Standard Chartered Bank Botswana Limited
(Incorporated under the Companies Act in the Republic of Botswana)
Registration number CO 1724
BSE Ordinary Share Code: Stanchart
(“SCBB” or “the Company”)

ANNOUNCEMENT

SCBB seeks to raise capital by way of an issuance of Undated Unsecured Non Cumulative Subordinated Capital Securities in the sum of BWP 400 million (“the Capital Securities”) to Standard Chartered Bank (“SCB”), a company incorporated in England by Royal Charter (with reference number ZC18), which company, as the last practicable date (being 31 January 2018) held 0.831% of the issued ordinary shares of SCBB and is a holding company of Standard Chartered Holdings (Africa) BV which as at the last practicable date (being 31 January 2018) held 74.156% of the issued ordinary shares of SCBB, and therefore a related party. The terms of the Capital Securities will be documented by way of an agreement between SCB and SCBB.

As at 31 January 2018, SCBB has (i) BWP 247.26 million of Tier 2 Capital in issue in the form of subordinated notes issued under the Company’s P500 million Debt Issuance Programme and (ii) subordinated debt in the total sum of BWP 389 million owing to SCB.

In order to continue to meet the minimum capital requirements of Bank of Botswana, and to create a cushion against unexpected impairments caused by a difficult business environment SCBB intends to issue the Capital Securities in the total amount of BWP 400 million, which will comprise Additional Tier 1 Capital for the Bank, to SCB and utilise part of that capital to retire the BWP 247.26 million of Tier 2 Capital by exercise of SCBB’s right of redemption.
The pricing shall be the distribution rate which shall be the benchmark rate plus the spread. The distribution rate means the rate in percentage per annum, notified by the Issuer to the Security Holder, equal to the yield on the Government of Botswana bonds, having a maturity of five years as set forth in the Bank of Botswana PULF Reuters page that is published daily by the Bank of Botswana at 1500hrs.

The spread shall be 3.75% per annum.

The transaction does not involve any assets. It is a capital injection which results in the creation of an asset in the form of cash and a liability of the same amount with a zero net impact. The effect on the net asset per share is nil.

The transaction will benefit SCBB by ensuring an adequate capital position for the bank and provide it with the ability to support asset growth in line with its strategic agenda. This will assist SCBB to carry out its normal business activities effectively and without possible impediments, which will enhance the performance and soundness of the organisation for the future benefit of its shareholders.

By Order of the Board
Standard Chartered Bank Botswana Limited
Queens Road, Standard Chartered House, 5th Floor
Gaborone
Botswana

Sponsoring broker

Legal Advisors

Member of the Botswana Stock Exchange