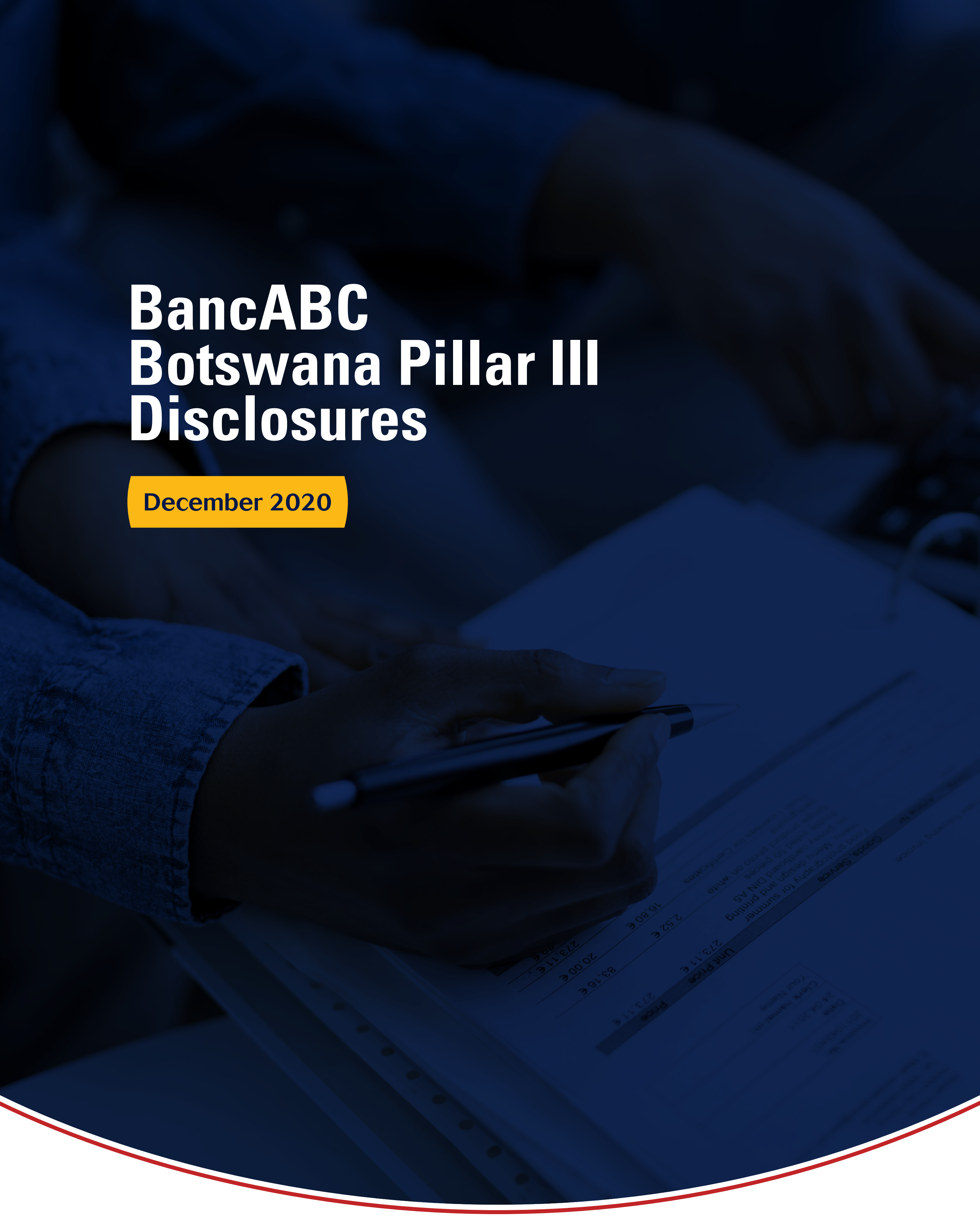

BancABC Botswana Pillar III Disclosures

December 2020

Banc10

BancABC Botswana | bancabc.co.bw | atlasmara.com

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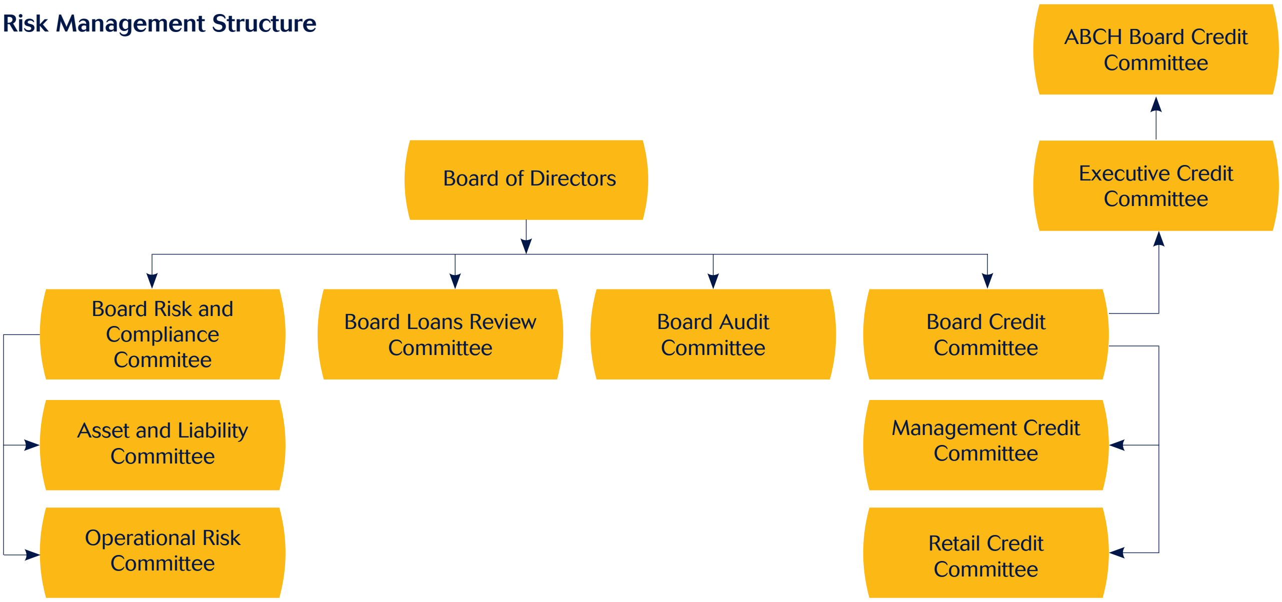
Objectives on Risk Management

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk Management Structure



Market Risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates, equity prices, and general credit spreads will affect the fair value or future cash flows of a financial instrument; thus, impacting the banks income or value financial assets. The Bank takes on exposure to market risks, which arises from open positions in interest rate, currency and equity products, all of which are exposed to general and specific movements and /or changes in the level of volatility of market rates or prices.

Market Risk Weighted Assets

In assigning capital for market risk, the Bank uses the standardized measurement method whereby the absolute value of the net open position is taken as the capital charge and a factor of 6.7 applied to come up with the respective risk weighted assets for market risk.

Summary Information	BWP "000"
Standardized Measurement method	**143,696**
Interest rate risk	143,524
Specific risk	-
General risk	143,524
Foreign Exchange risk	**171**
Foreign exchange and gold	171
Total capital charge (Total of lines,2,7,12 and 16)	143,524
Risk weighted amount factor	6.7
Market risk-weighted assert	962,761
Market Risk Weighted Assets	**962,761**

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. Operational risks are present in all levels of the business and are taken into consideration in all business decisions. The Bank has adopted the Basic Indicator Approach to operational risk management under Basel II as the foundation for its operational risk management framework. Operational risk is managed through the Operational Risk Management Framework.

Business Line Management has the direct responsibility for operational risk management in their respective units. Responsibilities include ensuring that all policies, procedures, limits and other risk control requirements are implemented and complied with as well as managing financial losses at desired levels. The rating recognizes the residual risk after considering controls in place to mitigate operational losses.

Key Risk Indicators (KRIs) across business units are fundamental to the management of operational risk. Thresholds are set and events are continuously monitored against the set thresholds. Risk Control Self-Assessments (RCSAs) are performed at Business Unit level to assess inherent operational risks, the design and effectiveness of mitigating controls and develop actions plans to mitigate risks. All risk assessments results are documented and communicated to impacted stakeholders. Staff are encouraged to report operational risk incidents or events for identification of emerging risks and control lapses.

Identified material operational risk issues are discussed and monitored for closure at the monthly Country Risk and Controls Committee (CR&CC) meetings. Group Risk Control Committee also have oversight of risk issues identified across the group network. The Internal Auditors plays a vital role in risk management by providing assurance of the effectiveness of the overall control environment through periodic reviews. Findings arising from internal audits are reported to all relevant management and governance bodies.

Business Continuity Management

The Bank has a business continuity management plan in place to ensure continuity of key services at a minimum acceptable level following disruption. The Bank has a recovery sites that exist as a contingency plan for unanticipated business disruptions that would render offices and/or branches inaccessible. All departments have their own business plans that would be invoked such that operations continue at the recovery site without causing much disruption to the business. The recovery sites are set up with all requisite infrastructure and recovery tests are conducted periodically.

Operational Risk Weighted Assets

As previously indicated, the Bank uses the Basic Indicator Approach (BIA) for assigning capital to operational risk; whereby the average revenue (net interest income plus non-interest income) over a three-year period for which revenue was positive is taken and multiplied by an operational risk factor of 0.15 to come up with the capital charge for operational risk. A risk weight factor of 6.7 associated with operational risk is then applied to come up with the associated risk weighted assets for operational risk.

	Gross Income	Aggregate gorss income	Risk weight factor
Total Gross Income for Year 1	**642,131**	-	-
Total Gross Income for Year 2	**755,104**	-	-
Total Gross Income for Year 3	**790,021**	-	-
Aggregate Gross Income (ΣGI...n)	-	**2,187,256**	-
Operational risk factor - denoted alpha (α)	-	15%	-
Aggregate Gross Income multiplied by α	-	**328,088**	-
No. of years with Positive Gross Income (n)	-	3	-
Operational Risk Capital Charge; BIA	-	**109,363**	-
Risk weight factor	-	-	6.7
Operational Risk Weighted Asserts	-	-	**732,731**

FOREIGN EXCHANGE RISK

The Group, through the Treasury Division, takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board and the ALCO set limits on the level of exposure for both overnight and intra-day positions, which are monitored daily. Stop Loss limits are also set and monitored daily. Periodic stress testing and sensitivity analysis estimate the impact of foreign exchange rates volatility on earnings and as such capital is also performed; the results of which are used to inform the relevant market risk limits.

Sensitivity of currency	2020 Impact on profit or loss and equity	2019 Impact on profit or loss and equity
5% movement in US Dollar/BWP exchange rate (P'000)	(1,318)	(1,150)
As a percentage of total Shareholders equity	(0.13%)	(0.11%)
5% movement in ZAR/BWP exchange rate (P'000)	209	(1,266)
As a percentage of total Shareholders equity	0.00	(0.00)
5% movement in EURO/BWP exchange rate (P'000)	805	165.0
As a percentage of total Shareholders equity	0.0	0.0

INTEREST RATE RISK IN THE BANKING BOOK

Cash flow interest rate risk, is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effect of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks.

Loans and advances are of a floating rate nature, and the Group reserves the right to change the rate of interest in the event of market changes and/or credit/banking considerations which may be set out from time to time by the Group and/or any government or regulatory authority. The customer deposit profile, is also of a short-term nature (largely up to 3 months), thereby minimising the Groups exposure to interest rate risks.

Sensitivity of net interest income	2020	2019
Change in net interest income arising from a shift in yield curves of +50 basis points (P'000)	4,521	5,382
As a percentage of total Shareholders equity	0.38%	0.50%
Change in net interest income arising from a shift in yield curves of -50 basis points (P'000)	(4,521)	(5,382)
As a percentage of total shareholders equity	(0.38%)	(0.50%)

CREDIT RISK – GENERAL DISCLOSURES
1. QUALITATIVE DISCLOSURES

1.1 Credit risk

Credit refers to the provision or the commitment to advance funds or commitments to borrowers on a secured or unsecured basis. The amounts advanced together with fees and interest thereon are repayable on demand or at a fixed or determinable future time.

The provision of credit is associated with Credit Risk; that is, the risk of failure by the borrower to honour obligations falling due. The credit function by and large involves managing this risk and administering the delivery thereof.

a) Purpose of Credit

The Bank grants credit to companies wishing to finance working capital; capital expenditure; export finance; asset finance; order finance and other related requirements agreed to. This credit is granted through different products listed under the Facilities section. The provision of credit is a revenue generating function of the Bank. As such all facilities granted should match the risk/return balance for the Bank.

b) Structures

The Bank's policy on credit risk management is that credit risk is administered through the Board. The Board sets up credit sanctioning committees and stipulates membership thereon. It also delegates authority and sets discretionary limits for these committees.

The Bank has the following approving credit committees:

a. **RETCO** (Retail Credit Committee) considers credit applications for small and medium enterprises (SMEs) up to a limit of the equivalent of US$250,000, otherwise recommends to MANCO;

b. **MANCO** (Management Credit Committee) considers credit applications for corporates and approves up to a limit of US$500,000, otherwise recommends to CREDCO. MANCO also considers credit applications for SMEs for amounts higher than US$250,000 that are recommended by RETCO;

c. **CREDCO** (Board Credit Committee) considers credit applications recommended by MANCO and approves up to a limit of US$1 million, otherwise recommends to the Executive Credit Committee (EXCO);

d. **EXCO** (Executive Credit Committee) considers applications recommended by CREDCO and approves up to a limit of US$5 million, otherwise recommends to the ABCH Board Credit Committee; and

e. **The ABCH Board Credit Committee** considers applications above US$5 million as recommended by EXCO.

1.2 DESCRIPTION OF APPROACHES - SPECIFIC & GENERAL

The credit risk of a customer is assessed at each reporting period (month end) for each financial instrument to determine whether there is a significant increase in Credit Risk.

To make that assessment, the Bank compares the risk of a defaulting occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

As per IFRS 9, accounts can be classified into three (3) stages being, Stage 1, Stage 2 and Stage 3.

Loans classified under stage 1 & 2 – General provisioning is taken on them while loans classified under stage 3 a specific provisioning is taken on them.

1.3 STATISTICAL METHODS

- Credit risk is the risk that a counterparty (e.g. a borrower) will fail to perform according to the terms and conditions of the contract (i.e. default), thus causing the holder of the claim (e.g. a lender) to suffer a loss. For a loan, the risk to the lender includes lost principal and interest, delayed cash flows, and increased collection costs.
- Credit risk exist in most institutions, although more pronounced in lenders (banks) due to leverage.
- IAS39, IFRS9 and Basel III includes approaches/methods used to measure credit risk.
- Focus on three key concepts:
    - **Exposure** – What is my exposure to a counterparty at a particular point in time if a credit event occurred. This is known as the exposure at default ("EAD").
    - **Default** – What is the likelihood of a credit event occurring at a specific point in time. This is known as the probability of default ("PD").
    - **Loss** – If a credit event did occur, how much of the exposure would not be recovered, i.e. how much will be lost. This is known as the loss given default ("LGD").
- These three factors are used to calculate expected loss ("EL"): EL=EAD x PD x LGD.
    - This is a cost of the loan and needs to be included in the credit margin.

1.4 PORTFOLIO SPECIFIC CONSIDERATIONS

- **Retail** - For Retail exposures, the assessment is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, the bank groups its exposures based on shared credit risk characteristics.
- **Corporate & SME** - For large exposures for SME & Corporate accounts, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector and geographical region.

2. QUANTITATIVE DISCLOSURES

2.1 Total Gross Credit Exposures

Total exposure as per segment and non-performing per segment

Segment	Non-Performing Loans "BWP "000"	Total Exposure BWP "000"
Corporate	49,152	385,686
SME	41,500	133,459
Consumer	285,985	5,754,450
Total	**376,610**	**6,273,595**

2.2 Geographic Distribution

The geographic distribution of exposures broken down into 3 segments (Corporate, SME and Consumer).

Segment	Domestic	International	Total Exposure
Corporate	374,868	10,818	385,686
SME	133,459	-	133,459
Consumer	5,750,558	3,892	5,754,450
Total	**6,258,885**	**14,710**	**6,273,595**

A signification portion of the Banks loan book is held locally 99.0%, about 1.0% is split between South Africa and Zimbabwe. One account from Zimbabwe has been classified as non-performing.

2.3 Total Credit Exposure by Sector

Segment	Total Exposure "BWP'000"
Construction	226
Wholesale, retail and trade	261,138
Manufacturing	1
Mining and Energy	2,611
Financial services	67,619
Transport	578
Real Estate	6,327
Individuals	5,866,020
Tourism	114
Other	68,961
Total	**6,273,595**

2.4 Non-Performing by Sector

Segment	Total Exposure "BWP'000"
Agriculture	3,729
Business	15,852
Communication	4,906
Construction	8,048
Electrical	872
Finance	2,104
Consumer	277,826
Manufacturing	10,191
Mining	2,218
Retail	21,906
Tourism	11,961
Trade	104
Transport	4,367
Other	12,526
Total	**376,610**

Once a loan is 90 days in arrears or it is clear from the available information that the company will not be able to pay the debt for whatever reasons, it means that the loan is now a Non- Performing Loan and as such the unit that manages it also changes. A specialized unit which handles recovery of such debt by employing various aggressive strategies will start to manage the loan.

2.5 Loans by Products

Segment	Personal Loans	Term Loans, Commercial Property and Overdrafts	Installment Finance	Mortgages
Consumer	4,978,106	-	26,798	749,546
Corporate	-	385,686	-	-
SME	-	133,459	-	-
Total	**4,978,106**	**519,145**	**26,798**	**749,546**

2.6 Loans by Maturity Profile

Maturity	Total Exposure
0 – 1 month	285,999
3 – 6 months	1,150
6 – 12 months	107,354
1 – 5 years	2,471,475
Over 5 years	3,407,617
Total	**6,273,595**

2.7 Monitoring & Control

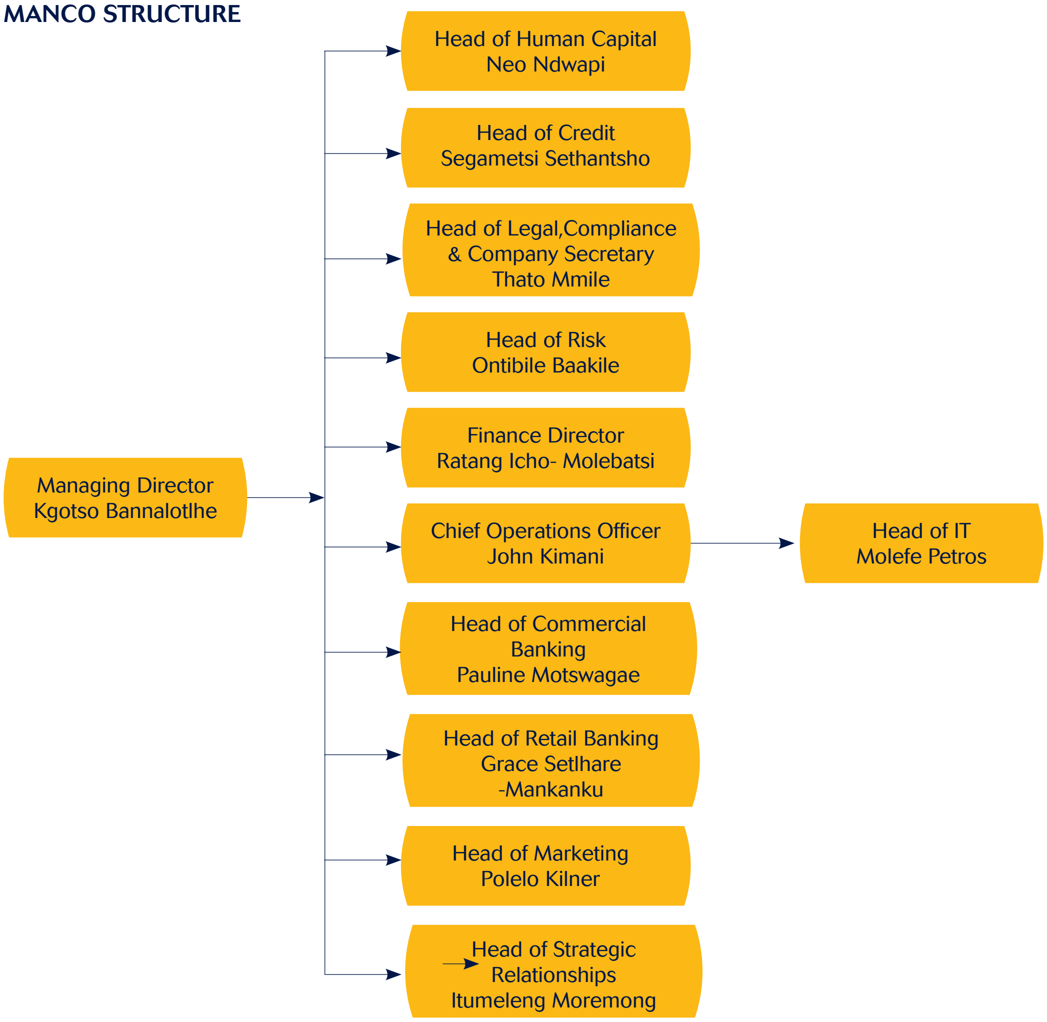
Having granted facilities, client performance has to be monitored effectively. As the facilities would have been granted against specific covenants, the relationship manager shall monitor the facilities to ensure adherence to these. Credit shall maintain a record of all lending stating the arrangements against which it has been sanctioned which include:

- Limit and expiry date
- Conditions precedent, highlighting outstanding issues

Monitoring is done from both internal and external sources.

- Annual reviews on facilities are done to monitor the accounts against performance, when a certain trend is noticed the reviews are done every 6 months.
- Account conduct – we encourage our clients to bank with us so that we can monitor their performance, when the turnover starts deteriorating, we can pick from the account conduct.

MANCO STRUCTURE



Remuneration and Nominations Committee (REMCO)

BancABC is committed to creating, sustaining and maintaining a high- performance culture in accordance with the Bank's strategy of ensuring that the bank has the right people in the right roles at the right time. The Bank's remuneration policy sets out the purpose, framework, procedures and standards related to remuneration. Remuneration Committee (REMCO) is responsible to lead the process for Board appointments and to ensure that the Board and its committees have an appropriate balance of skills, experience, availability, independence and knowledge of the Company to enable them to discharge their respective responsibilities effectively.

The REMCO also advises the Board on developing remuneration policies that are aligned with the business strategy and objectives, risk appetite, values and long -term interests of the Company, recognizing the interests of all stakeholders. As part of their mandate, REMCO ensures that the remuneration policy covers the following objectives:

- Attract and retain high caliber staff;
- Assist in creating a high-performance culture, where consistent good or excellent performance is rewarded;
- Ensure that all employees are remunerated fairly;
- Compete for talent in an increasingly competitive labour market, through ensuring that remuneration compares satisfactorily with the market realities; and
- Motivate individual and team performance that creates stakeholder value for the organisation.

The Bank participates in remuneration market surveys to ensure competitiveness and alignment to market movements and trends. The remuneration market data is used to determine salary reviews depending on the bank's affordability and the overall Bank's performance.
In determining salary reviews; the following are considered:

- Bank's affordability/ ability to pay
- Market movements - internal and external benchmarking
- Individual and unit's performance
- Bank's bonus provisions

Executive Directors and senior management's remuneration is approved by REMCO and their contracts of employment do not contain unusual benefits provisions and they have reasonable termination clauses with reasonable notice periods.

Remuneration of Risk and Compliance staff is part of the general Bank's remuneration policy and they have agreed Cost to Company (CTC) remuneration at the time of employment. Any additional variable pay in the form of Annual Cash Incentives or Long -term incentives is based on individual performance against set targets.

The Bank has a guaranteed 13th cheque for eligible staff. A total amounting to BWP 8,700,128.59 was made for severance and guaranteed 13th cheque for eligible staff in 2020.

There were no employees with deferred remuneration, split into cash, shares and share-linked instruments and other forms during the financial year ending 2020.

Performance Management

The Bank's performance Management Policy aims to promote the achievement of BancABC's objectives through the effective management of employee performance.

All employees are expected to perform their duties in a competent and efficient manner in line with their respective employment contractual requirements; inherent duties and responsibilities of the position; organizational requirements, policies and processes; legislative requirements and acceptable standards with reference to quality, timelines, attitude and behavior; and key performance contract indicators (KPI's) or outcomes.

As a high performance driven organization, staff contracts are reviewed on a regular basis with agreed Key Performance Indicators ("KPI's") with the organization. The main purpose of the Performance Assessment and Appraisal Process is to determine whether the agreed KPIs have been reached, and if reached; the remuneration will be reviewed and staff member awarded accordingly.

All business heads / senior management are considered to be risk takers. They have a responsibility to identify, measure, monitor and report risks inherent in their units and are responsible for implementing board approved policies and ensuring their staff understand and implement risk mitigating strategies. There are 12 Members of senior management, who are part of the total staff compliment of 404.

Quantitative information about employees' exposure to implicit (e.g. Fluctuations in the value of shares or performance units) and explicit adjustments (e.g., malus, claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration: None

Senior Management Compensation Full Year 2020

(98B) SENIOR MANAGEMENT COMPENSATION	Local	Expatriates	Total
Sales and allowances	19,423,978	-	19,423,978
Bonuses	-	-	-
Short term employee benefits	536,471	-	536,471
Post term employment benefits	2,078,731	-	2,078,731
Other long term benefits	-	-	-
Termination benefits	-	-	-
Share based payments	-	-	-
Share based payments	-	-	-
Total	**22,039,180**	**-**	**22,039,180**

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	980,159
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)	-
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**	**1,218,024**
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)	(102,442)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	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 share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financials	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments	-
27	Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I and Tier II to cover deductions	-
28	**Total regulatory adjustments to Common equity Tier I**	**(102,442)**
29	**Common Equity Tier I capital (CET1 CAPITAL)**	**1,115,582**
Additional Tier I capital: instruments		
30	Directly issued qualifying Additional Tier I instruments plus related stock surplus	-
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	-

33	Directly issued capital instruments subject to phase out from Additional Tier I	-
34	Additional Tier I instruments (and CET1 CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	Additional Tier I capital before regulatory adjustments	-
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)**	**1,115,582**
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	258,108
47	Directly issued capital instruments subject to phase out from Tier II	-
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	Provisions	67,976
51	Tier II capital before regulatory adjustments	326,084
Tier II capital: regulatory adjustments		
52	Investments in own Tier II instruments	-
53	Reciprocal cross-holdings in Tier II instruments	-
54	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 the 10% threshold).	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions).	-
56	National specific regulatory adjustments	-
57	**Total regulatory adjustments to Tier II capital**	**-**
58	**Tier II capital (T2)**	**326,084**
59	**Total capital (TC = T1 + T2)**	**1,441,666**
60	**Total risk-weighted assets**	**7,133,539**
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	15.6%
62	Tier I (as a percentage of risk-weighted assets)	15.6%
63	Total capital (as a percentage of risk weighted assets)	20.2%

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	-
68		-
Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)		
	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%
Amounts below the thresholds for deduction (before risk-weighting)		
72	Non-significant investments in the capital of other financials	
73	Significant investments in the common stock of financials	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
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
77	Cap on inclusion of provisions in Tier II under standardised approach	-
78	Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier II under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2015 and 1 Jan 2020)		
80	Current cap on CET1 CAPITAL instruments subject to phase out arrangements	-
81	Amount excluded from CET1 CAPITAL due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

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	940,433
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)	-
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**	**1,178,298**
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)	(102,442)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	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 share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financials	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments	-
27	Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I and Tier II to cover deductions	-
28	**Total regulatory adjustments to Common equity Tier I**	**(102,442)**
29	**Common Equity Tier I capital (CET1 CAPITAL)**	**1,075,856**
Additional Tier I capital: instruments		
30	Directly issued qualifying Additional Tier I instruments plus related stock surplus	-
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	-

33	Directly issued capital instruments subject to phase out from Additional Tier I	-
34	Additional Tier I instruments (and CET1 CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	Additional Tier I capital before regulatory adjustments	-
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)**	**1,075,856**
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	258,108
47	Directly issued capital instruments subject to phase out from Tier II	-
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	Provisions	67,976
51	**Tier II capital before regulatory adjustments**	**326,084**
Tier II capital: regulatory adjustments		
52	Investments in own Tier II instruments	-
53	Reciprocal cross-holdings in Tier II instruments	-
54	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 the 10% threshold).	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions).	-
56	National specific regulatory adjustments	-
57	**Total regulatory adjustments to Tier II capital**	**-**
58	**Tier II capital (T2)**	**326,084**
59	**Total capital (TC = T1 + T2)**	**1,401,940**
60	**Total risk-weighted assets**	**7,133,539**
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)	19.7%
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)	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	-
68		-
Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)		
	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%
Amounts below the thresholds for deduction (before risk-weighting)		
72	Non-significant investments in the capital of other financials	-
73	Significant investments in the common stock of financials	-
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-
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)	67,976
77	Cap on inclusion of provisions in Tier II under standardised approach	-
78	Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier II under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2015 and 1 Jan 2020)		
80	Current cap on CET1 CAPITAL instruments subject to phase out arrangements	-
81	Amount excluded from CET1 CAPITAL due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Table 22 (c): Transitional Disclosures

		a	b	c	d	e
		Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
Available capital (P'000)						
1	Common Equity Tier 1 (CET1)	1,218,024	1,194,438	1,170,716	1,136,460	1,155,813
1a	Fully loaded ECL accounting model	1,178,298	1,154,713	1,130,991	1,096,735	1,076,362
2	Tier 1	1,115,582	1,088,990	1,063,762	1,038,215	1,072,335
2a	Fully loaded ECL accounting model Tier 1	1,075,856	1,049,265	1,024,032	998,490	992,884
3	Total capital	1,441,666	1,445,386	1,425,516	1,285,217	1,321,208
3a	Fully loaded ECL accounting model total capital	1,401,940	1,405,661	1,385,791	1,245,492	1,241,757
Risk-weighted assets (P'000)						
4	Total risk-weighted assets (RWA)	7,133,539	7,120,925	6,792,012	7,001,181	7,111,423
Risk-based capital ratios as a percentage of RWA (%)						
5	Common Equity Tier 1 ratio	17.1%	16.8%	17.2%	16.2%	16.3%
5a	Fully loaded ECL accounting model Common Equity Tier 1	16.5%	16.2%	16.7%	15.7%	15.1%
6	Tier 1 ratio	15.6%	15.3%	15.7%	14.8%	15.1%
6a	Fully loaded ECL accounting model Common Equity Tier 1	15.1%	14.7%	15.1%	14.3%	14.0%
7	Total capital ratio	20.2%	20.3%	21.0%	18.4%	18.6%
7a	Fully loaded ECL accounting model total capital ratio	19.7%	19.7%	20.4%	17.8%	17.5%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirements	178,338	178,023	169,800	175,030	177,786

Qualitative Disclosures	African Banking Corporation Of Botswana Limited
	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.
	Any restrictions, or other major impediments, on the transfer of funds or regulatory capital within the group.
Quantitative Disclosures	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.
	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.	980,159
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.	15,386
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.	1,218,024
7	Prudential valuation adjustments according to the Directive.	-
8	Goodwill net of related tax liability, as set out in the Directive.	-
9	Other intangibles other than mortgage-servicing rights (net of related tax liability), as set out in the Directive.	(102,442)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability), as set out in the Directive.	-
11	The element of the cash-flow hedge reserve described in the Directive.	-
12	Shortfall of provisions to expected losses as described in the Directive.	-
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities, as described in the Directive.	-
15	Defined-benefit pension fund net assets, the amount to be deducted as set out in the Directive.	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet), as set out in the Directive.	-
17	Reciprocal cross-holdings in common equity, as set out in the Directive.	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued share capital (amount above 10% threshold), amount to be deducted from CET1 CAPITAL in accordance with the Directive.	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold), amount to be deducted from CET1 CAPITAL in accordance with the Directive.	-
20	Mortgage servicing rights (amount above 10% threshold), amount to be deducted from CET1 CAPITAL in accordance with the Directive.	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability), amount to be deducted from CET1 CAPITAL in accordance with the Directive.	-
22	Total amount by which the 3 threshold items exceed the 15% threshold, excluding amounts reported in rows 19 to 21, calculated in accordance with the Directive.	-

23	The amount reported in row 22 that relates to significant investments in the common stock of financials	-
24	The amount reported in row 22 that relates to mortgage servicing rights.	-
25	The amount reported in row 22 that relates to deferred tax assets arising from temporary differences.	-
26	Any specific regulatory adjustments that the Bank required to be applied to CET1 CAPITAL in addition to the Basel III minimum set of adjustments. Guidance should be sought from the Bank.	-
27	Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I to cover deductions. If the amount reported in row 43 exceeds the amount reported in row 36 the excess is to be reported here.	-
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.	**(102,442)**
29	Common Equity Tier I capital (CET1 CAPITAL), to be calculated as row 6 minus row 28.	**1,115,582**
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.	-
31	The amount in row 30 classified as equity under applicable accounting standards.	-
32	The amount in row 30 classified as liabilities under applicable accounting standards.	-
33	Directly issued capital instruments subject to phase out from Additional Tier I in accordance with the requirements of the Directive.	-
34	Additional Tier I instruments (and CET CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties, the amount allowed in group AT1 in accordance with the Directive.	-
35	The amount reported in row 34 that relates to instruments subject to phase out from AT1 in accordance with the Directive.	-
36	The sum of rows 30, 33 and 34.	-
37	Investments in own Additional Tier I instruments, amount to be deducted from AT1 in accordance with the Directive.	-
38	Reciprocal cross-holdings in Additional Tier I instruments, amount to be deducted from AT1 in accordance with the Directive.	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued common share capital of the entity (net of eligible short positions), amount to be deducted from AT1 in accordance with the Directive.	-
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), amount to be deducted from AT1 in accordance with the Directive..	-
41	Any specific regulatory adjustments that the Bank require to be applied to AT1 in addition to the Basel III minimum set of adjustments. Guidance should be sought from the Bank.	-
42	Regulatory adjustments applied to Additional Tier I due to insufficient Tier II to cover deductions. If the amount reported in row 57 exceeds the amount reported in row 51 the excess is to be reported here.	-
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.	**1,115,582**
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.	**258,108**

47	Directly issued capital instruments subject to phase out from Tier II in accordance with the Directive.	-
48	Tier II instruments (and CET1 CAPITAL and AT1 instruments not included in rows 5 or 32) issued by subsidiaries and held by third parties (amount allowed in group Tier II), in accordance with the Directive.	-
49	The amount reported in row 48 that relates to instruments subject to phase out from T2 in accordance with the Directive.	-
50	Provisions included in Tier II, calculated in accordance with the Directive.	**67,976**
51	The sum of rows 46 to 48 and row 50.	**326,084**
52	Investments in own Tier II instruments, amount to be deducted from Tier II in accordance with the Directive.	-
53	Reciprocal cross-holdings in Tier II instruments, amount to be deducted from Tier II in accordance with the Directive.	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued common share capital of the entity (net of eligible short positions), amount to be deducted from Tier II in accordance with the Directive.	-
55	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions), amount to be deducted from Tier II in accordance with the Directive.	-
56	Any specific regulatory adjustments that the bank requires to be applied to Tier II in addition to the Basel III minimum set of adjustments. Guidance should be sought from the Bank.	-
57	The sum of rows 52 to 56.	-
58	Tier II capital, to be calculated as row 51 minus row 57.	**326,084**
59	Total capital, to be calculated as row 45 plus row 58.	**1,441,666**
60	Total risk weighted assets of the reporting group.	**7,133,539**
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).	**15.6%**
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).	**15.6%**
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).	**20.2%**
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 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.	-
65	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the capital conservation buffer), ie banks will report 2.5% here.	-
66	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the bank specific countercyclical buffer requirement.	-
67	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the bank's G-SIB requirement.	-
68	Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets). To be calculated as the CET1 CAPITAL ratio of the bank, less any common equity used to meet the bank's Tier I and Total capital requirements.	-
69	Common Equity Tier I minimum ratio as per the Directive.	-
70	Tier I minimum ratio as per the Directive.	-
71	Total capital minimum ratio as per the Directive.	-

72	Non-significant investments in the capital of other financials, the total amount of such holdings that are not reported in row 18, row 39 and row 54.	-
73	Significant investments in the common stock of financials, the total amount of such holdings that are not reported in row 19 and row 23.	-
74	Mortgage servicing rights, the total amount of such holdings that are not reported in row 20 and row 24.	-
75	Deferred tax assets arising from temporary differences, the total amount of such holdings that are not reported in row 21 and row 25.	-
76	Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach, calculated in accordance with the Directive, prior to the application of the cap.	-
77	Cap on inclusion of provisions in Tier II under standardised approach, calculated in accordance with the Directive of Basel III.	-
78	Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach, calculated in accordance paragraph 61 of Basel III, prior to the application of the cap.	-
79	Cap for inclusion of provisions in Tier II under internal ratings-based approach, calculated in accordance paragraph 61 of Basel III.	-
80	Current cap on CET1 CAPITAL instruments subject to phase out arrangements as per the Directive.	-
81	Amount excluded from CET1 CAPITAL due to cap (excess over cap after redemptions and maturities).	-
82	Current cap on AT1 instruments subject to phase out arrangements in accordance with the Directive.	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) as per the Directive.	-
84	Current cap on T2 instruments subject to phase out arrangements, as per the Directive.	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities), as per the Directive.	-

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at period end 31 December 2020	As at period end 31 December 2020
Assets		
Cash and balances at central banks	384,004	384,004
Items in the course of collection from other banks	488,185	488,185
Trading portfolio assets	680,142	680,142
Financial assets designated at fair value	-	-
Derivative financial instruments	60,569	60,569
Loans and advances to banks	895,789	895,789
Loans and advances to customers	6,000,970	6,000,970
Reverse repurchase agreements and other similar secured lending	-	-
Available for sale financial investments	-	-
Current and deferred tax assets	25,127	25,127
Prepayments, accrued income and other assets	104,167	104,167
Investments in associates and joint ventures	-	-
Goodwill and intangible assets of which other intangibles (excluding MSRs)	102,442	102,442
Property, plant and equipment	119,718	119,718
Total assets	**8,861,113**	**8,861,113**
Liabilities		
Deposits from banks	68,713	68,713
Items in the course of collection due to other banks	14,226	14,226
Customer accounts	6,566,048	6,566,048
Borrowed funds	446,009	446,009
Trading portfolio liabilities	-	-
Financial liabilities designated at fair value	-	-
Derivative financial instruments	59,667	59,667
Debt securities in issue	-	-
Accruals, deferred income and other liabilities	187,989	187,989
Current and deferred tax liabilities	-	-
Of which DTLs related to goodwill	-	-
Of which DTLs related to intangible assets	-	-
(excluding MSRs)	-	-
Of which DTLs related to MSRs	-	-
Subordinated liabilities (Tier II borrowings)	313,108	313,108
Provisions	27,054	27,054
Retirement benefit liabilities	-	-
Total liabilities	**7,682,815**	**7,682,815**
Shareholders' Equity		
Paid-in share capital	222,479	222,479
Retained earnings	940,433	940,433
Accumulated other comprehensive income	15,386	15,386
Total shareholders' equity	**1,178,298**	**1,178,298**

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	940,433	
3	Accumulated other comprehensive income (and other reserves)	15,386	
6	**Common Equity Tier I capital before regulatory adjustments**	**1,178,298**	

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