,126	893,126
Accumulated other comprehensive income	6,091	6,091
Revaluation reserve	9,295	9,295
Total shareholders' equity	1,130,991	1,130,991

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	893,126	
3	Accumulated other comprehensive income (and other reserves)	15,386	
6	Common Equity Tier I capital before regulatory adjustments	1,130,991	

