

**BANK
OF
BOTSWANA**

ANNUAL REPORT

2011



BOARD MEMBERS
as at December 31, 2011



L K Mohohlo
Governor and Chairman



G K Cunliffe



S Sekwakwa



C S Bothhole-Mmopi



Prof H Siphambe



Dr J Sentsho



Prof P Collier

BOARD MEMBERS
as at December 31, 2011

L K Mohohlo
Governor and Chairman

S Sekwakwa

G K Cunliffe

C S Bothole-Mmopi

Prof H Siphambe

Dr J Sentsho

Prof P Collier

CONTENTS – PART A

**Statutory Report on the Operations and Financial
Statements of the Bank –2011**

<i>The Governor's Foreword</i>	<i>15</i>
Statutory Report on the Operations of the Bank in 2011	17
The Bank's Mission and Objectives	17
Governance and Organisational Structure	17
Review of the Bank's Main Activities in 2011	21
Annual Financial Statements	27

CONTENTS – PART B

1. The Botswana Economy in 2011	65
Output, Employment and Prices	65
Public Finance and the 2012/13 Budget	71
Exchange Rates, Balance of Payments and International Investment Position	74
Money and Capital Markets	80
2. Broadening Access to Financial Services	87
Introduction	87
Prospects of Broadening Access to Financial Services	88
Botswana's Financial Sector	99
Development Opportunities and Challenges	109
Conclusion	115

BOXES, CHARTS AND TABLES

Boxes

Box 2.1: Microfinance Developments in Africa	91
Box 2.2: Composition of Financial Development Index	98
Box 2.3: Financial Sector Strategy in Various National Development Plans	100
Box 2.4: Evolution of the Financial Sector in Botswana	102
Box 2.5: Elements of Financial Inclusion	110

Charts

Chart 1.1: Real GDP Growth 2007 – 2011	65
Chart 1.2: Real GDP Growth by Sector 2010 – 2011 (Percent)	66
Chart 1.3: Contribution to Real GDP Growth by Sector 2010 – 2011 (Percentage Points)	67
Chart 1.4: Sectoral Composition of Formal Sector Employment (Excluding Ipelegeng) – March 2011	68
Chart 1.5: Botswana Headline and Core Inflation 2007 – 2011	70
Chart 1.6: Botswana and Trading Partner Inflation 2007 – 2011	70
Chart 1.7: Development Spending by Economic Sector 2010/11 – 2012/13	73
Chart 1.8: Quarterly Balance of Payments 2010 – 2011	76
Chart 1.9: Export and Import Trends 2009 – 2011	78
Chart 1.10: Balance of Trade in Services 2006 – 2011	78
Chart 1.11: Quarterly Foreign Exchange Reserves 2010 – 2011	79
Chart 1.12: Outstanding Bank of Botswana Certificates	83
Chart 1.13: Yield to Maturity on Bank of Botswana Certificates and Government Bonds	83
Chart 1.14: Real Interest Rates – International Comparisons	84
Chart 1.15: Year – on – Year Commercial Bank Credit Growth	84
Chart 1.16: Botswana Pension Fund Assets 2007 – 2011	85
Chart 2.1: Total Assets by Institution 2001 – 2010	100
Chart 2.2: Measures of Financial Deepening 2001 – 2010	101
Chart 2.3: Financial Access in Selected African Countries (Percent)	105

Figures

Figure 2.1: Composition of the Financial Development Index	98
Figure 2.2: Institutional Structure: Botswana Financial Sector	101

Tables

Table 1.1: Global Growth Estimates 2011 – 2012 (Percent)	67
Table 1.2: Government Budget 2010/11 – 2012/13 (P Million)	72
Table 1.3: Government Budget 2007/08 – 2014/15	72
Table 1.4: Government Debt and Guarantees for 2010/11 – 2011/12 (P Million)	74

Table 1.5: Pula Exchange Rates Against Selected Currencies	75
Table 1.6: Balance of Payments 2007 – 2011 (P Million)	77
Table 1.7: Imports 2010 – 2011 (P Million)	77
Table 1.8: Level of Foreign Investment in Botswana by Industry 2010 (P Million)	80
Table 1.9: Level of Foreign Investment in Botswana by Country 2010 (P Million)	81
Table 2.1: Share of Households (Percent) with Access to a Bank or Using Financial Services	95
Table 2.2: Reasons the Unbanked Do Not Use Banks: A Comparison of Five Countries (Percent of Total)	96
Table 2.3: DFIs and Commercial Banks – Loans and Provisions for Impairment	104
Table 2.4: Selected Measures of Financial Access	107

ABBREVIATIONS USED IN THE REPORT

AC	Audit Committee
ABC	African Banking Corporation
AFRITAC	Africa Regional Technical Assistance Centre
ATMs	Automatic Teller Machines
AFI	Alliance for Financial Inclusion
BBS	Botswana Building Society
BDC	Botswana Development Corporation
BIS	Bank for International Settlements
BISS	Botswana Interbank Settlement System
BMC	Botswana Meat Commission
BoBCs	Bank of Botswana Certificates
BIDPA	Botswana Institute for Development Policy Analysis
BPOPF	Botswana Public Officers Pension Fund
BSB	Botswana Savings Bank
BSE	Botswana Stock Exchange
CEDA	Citizen Entrepreneurial Development Agency
CIUs	Collective Investment Undertakings
CGAP	Consultative Group to Assist the Poor
CPI	Consumer Price Index
CSD	Central Securities Depository
DCI	Domestic Companies Index
DFIs	Development Finance Institutions
ECH	Electronic Clearing House
EPOS	Electronic Point of Sale
EDD	Economic Diversification Drive
EFT	Electronic Funds Transfer
FCAs	Foreign Currency Accounts
FDI	Foreign Direct Investment
FNBB	First National Bank of Botswana
GDP	Gross Domestic Product
IFSC	International Financial Services Centre
IIP	International Investment Position
IMF	International Monetary Fund
ICT	Information and Communications Technology
KBAL	Kingdom Bank Africa Limited
KYC	KnowYourCustomer

MFI	Microfinance Institution
MFRC	Micro Finance Regulatory Council
MNOs	Mobile Network Operators
NBFIRA	NonBank Financial Institutions Regulatory Authority
NDB	National Development Bank
NDP	National Development Plan
NEER	Nominal Effective Exchange Rate
NGO	Nongovernmental Organisation
OMO	Open Market Operations
OFCs	Other Financial Corporations
ODCs	Other Depository Corporations
PDSF	Public Debt Service Fund
REER	Real Effective Exchange Rate
REMCO	Remuneration Committee
S&P	Standard and Poor's
SACU	Southern African Customs Union
SACCOs	Savings and Credit Cooperatives
SA	South Africa
SDR	Special Drawing Right
SMEs	Small and Medium Scale Enterprises
SMMEs	Small, Micro and Medium Sized Enterprises
SIPS	Systemically Important Payment Systems
UK	United Kingdom
USA	United States of America
USD	United States Dollar
VAT	Value Added Tax
WEO	World Economic Outlook

PART A

STATUTORY REPORT ON THE OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK FOR 2011

BANK OF BOTSWANA

SENIOR MANAGEMENT AS AT DECEMBER 31, 2011

DEPUTY GOVERNORS



O A Motshidisi



M D Pelaelo

GENERAL MANAGERS



R H Nlebesi



O Mabusa

HEADS OF DEPARTMENT



O Modisa
Payments & Settlement



A M Motsomi
Banking Supervision



J Ghanie
Information Technology



E T Rakhudu
Human Resources



R E K Somolekae
Banking & Currency



Dr K S Masalila
Research



P D Siwawa-Ndai
Management Services



D Loeto
Accounting



S M Sealetsa
Financial Markets (Acting)

STATUTORY REPORT ON OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK - 2011

GOVERNOR'S FOREWORD

The Bank's 2011 Annual Report is prepared in accordance with Section 68(1) of the Bank of Botswana Act (CAP55:01). The Report highlights the Bank's operations and financial performance; it also includes recent economic developments. This year's theme topic is on *Broadening Access to Financial Services*. The theme surveys the issues generally, and assesses the degree of access to financial services in Botswana and related challenges. This subject is considered relevant and timely in view of its potential to promote development broadly, as well as uplift the lives of previously unbanked communities by taking advantage of advances in information technology.



With respect to the Bank's financial performance, total assets grew by P9.5 billion to P60.7 billion between 2010 and 2011. This was mainly attributable to an increase in the foreign exchange reserves, which rose from P50.8 billion at the end of 2010 to P60.3 billion at the end of December 2011, and were equivalent to 14 months of imports of goods and services. The net income for the year was P6.7 billion, which is a turnaround from a loss of P1.1 billion in 2010. After transferring non-distributable currency gains of P5.8 billion to the Currency Revaluation Reserve account, the net distributable income was P863.8 million, compared to P473.6 million of 2010. The Government Investment Account increased by 63 percent in 2011, from P13.6 billion to P22.1 billion.

The Bank's activities were performed in an environment of growing global economic uncertainty emanating from, in the main, the euro zone debt crisis. Economic growth in major industrial economies was sluggish and beset by persistent high unemployment, although the economy of the United States of America showed signs of recovery towards the end of the year. With fiscal policy options limited by extensive government debt, expansionary monetary policy was the only tool for stimulating demand. Continuing political tensions, particularly in North Africa and the Middle East, and natural disasters added to the global economic challenges, particularly the impact on international oil prices. Nevertheless, economic performance was robust in emerging economies, especially in Asia, which, in turn, benefited resource-rich developing countries. Overall, however, forecasts of global economic growth continued to be revised downwards.

The domestic economy slowed down in 2011 mainly due to a reduction in mining production given a slack in demand in the second half of the year. In contrast, most non-mining sectors continued to expand, despite reduced impetus from public spending as the Government continued to consolidate its fiscal position. In general, the authorities' commitment to prudent implementation of fiscal and monetary policies was validated by Botswana's 'A' sovereign credit ratings assigned by the international sovereign credit rating agencies, Moody's Investors Service and Standard and Poor's, for the twelfth consecutive year, at a time when many countries experienced downgrades to their sovereign credit ratings.

Despite imports remaining at high levels due to infrastructure developments, higher commodity prices boosted exports to the extent that the current account returned to surplus following two years of deficit. The overall balance of payments was also in surplus, and this resulted in a higher level of foreign exchange reserves, which continued to be prudently invested in line with periodically reviewed and updated investment policies and guidelines.

The Bank's top priority is to promote and maintain monetary stability, the primary indicator of which is a low, stable and predictable level of inflation. This objective supports the broad national development goals,

including economic diversification and poverty reduction. In pursuit of this goal, the Bank regularly reviews its monetary policy stance and keeps stakeholders informed about policy decisions.

In this context, global inflationary pressures were generally low in 2011 and the positive medium-term inflation outlook indicated that the Bank's 3 – 6 percent medium-term inflation objective could be achieved in the latter half of 2012.

However, due to the lingering global economic uncertainty, especially with respect to oil prices, there was little scope for further relaxation of monetary policy; the Bank Rate was, therefore, unchanged at 9.5 percent throughout 2011. However, in the short term, the higher price of fuel contributed to the increase in inflation to 9.2 percent in December 2011. In an effort to contain banking system excess liquidity, the primary reserve requirement ratio was increased from 6.5 percent to 10 percent in July 2011. Furthermore, the issuance of Bank of Botswana Certificates was limited to P10 billion with effect from November 2011, with a view to encouraging banks to channel loanable funds to bankable projects that would contribute towards economic diversification.

The Bank continued to crawl the exchange rate and cumulatively depreciated the nominal effective exchange rate by 2.5 percent. However, the extent of the depreciation was not sufficient to fully offset inflation differentials with major trading partner countries; as a result, the real effective exchange rate appreciated by 1.4 percent. The broad perspective on the issue of international competitiveness is that domestic producers should make every effort to boost productivity, and not rely solely on exchange rate adjustments to compete favourably in the global market.

The Bank's regulatory and supervisory framework was strengthened in line with global trends, and commercial banks remained sound as well as profitable; they continued to diversify products and expand their outreach.

As usual, the guidance of the Board and support from the staff of the Bank made the successful implementation of the work programme for 2011 and the achievement of the improved operational results possible. They deserve all the accolades.



Linah K Mohohlo
GOVERNOR

STATUTORY REPORT ON OPERATIONS AND FINANCIAL STATEMENTS OF THE BANK - 2011¹

THE BANK'S MISSION AND OBJECTIVES

As provided in Section 4 (1) of the Bank of Botswana Act (CAP 55:01), the Bank's mission and primary objectives are:

- to promote and maintain monetary stability, which primarily requires the maintenance of a low, predictable and sustainable level of inflation;
- to ensure that the overall financial system is safe and sound;
- to regulate and oversee the payments system and ensure that it is secure and efficient; and
- in so far as it would not be inconsistent with monetary stability, to promote the orderly, balanced and sustainable economic development of the country.

Figure 1 shows the strategies, activities and supportive infrastructure that are utilised to achieve the Bank's mission and objectives. Monetary stability is attained through the formulation and implementation of monetary policy; commercial banks are supervised and regulated to foster operational safety and soundness; oversight, regulation and currency management entrench confidence in the payments and settlement system in addition to mitigating against systemic risks. The Bank also provides efficient banking services to the Government, commercial banks and selected public institutions; the management of foreign exchange reserves enables the country to meet international financial obligations, as well as maintain a fund for future generations; and the Bank provides advice to Government on macroeconomic and financial policy matters. The governance structure coordinates and creates synergies between policy oriented activities and supportive corporate services, including human resource management and training, adoption of efficiency enhancing technology, risk mitigation as well as enforcement of a code of conduct and institutional values.

GOVERNANCE AND ORGANISATIONAL STRUCTURE

The Board is at the apex of the governance structure, followed by the Governor, two Deputy Governors, two General Managers, nine Departments and five Divisions (see Figure 2).

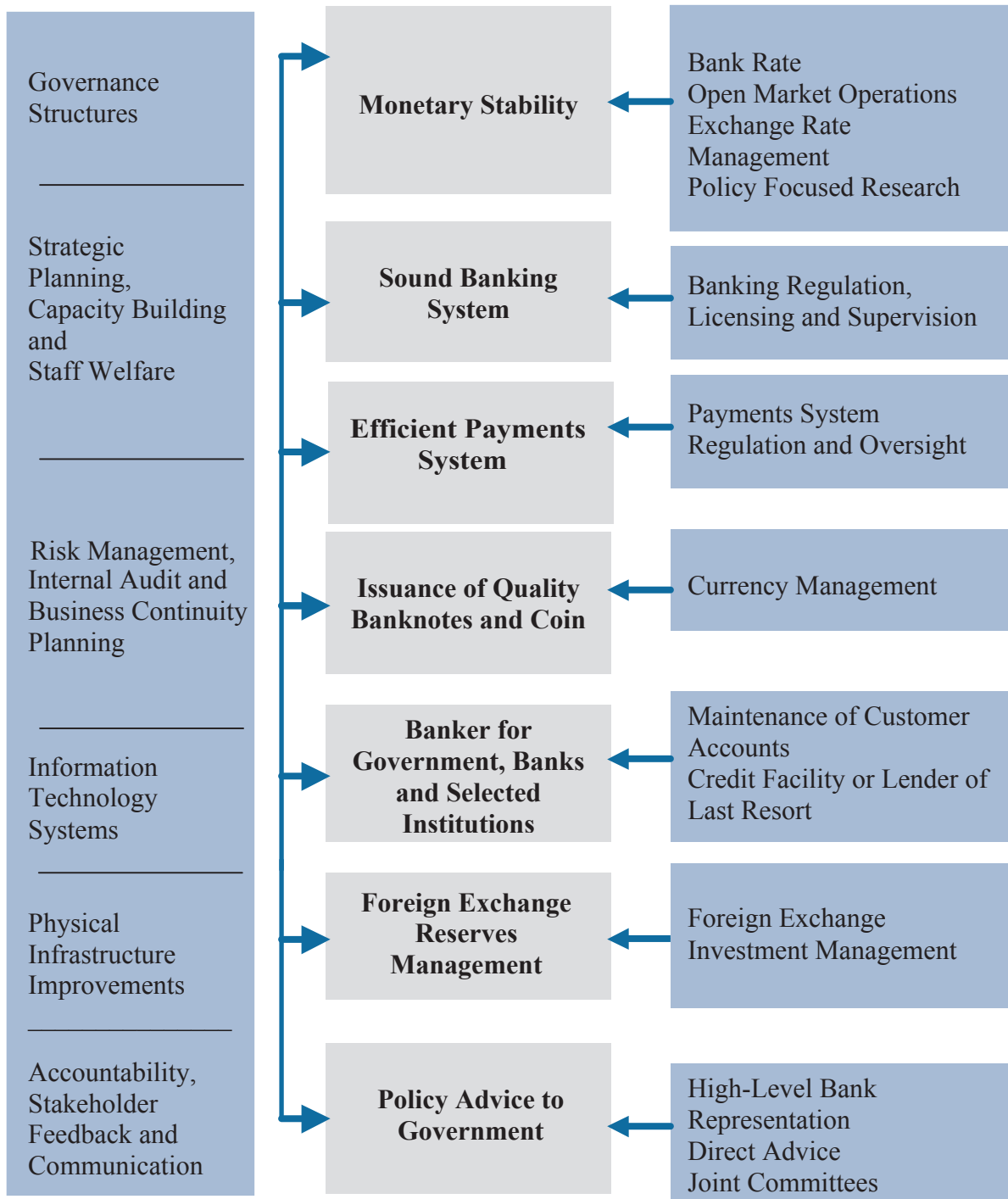
Board Functions, Membership and Appointments

The Board is responsible for oversight of the Bank's general policy direction and operations in accordance with the Bank of Botswana Act and Bye-Laws. Six Board meetings, the minimum legally required by the Act, were held during the year (Table 1). The current Board of the Bank comprises the Governor (Chairman), Permanent Secretary of the Ministry of Finance and Development Planning (ex-officio) and five other members (in their individual capacity) with various and relevant backgrounds. As at year-end, the Board had two vacancies. All members of the two Committees of the Board, viz., Remuneration Committee (REMCO) and Audit Committee (AC), are non-executive members. The Committees consider issues pertaining to their respective mandates and make recommendations to the Board.

The Governor and two Deputy Governors (who are not Board members) are appointed by the President, while the Minister of Finance and Development Planning appoints Board members, only two of whom may be public officers.

1 More details can be found in the review of recent economic developments that accompanies this Annual Report.

FIGURE 1: MISSION, OBJECTIVES, STRATEGIES AND ACTIVITIES



Board members participated in a one-day workshop on central bank governance in December 2011. The workshop was facilitated by the former Secretary General of the Central Bank Governance Forum of the Bank for International Settlements, Dr G. Bingham. The purpose of the workshop was to review the design and functioning of the Board in light of recent international trends in central bank governance. The workshop also provided an opportunity for participants to discuss ways and means by which Board policies can be implemented and the desirability or otherwise for a review of the Board’s operational procedures, in order to enhance effectiveness and accountability.

FIGURE 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE AS AT DECEMBER 31, 2011

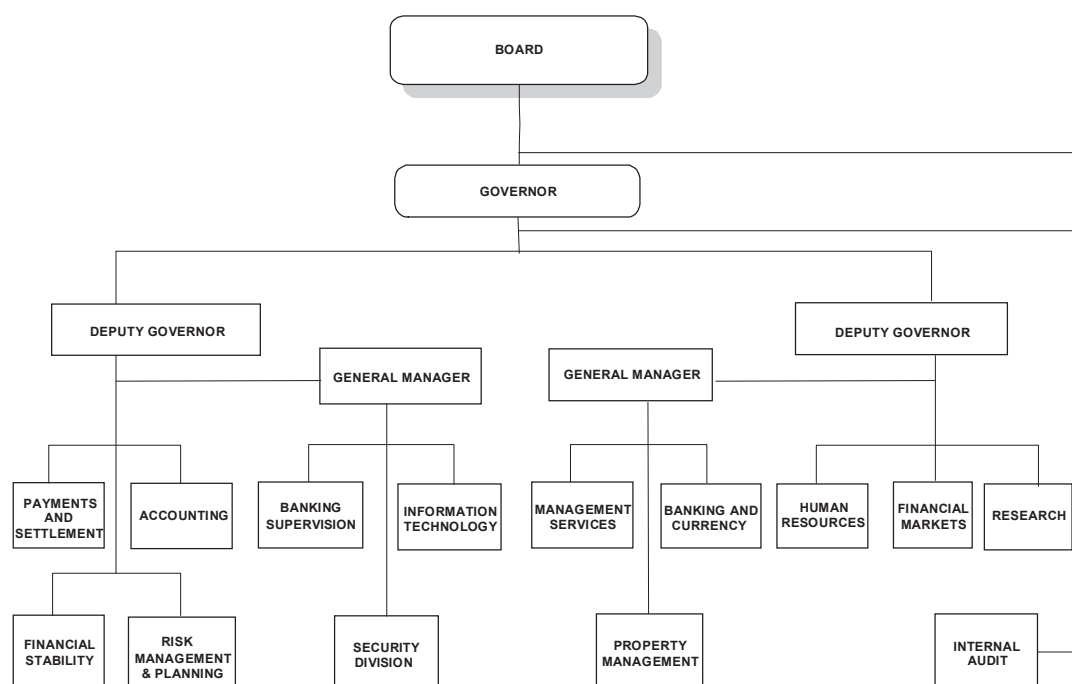


TABLE 1: BOARD MEETINGS AND ATTENDANCE 2011

Meeting	Mohohlo, (Chairman, Board)	Sekwakwa, (Ex-officio)	Cunliffe, (Chairman AC)	Siphambe, (Chairman Remco)	Bothole- Mmopi (AC)	Sentsho (Remco)	Collier (Remco)
BB1/11 Feb 18	✓	✓	✓	✓	✓	✓	☒
BB2/11 Mar 28	✓	☒	✓	✓	☒	✓	☒
BB3/11 Jun 17	✓	☒	✓	✓	✓	✓	✓T
BB4/11 Aug 19	✓	✓	✓	✓	✓	✓	✓T
BB5/11 Oct 20	✓	✓	✓	✓	☒	✓	✓T
BB6/11 Dec 9	✓	✓	✓	✓	✓	✓	✓T

Key: ✓ Attended
 ☒ Not attended
 ✓T Attended by video and teleconferencing

Source: Bank of Botswana

Governor, Deputy Governors and General Managers

As Chief Executive Officer of the Bank, the Governor implements Board decisions and submits the *Annual Report* on the operations and audited financial statements of the Bank to the Minister of Finance and Development Planning within three months of the end of the financial year. As stipulated in the Bank of Botswana Act, the Minister then submits the *Annual Report* on the operations and financial performance of the Bank to Parliament. The *Banking Supervision Annual Report* is submitted by the end of June each year. The Governor represents the Bank at relevant local, regional and international meetings, and is the country's

representative on the Board of Governors of the International Monetary Fund (IMF). The Deputy Governors share policy and operational oversight responsibilities for the Departments and Divisions, while the General Managers coordinate the operations of some Departments and Divisions and report to the Governor through the Deputy Governors.

Executive Committee

The Executive Committee, which is chaired by the Governor, includes Deputy Governors, General Managers and Heads of Department; senior advisors may be co-opted as members. The Committee meets once a week to monitor and review the status of implementation of the Bank's operations and policies; it also coordinates the annual, medium and long-term work programmes approved by the Board in order to create implementation synergies.

Departments and Divisions

The Bank has nine Departments and five Divisions. Five policy Departments fulfil the Bank's mandate, while the other four provide supportive/corporate services. With the exception of the Financial Stability Division, the responsibility of which complements the primary mandate of the Bank, the other four Divisions strengthen delivery of corporate services.

The responsibility of the Research Department includes macroeconomic analysis, inflation forecasting and modelling in support of the Bank's conduct of monetary policy, implementation of exchange rate policy, macroeconomic data collection and dissemination. Production of the Bank's *Annual Report* and other publications is also the responsibility of the Research Department. The Banking Supervision Department regulates and supervises banks that fall under the Bank's purview, while the oversight and regulation of payments and settlement transactions, including service providers, is carried out by the Payments and Settlement Department. Foreign exchange reserves, open market operations and other money and capital market activities, including Government bond issuance, are implemented by the Financial Markets Department; the Banking and Currency Department is responsible for the custody and issuance of currency and also provides banking services to the Government, banks and selected institutions and is a repository for the country's financial relations with the IMF.

The Financial Stability Division was established in response to the need to forestall potential domestic and global systemic financial problems based on lessons of the recent international financial crisis which triggered the 2009 economic recession. The Division's mandate is to monitor emerging risks and other developments emanating from the macroeconomic environment, conduct macro-prudential assessments, track performance of money and capital markets and coordinate with other relevant external entities to ensure stability of the financial sector as a whole.

The Human Resources Department is responsible for staff recruitment, training, remuneration and staff welfare. The functions of the Management Services Department include Board Secretariat, communications and public relations, public education, records management and protocol, while the Information Technology Department ensures that the Bank's information technology needs are catered for at all times. The Accounting Department manages the Bank's finances; this includes production of statutory monthly and annual financial statements of the Bank.

The Bank's corporate services organs comprise the specialised activities of four Divisions, viz., Risk Management and Planning, Internal Audit, Security and Property Management. The Risk Management and Planning Division coordinates the formulation and implementation of risk management, business continuity and strategic planning, while the Internal Audit Division independently and objectively ensures that the Bank's operations are sound and comply with established internal controls and governance structures, in line with international best practice. The Security Division safeguards personal safety and security of the Bank's assets, such as buildings and equipment. The Property Management Division is responsible for custody and

maintenance of immovable and movable assets which include the Bank's real estate and related equipment.

REVIEW OF THE BANK'S MAIN ACTIVITIES IN 2011

Monetary Policy, Money and Capital Market Activities and Exchange Rate Policy

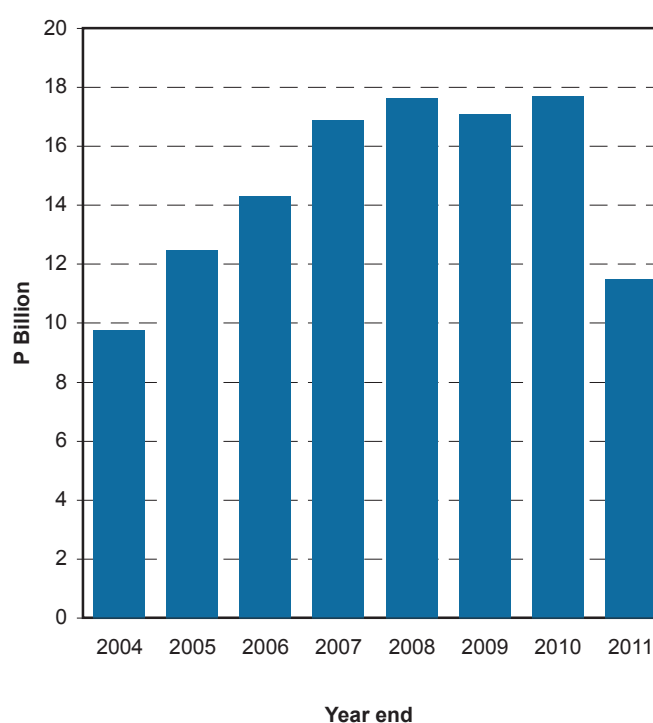
Monetary Policy

The 2011 Monetary Policy Statement and its Mid-Term Review maintained the medium-term inflation objective of 3 - 6 percent. Although, due to short-term inflationary pressures, inflation breached the upper end of the medium-term objective range during 2011, the medium-term outlook was positive. As a result, the Bank Rate was unchanged at 9.5 percent throughout the year. The favourable inflation prospect was mirrored in the September 2011 biannual Business Expectations Survey which broadly supported the monetary policy stance. However, domestic business confidence was subdued, reflecting concerns about the effect of government expenditure restraint on business activity.

Money and Capital Markets

The Bank reduced the excess liquidity that is absorbed through open market operations by increasing commercial banks' primary reserve requirement ratio from 6.5 percent to 10 percent. Furthermore, in an effort to encourage bank lending for viable projects, from November, issuance of Bank of Botswana Certificates to absorb excess liquidity was limited to P10 billion. As a result, BoBCs outstanding, including Reverse Repurchase Agreements (reverse repos), decreased from P17.7 billion in December 2010 to P11.5 billion at the end of 2011 (Table 2 and Chart 1). Reverse repos were increased significantly as they were used to smooth excess liquidity management by banks.

CHART 1: BANK OF BOTSWANA CERTIFICATES AND REVERSE REPOS 2004 - 2011



Source: Bank of Botswana

TABLE 2: MONEY MARKET 2010-2011

Instrument	End-2010			End-2011		
	Outstanding/ balances (P billion) ²	Interest rate (Percent)		Outstanding/ balances (P billion) ²	Interest rate (Percent)	
		Nominal	Real		Nominal	Real
6-month Treasury Bills ¹	0.6	6.50	-0.84	1.0	6.49	-2.48
14-day BoBCs ¹	7.4	6.56	-0.78	6.2	4.50	-4.30
3-month BoBCs	9.7	7.15	-0.23	3.8	3.45	-5.27
Reverse Repos	0.6	4.50	-2.70	1.5	4.50	-4.30
3-month deposits	1.6	5.49	-1.78	4.7	4.08	-4.69
Prime rate		11.00	3.35		11.00	1.65

Source: Bank of Botswana

Notes:

1. Stop-out yield is used for Treasury Bills, while weighted average yield is used for 14-day and 91-day BoBC yield.
2. Book value.

The respective yields for the 14-day and 91-day BoBCs fell towards the end of 2011 as banks competed aggressively for the reduced volume of the auctioned BoBCs. The nominal three-month deposit interest rate also declined from 5.49 percent at the end of 2010 to 4.08 percent in December 2011. In addition to the decrease in nominal BoBC yields, higher inflation adversely affected real money market interest rates. Although the nominal prime lending rate was unchanged at 11 percent, it declined in real terms from 3.35 percent to 1.65 percent. Similarly, the three-month real deposit interest rate dropped from -1.8 percent in December 2010 to -4.69 percent at the end of 2011.

In February 2011, Parliament approved an increase in the new limit for the Government Note Issue Programme, from P5 billion to P15 billion, in order to increase scope for government borrowing and encourage the development of the domestic capital market. Thereafter, the 2.5 year bond (BW009) and 5.5 year bond (BW010) were issued in March 2011 and September 2011, respectively, and the total outstanding government bonds increased to P5.3 billion (Table 3). Treasury Bills outstanding increased from P600 million at the end of 2010 to P1 billion at the end of December 2011, partly offsetting the reduction in outstanding BoBCs. As was the case in the money market, real coupon rates were eroded by higher inflation in 2011.

TABLE 3: GOVERNMENT BONDS¹ 2010 – 2011

Bond Code	End-2010			End-2011		
	Outstanding (P million) ²	Coupon Rate (Percent)		Outstanding (P million) ²	Coupon Rate (Percent)	
		Nominal	Real		Nominal	Real
BW003	1 642	10.25	2.65	1 642	10.25	0.96
BW004	700	10.50	2.89	–	–	–
BW005	850	10.00	2.42	933	10.00	0.73
BW006	600	7.50	0.09	600	7.50	-1.56
BW007	295	8.00	0.56	795	8.00	-1.10
BW008	300	7.75	0.33	558	7.75	-1.33
BW009	–	–	–	433	7.25	-1.79
BW010	–	–	–	368	7.75	-1.33
Total	4 387			5 329		

Source: Bank of Botswana

Notes: 1. Where outstanding values differ for the same bond code between the two years, it means the bond was reopened for issuing an additional amount after the initial issue.

2. Book Value.

Exchange Rate Policy

The trade-weighted nominal effective exchange rate (NEER) was adjusted downwards through the crawling band mechanism during 2011. This was to offset the adverse impact of higher inflation (compared to the average inflation of trading partner countries) on the country's international competitiveness as measured by the real effective exchange rate (REER). However, the extent of the downward crawl of the NEER fell short of the impact of the inflation differential and, therefore, the REER appreciated by 1.5 percent.

Supervision and Regulation of Banks and Bureaux de Change

The off-site and on-site monitoring of Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and Market Sensitivity (CAMELS) ascertained that banks were sound, well managed and profitable and complied with prudential requirements (Table 4).

The number of licensed banks was unchanged at 11, with neither new entrants nor exits. Nevertheless, the banks' outreach expanded with the opening of three new branches, compared to six in 2010. Banks continued to introduce new products to meet customer needs, while access to financial services by the unbanked segment of the population was improved by the introduction of money transfer and remittance facilities. The number of

bureaux de change increased to 68 as at December 31, 2011; this was a net gain of five following the licensing of 10 new operations and revocation of five licences.

TABLE 4: FINANCIAL SOUNDNESS INDICATORS AND PRUDENTIAL STANDARDS 2010 – 2011

Prudential Indicators	Prudential Standard	Range of Prudential Standard for Local Banks (Percent)	
		2010	2011
Capital Adequacy	≥15	16.3 – 37.6	15.2 – 28.5
Liquid Asset Ratio	≥10	28.5 – 63.2	11.5 – 52.4
Profitability (Return on Assets)	Positive	0.3 – 4.4	0.7 – 5.0
Profitability (Return on Equity)	Positive	2.7 – 41.0	10.4 – 43.5
Asset quality (Non-performing Loans/Total Loans)	≤2.5	0.8 – 15.6	1.0 – 16.6
Financial Intermediation (Advances/Deposits)	≥50	37 – 71.8	49.3 – 86.4

Source: Bank of Botswana

Abandoned funds continued to be administered in accordance with Section 39 of the Banking Act (CAP 46.04). The transfers of unclaimed funds to the Guardian Fund decreased from P0.7 million in 2010 to P0.4 million in 2011, but the balances of these funds rose slightly from P9.76 million in 2010 to P9.78 million as at December 31, 2011.

Central Banking Services, Currency Issue and Custodial Services

The volume of banknotes in circulation rose by 2.9 percent, down from growth of 4.3 percent in the previous year. The increase was mainly due to net issuance of P200 banknotes followed by the P10 banknote (Table 5 (a)). Similarly, the net issuance of all coin denominations rose at a slower rate of 6.3 percent in 2011 compared to 8 percent in 2010 (Table 5(b)); the highest increase was in the net issuance of the 5 thebe coin.

TABLE 5(A): NET ISSUANCE OF BANKNOTES BY DENOMINATION 2010 – 2011

Denominations	Banknotes (Million)		Change (Percent)		Distribution (Percent)	
	2010	2011	2009-2010	2010-2011	2010	2011
P200	4.7	5.6	6.9	19.1	19.6	22.6
P100	6.0	5.8	-18.9	-3.3	25.0	23.6
P50	2.9	2.8	0.0	-3.4	12.1	11.4
P20	4.6	4.5	-6.1	-2.2	19.2	18.2
P10	4.0	4.2	25.0	5.0	16.6	16.9
P5	0.5	0.5	0.0	0.0	2.1	2.0
P2	0.5	0.5	0.0	0.0	2.1	2.0
P1	0.8	0.8	0.0	0.0	3.3	3.3
Total	24.0	24.7	4.3	2.9	100.0	100.0

Source: Bank of Botswana

TABLE 5(B): NET ISSUANCE OF COIN BY DENOMINATION 2010 – 2011

Denominations	Coin (Million)		Change (Percent)		Distribution (Percent)	
	2010	2011	2009-2010	2010-2011	2010	2011
P5	5.9	6.7	7.3	13.5	2.1	2.3
P2	10.5	11.1	10.5	5.7	3.7	3.7
P1	17.4	18.1	3.6	4.0	6.3	6.2
50t	16.4	17.2	8.6	4.8	5.9	5.8
25t	27.2	28.8	11.0	5.8	9.8	9.7
10t	61.8	65.7	8.6	6.3	22.2	22.2
5t	139.0	148.3	9.1	6.6	50.0	50.1
Total	278.2	295.9	8.0	6.3	100.0	100.0

Source: Bank of Botswana

Payments and Settlement

The reform of the National Payments System progressed further during the year to enhance the safety and efficiency of payments. The operation of the Systemically Important Payments Systems (SIPS) continued to be closely monitored. Oversight inspections were conducted on the Central Securities Depository System (CSD), Electronic Clearing House (ECH) system and the Botswana Inter-bank Settlement System (BISS). The modernisation of the payments system continued, including the implementation of the Cheque Imaging and Truncation System project, which is aimed at reducing the cheque clearing time lag considerably.

Foreign Exchange Reserves Management

The level of foreign exchange reserves increased by 18.7 percent from P50.8 billion in 2010 to P60.3 billion in 2011 (Chart 2). The increase in reserves reflected the overall balance of payments surplus together with the depreciation of the Pula against most major currencies in 2011.

Human Resources, Staff Welfare and Information Technology

Human Resources and Staff Welfare

As at December 30, 2011, the Bank’s Staff Establishment was 569. Of the 31 staff promotions, 18 were in the middle management category, while 13 were of non-managerial cadre. A number of staff benefited from both short and long-term training under the Bank’s staff development programme.

Staff Pension Fund

The Bank of Botswana Defined Contribution Staff Pension Fund appointed new service providers during the year. Alexander Forbes were appointed Administrators, while First National Bank of Botswana Limited and Deloitte and Touche were appointed custodian and external auditors, respectively. As a result of the improvement in the global financial markets, the Fund recorded a return of 9.42 percent and 9.22 percent for active members and deferred members, respectively, in the year ended September 2010; positive returns were also recorded for the year ended September 2011. As usual, Pension Fund staff members were exposed to the operations of the Fund through internal and external training.

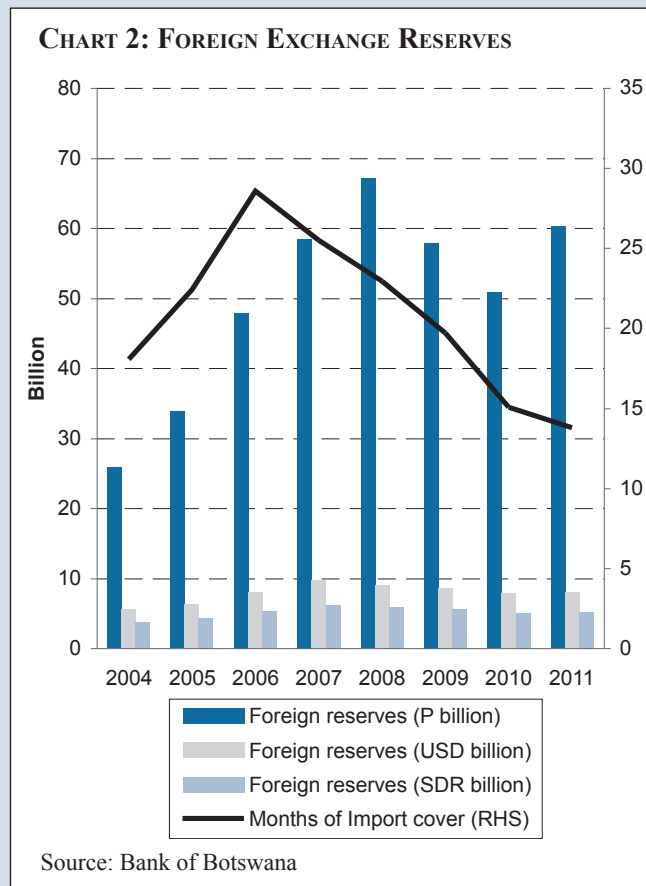
Information Technology

The Bank’s reliance on Information Technology (IT) systems and other infrastructure to enhance operational efficiency necessitated a systems upgrade and new acquisitions in 2011. As a result, IT capacity and reliability were enhanced. The old computer network data cabling was replaced by a newer technology which incorporates high speed network data transfers.

Advisory Services, External Relations and Communication

Advisory Services

The Bank continued to provide advisory services to the Government during the year through, amongst others,



membership in relevant ad hoc committees and the Ministry of Finance and Development Planning/Bank of Botswana Working Group.

External Relations

The year's external relations activities included participation at relevant regional and international meetings, as well as hosting of consultation, surveillance and technical assistance missions. At regional level, the Bank attended meetings of the Southern African Development Community Committee of Central Bank Governors, the Association of African Central Banks, the newly established Financial Stability Board Regional Consultative Group for Sub-Saharan Africa and the Africa Regional Technical Assistance Centre-South (AFRITAC-South). Internationally, the Bank took part in, inter alia, the joint World Bank/IMF Annual Meetings and hosted the IMF Article IV Consultation Mission.

Publications, Communications and Public Education

In accordance with statutory requirements, the *2010 Annual Report* on the Bank's Operations and Financial Statements and the *2010 Banking Supervision Annual Report* were submitted to the Minister of Finance and Development Planning on time, by March 31, 2011 and June 30, 2011, respectively, and subsequently published. The monthly *Botswana Financial Statistics* and *Research Bulletin* were also published.

In fulfilment of accountability and in pursuit of the public outreach programme, the Bank conducted economic briefings, following the publication of the *2010 Annual Report*. Among the key stakeholders briefed were the Cabinet, heads/representatives of diplomatic missions, heads of public and private sector corporations, senior government officials and media/press representatives. Other public relations activities included participation at exhibitions and career fairs.

The Bank also conducted a workshop for the media/press in order to promote a better understanding of the Bank's operations and policies, especially the formulation and implementation of monetary policy.



ANNUAL FINANCIAL STATEMENTS

2011

BANK OF BOTSWANA

CONTENTS

	<i>Page</i>
Statement of Responsibility of the Board and Approval of Annual Financial Statements	29
Independent Auditor's Report	30
Statement of Financial Position	31
Statement of Comprehensive Income	32
Statement of Distribution	33
Statement of Cash Flows	33
Statement of Changes in Shareholder's Funds	34
Significant Accounting Policies	36
Notes to the Annual Financial Statements	43

**STATEMENT OF RESPONSIBILITY OF THE BOARD AND APPROVAL OF
FINANCIAL STATEMENTS**

The members of the Board are responsible for the preparation and fair presentation of the annual financial statements of the Bank, comprising the Statement of Financial Position at December 31, 2011, Statement of Comprehensive Income, Statement of Distribution, Statement of Cash Flows and Statement of Changes in Shareholder's Funds for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Bank of Botswana Act (CAP 55:01).

The members are also responsible for such internal controls as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The members have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the Bank will not be a going concern in the year ahead.

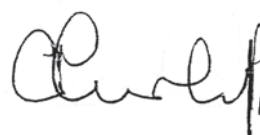
The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of Annual Financial Statements

The annual financial statements of the Bank, as identified in the first paragraph, were approved by the Board on March 26, 2012 and signed on behalf of the Board by:



Linah K Mohohlo
Governor



Gordon K Cunliffe
Board Member
(Audit Committee Chairman)



KPMG Chartered Accountants
Plot 67977, Off Tlokweng Road,
Fairground Park,
PO Box 1519, Gaborone, Botswana

Telephone +267 391 2400
Fax +267 397 5281
Internet <http://www.kpmg.com>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE BOARD OF BANK OF BOTSWANA

Report on the Annual Financial Statements

We have audited the annual financial statements of the Bank of Botswana, which comprise the Statement of Financial Position at December 31, 2011, Statement of Comprehensive Income, Statement of Distribution, Statement of Cash Flows and Statement of Changes in Shareholder's Funds for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 61.

Board Members' Responsibility for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Bank of Botswana Act (CAP 55:01), and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bank of Botswana at December 31, 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Bank of Botswana Act (CAP 55:01).


KPMG
Chartered Accountants
Practicing Member: G Devlin (19960060.23)

GABORONE
March 26, 2012

STATEMENT OF FINANCIAL POSITION
December 31, 2011

	Notes	2011 P'000	2010 P'000
ASSETS			
Foreign Assets			
Liquidity Portfolio	1.1	7 427 163	4 987 011
Pula Fund	1.2	51 460 763	44 732 663
International Monetary Fund (IMF)			
Reserve Tranche	2.1	313 018	135 404
Holdings of Special Drawing Rights	2.2	998 620	929 735
Administered Funds	2.3	71 365	62 159
Total Foreign Assets		60 270 929	50 846 972
Domestic Assets			
Property and Equipment	3	270 709	196 912
Government of Botswana Bonds	4	24 362	43 810
Other Assets	5	138 663	118 491
Total Domestic Assets		433 734	359 213
TOTAL ASSETS		60 704 663	51 206 185
LIABILITIES AND SHAREHOLDER'S FUNDS			
Liabilities			
Foreign Liabilities			
Allocation of IMF Special Drawing Rights	6	661 953	575 118
Liabilities to Government (IMF Reserve Tranche)	7	247 409	135 404
Total Foreign Liabilities		909 362	710 522
Domestic Liabilities			
Notes and Coin in Circulation	8	2 089 158	1 915 664
Bank of Botswana Certificates	9	9 981 790	17 026 583
Reverse Repurchase Agreements	9.1	1 497 411	615 014
Deposits	10	6 098 999	5 752 465
Dividend to Government	11	470 029	175 000
Other Liabilities	12	71 311	99 330
Total Domestic Liabilities		20 208 698	25 584 056
Total Liabilities		21 118 060	26 294 578
Shareholder's Funds			
Paid-up Capital	14	25 000	25 000
Government Investment Account			
Pula Fund and Liquidity Portfolio		22 136 863	13 553 449
Currency Revaluation Reserve		12 688 088	6 985 871
Market Revaluation Reserve		3 136 652	2 747 287
General Reserve	15	1 600 000	1 600 000
Total Shareholder's Funds		39 586 603	24 911 607
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		60 704 663	51 206 185
FOREIGN ASSETS IN US DOLLARS ¹ (000)		8 082 332	7 886 365
FOREIGN ASSETS IN SDR ² (000)		5 249 598	5 084 697

¹ United States dollar/Pula – 0.1341 (2010: 0.1551)

² SDR/Pula – 0.0871 (2010: 0.1000)

STATEMENT OF COMPREHENSIVE INCOME
Year ended December 31, 2011

	Notes	2011 P'000	2010 P'000
INCOME			
Interest – Foreign exchange reserves	16	1 329 489	1 389 877
Dividends – Foreign exchange reserves	17	255 168	216 711
Interest – Government of Botswana bonds		2 403	4 100
Net gains from fair value changes on disposal of securities	18	473 769	418 539
Net realised currency gains	19	1 902 822	–
Net unrealised currency gains	20	3 900 445	–
Profit on domestic foreign exchange deals		18 616	34 486
Other income		12 638	15 512
		7 895 350	2 079 225
EXPENSES			
Interest expense	22	913 356	1 253 412
Administration costs		306 192	307 797
Depreciation expense	3	15 171	15 397
Net realised currency losses	19	–	527 720
Net unrealised currency losses	20	–	1 108 518
Net unrealised losses from fair value changes	21	1 075	16 298
		1 235 794	3 229 142
NET INCOME/(LOSS) FOR THE YEAR		6 659 556	(1 149 917)
OTHER COMPREHENSIVE INCOME			
Net unrealised currency gains/(losses) on non-monetary “available-for-sale” financial instruments		1 340 905	(221 942)
Net unrealised gains from fair value changes on “available-for-sale” financial instruments		636 443	824 310
Other comprehensive income for the year		1 977 348	602 368
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		8 636 904	(547 549)

STATEMENT OF DISTRIBUTION
Year ended December 31, 2011

	Note	2011 P'000	2010 P'000
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		8 636 904	(547 549)
Net unrealised currency (gains)/losses on non-monetary "available-for-sale" financial instruments		(1 340 905)	221 942
Net unrealised gains from fair value changes on "available-for-sale" financial instruments		(636 443)	(824 310)
NET INCOME/(LOSS) FOR THE YEAR		6 659 556	(1 149 917)
TRANSFER (TO)/FROM CURRENCY REVALUATION RESERVE	23	(5 795 777)	1 623 485
NET INCOME BEFORE TRANSFER FROM GOVERNMENT INVESTMENT ACCOUNT		863 779	473 568
TRANSFERS FROM GOVERNMENT INVESTMENT ACCOUNT		–	226 432
NET INCOME AVAILABLE FOR DISTRIBUTION		863 779	700 000
APPROPRIATIONS			
DISTRIBUTION TO GOVERNMENT		(863 779)	(700 000)
Dividend to Government		(525 000)	(700 000)
Residual net income		(338 779)	–

STATEMENT OF CASH FLOWS
Year ended December 31, 2011

	Notes	2011 P'000	2010 P'000
OPERATING ACTIVITIES			
Cash (used)/generated by operations	26	(4 986 892)	3 006 692
INVESTING ACTIVITIES			
Net (investments)/withdrawals (in)/from foreign exchange reserves		(1 453 267)	6 034 570
Proceeds on redemption of Government bond (at cost)		20 076	–
Interest received from Government of Botswana bonds		3 050	4 100
Proceeds from disposal of property and equipment		434	608
Purchase of property and equipment	3	(90 016)	(52 470)
NET CASH (USED)/GENERATED BY INVESTING ACTIVITIES		(1 519 723)	5 986 808
FINANCING ACTIVITIES			
Dividend to Government	11	(568 750)	(775 000)
Government investments/(withdrawals)		6 901 871	(8 474 977)
NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES		6 333 121	(9 249 977)
NET INCREASE IN CURRENCY IN CIRCULATION		(173 494)	(256 477)
CURRENCY IN CIRCULATION AT THE BEGINNING OF THE YEAR		(1 915 664)	(1 659 187)
CURRENCY IN CIRCULATION AT THE END OF THE YEAR		(2 089 158)	(1 915 664)

STATEMENT OF CHANGES IN SHAREHOLDER'S FUNDS
Year ended December 31, 2011

	Paid-up Capital P'000	Currency Revaluation Reserve P'000	Market Revaluation Reserve P'000	General Reserve P'000
Balance at January 1, 2010	25 000	8 842 895	2 147 187	1 600 000
Total comprehensive loss for the year	–	(221 942)	824 310	–
Net unrealised currency losses on non-monetary “available for sale” financial instruments	–	(221 942)	–	–
Net unrealised gains from fair value changes on “available for sale” financial instruments	–	–	824 310	–
Net loss for the year	–	–	–	–
Transfers to/from Government Investment Account:				
Net unrealised gains from fair value changes for the year	–	–	(224 210)	–
Net unrealised currency gains for the year	–	(11 597)	–	–
Deficit of Government Pula Fund Income over Pula Fund Dividend	–	–	–	–
Government withdrawals	–	–	–	–
Transfer from Currency Revaluation Reserve	–	(1 623 485)	–	–
Dividend to Government	–	–	–	–
Balance at December 31, 2010	25 000	6 985 871	2 747 287	1 600 000
Total comprehensive income for the year	–	1 340 905	636 443	–
Net unrealised currency gains on non-monetary “available for sale” financial instruments	–	1 340 905	–	–
Net unrealised gains from fair value changes on “available for sale” financial instruments	–	–	636 443	–
Net income for the year	–	–	–	–
Transfers to/from Government Investment Account:				
Net unrealised gains from fair value changes for the year	–	–	(247 078)	–
Net unrealised currency gains for the year	–	(1 434 465)	–	–
Government investments	–	–	–	–
Transfer to Currency Revaluation Reserve	–	5 795 777	–	–
Dividend to Government	–	–	–	–
Residual net income payable to Government	–	–	–	–
Balance at December 31, 2011	25 000	12 688 088	3 136 652	1 600 000

1 The Government Investment Account, which was established on January 1, 1997, represents the Government's portion of the Pula Fund and the Liquidity Portfolio.

Government Investment Account	Accumulated Profit	Total	
P'000	P'000	P'000	
22 019 051	–	34 634 133	Balance at January 1, 2010
–	(1 149 917)	(547 549)	Total comprehensive loss for the year
–	–	(221 942)	Net unrealised currency losses on non-monetary “available for sale” financial instruments
–	–	824 310	Net unrealised gains from fair value changes on “available for sale” financial instruments
–	(1 149 917)	(1 149 917)	Net loss for the year
224 210	–	–	Transfers to/from Government Investment Account: Net unrealised gains from fair value changes for the year
11 597	–	–	Net unrealised currency gains for the year
(226 432)	226 432	–	Deficit of Government Pula Fund Income over Pula Fund Dividend
(8 474 977)	–	(8 474 977)	Government withdrawals
–	1 623 485	–	Transfer from Currency Revaluation Reserve
–	(700 000)	(700 000)	Dividend to Government
13 553 449	–	24 911 607	Balance at December 31, 2010
–	6 659 556	8 636 904	Total comprehensive income for the year
–	–	1 340 905	Net unrealised currency gains on non-monetary “available for sale” financial instruments
–	–	636 443	Net unrealised gains from fair value changes on “available for sale” financial instruments
–	6 659 556	6 659 556	Net income for the year
247 078	–	–	Transfers to/from Government Investment Account: Net unrealised gains from fair value changes for the year
1 434 465	–	–	Net unrealised currency gains for the year
6 901 871	–	6 901 871	Government investments
–	(5 795 777)	–	Transfer to Currency Revaluation Reserve
–	(525 000)	(525 000)	Dividend to Government
–	(338 779)	(338 779)	Residual net income payable to Government
22 136 863	–	39 586 603	Balance at December 31, 2011

SIGNIFICANT ACCOUNTING POLICIES

December 31, 2011

REPORTING ENTITY

The Bank of Botswana (the Bank) is the central bank of Botswana established under the Bank of Botswana Act (CAP 55:01). The address of the Bank's registered office is 17938 Khama Crescent, Gaborone. These financial statements apply to the financial year ended December 31, 2011. The Government is the Bank's sole shareholder.

BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Statement of Compliance

The principal accounting policies applied in the preparation of the financial statements are stated below. These policies have been consistently applied to all the years presented and comply with International Financial Reporting Standards in all material respects.

The Financial Statements were authorised for issue by the Board on March 26, 2012.

Basis of Measurement

The financial statements are prepared on the historical cost basis, modified by fair value accounting for available-for-sale financial assets, all derivative contracts, financial assets and liabilities that are held at fair value through profit or loss.

Functional and Presentation Currency

The financial statements are presented in Pula which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Pula has been rounded to the nearest thousand.

ADOPTION OF REVISED STANDARDS AND INTERPRETATIONS

As at the date of finalisation of the financial statements, the following Standards relevant to the Bank's operations and available for adoption in the year, had been considered and were found not to have an impact on the financial statements.

Standard	Effective for annual periods beginning on or after
IFRS 7 – <i>Financial Instruments : Disclosures</i> – Amendments resulting from the May 2010 Annual Improvements to IFRSs	January 1, 2011
IAS 1 – <i>Presentation of Financial Statements</i> – Amendments resulting from the May 2010 Annual Improvements to IFRSs	January 1, 2011
IAS 24 – <i>Related Parties Disclosures</i> – Revised definition of related parties	January 1, 2011

STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

As at the date of finalisation of the financial statements, the following Standards relevant to the Bank's operations, are in issue and have not yet been adopted in the financial statements.

Standard	Effective for annual periods beginning on or after
IFRS 7 – <i>Financial Instruments : Disclosures</i> – Amendments enhancing disclosures about transfers of financial assets	July 1, 2011
IFRS 7 – <i>Financial Instruments : Disclosures</i> – Amendments enhancing disclosures about the effect of offsetting arrangements	January 1, 2013
IFRS 9 – <i>Financial Instruments</i> – Classification and Measurement	January 1, 2015
IFRS 13 – <i>Fair value Measurement</i> – Definition and measurement of fair value and disclosure requirements	January 1, 2013
IAS 1 – <i>Presentation of Financial Statements</i> – Presentation of items of other comprehensive income	July 1, 2012
IAS 32 – <i>Financial Instruments : Presentation</i> – Amendments clarifying the requirements for offsetting financial assets and financial liabilities	January 1, 2014

SIGNIFICANT ACCOUNTING POLICIES (Continued)
December 31, 2011

FINANCIAL INSTRUMENTS

General

Financial instruments carried on the Statement of Financial Position include all assets and liabilities, including derivative instruments, but exclude property and equipment, prepayments, VAT receivables, sundry receivables and sundry receipts.

Financial Assets

Financial assets are classified into the following specified categories: financial assets as “at fair value through profit or loss” (FVTPL) (including held for trading), “available-for-sale” and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition as detailed below.

Financial assets are stated at fair value or amortised cost. A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition.

Loans and receivables are carried at amortised cost less impairment losses.

Available-for-sale financial assets and financial assets through profit or loss are subsequently carried at fair value, excluding transaction costs.

The fair values of quoted investments in active markets are based on current bid prices. In other cases, the Bank establishes fair value by using appropriate valuation techniques.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in profit or loss in the year in which they arise. These realised and unrealised gains and losses exclude interest and dividends.

Realised gains and losses arising from changes in the fair value of available-for sale financial assets are recognised in profit or loss. Unrealised gains and losses from fair value changes are recognised in other comprehensive income.

Interest income on all assets is calculated using the effective interest method and is recognised in profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the right to receive payment is established.

Short-term Investments (Liquidity Portfolio)

The Bank has designated the Liquidity Portfolio as a fund in which money market instruments and bonds are invested to facilitate payments for regular transactions.

Securities invested in this portfolio are measured “at fair value through profit or loss” and are classified as held for trading. They are initially recognised at fair value and are subsequently remeasured at fair value based on bid prices. All related realised and unrealised gains and losses are recognised in profit or loss.

All purchases and sales of investment securities in the portfolio are recognised at trade date, which is the date the Bank commits to purchase or sell the investments.

Long-term Investments (Pula Fund)

This is a long-term fund intended to maximise returns and is invested in foreign financial instruments. These investments, which may be sold in response to needs for liquidity, changes in interest rates, exchange rates, etc., are classified as “available-for-sale”, except for derivatives. These securities are initially recognised at fair value (which includes transaction costs) and are subsequently remeasured at fair value, based on bid prices.

All realised currency gains/losses are recognised in profit or loss. Unrealised currency gains/losses on monetary items are also recognised in profit or loss. The unrealised currency gains/losses on non-monetary items are recognised in other comprehensive income. However, in line with the Bank’s policy, all exchange gains/losses for this fund are not distributable and are, therefore, appropriated to the Currency Revaluation Reserve.

SIGNIFICANT ACCOUNTING POLICIES (Continued)
December 31, 2011

FINANCIAL INSTRUMENTS (continued)

Realised fair value changes are recognised in profit or loss. Unrealised fair value changes are recognised in other comprehensive income. Unrealised gains and losses arising from fair value changes of the instruments classified as “available-for-sale” are undistributable as per the Bank’s policy and are appropriated to the Market Revaluation Reserve. When these instruments are disposed of or impaired, the related accumulated fair value or impairment adjustments are included in profit or loss as gains or losses from investment securities.

All purchases and sales of investment securities in the portfolio are recognised at trade date, which is the date the Bank commits to purchase or sell the investments.

Government of Botswana Bonds

The Bank acquires Government of Botswana bonds for purposes of facilitating orderly trading in the local bond market. The bonds, which may be sold in response to needs to intervene in the market, are classified as “available-for-sale” securities.

The bonds are initially recognised at fair value and are subsequently remeasured at fair value, based on bid prices. All unrealised gains and losses arising from changes in the fair value are recognised in the Market Revaluation Reserve. When these instruments are disposed of or impaired, the related accumulated fair value adjustments are included in profit or loss as gains or losses from Government of Botswana bonds.

All purchases and sales of bonds are recognised at trade date, which is the date that the Bank commits itself to purchase or sell the bonds.

Derivative Financial Instruments

The Bank uses a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange risk, including interest rate futures, foreign exchange forward contracts, cross-currency swaps and options.

Derivative financial instruments are initially recognised at fair value (including transaction costs) and are subsequently remeasured at fair value, based on bid prices for assets held or liabilities to be issued, and ask/offer prices for assets to be acquired or liabilities held. The resulting gain or loss is recognised in profit or loss.

Loans and Receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of Financial Assets

Financial assets other than loans and receivables are carried at fair value. “Loans and receivables” are assessed for any evidence of impairment at each Statement of Financial Position date. Financial assets are impaired when there is objective evidence that as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been adversely impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. In respect of “available-for-sale” equity securities, any increase in fair value subsequent to an impairment loss is recognised directly in other comprehensive income.

Financial Liabilities

All the Bank’s financial liabilities are classified as other financial liabilities at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Bank of Botswana Certificates

As one of the primary tools for maintaining monetary stability in the economy, the Bank of Botswana issues its own paper, Bank of Botswana Certificates (BoBCs), to absorb excess liquidity in the market and thereby influence short term interest rates. BoBCs are issued at a discount to counterparties. They are classified as “other financial liabilities”.

SIGNIFICANT ACCOUNTING POLICIES (Continued)
December 31, 2011

FINANCIAL INSTRUMENTS (continued)

The Bank's liability in respect of BoBCs is stated at offer prices on auction date, adjusted for movements in matured and unmatured discount recognised in profit or loss.

Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on the effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

CREDIT FACILITY

Under the Credit Facility, the Bank provides emergency and intermittent funding to solvent financial institutions, intended to bridge intra-day and overnight liquidity shortages. The advances are secured by Government of Botswana bonds and Bank of Botswana Certificates (BoBCs), valued at fair value prices on the date of the transaction. Only high quality, marketable and freely transferable paper with a minimum amount of risk is acceptable as collateral at the discretion of the Bank. Government bonds and Government guaranteed securities of any maturity and other eligible paper with a remaining maturity of 184 days or less are also acceptable as security. The Bank has the right to call for additional collateral, should the value of the security decline during the tenure of the facility. Interest earned on the advances is credited to profit or loss, while advances outstanding as at the Statement of Financial Position date are recorded under "other assets".

SECURITIES LENDING PROGRAMME

The Bank takes part in a Securities Lending Programme. Where securities are lent, the Bank holds collateral in the form of cash or other securities. The securities lent continue to be recorded in the Bank's Statement of Financial Position.

The Bank's global custodian administers the Securities Lending Programme and monitors the securities lent and related collateral against requirements agreed by the Bank.

The Bank records income from lending securities as it accrues.

REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

This facility is one of the mechanisms designed to deal with short-term liquidity fluctuations in the domestic money market. It is available to primary counterparties who are solvent institutions licensed and supervised by the Bank.

The term of a repurchase agreement and reverse repurchase agreement can vary from overnight to one month, depending on the liquidity conditions in the domestic market.

Interest earned by the Bank on repurchase agreements and interest paid by the Bank on reverse repurchase agreements is recognised in profit or loss.

FOREIGN CURRENCIES

All transactions denominated in foreign currencies are translated to Pula at the bid rates of exchange for all sales, and offer rates of exchange for all purchases, at the transaction date.

Where amounts denominated in one foreign currency are sold in order to buy another foreign denominated currency such that neither profit nor loss is realised on the transaction, mid exchange rates are used.

All assets and liabilities denominated in foreign currencies are translated to Pula using the bid and offer rates of exchange, respectively, at the close of the financial year. Foreign currency differences arising on translation are recognised in profit or loss, except for unrealised exchange differences arising on translation of non-monetary "available-for-sale" financial instruments, which are recognised in other comprehensive income.

However, all gains and losses relating to disposals whose proceeds are reinvested in foreign assets, and all the unrealised gains/losses arising on financial instruments are not considered distributable in terms of Bank policy; they are appropriated to the Currency Revaluation Reserve.

SIGNIFICANT ACCOUNTING POLICIES (Continued)
December 31, 2011

FINANCIAL INSTRUMENTS (Continued)

ASSETS, LIABILITIES AND RECOGNITION OF PROVISIONS

Assets

Assets are recognised when the Bank obtains control of a resource as a result of past events, and from which future economic benefits are expected to flow to the Bank.

Contingent Assets

The Bank discloses a contingent asset arising from past events where it is probable that economic benefits will flow from it, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events outside the control of the Bank.

Liabilities and Provisions

The Bank recognises liabilities (including provisions) when:

- (a) it has a present legal obligation resulting from past events;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation; and
- (c) a reliable estimate of the amount of the obligation can be made.

Derecognition of Assets and Liabilities

The Bank derecognises a financial asset when it loses control over the contractual rights that comprise the asset and transfers substantially all the risks and benefits associated with the asset. This arises when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is legally discharged.

INCOME AND EXPENSE RECOGNITION

Interest income and expense are recognised in profit or loss on an accrual basis. Dividend income is recognised in profit or loss when the right to receive payment is established.

OFFSETTING FINANCIAL INSTRUMENTS

The Bank offsets financial assets and liabilities and reports the net balance in the Statement of Financial Position where:

- (a) there is a legally enforceable right to set off;
- (b) there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously;
- (c) the maturity date for the financial assets and liability is the same; and
- (d) the financial asset and liability are denominated in the same currency.

GENERAL RESERVE

Under Section 7(1) of the Bank of Botswana Act, (CAP 55:01), the Bank of Botswana is required to establish and maintain a General Reserve sufficient to ensure the sustainability of future operations of the Bank. The Bank may transfer to the General Reserve funds from other reserves, which it maintains, for the purposes of maintaining the required level of the General Reserve.

CURRENCY REVALUATION RESERVE

Any changes in the valuation, in terms of Pula, of the Bank's assets and liabilities in holdings of Special Drawing Rights and foreign currencies as a result of any change in the values of exchange rates of Special Drawing Rights or foreign currencies and in realised currency gains reinvested in foreign assets are transferred to the Currency Revaluation Reserve.

The proportion directly attributable to the Government Investment Account is transferred to such investment account.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

December 31, 2011

MARKET REVALUATION RESERVE

Any changes in the value of the Bank's long-term investments as a result of any change in the fair values of such investments are transferred to the Market Revaluation Reserve.

The proportion directly attributable to the Government Investment Account is transferred to such investment account.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less related accumulated depreciation and any accumulated impairment losses.

Land and buildings are valued on a fair value basis every two years, and the recoverable (revalued) amounts disclosed by way of a note to the Financial Statements, providing that revalued amounts are in excess of the carrying amounts. Where the carrying amounts are more than the revalued amounts, an impairment loss is recognised in profit or loss.

At each Statement of Financial Position date, the Bank reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Any impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Depreciation

Depreciation is charged so as to write-off the cost of assets less residual values, other than land and buildings under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates used in the calculation of depreciation are as follows:

	Percent
Buildings	2.5 – 6
Furniture, fixtures and equipment	5 – 25
Computer hardware	25
Computer software	20
Motor vehicles – Commercial	20 – 25
– Bullion Truck	5

A gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

RETIREMENT BENEFITS

Pension benefits are provided for employees through the Bank of Botswana Defined Contribution Staff Pension Fund, which is governed in terms of the Pension and Provident Funds Act (CAP 27:03). The contribution per pensionable employee is at the rate of 21.5 percent which comprises 16 percent and 1.5 percent payable by the Bank as its contribution to the Fund and for administration costs of the Fund, respectively, and a 4 percent contribution by each pensionable employee. Other than the contributions made, the Bank has no commitments or obligations to this Fund. Obligations for contributions to the pension fund are recognised in profit or loss in the periods during which services are rendered by employees.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

SIGNIFICANT ACCOUNTING POLICIES (Continued)
December 31, 2011

FINANCE LEASES

The Bank classifies leases of land, property and equipment where it assumes substantially all the benefits and risks of ownership as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The Bank allocates each lease payment between the liability and finance charges to achieve a constant periodic rate of interest on the finance balances outstanding for each period. The interest element of the finance charges is charged to profit or loss over the lease period. The land, property and equipment acquired under finance leases are depreciated over the shorter of the lease period and the useful lives of the assets, on the basis consistent with similar property and equipment.

RELATED PARTY TRANSACTIONS

The Bank enters into various transactions with other wholly owned or partly owned Government institutions and its key management personnel (related parties). All related party transactions are entered into at arm's length in the ordinary course of business. The transactions with key management personnel are staff benefits provided for in the General Conditions of Service of the Bank.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful Lives of Property and Equipment

Management reviews the estimated useful lives of property and equipment at the end of each annual reporting period. In this financial year, no change was made to the useful lives, hence the depreciation rates provided are similar with the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
December 31, 2011

	2011 P'000	2010 P'000
1. FOREIGN EXCHANGE RESERVES		
1.1 Liquidity Portfolio		
Bonds – held for trading	908 396	982 016
Amounts due from Pula Fund	582 800	753 682
Short-term deposits	5 935 967	3 251 313
	7 427 163	4 987 011
1.2 Pula Fund		
Equities – available-for-sale	11 138 836	10 312 453
Bonds – available-for-sale	39 883 269	31 432 514
Derivative financial instruments – assets (Note 13)	16 619	5 087
Amounts due to Liquidity Portfolio	(582 800)	(753 682)
Derivative financial instruments – liabilities (Note 13)	(19 044)	(23 921)
Short-term deposits	1 023 883	3 760 212
	51 460 763	44 732 663
Statement of Financial Position		
<i>Capital Employed</i>		
Government	21 636 863	13 552 189
Bank of Botswana	29 823 900	31 180 474
	51 460 763	44 732 663
<i>Employment of Capital</i>		
Investments	51 460 763	44 732 663
Investments expressed in US dollars ('000)	6 900 888	6 938 036
Investments expressed in SDR ('000)	40 482 232	4 473 266
Statement of Comprehensive Income		
<i>Income</i>		
Interest and dividends	1 427 027	1 393 195
Realised currency revaluation gains	1 291 749	-
Unrealised currency revaluation gains	3 683 542	-
Realised gains from fair value changes	470 954	437 046
Sundry income	276	100
	6 873 548	1 830 341
<i>Expenses</i>		
Realised currency revaluation losses	-	274 707
Unrealised currency revaluation losses	-	1 199 218
Administration charges	109 570	104 363
	109 570	1 578 288
Net income for the year	6 763 978	252 053
<i>Other Comprehensive Income</i>		
Net unrealised currency gains/(losses) on non-monetary “available-for-sale” financial instruments	1 340 905	(221 942)
Net unrealised gains from fair value changes on “available-for-sale” financial instruments	635 169	825 539
Other comprehensive income for the year	1 976 074	603 597
Total comprehensive income for the year	8 740 052	855 650

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
December 31, 2011

	2011 P'000	2010 P'000
2. INTERNATIONAL MONETARY FUND (IMF) ASSETS		
2.1 Reserve Tranche		
<p>This asset represents the difference between Botswana's Quota in the IMF and IMF Holdings of Pula. Botswana's Quota is the membership subscription, of which at least 25 percent was paid for in foreign currencies and the balance in Pula. The holding of Pula by the IMF, which initially was equal to 75 percent of the quota, has changed from time to time as a result of the use of the Pula by the IMF in lending to member countries.</p>		
Quota (SDR 87 800 000; 2010 : SDR 63 000 000)	1 008 037	630 000
Less: IMF Holdings of Pula	(695 019)	(494 596)
Reserve Position in IMF	313 018	135 404
<p>The IMF Holdings of Pula are represented by the Non-Interest Bearing Note of P353 179 294 (2010 : P165 324 000) issued by the Government of Botswana in favour of the IMF, maintenance of value currency adjustments and the amount in the current account held at the Bank (included in other deposits in Note 10).</p>		
2.2 Holdings of Special Drawing Rights		
<p>The balance on the account represents the value of Special Drawing Rights (SDR) allocated and purchased less utilisation to date.</p>		
	998 620	929 735
2.3 Administered Funds		
Face value (SDR 6 142 590)	70 523	61 426
Interest	842	733
	71 365	62 159

This relates to the Poverty Reduction Growth Facility/Heavily Indebted Poor Countries (PRGF/HIPC) Trust. The amount represents SDR 6 142 590 (and interest accrued thereon) lent on May 20, 2008, to the Poverty Reduction Growth Facility/Heavy Indebted Poor Countries Trust Fund, a fund administered in trust by the IMF. This matures on May 20, 2013.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

3. PROPERTY AND EQUIPMENT	Freehold Land P'000	Leasehold Land P'000	Buildings P'000	Capital Works in Progress P'000	Other Assets P'000	Total P'000
Cost – December 31, 2011						
Balance at the beginning of the year	2 065	3 083	151 054	48 396	111 553	316 151
Reclassifications	–	–	–	3 767	(3 767)	–
Additions	–	–	–	83 896	6 120	90 016
Disposals	–	–	–	–	(2 977)	(2 977)
Transfers	–	–	840	(840)	–	–
Balance at year–end	2 065	3 083	151 894	135 219	110 929	403 190
Accumulated Depreciation						
Balance at the beginning of the year	–	–	51 836	–	67 403	119 239
Charge for the year	–	–	4 105	–	11 066	15 171
Disposals	–	–	–	–	(1 929)	(1 929)
Balance at year–end	–	–	55 941	–	76 540	132 481
Net book value at December 31, 2011	2 065	3 083	95 953	135 219	34 389	270 709
Cost – December 31, 2010						
Balance at the beginning of the year	780	4 368	151 309	10 571	100 728	267 756
Reclassifications	1 285	(1 285)	–	–	–	–
Additions	–	–	–	42 456	10 014	52 470
Disposals	–	–	(315)	–	(3 760)	(4 075)
Transfers	–	–	60	(4 631)	4 571	–
Balance at year–end	2 065	3 083	151 054	48 396	111 553	316 151
Accumulated Depreciation						
Balance at the beginning of the year	–	–	47 771	–	59 203	106 974
Charge for the year	–	–	4 084	–	11 313	15 397
Disposals	–	–	(19)	–	(3 113)	(3 132)
Balance at year–end	–	–	51 836	–	67 403	119 239
Net book value at December 31, 2010	2 065	3 083	99 218	48 396	44 150	196 912

Revaluation of Properties

Freehold and leasehold land and buildings were valued by an independent professional property valuer in December 2010 at an open market value of P263 943 000 (2008: P179 460 000).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

	2011 P'000	2010 P'000
4. GOVERNMENT OF BOTSWANA BONDS – available-for-sale		
(i) Government Bond BW004, maturing on March 12, 2011, bearing interest at the rate of 10.50 percent, receivable semi-annually in arrears:		
Fair value	–	20 164
Interest accrued	–	644
	–	20 808
(ii) Government Bond BW005, maturing on September 12, 2018, bearing interest at the rate of 10 percent, receivable semi-annually in arrears:		
Fair value	23 752	22 388
Interest accrued	610	614
	24 362	23 002
	24 362	43 810
5. OTHER ASSETS		
Staff loans and advances	71 479	79 362
Prepayments	3 441	1 980
Advances to banks	36 450	–
Other	27 293	37 149
	138 663	118 491
6. ALLOCATION OF IMF SPECIAL DRAWING RIGHTS		
This is the liability of the Bank to the IMF in respect of the allocation of SDRs to Botswana.	661 953	575 118
7. LIABILITIES TO GOVERNMENT (IMF RESERVE TRANCHE)		
This balance represents the Bank's liability to the Government in respect of the Reserve Tranche position in the IMF (Note 2.1).	247 409	135 404
8. NOTES AND COIN IN CIRCULATION		
Notes	1 987 438	1 819 607
Coin	101 720	96 057
	2 089 158	1 915 664
Notes and coin in circulation held by the Bank as cash in hand at the end of the financial year have been netted off against the liability for notes and coin in circulation to reflect the net liability to the public.		
9. BANK OF BOTSWANA CERTIFICATES – other financial liabilities		
Face value	10 010 520	17 084 999
Unmatured discount	(28 730)	(58 416)
Carrying amount	9 981 790	17 026 583
Bank of Botswana Certificates are issued at various short-term maturity dates and discount rates.		
9.1 REVERSE REPURCHASE AGREEMENTS		
Fair value	1 497 411	615 014
The reverse repurchase agreements are all to mature on January 4, 2012.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

	2011 P'000	2010 P'000
10. DEPOSITS		
Government	1 244 929	1 062 161
Bankers – current accounts	156 597	37 058
– statutory reserve accounts	3 574 292	2 301 860
Other	1 123 181	2 351 386
	6 098 999	5 752 465
<p>These represent current accounts of Government, commercial banks, parastatal bodies and others, which are repayable on demand and are interest free, except for the statutory reserve requirement which is interest free, but, not repayable on demand.</p>		
11. DIVIDEND TO GOVERNMENT		
Balance due at the beginning of the year	175 000	250 000
Dividend to Government from Pula Fund	525 000	700 000
Paid during the year	(568 750)	(775 000)
Residual net income	338 779	–
Balance due at the end of the year	470 029	175 000
<p>The final instalment of the pre-set dividend of P131 250 000 and the residual net income of P338 779 000 unpaid as at December 31, 2011 was provided for in accordance with Section 6 of the Bank of Botswana Act (CAP 55:01); which requires that all profits of the Bank be distributed to the shareholder, the Government.</p>		
12. OTHER LIABILITIES		
Accounts payable	11 543	26 670
Other payables and accruals	59 768	72 660
	71 311	99 330
13. CATEGORIES OF FINANCIAL INSTRUMENTS		
13.1 Financial Assets		
Held for trading		
Bonds	908 396	982 016
Derivative financial instruments (Note 1.2)	16 619	5 087
Available-for-sale		
Bonds	39 883 269	31 432 514
Equities	11 138 836	10 312 453
Government bonds	24 362	43 810
Loans and Receivables		
IMF Reserves	1 383 003	1 127 298
Advances to banks	36 450	–
Staff loans and advances	71 479	79 362
Short-term deposits	6 959 850	7 011 525
Total Financial Assets	60 422 264	50 994 065
<p>The above is disclosed in the Statement of Financial Position as follows:</p>		
Total Foreign Exchange Reserves	60 270 929	50 846 972
Add: Derivative financial instruments (liabilities)	19 044	23 921
Government of Botswana bonds	24 362	43 810
Advances to banks	36 450	–
Other Assets – staff loans and advances (Note 5)	71 479	79 362
	60 422 264	50 994 065

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

	2011 P'000	2010 P'000
13. CATEGORIES OF FINANCIAL INSTRUMENTS (Continued)		
13.2 Financial Liabilities		
Held for trading		
Derivative financial instruments (Note 1.2)	19 044	23 921
Other Financial Liabilities - at amortised cost		
Bank of Botswana Certificates	9 981 790	17 026 583
Reverse Repurchase Agreements	1 497 411	615 014
Allocation of SDR (IMF)	661 953	575 118
Liabilities to Government (IMF)	247 409	135 404
Deposits	6 098 999	5 752 465
Dividend to Government	470 029	175 000
Other liabilities	71 311	99 330
	19 047 946	24 402 835

13.3 Derivative Financial Instruments

The Bank's investment guidelines authorise the use of derivative instruments. The derivatives are held for managing risk.

The Table below shows the market values and the total notional exposures of derivative financial instruments as at year end.

		Notional Amount			Notional Amount		
		Assets 2011 (P'000)	Liabilities 2011 (P'000)	2011 (P'000)	Assets 2010 (P'000)	Liabilities 2010 (P'000)	2010 (P'000)
Fixed Income Futures	-Buy	-	(3 966)	338 619	-	(17 259)	594 663
	-Sell	6 218	-	1 192 546	5 087	-	384 504
Currency Futures	-Buy	-	-	-	-	(980)	981
Other Options	-Sell	4 836	-	6 166	-	(3 009)	9 923
Swaps	-Buy	5 565	-	307	-	-	-
	-Sell	-	(15 078)	2 040	-	(2 673)	173 159
		16 619	(19 044)	1 539 678	5 087	(23 921)	1 163 230

The above derivatives are classified by type of asset and derivative instruments. The assets and liabilities reflect the net position between the market values and the notional amounts.

Futures

A futures contract is an agreement executed on the floor of an exchange to buy or sell a specific amount of a security or cash at a specified price and time. A fixed income futures contract would be an agreement to either buy or sell a specified amount of a fixed income security at a specified price and date, while a currency futures contract will be an agreement to either buy or sell a specified amount of currency at a specified exchange rate and date. Futures contracts are collateralised by cash or marketable securities and changes in the futures contract value are settled daily.

Options

An option is an exclusive right, usually obtained for a fee, but not the obligation to buy or sell a specific financial instrument within a specified time. A fixed income option is the exclusive right to either buy or sell specified units of a fixed income security by a specific date. A currency option is an option to either buy or sell a specified currency by a specific date.

Swaps

A swap is an agreement between two or more parties to exchange sets of cash flows over a period in the future, typically either in the form of interest rate swaps or currency swaps. The cash flows that the counterparties make are linked to the value of the underlying debt financial instrument or the foreign currency, as the case may be.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

	2011 P'000	2010 P'000
14. PAID-UP CAPITAL		
Authorised and Paid-up Capital	25 000	25 000
The capital is the amount subscribed by the Government in accordance with Section 5 of the Bank of Botswana Act (CAP 55:01). The Bank is not subject to any externally imposed capital requirements. Therefore, capital is not actively managed. Management considers the Paid-up Capital and the General Reserve to be capital.		
15. GENERAL RESERVE		
In the opinion of the Board, the General Reserve, taken together with other reserves which the Bank maintains, is sufficient to ensure the sustainability of future operations of the Bank.		
	1 600 000	1 600 000
16. INTEREST – FOREIGN EXCHANGE RESERVES		
Liquidity Portfolio		
Short-term deposits	137 829	87 608
Bonds – held for trading	16 521	123 694
IMF Reserves – loans and receivables	3 003	1 991
Pula Fund		
Short-term deposits	23 431	16 653
Bonds – available-for-sale	1 148 705	1 159 931
	1 329 489	1 389 877
17. DIVIDENDS – FOREIGN EXCHANGE RESERVES		
Pula Fund		
Equities – available-for-sale	255 168	216 711
18. NET GAINS/(LOSSES) FROM FAIR VALUE CHANGES ON DISPOSAL OF SECURITIES		
Liquidity Portfolio		
Bonds – held for trading	2 815	(18 507)
Pula Fund		
Derivative instruments – held for trading	41 311	(244)
Bonds – available-for-sale	307 762	396 907
Equities – available-for-sale	121 881	40 383
	473 769	418 539
Included above are net fair value gains of P429 643 000 (2010: P437 290 000 gains), which have been recycled from equity on disposal of investments classified as available-for-sale.		
19. NET REALISED CURRENCY (LOSSES)/GAINS		
Liquidity Portfolio		
Short-term deposits	638 606	(51 475)
Bonds – held for trading	(27 533)	(201 538)
Pula Fund		
Derivative instruments – held for trading	27	-
Short-term deposits	98 791	(1 331)
Bonds – available-for-sale	1 031 523	(289 607)
Equities – available-for-sale	161 408	16 231
	1 902 822	(527 720)
Included above are net currency gains of P1 192 931 000 (2010: P273 376 000 losses), which have been recycled from equity on disposal of investments classified as available-for-sale.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

	2011 P'000	2010 P'000
20. NET UNREALISED CURRENCY GAINS/(LOSSES)		
Liquidity Portfolio		
Short-term deposits	33 739	44 697
Bonds - held for trading	128 662	62 439
IMF reserves - loans and receivables	54 503	(16 437)
Pula Fund		
Short-term deposits	(1 055)	(5 510)
Bonds - available-for-sale	3 676 159	(1 194 173)
Derivative instruments - held for trading	8 437	466
	<u>3 900 445</u>	<u>(1 108 518)</u>
21. NET UNREALISED LOSSES FROM FAIR VALUE CHANGES		
Liquidity Portfolio		
Bonds - held for trading	(1 064)	(10 259)
Pula Fund		
Derivative instruments - held for trading	(11)	(6 039)
	<u>(1 075)</u>	<u>(16 298)</u>
22. INTEREST EXPENSE		
Bank of Botswana Certificates (BoBCs)	885 348	1 229 387
Reverse Repurchase Agreements	28 008	24 025
	<u>913 356</u>	<u>1 253 412</u>
23. NET CURRENCY REVALUATION (GAINS)/LOSSES RETAINED IN PROFIT OR LOSS		
Total net realised gains/(losses) (Note 19)	1 902 822	(527 720)
Total net unrealised gains/(losses) (Note 20)	3 900 445	(1 108 518)
Total net currency revaluation gains/(losses)	<u>5 803 267</u>	<u>(1 636 238)</u>
Appropriated to Currency Revaluation Reserve:		
Net realised currency (losses)/gains and reinvested in foreign assets	(1 895 332)	514 967
Net unrealised currency (losses)/gains	(3 900 445)	1 108 518
Transferred (to)/from Currency Revaluation Reserve	(5 795 777)	1 623 485
Net currency revaluation gains/(losses) retained in profit or loss	<u>7 490</u>	<u>(12 753)</u>
24. CONTRIBUTION TO THE BANK OF BOTSWANA DEFINED CONTRIBUTION STAFF PENSION FUND		
The Bank's contribution to the Bank of Botswana Defined Contribution Staff Pension Fund for the year ended December 31, 2011 is P16 361 000 (2010: P15 551 000).		
25. STATEMENT OF CASH FLOWS		
The definition of cash in IAS 7 is not wholly appropriate to the Bank. Due to its role in the creation and withdrawal of currency in circulation, the Bank has no cash balances on its Statement of Financial Position (see Note 8). However, the Bank has the ability to create cash when needed.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

	2011 P'000	2010 P'000
26. CASH GENERATED BY OPERATIONS		
Net income/(loss) for the year adjusted for:	6 659 556	(1 149 917)
Net realised and unrealised exchange (gains)/losses	(5 795 777)	1 623 485
Depreciation expense	15 171	15 397
Loss on disposal of Property and Equipment	614	335
Interest – Government of Botswana bonds	(2 403)	(4 100)
	877 161	485 200
Increase in Deposits – banks and other	163 766	1 732 045
Increase in Deposits – Government	182 768	152 382
(Decrease)/Increase in Bank of Botswana Certificates	(7 044 793)	96 164
Increase in Reverse Repurchase Agreements	882 397	515 118
Increase in other assets	(20 172)	(19 389)
(Decrease)/Increase in other liabilities	(28 019)	45 172
Cash (used)/generated by operations	(4 986 892)	3 006 692
27. CAPITAL COMMITMENTS		
Approved and contracted for	137 234	144 618
Approved, but not contracted for	21 650	19 201
	158 884	163 819

These capital commitments will be funded from internal resources.

28. COLLATERAL

(i) Credit Facility

An amount of P36 450 000 (2010: nil) as at December 31, 2011, under the Credit Facility is accounted for as “Advances to banks” and the corresponding collateral of P769 437 900 is held by the Bank.

(ii) Securities Lending Programme

Under the Bank’s Securities Lending Programme, the Bank has lent securities with a fair value of P12.6 billion (2010: P10.9 billion). The Bank has accepted securities with a fair value of P13.0 billion (2010: P11.3 billion) as collateral for the securities lent under this programme.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

29. GOVERNMENT OF BOTSWANA BONDS AND TREASURY BILLS

In accordance with Sections 56 and 57 of the Bank of Botswana Act (CAP 55:01), the Bank acts as agent of the Government for the issuance and management of the Government Bonds and Treasury Bills. An analysis of the bonds and treasury bills issued is provided below:

Government of Botswana Bonds and Treasury Bills issued as at December 31, 2011

Bond/ Treasury Bill Detail	BW 003	BW 005	BW 006	BW 007	BW 008	BW 009	BW 010	BW 140312	Total
Date of Issue	May 6, Nov 3, 2003 and Sept 10, 2008, Mar 11 and Sept 9, 2009 and Mar 10 and Sept 8, 2010	Mar 12, Sept 10, 2008 and Mar 11, Sept 9, 2009 and Mar 16, 2011	Sept 9, 2009 and Mar 10 and Sept 8, 2010	Mar 10, Sept 8, 2010, Mar 16, 2011 and Sept 14, 2011	Sept 8, 2010, Mar 16, 2011 and Sept 14, 2011	Mar 16, 2011	Sept 14, 2011	Sept 14, 2011	
Date of Maturity	Oct 31, 2015	Sept 12, 2018	Mar 9, 2012	Mar 10, 2025	Sept 8, 2020	Sept 11, 2013	Mar 14, 2017	Mar 14, 2012	
Interest Rate Percent (per annum)	10.25	10.00	7.50	8.00	7.75	7.25	7.75	6.53	
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Nominal Value	1 642 000	933 000	600 000	795 000	558 000	433 000	368 000	1 000 000	6 329 000
Net (Discount)/ Premium	58 285	35 478	2 655	(54 423)	(26 344)	(65)	(7 136)	(30 880)	(22 430)
Net Proceeds	1 700 285	968 478	602 655	740 577	531 656	432 935	360 864	969 120	6 306 570
Interest Paid to date	943 923	269 150	75 000	39 400	27 203	15 696	—	—	1 370 372
Interest Accrued	28 667	28 451	14 093	19 744	13 663	9 228	8 540	23 090	145 476

- (i) Net proceeds realised from the issue of the bonds of P4 072 213 922 (2010: P2 670 119 378) were invested in the Government Investment Account.
- (ii) Interest is payable on all bonds on a semi-annual basis in arrears. During the year to December 31, 2011, total interest payments of P481 383 140 were made (2010: P414 689 000) and were funded from the Government's current account maintained with the Bank.
- (iii) Government Bonds and Treasury Bills are liabilities of Government; and they are, therefore, not accounted for in the Statement of Financial Position of the Bank.

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS

Risk is inherent in the Bank's management of financial instruments which comprised primarily foreign exchange reserves, which are held in various financial instruments. This risk is managed through a process of ongoing identification, measurement and monitoring that is subject to an extensive framework of risk limits and other controls. The process of risk management is critical to the Bank's ongoing operations, with the day to day management of the financial instruments being conducted by the Financial Markets Department. A key element in the risk management of the foreign exchange reserves is safety, defined as the preservation of purchasing power of the foreign exchange reserves. To this end, the Bank has continued to pursue a conservative and diversified investment strategy, with an SDR weighted currency allocation as the benchmark. The Bank's objectives, policies and procedures for managing the risk exposures and the method used to measure the risks have remained consistent with the prior year. The risk management framework remains sound and effective.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

December 31, 2011

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Continued)

Risk Management Governance Structure

The Bank's risk management governance structure is broadly as follows:

(i) Board

The Board is responsible for the Bank's overall risk management and for approving investment policies and guidelines. The Bank's management reviews the risk management policies from time to time.

(ii) Investment Committee

The Investment Committee, which is chaired by the Governor and comprises representatives from relevant areas of the Bank, meets regularly to review developments in the international financial and capital markets. Where necessary, the Investment Committee makes decisions on Bank managed portfolios. The Investment Committee also monitors the performance of the external fund managers.

(iii) Financial Markets Department

The Financial Markets Department is responsible for the management of the foreign exchange reserves and has a specialised Risk Management Unit focusing on the risks associated with all the investment portfolios and ensures compliance with Investment Guidelines.

(iv) Segregation of Duties

At an operational level, the main feature of risk control is the segregation of duties relating to dealing, settlement, risk monitoring and recording. These responsibilities are split among three Departments: Financial Markets, Payments and Settlement and Accounting.

Tranching of Foreign Exchange Reserves – Liquidity Portfolio and Pula Fund

The Bank of Botswana Act (CAP 55:01) requires the Bank to maintain a primary international reserve, that is, the Liquidity Portfolio, while Section 35 provides for the establishment and maintenance of a long-term investment fund, the Pula Fund. In compliance with the statutory requirements, a major feature of the foreign exchange reserves management strategy is, therefore, to allocate a certain level of reserves to the Liquidity Portfolio, with the remaining amount invested in the Pula Fund.

Pula Fund

Investments of the Pula Fund comprise long-term assets, such as long-dated bonds and equities actively traded in liquid markets, with the expectation of earning a higher return than could be achieved on conventionally managed investments. The asset allocation between bonds and equities is determined using a combination of historical data and assumptions. Exercises are also conducted in respect of the Pula Fund risk/return sensitivity analysis, using different portfolio options, where risk is measured by a standard deviation on the rate of return.

Liquidity Portfolio

In terms of the investment guidelines, the Liquidity Portfolio gives priority to liquidity over return given the constant need to provide foreign exchange to finance transaction payments. While the eligible investment currencies are similar to those of the Pula Fund, the Liquidity Portfolio is largely invested in the Bank's transaction currencies.

There are no equities in the Liquidity Portfolio and investment instruments include government bonds of eligible grade currencies issued by AAA-rated supranational and AAA-rated US agencies in eligible currencies; other liquid money market instruments are also eligible.

Types of Risk Exposure

The Bank's investment guidelines cover basic types of risk exposures, namely, market risk (currency risk, interest rate risk and equity price risk), credit risk, liquidity and instrument risk. These types of risk apply to the foreign assets and liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

30. **RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Continued)**

(i) Currency Risk

The foreign exchange reserves are invested in currencies that are freely convertible, less susceptible to frequent and sharp exchange rate fluctuations and are used in well developed financial markets. The Bank's policy is to invest only in currencies with high ratings assigned by Moody's Investors Service and Standard and Poor's. Through a diversified currency allocation relative to an SDR weighted benchmark, the Bank ensures that the purchasing power of the foreign exchange reserves is preserved. In terms of the investment guidelines, a maximum deviation from the neutral level (using the SDR weights as a benchmark) for USD and EUR of 10 percentage points is permitted, while a deviation of up to 5 percentage points on all other currencies is permitted. At the end of 2011, the Bank's total exposure to SDR and related currencies was P57.5 billion (2010: P49.4 billion). The Bank is also exposed to SDR currency risk on net IMF balances amounting to P473 641 000 (2010: P416 776 000).

(ii) Interest Rate Risk

Interest rate risk is the possible loss in the value of a fixed income asset resulting from an unexpected and adverse movement in interest rates and a consequent change in price. Interest rate risk is measured by modified duration, which measures the sensitivity of the price of a bond to changes in interest rates expressed in years. The Bank benchmarks the interest rate risk for the Pula Fund (fixed income assets) to reflect the long-term nature of the portfolio, with emphasis on higher return. The higher interest rate risk is generally compensated by higher returns expected from longer maturity bonds. The modified duration benchmark will vary over time, as changing market conditions and index weights impact the global modified duration of the index. At the end of 2011, the average modified duration of the fixed income portion of the Pula Fund was 6.2 years (2010: 6.1 years). As the Liquidity Portfolio gives priority to liquidity over return, given the constant need to provide foreign exchange to finance transaction payments, from the Bank's perspective, this portfolio is exposed to minimum interest rate risk. At the end of 2011, the Liquidity Portfolio's average modified duration was 1.5 years (2010: 1.4 years).

(iii) Equity Price Risk

Equity price risk is the risk that the value of equities decrease as a result of changes in the level of equity indices and diminution of value of individual stocks. The geographic allocation of equity exposure follows generally the market capitalisation among the major markets. The investment guidelines stipulate the holding levels of equities. Holdings of more than 5 percent in one company are not permitted. A reasonable spread among the industry sectors is maintained in the portfolio. There are no investments in private placements or unquoted stocks. At the end of 2011, the equity portion of the Pula Fund was P11.1 billion (2010: P10.3 billion).

Market Risk Sensitivity Analysis

The set of assumptions used for each of the risk factors hereunder are not forecasts, but merely "what if" scenarios and the likely impact on the current portfolio, based on selected changes in risk variables over a one year horizon.

The Table below gives an indication of the risk sensitivities of the portfolio to various risk parameters. Assuming that the probability of the beneficial change in the risk variables are as likely to happen as an adverse change, both potential increase and decrease are shown for the indicated scenarios.

December 31, 2011

Risk Variable	Adverse market change			Beneficial market change	
		Scenario	Effect on Statement of Comprehensive Income (P'000)	Scenario	Effect on Statement of Comprehensive Income (P '000)
Interest Rate Risk		Increase in yields by 50 basis points	(1 241 838)	Decrease in yields by 50 basis points	1 241 838
Currency Risk	SDR currencies	Strengthening of the Pula by 1%	(588 423)	Weakening of the Pula by 1%	588 423
	South African rand	Strengthening of the Pula by 1%	(14 286)	Weakening of the Pula by 1%	14 286
Equity Risk	Global Equities	Decline in global equity prices by 5%	(556 942)	Increase in global equity prices by 5%	556 942

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

30. **RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Continued)**

December 31, 2010

Risk Variable	Adverse market change			Beneficial market change	
		Scenario	Effect on Statement of Comprehensive Income(P'000)	Scenario	Effect on Statement of Comprehensive Income (P '000)
Interest Rate Risk		Increase in yields by 50 basis points	(967 649)	Decrease in yields by 50 basis points	967 649
Currency Risk	SDR currencies	Strengthening of the Pula by 1%	(505 690)	Weakening of the Pula by 1%	505 690
	South African rand	Strengthening of the Pula by 1%	(2 780)	Weakening of the Pula by 1%	2 780
Equity Risk	Global Equities	Decline in global equity prices by 5%	(515 623)	Increase in global equity prices by 5%	515 623

The market risk estimates as presented in the Tables above are based on sensitivities to the individual risk factors. The correlation between the risk variables is not reflected in the effect on the Statement of Comprehensive Income.

(iv) Credit risk

This is the risk that would arise if an entity that the Bank conducts business with is unable to meet its financial obligations or in the event of an adverse credit event or default. This may be a commercial bank accepting a deposit, a sovereign, supranational or corporate entity issuing a bond or a counterparty with whom the market participant has contracted to buy or sell foreign exchange or money or capital market instruments. In the Bank's endeavour to control credit risk, it deals with only the best quality institutions or counterparties, as determined by international rating agencies.

Consistent with the investment guidelines, the Bank withdraws the invested funds if there has been a downgrade of any institution. In cases where the new lower rating necessitates a lower exposure, funds are withdrawn to ensure that the new limit is not exceeded.

The Bank mitigates credit risk by addressing the following underlying issues:

- Defining eligible investment instruments;
- Pre-qualifying counterparties (financial institutions, brokers/dealers, and intermediaries) doing business with the Bank; and
- Diversifying investment portfolios so as to minimise potential losses from securities or individual issuers.

The Bank has not impaired any of its assets in the current and previous period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Continued)

Exposure to Credit Risk

The Table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position, including derivatives. The maximum exposure is shown gross, before the effect of the above mitigation factors.

	Notes	2011 P'000	2010 P'000
Financial Assets			
Liquidity Portfolio			
Bonds – held for trading	1.1	908 396	982 016
Short-term deposits		6 518 767	4 004 995
Pula Fund			
Bonds – available-for-sale	1.2	39 883 269	31 432 514
Derivative financial instruments – held for trading		16 619	5 087
Short-term deposits		441 083	3 006 530
International Monetary Fund – loans and receivables			
Reserve tranche	2.1	313 018	135 404
Holdings or Special Drawing Rights	2.2	998 620	929 735
Administered funds	2.3	71 365	62 159
Government of Botswana bonds – available-for-sale	4	24 362	43 810
Advances to banks	5	36 450	–
Other Assets- staff loans and advances – loans and receivables	5	71 479	79 362
Total		49 283 428	40 681 612
Analysis of Credit Exposure by class:			
Measured at fair value			
Bonds		40 791 665	32 414 530
Derivatives		16 619	5 087
Government of Botswana bonds		24 362	43 810
Advances to banks		36 450	–
Measured at amortised cost			
IMF Reserves		1 383 003	1 127 298
Staff advances		71 479	79 362
Short-term deposits		6 959 850	7 011 525
Total		49 283 428	40 681 612

While financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure, but not the maximum risk exposure that could arise in future as a result of changes in values.

The Tables below reflect the credit exposure based on the fair value of the assets with counterparties as at December 31, 2011.

Credit Exposure on Bonds

Moody's/S&P Rating			2011	2010
	Government (P'000)	Corporate (P'000)	Total (P'000)	Total (P'000)
AAA	349 638	1 946 011	2 295 649	27 469 611
AA+	316 767	51 994	368 761	1 076 690
AA	34 085 252	234 204	34 319 456	3 696 218
AA3	2 331 194	98 039	2 429 233	29 559
A1	547 195	7 635	554 830	–
A2	671 043	34 452	705 495	–
A-	–	–	–	142 452
Other ¹	103 311	14 930	118 241	–
	38 404 400	2 387 265	40 791 665	32 414 530

¹ Other includes investments rated below A- but still rated investment grade as per the investment guidelines.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

30. **RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Continued)**

Credit Exposure to Banks (Short-term deposits)

Fitch Rating	2011 (P'000)	2010 (P'000)
A1 ¹	4 210 130	7 001 145
A/B1	2 655 028	7 995
B/C1	1 409	1 597
B/C2	92 520	49
Other ²	763	739
	6 959 850	7 011 525

Credit Exposure on Securities Lending Programme

The Bank's global custodian manages a securities lending programme as agent of the Bank. Due to the short term nature of the securities lending transactions, the collateral received under this programme changes on a short term basis. The securities lending is regulated by a securities lending agreement with the global custodian and follows the general criteria for the Bank's credit exposure. The global custodian monitors the market value of the collateral and, where necessary, obtains additional collateral in line with the underlying agreement.

(v) Instrument Risk

Sovereign Bonds

In accordance with the investment guidelines, the Bank invests in eligible instruments that are direct obligations or obligations explicitly guaranteed by governments or local governments of 11 selected sovereign countries that are highly rated by Standard and Poor's and Moody's Investors Service. Exposure limits are assigned to the specific sovereign countries in accordance with the ratings assigned by the credit rating agencies.

Corporate Bonds

The Bank invests in a small proportion of corporate bonds rated A1 or higher, with the issuer being incorporated and tax resident in a country whose sovereign debt is eligible for investment by the Bank. A reasonable geographical spread of issuers is maintained.

(vi) Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due, hence liquidity is an integral part of the Bank's foreign exchange policy. To limit this risk, the Management manages the assets with liquidity in mind and monitors future cash flows and liquidity on a daily basis. The Bank is exposed to daily Pula liquidity requirements on the deposits it holds on behalf of the shareholder, Government of Botswana, the banking system and other clients holding deposits with the Bank (mainly parastatals). For the purpose of managing foreign exchange reserves, the Bank keeps some of its assets in short-term deposits and other liquid money market instruments to enable the availability of liquidity to meet outflows without incurring undue capital loss and to provide flexibility to respond effectively to changing market requirements.

1 Included in A1 for 2011 is P593 166 000 held by the global custodian, The Northern Trust Company, P3 270 293 000 held by central banks and the residual for banks rated A1. In 2010, the corresponding figures are P5 501 065 000 for the global custodian and P887 829 000 for central banks.

2 Overnight positions with clearing banks.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

30. **RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Continued)**

Financial Liabilities at Undiscounted Cash Flows

The table below summarises the maturity profile of the Bank's financial liabilities as at December 31, 2011, based on contractual undiscounted repayment obligations.

December 31, 2011	Less than 3 months (P'000)	3–12 months (P'000)	1–5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Bank of Botswana Certificates	10 010 520				10 010 520
Reverse Repurchase Agreements	1 497 411	–	–	–	1 497 411
Deposits	6 098 999	–	–	–	6 098 999
Allocation of SDR–IMF	–	–	–	661 953	661 953
Liabilities to Government–IMF	–	–	–	247 409	247 409
Dividend to Government	470 029	–	–	–	470 029
Other Liabilities	71 311	–	–	–	71 311
	18 148 270	–	–	909 362	19 057 632

December 31, 2010	Less than 3 months (P'000)	3–12 months (P'000)	1–5 years (P'000)	Over 5 years (P'000)	Total (P'000)
Bank of Botswana Certificates	17 084 999				17 084 999
Reverse Repurchase Agreements	615 014	–	–	–	615 014
Deposits	5 752 465	–	–	–	5 752 465
Allocation of SDR–IMF	–	–	–	575 118	575 118
Liabilities to Government–IMF	–	–	–	135 404	135 404
Dividend to Government	175 000	–	–	–	175 000
Other Liabilities	99 330	–	–	–	99 330
	23 726 808	–	–	710 522	24 437 330

(vii) Fair value of financial instruments

Fair value of financial instruments carried at amortised cost

The Board considers that the carrying amounts of financial assets and liabilities recognised in the financial statement approximates their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

30. RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2011

	Total	Level 1
	P'000	P'000
<i>Financial assets at fair value through profit or loss</i>		
Bonds	908 396	908 396
Derivative financial instruments	16 619	16 619
<i>Available-for-sale financial assets</i>		
Bonds	39 883 269	39 883 269
Equities	11 138 836	11 138 836
Government of Botswana bonds	24 362	24 362
	51 971 482	51 971 482

December 31, 2010

	Total	Level 1
	P'000	P'000
<i>Financial assets at fair value through profit or loss</i>		
Bonds	982 016	982 016
Derivative financial instruments	5 087	5 087
<i>Available-for-sale financial assets</i>		
Bonds	31 432 514	31 432 514
Equities	10 312 453	10 312 453
Government of Botswana bonds	43 810	43 810
	42 775 880	42 775 880

There were no transfers between Level 1 and 2 during the period.

Other Risks

(viii) External Fund Managers

External fund managers are engaged to complement the Bank's reserve management activity. The fund managers are approved by the Board.

(ix) Custody

The Bank uses the services of a custodian which provides custodial services for the Bank's assets and ensures that the transactions executed by fund managers are settled in a timely manner, consistent with international best practice.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

30. **RISK MANAGEMENT IN RESPECT OF FINANCIAL INSTRUMENTS (Continued)**

(x) Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or lead to financial loss. The Bank cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Bank is able to manage the risks.

31. **RELATED PARTY BALANCES AND TRANSACTIONS**

Balances and Transactions with the Government

The Bank provides several services to its shareholder, the Government. The main services during the year to December 31, 2011, were:

- (i) provision of banking services, including holding of the principal accounts of the Government;
- (ii) management of the Notes and Coin in issue, including printing and minting of notes and coin; and
- (iii) being the Government agent for government bonds and treasury bills.

The aggregate balances in Government accounts are disclosed in Note 10.

No charge is made to the Government for provision of these services. In 2010 commissions were charged on domestic foreign exchange transactions, which were included in "Profit on domestic foreign exchange deals" in profit or loss amounting to P12 296 000.

The Bank earned interest on its holding of the Government of Botswana Bonds (as described in Note 4) of P2 403 000 (2010: P4 100 000).

Other Related Party Balances and Transactions

- (i) Amounts due to related parties.

Included in the balance of outstanding "Deposits – Other" in Note 10 are the following balances with Government-owned institutions.

	2011	2010
	P'000	P'000
Botswana Savings Bank	3 838	2 749
Botswana Unified Revenue Service	198 980	1 383 620
Total	202 818	1 386 369

The amounts outstanding are unsecured and have no fixed repayment terms.

- (ii) Remuneration of Key Management Personnel

Key management personnel comprise the Governor, Board Members, Deputy Governors, General Managers and Heads of Departments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
December 31, 2011

31. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

Gross emoluments of the key management personnel are:

	2011	2010
	P'000	P'000
Non-Executive Board members	136	142
Executive Management		
Short term benefits	10 926	8 205
Post-employment benefits	1 609	1 394
	12 671	9 741

Of the Staff Loans and Advances per Note 5, P2 818 000 (2010: P2 335 000) are attributable to Executive Management.

32. EVENTS AFTER THE REPORTING DATE

At the date of finalisation of the annual financial statements, there were no material events that occurred subsequent to the statement of financial position date that require adjustment to or disclosure in the financial statements.

PART B

THE BOTSWANA ECONOMY IN 2011 AND THEME CHAPTER

BANK OF BOTSWANA

1. OUTPUT, EMPLOYMENT AND PRICES

(a) National Income Accounts

Overview

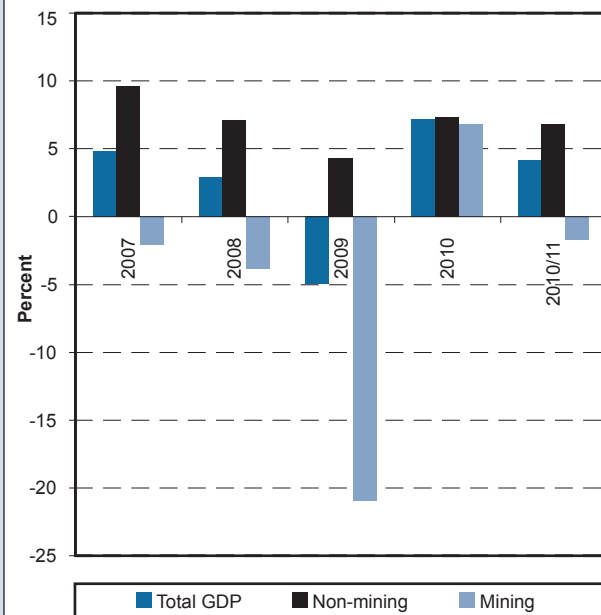
1.1. Real GDP growth for the twelve-month period to September 2011 is estimated at 4.1 percent, which is lower than the 2010 growth rate of 7.2 percent.¹ Most of the output growth is attributable to the performance of the non-mining sectors, which grew by 6.8 percent, with strong performance of the construction (26.7 percent), manufacturing (12.6 percent) and transport and communications (8.8 percent) sectors. In contrast, mining output fell by 1.7 percent compared to the previous year's growth rate of 6.8 percent (Chart 1.1). However, mining continues to have the largest share in GDP (30.3 percent compared to 30.8 percent in 2010), albeit lower than the long-term trend of 40 percent. This recent decline in the share of mining in output reflects the lasting impact of the 2009 recession on mining output and the increasing contribution of non-mining sectors to GDP, which is indicative of some progress in economic diversification.

Performance by Economic Sector

1.2. *Mining* output decreased mainly due to a 22.9 percent contraction in diamond production, which was scaled down to match slowing demand; it, however, still amounted to 95.6 percent of sectoral output. Production of copper-nickel and soda ash also fell, with the former adversely affected by closure of the smelter at the BCL (formerly Bamangwato Concessions Limited) mine for maintenance during the third quarter of 2011.

¹ Estimates for the final quarter of 2011 are still to be published. The comparison between the twelve months to September 2011 with the calendar year 2010 includes an overlap of one quarter.

CHART 1.1: REAL GDP GROWTH 2007 – 2011



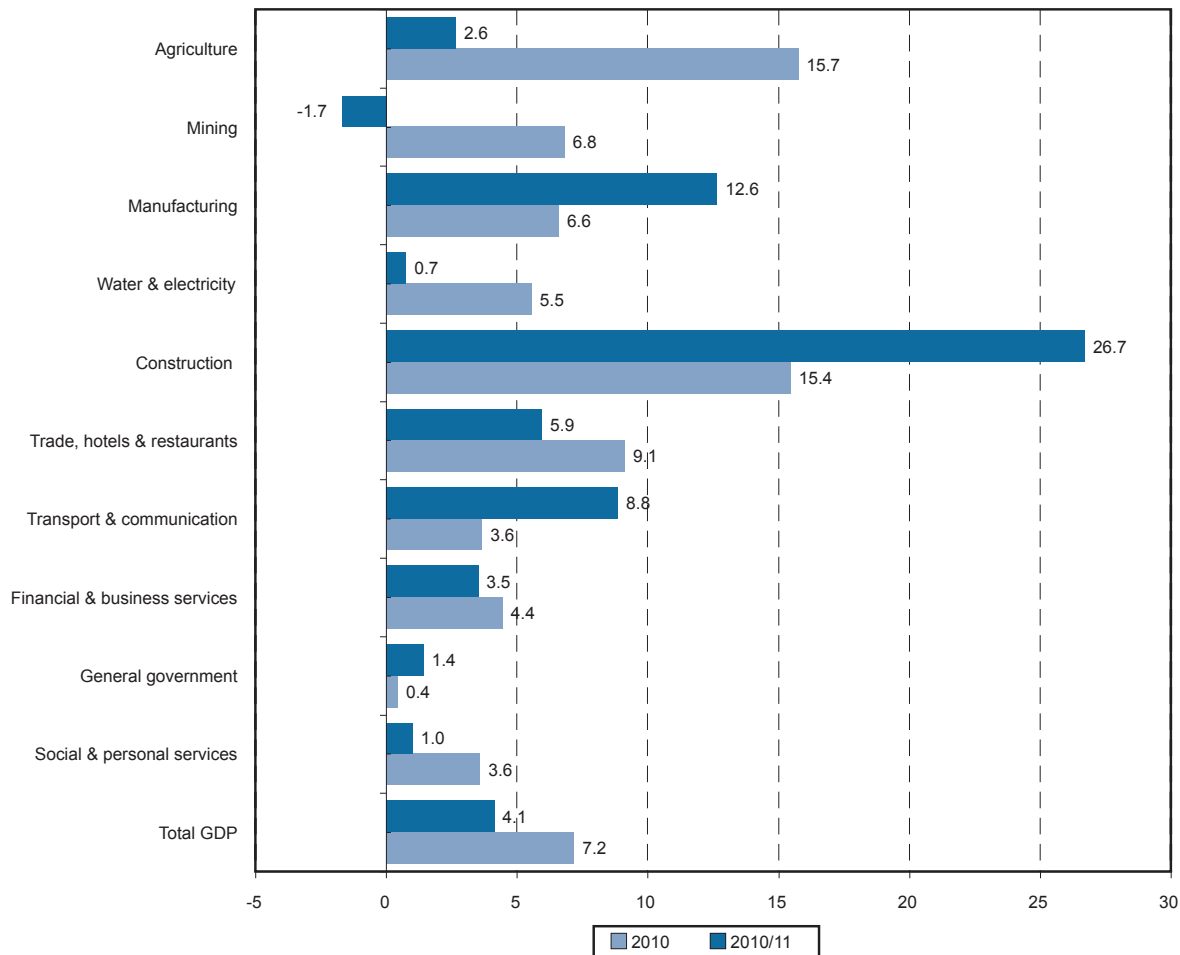
1. Data for 2010/11 are for the 12-month period to September 2011.

Source: Statistics Botswana

- 1.3. Among the non-mining sectors, *construction* grew strongly by 26.7 percent, underpinned by major infrastructure developments, including public works such as dams and roads, the new Morupule B power station, mining developments and commercial buildings. *Manufacturing* output also expanded by a robust 12.7 percent, boosted by demand for construction materials and growth in exports of polished diamonds, although moderated by the impact of the suspension of beef exports to the European Union.² The *transport and communications* sector also benefited from a boom in construction, with road transport (including haulage) growing by 17.1 percent and overall sectoral growth accelerating from 3.6 percent in 2010 to 8.8 percent in 2011.
- 1.4. Output growth for other sectors was lower in 2011 compared to 2010. Notably, the *water and electricity* sector registered weaker

² A more detailed analysis of performance in manufacturing is limited by more than 70 percent of output being classified as 'other manufacturing'.

CHART 1.2: REAL GDP GROWTH BY SECTOR 2010 – 2011 (PERCENT)



1. Data for 2010/11 are for the 12-month period to September 2011.
Source: Statistics Botswana

expansion of 0.7 percent in the twelve months to September 2011, from 5.5 percent in 2010, due to operational and maintenance challenges that led to a significant reduction in electricity generation at the Morupule Power Station. Overall, electricity supply decreased by 0.9 percent compared to the growth of 6.9 percent in 2010, while water supply increased by 4.5 percent compared to 2.3 percent of the previous year. For the *trade, hotels and restaurant* industry, expansion in value added decelerated from 9.1 percent in 2010 to 5.9 percent in 2011.

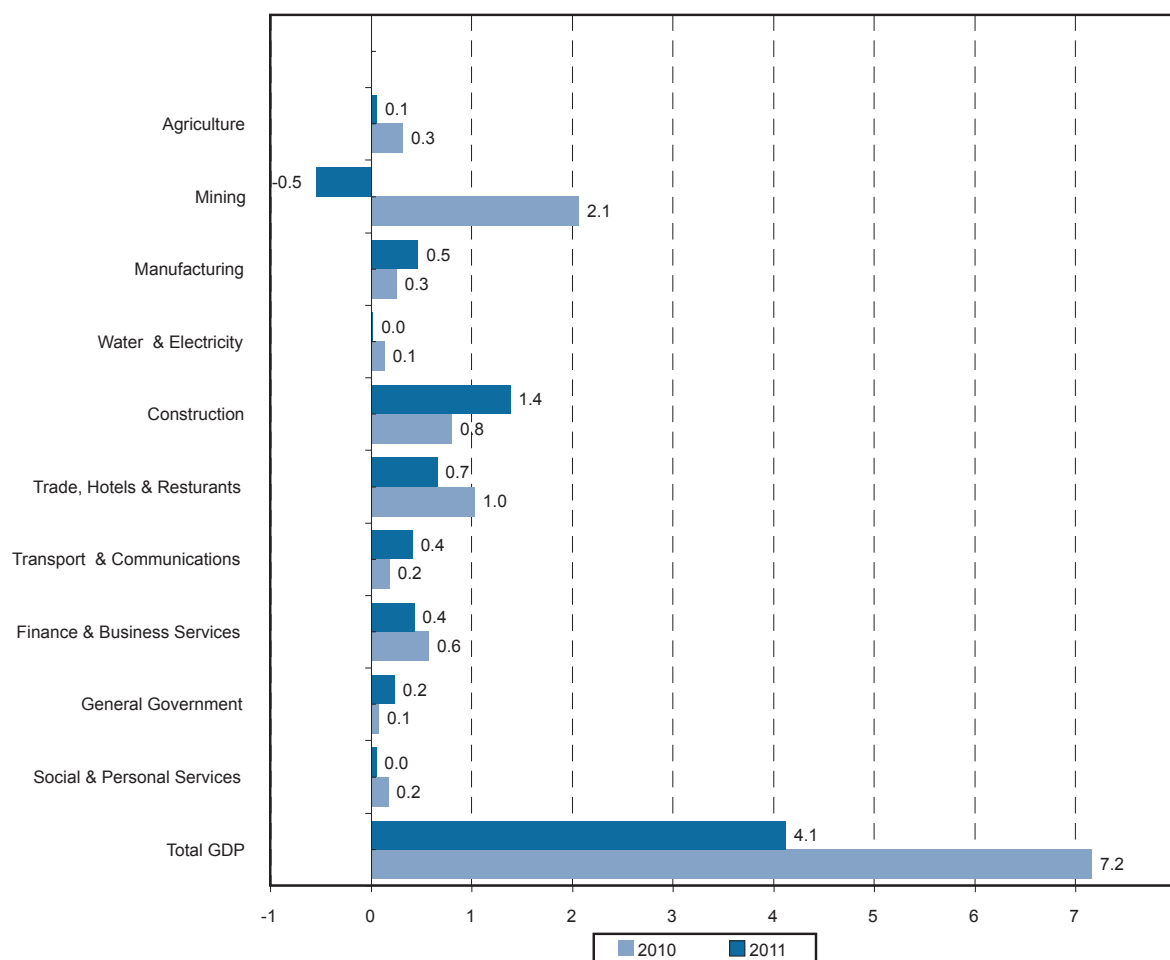
1.5. Growth in the *finance, real estate and business services* sector eased from 4.4 percent in 2010 to 3.5 percent in 2011, while output of *general government* grew by a modest 1.4 percent (0.4 percent in 2010), which is a reflection of the continued policy of wage restraint as

fiscal consolidation continued. There was also a marked deceleration in the expansion of agricultural output from 15.7 percent the previous year to 2.6 percent; this is attributable to a decline in crop production. In contrast, the livestock sub-sector output increased. All in all, agricultural production accounted for only 2 percent of total GDP.

(b) Domestic Economic Outlook

1.6. Prospects for growth in the global economy have deteriorated with the result that, going forward, the continued economic difficulties in advanced economies may have negative spillover effects in emerging market economies, including that of Botswana (Table 1.1). This could be exacerbated by non-economic factors, such as political unrest in the Middle East and North Africa, which could also generate upward

CHART 1.3: CONTRIBUTION TO REAL GDP GROWTH BY SECTOR 2010 – 2011 (PERCENTAGE POINTS)



Source: Statistics Botswana

upward pressure on oil prices in 2012.

1.7. There is scope for growth in the mining sector as other mines (for diamonds and other minerals) commence operations or scale-up production. At the same time, the temporary

closure of a small diamond mine in February 2012, due to difficult trading conditions, indicates the challenges currently facing the sector. While the moratorium on new coal mining licences has been lifted, the envisaged exploitation of Botswana’s large coal reserves through exports of thermal coal is not likely to be realised in the short-term. It is anticipated that other mining-related activities will be boosted by government plans to establish a new entity to market a portion of Debswana’s output. There is also a possibility of licensing additional diamond cutting and polishing operations. Furthermore, preparations are underway to transfer most of De Beers’ sorting and sales operations from the United Kingdom to Botswana by the end of 2013.

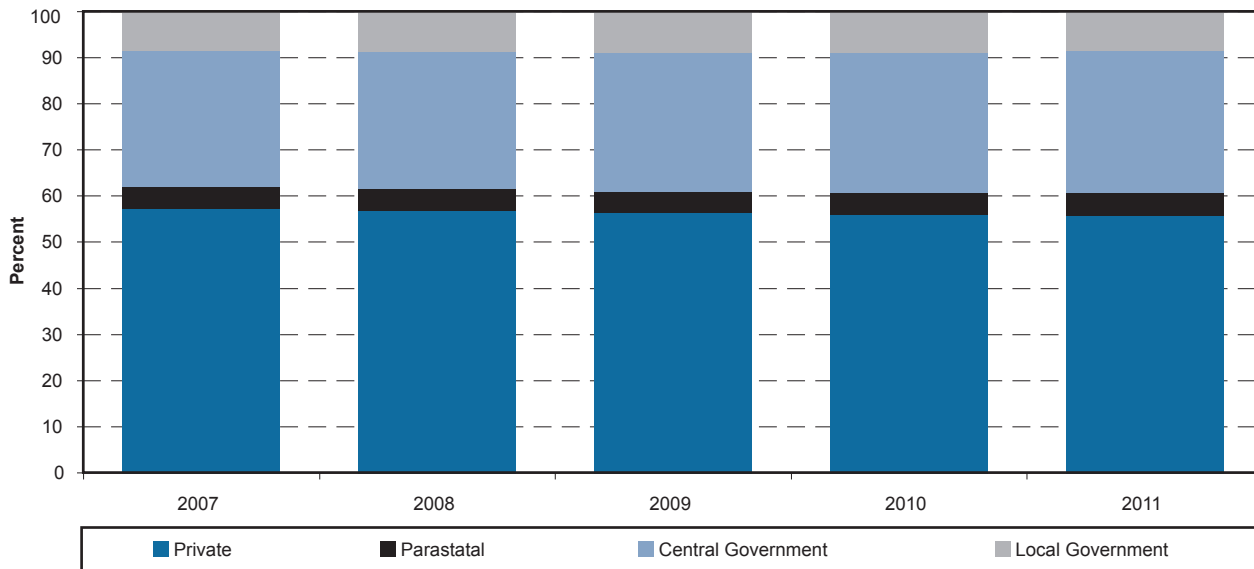
1.8. Domestic power production is expected to grow rapidly in 2012, and will address current

TABLE 1.1: GLOBAL GROWTH ESTIMATES 2011 – 2012 (PERCENT)

	2011	2012 ¹	2013 ¹
Global	3.8	3.3	3.9
Advanced economies, of which,	1.6	1.2	1.9
USA	1.8	1.8	2.2
Euro area	1.6	-0.5	0.8
Japan	-0.9	1.7	1.6
Emerging markets, of which,	6.2	5.2	5.9
Sub-Saharan Africa	4.9	5.5	5.3
China	9.2	8.2	8.8
India	7.4	7.0	7.3

1. Forecast

Source: International Monetary Fund, *World Economic Outlook*, January 2012 update.

CHART 1.4: SECTORAL COMPOSITION OF FORMAL SECTOR EMPLOYMENT (EXCLUDING IPELEGENG) – MARCH 2011

Source: Statistics Botswana

energy constraints. The downside risk to output is that it is unlikely that the rapid expansion of the construction sector will continue. More generally, the continued development of a more diversified mining sector will benefit the non-mining sectors of the economy through meeting demand for high-quality support services.

- 1.9. Nonetheless, despite recent growth in non-mining sectors, sustaining progress towards greater economic diversification remains a challenge. The Government's Economic Diversification Drive (EDD) may provide some support in this regard. However, scope for supporting domestic businesses through local procurement is limited, especially given restraint in government spending. Plans to outsource some government services will also benefit the private sector. But it is apparent from the country's fall in global competitiveness rankings that more remains to be done in terms of improving the business environment.

(c) Employment

- 1.10. The latest quarterly formal employment survey indicates that the total number of people employed in the formal sector increased by 6 916 (2.1 percent), from 328 310

in March 2010 to 335 226 in March 2011.³ Employment in the private and parastatal sectors rose by 4 691 (2.4 percent) to 203 812, while that of central government increased by 2 959 (3 percent) to 103 056. However, local government employment fell by 734 (2.9 percent) to 28 261. Private sector employment growth was spread across all sectors, thus reflecting broad based economic growth in the same period. As shown in Chart 1.4, the distribution of employment between the public and private sectors is largely unchanged in the most recent five-year period.

- 1.11. The latest estimate of the unemployment rate (Botswana Core Welfare Indicators Survey for 2009/10) is 17.8 percent, more or less unchanged from the earlier estimate of 17.5 percent of the 2005/06 Labour Force Survey. The highest rate of unemployment is among young people (aged 15 – 24) and those with limited educational qualifications.

(d) Inflation

- 1.12. In the first half of 2011, there was upward pressure on global inflation, mainly in

³ Employment figures in this section do not include people engaged in the *Ipelegeng* programme of labour intensive public works.

emerging market economies. In particular, the sustained increase in world food and oil prices in the first half of the year contributed to higher-than-desired inflation. The increase in international oil prices, which peaked at USD120 per barrel at the end of April 2011,⁴ was related to political instability in some oil producing countries in the Middle East and North Africa. While persistent low levels of capacity utilisation and high rates of unemployment in advanced countries helped moderate price increases, global inflation rose from 4.2 percent in 2010 to 4.6 percent in 2011. However, inflation eased towards the end of the year as demand weakened and economic activity slowed, with global output growth decelerating from 5.2 percent in 2010 to an estimated 3.8 percent expansion in 2011.⁵ Weaker global economic activity and the increase in oil supply (partly due to the resumption of production by Libya) contributed to a fall in oil prices to around USD100 per barrel at the end of December 2011.

1.13. The trade-weighted average inflation for Botswana's trading partner countries rose from 2.8 percent in 2010 to 4.8 percent in December 2011.⁶ Inflation in SDR countries (USA, UK, Japan and euro area) increased significantly from 1.8 percent in 2010 to 2.9 percent in December 2011, mostly due to the increase in commodity prices and consumption tax adjustments (particularly in the UK). South Africa's inflation increased sharply from 3.5 percent in December 2010 to 6.1 percent at the end of 2011, thus exceeding the upper end of the 3 – 6 percent inflation target, due to higher food prices.

1.14. In Botswana, headline consumer price infla-

tion⁷ was above the medium-term objective range of 3 – 6 percent throughout the year; it increased from 7.4 percent in December 2010 to 9.2 percent in December 2011.⁸ Upward pressures came from higher food prices and administered prices such as fuel, public transport and electricity. In particular, the annual increase in the cost of fuel added approximately 1.9 percentage points to inflation in 2011, while an increase in administered prices added approximately 2.7 percentage points. However, subdued prices for other commodity sub-groups, including a 5.4 percent reduction in the cost of communications, held down inflation.

1.15. The increase in inflation to 8.5 percent in March 2011 reflected upward adjustments of private school fees and higher fuel prices in the first quarter of the year. However, inflation eased to 7.9 percent in June following the reduction of telecommunications tariffs. Thereafter, inflation went up in the second half of the year in response to the increase in fuel prices and transport fares, as well as increased cost of food, health and household durables.

1.16. The 16 percent trimmed mean measure of core inflation increased from 7.7 percent in December 2010 to 8.5 percent in December 2011, while core inflation excluding administered prices also went up from 7.1 percent to 7.5 percent in the same period.

(e) Inflation Outlook

1.17. Global inflationary pressures are expected to ease, given stable commodity prices and restrained global output growth resulting from fiscal consolidation, weak business and consumer confidence and subdued demand. Global output is forecast to increase by 3.3 percent in 2012, lower than the 3.8 percent growth in 2011. Furthermore, persistent low levels of capacity utilisation and high unemployment in major economies should continue to have a moderating effect on inflation. Global inflation is, therefore,

4 The reference price used is that of US light crude.

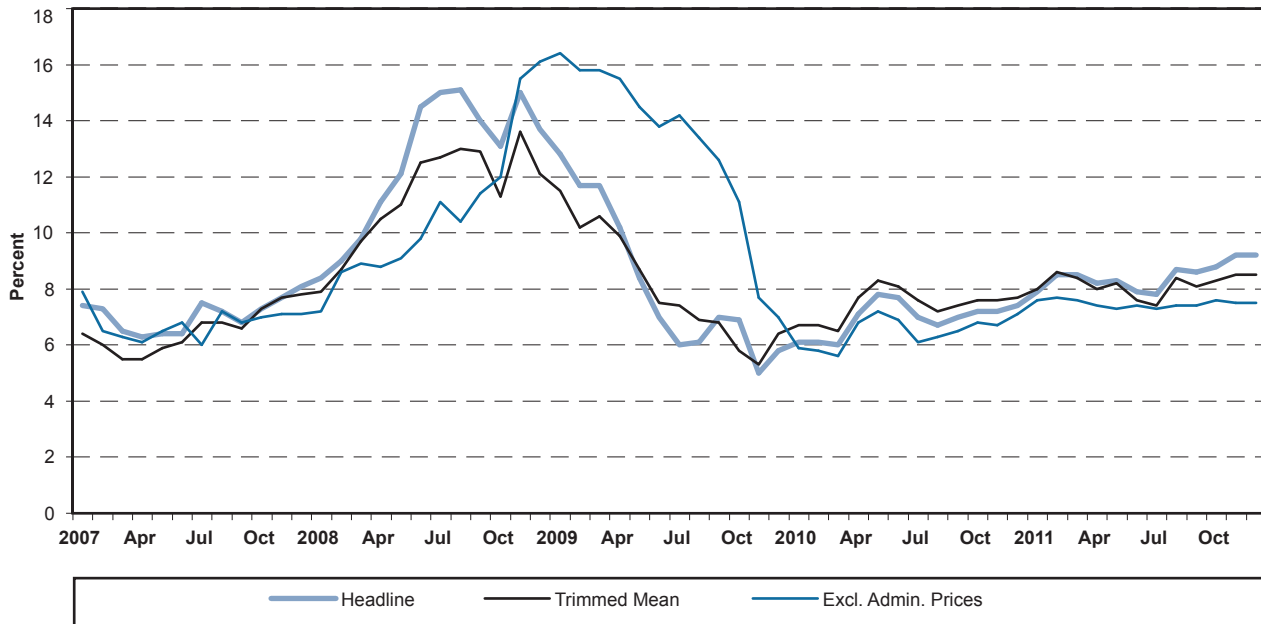
5 World Economic Outlook (WEO) Update, January 2012, International Monetary Fund.

6 The trade-weighted average inflation comprises South Africa's headline inflation and SDR countries' inflation. The SDR is constituted by the US dollar, British pound, yen and euro.

7 Measured by the monthly Consumer Price Index (CPI).

8 Inflation eased to 8.8 percent in January 2012.

CHART 1.5: BOTSWANA HEADLINE AND CORE INFLATION 2007 – 2011



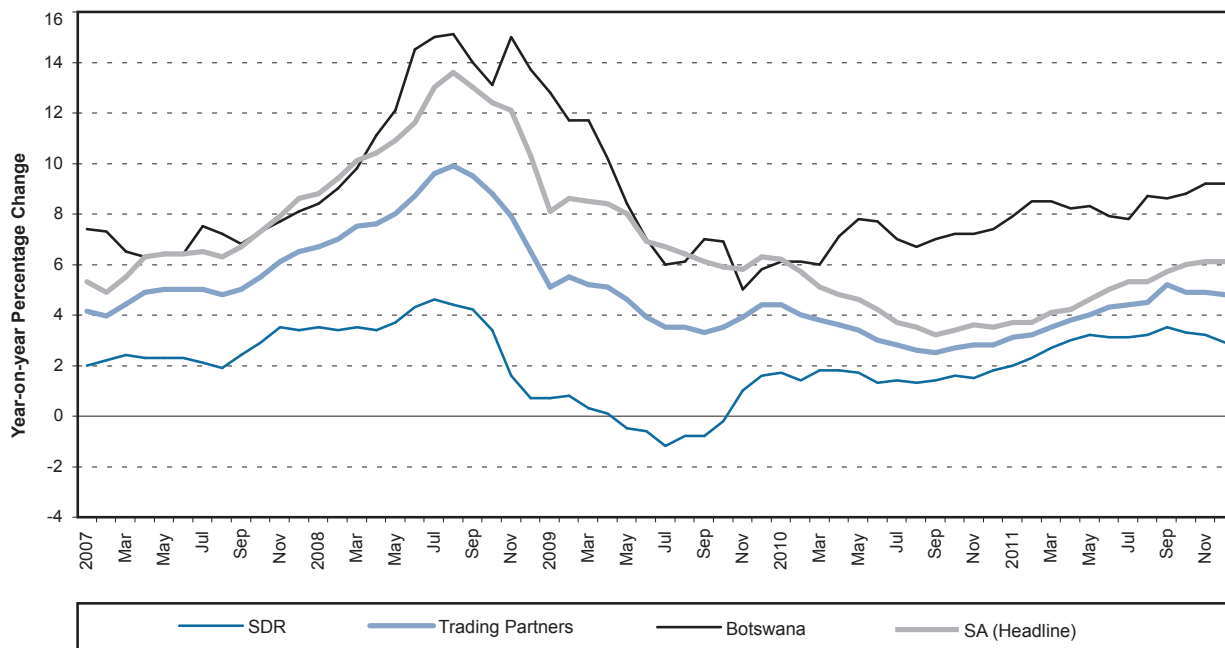
Source: Statistics Botswana

projected to decline from 4.6 percent in 2011 to 3.4 percent in 2012.

1.18. In view of projected below-trend economic activity and weak growth in disposable incomes, it is anticipated that domestic demand pressures on inflation will be benign in 2012, as will the impact of foreign price developments. Moreover, it is expected that inflation will fall due to base effects. Nevertheless, there are upside risks to the inflation

outlook. Any substantial upward adjustment in administered prices and government levies and an increase in international food and oil prices beyond current projections will be inflationary. However, this could be offset by downside risks associated with the likely fall in international commodity prices and a possible weaker global economic activity. Overall, inflation is forecast to remain above the medium-term objective range in the

CHART 1.6: BOTSWANA AND TRADING PARTNER INFLATION 2007 – 2011



Source: Statistics Botswana and Bank of Botswana

short term and to converge to the medium-term objective range of 3 – 6 percent in the second half of the year.

2. PUBLIC FINANCE AND THE 2012/13 BUDGET

2.1 The government budget for 2012/13 reflected commitment to long-term sustainable budgeting and adherence to prudent borrowing limits; it also highlighted the need to promote diversification of revenue sources and improve collection. Thus, given uncertain near-term economic prospects threatening revenue, the 2012/13 budget emphasised restraint on public expenditure in order to attain a balanced budget.

(a) Budget Performance: 2010/11 and 2011/12

2010/11 Budget Outturn

2.2 The budget outturn for the 2010/11 financial year was a deficit of P6.5 billion compared to the revised estimate of P10.2 billion due to a combination of increased revenue and under-spending.

2.3 Revenues grew by P1.8 billion in 2010/11 to P31.9 billion, mainly due to performance of mineral revenues and domestic taxes, which increased by P2.9 billion and P1.3 billion, respectively. However, overall growth in revenue was moderated by a P1.7 billion decrease in receipts from the Southern African Customs Union (SACU). Total expenditure and net lending eased from P39.5 billion the previous year to P38.4 billion and was also lower than the revised estimate of P40.5 billion. The lower level of expenditure was due to under-spending of the development budget. The P11.3 billion spending on development projects was P1.9 billion below the revised estimate, while recurrent spending of P27.1 billion was in line with earlier estimates.

2011/12 Revised Estimates

2.4 The revised budget for 2011/12 shows a

deficit of P3.8 billion or 3.3 percent of forecast GDP. This compares to the original budget estimate of a P6.9 billion deficit and indicates the Government is ahead of its schedule for the fiscal consolidation objective. Moreover, preliminary data on actual revenues and expenditures in the first part of 2011/12 suggest that the final outturn might be even more favourable.

2.5 The improved position is attributable to the P3.9 billion of additional revenue and grants, which more than offset the P0.8 billion increase in total expenditure. Total revenue and grants for the 2011/12 fiscal year have been revised upwards to P38 billion compared to the original budget of P34.1 billion. Projections for mineral revenues (taxes, dividends and royalties) were increased by P1.8 billion and substantial growth is also forecast for other sources, including non-mineral income tax (P1.1 billion) and value added tax (VAT) at P960 million.

2.6 Revised total expenditure and net lending is estimated at P41.8 billion, thus exceeding the original budget of P41 billion. Additional expenditure includes P0.6 billion for development spending, which is projected at P11.3 billion in 2011/12. The recurrent budget increased by P0.2 billion to P30.5 billion. The increase in expenditure is significantly below the supplementary budget estimate of P2.4 billion that was approved by Parliament in December 2011, and this underscores commitment by the government to restrain spending.

(b) The 2012/13 Budget Proposals

2.7 Proposals for the 2012/13 budget emphasise prioritisation of high-return public investments and the streamlining of expenditure to ensure efficiency in service delivery and the allocation of resources, without jeopardising economic diversification and poverty eradication efforts. The budget was presented in the context of the Government's commitment to balance the budget in 2012/13. In the event, the budget

TABLE 1.2: GOVERNMENT BUDGET 2010/11 –2012/13 (P MILLION)

	2010/11			2011/12		2012/13
	Budget	Revised	Final	Budget	Revised	Budget
	Estimate	Estimate	Outturn	Estimate	Estimate	Estimate
Revenue	27 077	30 288	31 909	34 098	37 994	42 906
Mineral revenue	6 481	9 317	12 060	11 197	12 974	12 038
Non-mineral revenue	20 595	20 971	19 849	22 901	25 020	30 868
Expenditure	39 194	40 509	38 417	41 028	41 753	41 755
Recurrent	27 143	27 223	27 089	30 348	30 525	31 751
Personal Emoluments	11 935	11 935	11 899	11 626	12 140	12 128
Other Charges	14 708	14 789	14 667	18 165	17 828	18 032
Development Expenditure	12 182	13 312	11 372	10 774	11 343	10 058
Net Lending	- 130	- 27	- 44	- 94	- 115	- 54
Balance	-12 117	-10 220	-6 508	-6 930	-3 759	1 151

Source: Ministry of Finance and Development Planning

projections for 2012/13 show a surplus of P1.2 billion.

Revenue

2.8 Revenue and grants for 2012/13 are projected to be P42.9 billion, with grants accounting for P0.3 billion. Mineral revenue is estimated to fall slightly from the 2011/12 revised estimate of P12.9 billion to P12 billion, and equivalent to 28.1 percent of total revenues. Thus, they are expected to be lower than the SACU receipts, which are forecast to increase by P5.7 billion (68 percent) to P14.3 billion, and

will comprise one-third of total Government revenue. This is due to a one-off payment of P2.5 billion meant to offset the 2010/11 underpayment. The dominance of two revenue sources, which together account for over 60 percent of total revenue, underscores the need to diversify the government's revenue base. Non-mineral income tax is expected to grow by 8.8 percent to P7.8 billion, thus accounting for 15.1 percent of budgeted revenue. In contrast, VAT collections are projected to decline by 3.5 percent to P6 billion, despite projections of positive GDP growth.

TABLE 1.3: GOVERNMENT BUDGET 2007/08 – 2014/15

Fiscal Year (FY)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
GDP, current prices (P million)	80 344	87 313	86 551	105 553	114 778	125 609	135 720	146 169
Growth rate (Percent)	17.8	8.7	22.0	23.0	8.7	9.4	8.0	7.7
Budget					Revised Estimate	Budget Estimate	Budget Projections	
Revenue & grants	28 629	30 455	30 023	31 909	37 994	42 906	43 680	47 043
Recurrent expenditure	18 579	23 889	25 732	27 089	30 525	31 751	34 748	36 086
Development expenditure	6 548	11 458	13 006	11 372	11 343	10 058	8 687	9 022
Net lending	- 305	- 197	752	- 44	- 115	- 54	0	0
Expenditure & net lending	24 822	35 151	39 489	38 417	41 753	41 755	43 453	45 108
Balance	3 808	- 4 696	- 9 466	- 6 508	- 3 759	1 151	244	1 935
Shares of GDP (percent)								
Revenues & grants	35.6	34.9	34.7	30.2	33.1	34.2	32.2	32.2
Recurrent expenditure	23.1	27.4	29.7	25.7	26.6	25.3	25.6	24.7
Development expenditure	8.1	7.5	15.0	10.8	9.9	8.0	6.4	6.2
Expenditure & net lending	30.9	40.3	45.6	36.4	36.4	33.2	32.0	30.9
Balance	4.7	- 5.4	- 10.9	- 6.2	- 3.3	0.9	0.2	1.3

Note: Figures in shaded area are forecasts.

Source: Ministry of Finance and Development Planning

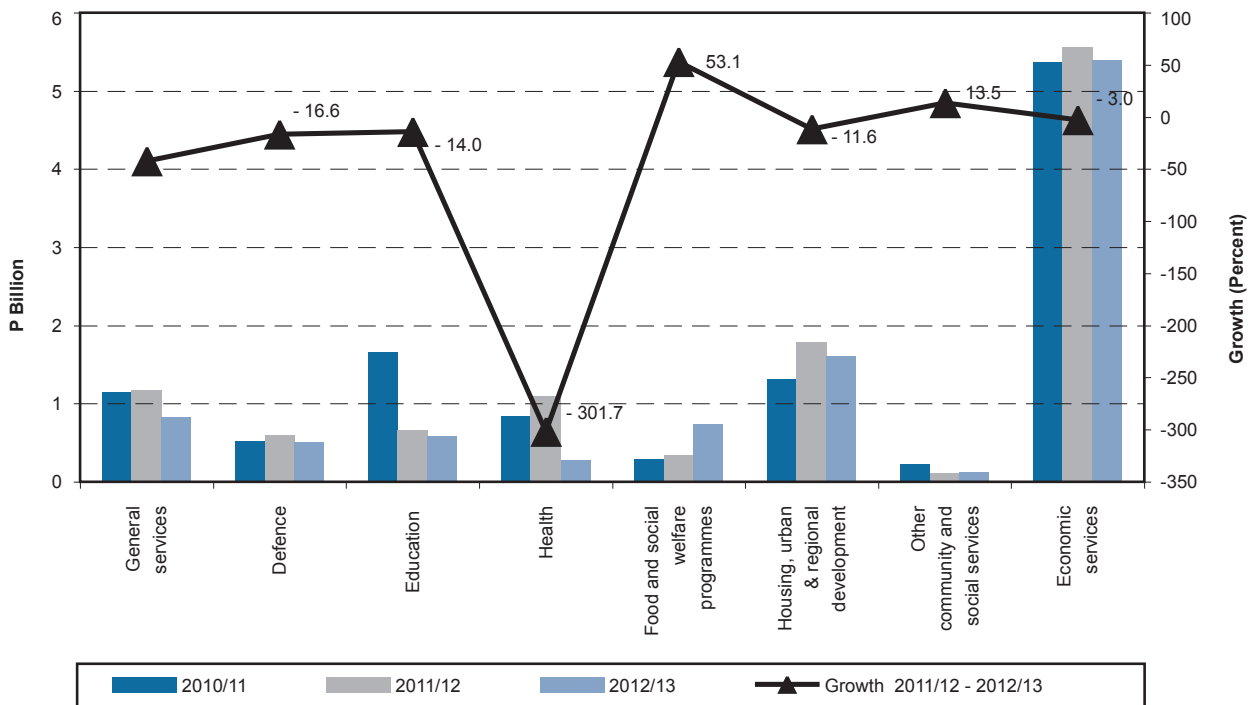
Expenditure

- 2.9 Proposed total expenditure and net lending for 2012/13 is P41.8 billion; this is close to the revised estimates for 2011/12 and reflects the Government’s commitment to containing cost and cutting wasteful expenditure. Recurrent expenditure is expected to amount to P31.8 billion, or 76 percent of total outlays, while development expenditure is expected to decline to P10.1 billion, being a reduction of 11.3 percent from the revised estimates for 2011/12.
- 2.10 The bulk of recurrent spending is for “other charges” (P18 billion) and covers all spending except personal emoluments

percent. General administration, health, deficit grants to local authorities, defence, housing, and urban and regional development have been allocated 23.5 percent, 13.3 percent, 8.2 percent, 6.4 percent, and 6.2 percent, respectively.

- 2.11 The allocation of the development budget continues to show government commitment towards completion of on-going projects and maintenance of existing infrastructure. As such, and as in the previous budget, the largest share of P2.7 billion or 26.3 percent of the development budget is for electricity and water supply under the Ministry of Minerals, Energy and Water Resources. Of

CHART 1.7: DEVELOPMENT SPENDING BY ECONOMIC SECTOR 2010/11 – 2012/13



Source: Ministry of Finance and Development Planning

and interest on public debt. This constitutes 56.8 percent of total recurrent expenditure. Personal emoluments account for P12.1 billion (38.2 percent), while interest on public debt is estimated at P1.5 billion (5 percent). Compared to 2011/12, “other charges” are budgeted to increase by 1.1 percent and personal emoluments to decrease marginally by 0.1 percent. By sector, “education” has the largest share of the recurrent budget at 24.8

this, P0.9 billion is for power supply projects, including rural electrification; P1.2 billion is for the Water Planning and Development project that covers construction of dams and the North South Water Carrier II project. The Ministry of Transport and Communications was allocated the second largest share of 20.9 percent, amounting to P2.1 billion, to finance both on-going and new projects, including road and airport development. The Ministry

of Local Government was allocated P1.2 billion, the bulk of which is for the *Ipelegeng* work programme and village infrastructure projects.

Debt Management

2.12 The Government has emphasised that debt management will be strengthened to ensure that accumulated borrowing (including guarantees) remains within the statutory ceiling of 40 percent of GDP, as split evenly between external and domestic borrowing. During the 2012/13 fiscal year, total external debt is expected to increase from P18.9 billion to P19.9 billion⁹, given projected faster increase in nominal output. Domestic debt is expected to amount to 7.4 percent of GDP. In the circumstances, given the lower scope for further external borrowing, financing of future capital expenditure that cannot be met from current revenues will increasingly rely on domestic sources of finance.

(c) Fiscal and Other Legislation

2.13 During 2011, amendments to the Income Tax, Value Added Tax and Transfer Duty legislation

were approved by Parliament. Corporate tax was simplified by replacing the two-tier system with a single unified rate in July 2011, while the threshold for paying personal income tax was increased from P30 000 per annum to P36 000. In addition, as a further incentive aimed at promoting agricultural development, farming implements are exempt from VAT.

2.14 Consultations on the review of proposed legislation on the Insurance Industry and Retirement Funds are underway, while the amendment of the Collective Investment Undertakings Act is in progress. These initiatives are intended to modernise related laws such that they are in line with international best practice.

3. EXCHANGE RATES, BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

(a) Exchange Rates

3.1 Botswana's exchange rate policy aims to achieve and maintain competitiveness of local

TABLE 1.4: GOVERNMENT DEBT AND GUARANTEES FOR 2010/11 – 2011/12 (P MILLION)

Debt & Liabilities as at March 31, 2011	External	Internal	Total
External Debt	12 573		
External Contingent Liabilities	4 604		
Internal Debt		6 217	
Internal Contingent Liabilities		1 207	
Total Debt & Contingent Liabilities as at March 31, 2011	17 177	7 424	24 601
GDP for FY 2010/11			105 553
Debt as % of GDP	16.3	7.0	23.3
New Loans and Guarantees Drawn since March 31, 2011 and In Process			
New Loans Drawn, External	1 237		
New External Contingent Liabilities	516		
Repayments Scheduled, External	...		
Net New Issue of Domestic Bonds & T-Bills		1 921	
Repayments Scheduled, Internal		-700	
Sub-Total	1 753	1 221	2 974
Total Debt & Contingent Liabilities anticipated March 31, 2012	18 930	8 645	27 575
GDP forecast for FY 2011/12			114 778
Debt as percentage of GDP	16.5	7.5	24.0

Source: Ministry of Finance and Development Planning

⁹ A reduction from 16.5 percent to 15.9 percent of GDP.

producers of tradeable goods and services in both international and domestic markets, so as to support the national objectives of economic diversification and employment creation. This is achieved through maintaining a stable real effective exchange rate (REER)¹⁰ of the Pula against a basket of currencies of major trading partner countries, comprising the IMF's Special Drawing Right (SDR) and the South African rand. The crawling band exchange rate mechanism that was introduced in May 2005 helps to maintain stability of the REER through a continuous gradual adjustment of the nominal effective exchange rate (NEER) of the Pula at a pace based on the differential between the Bank's inflation objective and forecast inflation of Botswana's trading partner countries. However, the extent to which the

inflation of trading partner countries and, consistent with the crawling band mechanism, the NEER crawled downwards in 2011, resulting in a 2.5 percent depreciation of the nominal effective exchange rate. Bilaterally, the Pula depreciated in nominal terms against the SDR and all its constituent currencies, but appreciated against the South African rand (Table 1.5). The REER of the Pula appreciated by 1.5 percent during 2011, thus reflecting a positive inflation differential between Botswana and major trading partner countries which exceeded the downward crawl of the NEER. However, as indicated earlier, high inflation in Botswana was largely on account of transient factors. Since the crawling band exchange rate mechanism was introduced in 2005, the REER has remained relatively stable and recorded an appreciation of

TABLE 1.5: PULA EXCHANGE RATES AGAINST SELECTED CURRENCIES
Nominal Exchange Rates (Foreign Currency per Pula)

Currency	As at end of	2010	2011	Percentage Change
SA rand		1.0265	1.0859	5.8
US dollar		0.1553	0.1329	-14.4
British pound		0.1004	0.0862	-14.2
Japanese yen		12.64	10.31	-18.4
SDR		0.1005	0.0866	-13.8
Euro		0.1162	0.1027	-11.6
NEER (index, September 2006 = 100)		89.0	86.7	-2.5
Real Pula Exchange Rate Indices (September 2006 = 100)				
SA rand ¹		90.9	99.0	8.8
US dollar		129.1	117.1	-9.3
Pound Sterling		149.0	134.0	-10.1
Japanese yen		96.9	86.5	-10.7
Euro		122.4	115.0	-6.1
SDR		123.7	113.2	-8.6
REER		102.6	104.2	1.5

1. Calculated using South African headline inflation.

Source: Bank of Botswana

exchange rate can boost competitiveness is limited, and must be supported by other measures to enhance productivity of producers in Botswana.

3.2 Botswana's inflation was higher than average

¹⁰ REER is a trade-weighted exchange rate of the Pula (against a fixed basket of currencies), after allowing for relative inflation.

6.2 percent in the 6-year period, a margin that should be accommodated by improvements in productivity. Despite the stability of the REER, bilateral real exchange rates were volatile during 2011, with the Pula appreciating against the rand by 8.8 percent (using South African headline inflation) in real terms and depreciating by 8.6 percent against the SDR.

(b) Overview of the Balance of Payments

3.3 The balance of payments recorded an overall surplus of P3.4 billion in 2011, compared to a deficit of P6.5 billion in 2010. The improved position reflects continuing recovery of exports following the global recession in 2009, along with other substantial financial inflows. Table 1.6 summarises the main components of the balance of payments since 2007, while Chart 1.8 shows quarterly balances in 2010 and 2011. In contrast to the previous year, there was an overall surplus in each quarter of 2011, notably in the first quarter when inflows were boosted by the drawdown of the remaining balance of the African Development Bank budget support loan.

Current Account

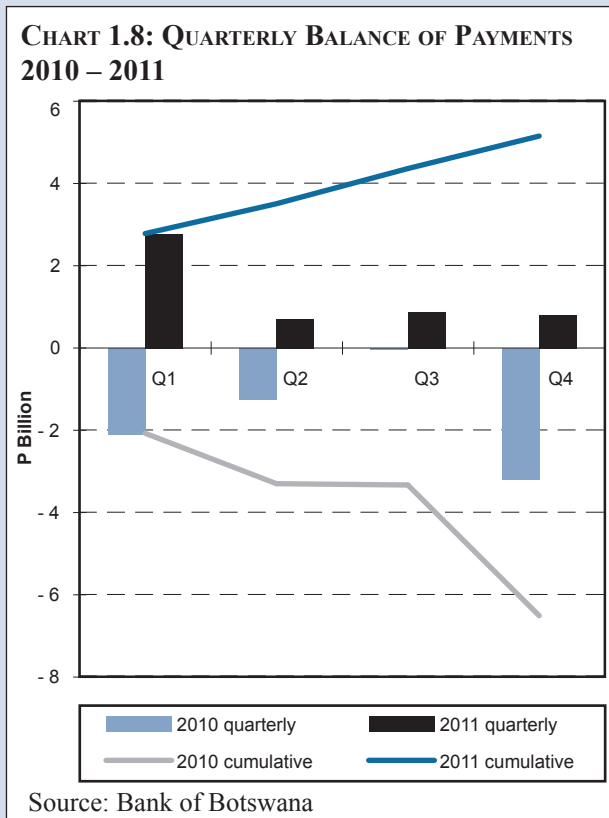
3.4 Preliminary estimates indicate an increase in the current account surplus from P1 billion in 2010 to P1.9 billion in 2011.¹¹ The resumption of surpluses in this account is due to improvements in both

the merchandise trade account and net current transfers.

Merchandise Trade¹²

3.5 The merchandise trade surplus was P1.2 billion in 2011; a turnaround from the revised deficit of P1.5 billion in 2010. The surplus occurred despite continued rapid growth in imports, reflecting the resurgent demand for commodity exports. Total exports are estimated to have increased by 43.5 percent from P31.5 billion in 2010 to P44.2 billion in 2011. In particular, diamond exports grew by 55.3 percent, from P21.7 billion to P33.7 billion,¹³ as a result of high prices for rough diamonds which rose by an average of 29 percent in 2011.¹⁴ However, diamond exports slowed significantly in the second half of the year as markets weakened. Exports of gold and soda ash also increased, by 14 percent and 3 percent, respectively. Exports of copper and nickel fell by 18 percent, constrained by the temporary closure of the BCL smelter, while prices also declined towards the end of the year.

3.6 Sales of cut and polished diamonds, which dominate manufactured exports, rose by 70 percent in 2011 to P4.9 billion and account for 15 percent of total diamond exports (rough and manufactured). Textile exports also grew rapidly, by 64 percent, to P1.8 billion, thus reversing the decline of the past two years. In contrast, beef exports fell to P463 million,



¹¹ The current account comprises trade in goods and services, the income account and net current transfers.

¹² Note that the trade data used in preparing the balance of payments does not fully match the monthly trade statistics prepared by Statistics Botswana. For some exports, trade statistics are supplemented by additional information collected directly from exporters. More significantly, imports are substantially below the estimates in trade statistics, as a portion of their value has been allocated to transport costs, which are service imports.

¹³ The estimate for diamond exports includes payment adjustments based on upward price variations made after the initial price setting for export. As such, it is significantly higher than the equivalent figure in the monthly trade statistics which report the value at the time of export.

¹⁴ Sourced from De Beers reports.

TABLE 1.6: BALANCE OF PAYMENTS 2007 – 2011 (P MILLION)

	2007	2008	2009*	2010*	2011#
Current Account	11 776	7 859	-1 944	999	1 853
<i>Of which:</i>					
Merchandise trade	10 466	2 982	-5 460	-1 474	1 248
Services	-1 104	544	-4 599	-5 439	-7 292
Income	-4 531	-4 315	-290	-1 401	-1 571
Net current transfers	6 945	8 647	8 416	9 312	9 468
Financial account	-951	3 248	7 479	158	868
Capital account	-51	-0.2	-0.1	24	25
Net errors and omissions	-80	-3 654	-10 108	-7 691	648
Overall balance	10 694	7 452	-4 563	-6 511	3 430
* Revised					
# Provisional					
Source: Bank of Botswana					

down 46.7 percent from P869 million in 2010. This followed the suspension of beef exports to the European Union, traditionally the largest market, due to concerns over hygiene standards. As a result, most beef exports in 2011 were to markets in Africa.¹⁵

in 2010. While most categories of imports increased, the rapid growth was mostly due to infrastructure investment, fuel requirements and inputs to production, including rough diamonds. Imports of machinery and equipment grew by 69.3 percent to P11.5

TABLE 1.7: IMPORTS 2010 – 2011 (P MILLION)

	2010	2011	Percentage Share		Percentage Change
			2010	2011	
Total imports	38 457	49 648			29.1
<i>of which:</i>					
Diamonds	4 471	5 882	13.5	11.8	31.6
Fuel	5 521	8 268	16.7	16.7	49.8
Food	4 812	5 224	14.5	10.5	8.6
Machinery & Electrical Equipment	6 764	11 450	14.4	23.1	69.3
Chemicals & Rubber Products	4 207	4 554	12.7	9.2	8.2
Metals & Metal Products	2 855	3 699	8.6	7.5	29.6
Other	1 554	1 594	4.7	3.2	2.6
Note: The figures in this table are not adjusted for transport costs.					
Source: Statistics Botswana					

3.7 Imports for 2011 are estimated at P42.9 billion, which is an increase of 30.3 percent from the revised estimate of P32.9 billion

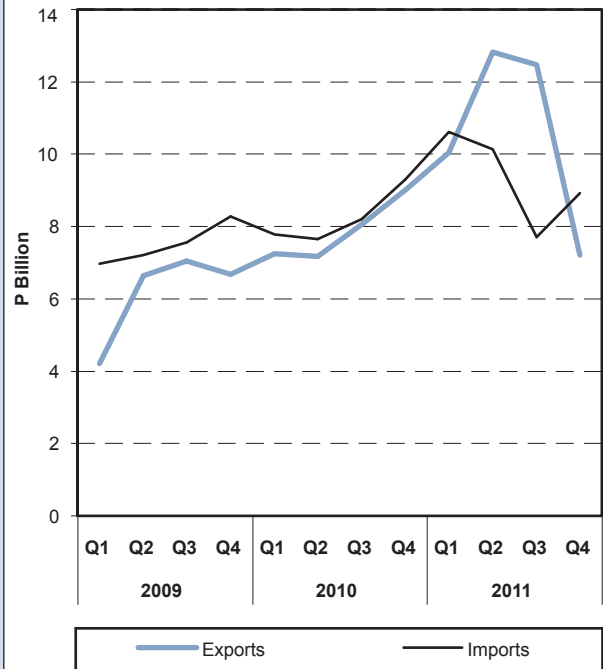
billion, reflecting, in part, requirements of the new Morupule B power station. Fuel imports also increased substantially by 49.8 percent, to P8.3 billion due to both higher prices for petroleum products and growing demand. Imports of diamonds rose by 31.6 percent to P5.9 billion to meet the growing needs of the local diamond polishing industry.

¹⁵ 2011 sales by the Botswana Meat Commission, which currently has a monopoly on beef exports, were divided between Europe (P128 million) and Africa (P335 million). In 2010, the equivalent figures for Europe and Africa were P569 million and P289 million, respectively, with Asia accounting for P10 million.

Services

3.8 The services account deficit is estimated to have widened to P7.3 billion in 2011, compared to P5.4 billion in the revised estimates for 2010. While exports of services grew by 15.2 percent to P2.2 billion, this was more than offset by rising imports of “other

CHART 1.9: EXPORT AND IMPORT TRENDS 2009 – 2011



Source: Bank of Botswana

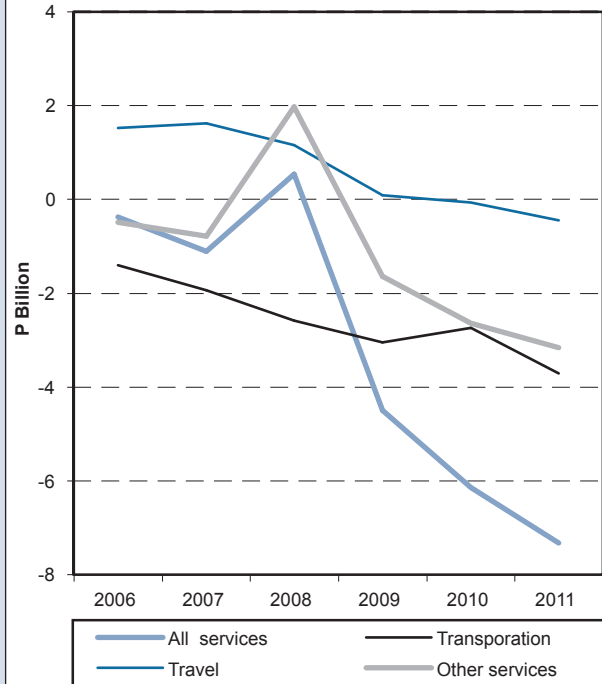
services”, which mostly consist of business and mining related services.¹⁶ Increasing transport costs for merchandise imports also contributed to growth in service imports.

Income Account

3.9 The income account registered a deficit of P1.6 billion in 2011, compared to the revised deficit of P1.4 billion in 2010. The credit side of this account mainly comprises earnings from foreign exchange reserves and offshore investments of pension funds. The debit components consist of dividends and profits of

¹⁶ This category covers a wide range of services, including communication, insurance, legal services, business services, etc., together with receipts from tourism. There is a significant margin of error in these estimates due to insufficient data sources.

CHART 1.10: BALANCE OF TRADE IN SERVICES 2006 – 2011



Source: Statistics Botswana

foreign companies operating in Botswana, and include both actual remittances and retained earnings.¹⁷

Current Transfers

3.10 Current transfers recorded a surplus of P9.5 billion in 2011 compared to P9.3 billion in 2010, thus reflecting higher receipts from the Southern Africa Customs Union. The basis for making the estimates in this account have also been changed in several important respects, resulting in significant upward revisions to net inflows.¹⁸

Capital and Financial Accounts

3.11 Following the reclassification of grants received by the Government as current transfers, the capital account now records

¹⁷ Retained earnings by foreign-owned businesses are treated as an imputed outflow in the income account matched by an offsetting inflow for foreign direct investment.

¹⁸ Payments by Botswana into the SACU revenue pool are now based on actual data rather than estimates. In addition, inflows relating to the foreign component of withholding tax are now included, while government grants that were previously in the capital account are now classified as current transfers.

migrants' transfers only. The net inflow in this account increased from P23.6 million in 2010 to P25 million in 2011.

- 3.12 The financial account, which is made up of direct investment, portfolio investment and "other investment", registered a net inflow of P867 million, compared to P158 million in 2010.¹⁹ The net inflow is the product of several, largely offsetting, movements in the sub-accounts. Net inflow of direct investment, including retained earnings rose by 5.7 percent, from P3.8 billion in 2010 to P4 billion in 2011. The balance on portfolio investment, although negative, also improved, with the deficit narrowing to P1.4 billion from P2.7 billion. However, the deficit on "other investment" widened from P0.9 billion to P1.7 billion. This was despite the drawdown of the African Development Bank loan, and reflects a significant increase in foreign liabilities of domestic banks.

Foreign Exchange Reserves

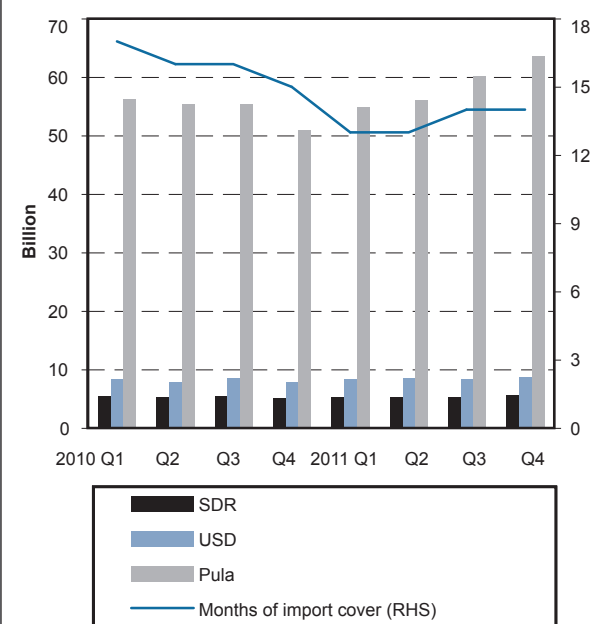
- 3.13 The foreign exchange reserves increased by P9.5 billion (18.7 percent) from P50.8 billion in December 2010 to P60.3 billion at the end of 2011. In view of the continued growth in imports, the reserves were equivalent to 14 months of import cover in December 2011, compared to 15 months in December 2010. In terms of foreign currency, the reserves increased by 2 percent from SDR5.1 billion to SDR5.2 billion and by 2.4 percent from USD7.9 billion to USD8.1 billion in 2010 and 2011, respectively. The smaller increase in foreign currency is due to the depreciation of the Pula against the SDR and US dollar.

(c) Balance of Payments Outlook

- 3.14 The outlook for exports is heavily dependent on prospects for the mineral sector, which remains vulnerable to any downturn in the global economy. However, underlying fundamentals remain positive, while the increased diversity of export markets has

¹⁹ The 2011 position is based on partial estimates and is subject to revision upon completion of the 2011 Balance of Payments Survey.

CHART 1.11: QUARTERLY FOREIGN EXCHANGE RESERVES 2010 – 2011



Source: Bank of Botswana

reduced dependence on advanced economies, which presently are most susceptible to economic slowdown. As government development spending slows, completion of major infrastructure projects will reduce demand for capital imports, although this will continue to be partially offset by import requirements for private sector investments, notably in the mining sector. The introduction of additional domestic electricity generation capacity during 2012 will also reduce the need for electricity imports while the country may, in the short-term, become a net exporter of power. Current transfers in 2012 will be boosted by a further significant growth in SACU receipts, including an additional payment of P2.5 billion to make up for an earlier underpayment. Inflows in the financial account should help offset the capital imports required for private investments, thus limiting the impact of the latter on the overall balance.

(d) International Investment Position (IIP) and Foreign Investment

- 3.15 Detailed data for the IIP, which records the stock of foreign financial assets and liabilities, are available up to 2010; only major aggregates have been estimated for 2011.

TABLE 1.8: LEVEL OF FOREIGN INVESTMENT IN BOTSWANA BY INDUSTRY 2010 (P MILLION)

Industry	Direct Investment			Other Investment		
	Equity	Non-equity	Total	Equity	Non-equity	Total
Mining	4 072	170	4 242	0	635	635
Manufacturing	90	30	120	0	73	73
Finance	1 976	60	2 036	139	3 074	3 213
Retail and Wholesale	605	80	685	0	649	649
Electricity, Gas and Water	0	0	0	0	106	106
Real Estate and Business Services	124	0	124	0	13	13
Transport, Storage and Communication	4	5	9	0	3	3
Construction	75	0	75	0	65	65
Hospitality	19	0	19	0	0	0
Public Administration	0	0	0	0	9 289	9 289
Other	45	45	90	0	0	0
Total	7 010	390	7 400	139	13 908	14 046

Source: Bank of Botswana

(i) *International Investment Position*

3.16 On the basis of preliminary estimates for 2011, Botswana's foreign assets increased by P14 billion during the year, from P78.5 billion at the end of 2010 to P92.5 billion. This increase is largely attributed to the increase in reserve assets, which grew by P9.5 billion between 2010 and 2011. Total foreign liabilities at the end of 2011 were P29.5 billion, which is an increase of P1.5 billion from P28 billion in 2010. Stocks of direct, portfolio and other investment in Botswana grew by 5.7 percent, 1.9 percent and 5.7 percent, respectively.

(ii) *Investment in Botswana in 2010 by Industry and Country Classification*

3.17 Tables 1.8 and 1.9 show Botswana's stock of foreign liabilities at the end of 2010 classified by industry and country, respectively.²⁰ Outlays on mining ventures continue to dominate total foreign direct investment, accounting for 57 percent of the total, followed by investment in the finance sector at 28 percent. As in 2009, Europe was the principal source of direct investment, amounting to 45 percent of the total, with Luxembourg contributing most (83 percent) of the financing, largely as a result

of the residence status of the major mining investors in Botswana.

3.18 In 2010, the Government's external debt (classified under public administration) of P9.3 billion was the major component of "other investment" (66 percent of total "other investment") by foreigners in Botswana.²¹ Additional significant "other investment" was in the finance industry (23 percent) and the retail and wholesale sector (5 percent). By country classification, the main source of "other investment" was the "other" category, and this reflects the predominance of borrowing from multilateral institutions in government debt. In addition, Europe (predominantly the United Kingdom) and Africa (mainly South Africa and Mauritius) contributed P2.8 billion and P1.9 billion, respectively, to "other investment" in Botswana in 2010.

4. MONEY AND CAPITAL MARKETS

(a) Monetary Policy and Liquidity Management

4.1 The Bank's monetary policy objective is to achieve price stability, and this is defined as sustained inflation within the medium-term objective range of 3 – 6 percent. Maintaining

²⁰ These figures are based on the 2010 Balance of Payments Survey conducted by the Bank of Botswana.

²¹ This category continues to be high, mainly reflecting the borrowing needs of the Government.

TABLE 1.9: LEVEL OF FOREIGN INVESTMENT IN BOTSWANA BY COUNTRY 2010 (P MILLION)

Country	Foreign Direct Investment			Other Investment		
	Equity	Non-equity	Total	Equity	Non-equity	Total
North and Central America	122	13	135	0	61	61
<i>Of which</i>						
United States	122	13	135	0	61	61
Europe	3 157	26	3 182	54	2 766	2 821
<i>Of which</i>						
United Kingdom	361	0	361	54	2 633	2 687
Netherlands	17	0	17	0	0	0
Luxembourg	2 608	0	2 608	0	73	73
Other Europe	170	26	196	0	61	61
Asia Pacific	1 480	80	1 560	12	0	12
Africa	2 183	228	2 412	72	1 791	1 863
<i>Of which</i>						
South Africa	1 132	164	1 296	27	1 467	1 494
Mauritius	755	64	819	0	0	0
Middle East	49	20	69	0	0	0
Other	19	22	41	0	9 289	9 289
Total	7 010	390	7 400	139	13 908	14 046

Source: Bank of Botswana

inflation within this range contributes towards the broader national objectives of durable economic growth and development through the promotion of savings that are, in turn, channelled into productive investments. Price stability also supports international competitiveness of domestic producers.

- 4.2 In pursuit of the price stability objective, the Bank uses interest rates and open market operations to influence aggregate demand conditions in the economy and, ultimately, inflation. Changes in interest rates and the availability of loanable funds influence aggregate demand through their impact on demand for credit and savings. Domestic demand and other factors, including foreign inflation, the exchange rate, changes in administered prices and taxes, contribute to the level of inflation. Public expectations of future inflation are also an important determinant of decisions relating to price increases and wage adjustments.
- 4.3 On the basis of an evaluation of future developments regarding various determinants of inflation, the Bank is able to derive an

inclusive and broad-based medium-term forecast for inflation that contributes to monetary policy decisions being better informed. In doing so, the Bank distinguishes between factors that are likely to lead to a sustained deviation of inflation from the objective range and those that are expected to have a transitory impact, as indicated by the duration of their disaggregated effect on the inflation forecast. In addition, an analysis of alternative measures of inflation (headline, 16 percent trimmed mean and core or inflation excluding administered prices) continues to be useful in identifying the sources of price changes and explaining inflation developments. In general, the Bank will change the monetary policy stance where the causal factors underlying a sustained deviation of the inflation forecast from the objective range can be influenced by domestic monetary policy.

- 4.4 In addition to considering the adverse effects of high inflation, which erode the purchasing power of incomes and financial savings, the price stability objective recognises that sustained periods of low or rapidly falling

inflation could indicate subdued economic activity that requires policy easing to stimulate growth. In this regard, the Bank monitors leading indicators of the direction of inflation. These include the output gap²² and the net impact of changes in real interest rates and real exchange rates (referred to as ‘real monetary conditions’) on the availability of credit and competitiveness of the domestic industry. A sustained level of economic performance above trend is potentially inflationary and could signal a need to increase interest rates to dampen inflationary pressures. In 2011, monetary policy was conducted in the context of below-trend domestic output growth together with heightened uncertainty regarding global economic prospects, emanating in particular from the euro area’s sovereign debt crisis.

- 4.5 The Bank uses open market operations (OMO) to manage liquidity in the banking system in order to maintain short-term interest rates at the desired levels. In this context, in 2011, two measures were implemented to reduce the amount of liquidity that is sterilised through Bank of Botswana Certificates (BoBCs). Effective July 1, 2011, the primary reserve requirement was increased from 6.5 percent to 10 percent of total Pula deposits held at the commercial banks.²³ Subsequently, in November 2011, the Bank’s absorption of excess liquidity through BoBCs issued at auctions was capped at a maximum of P10 billion, with the objective of encouraging banks to actively seek viable lending opportunities that contribute towards the further diversification and development of the economy. In the light of these policy developments, the 14-day BoBC yield,²⁴ which had been constant at 6.56 percent

between December 2010 and October 2011, fell briefly to 2.69 percent before rising to 4.51 percent in December, after commercial banks’ access to reverse repos was resumed. The 3-month BoBC yield fell from 7.15 percent in December 2010 to 3.45 percent in December 2011. The total outstanding market value of BoBCs (including reverse repos) was P11.5 billion in December 2011, which is a 35 percent decline from P17.6 billion in December 2010.

(b) Interest Rates

- 4.6 The Bank Rate was maintained at 9.5 percent throughout 2011 on account of the positive medium-term inflation outlook that reflected low demand pressures, below-trend economic performance and benign external inflationary pressures. Consequently, the average commercial banks’ prime lending rate was also unchanged at 11 percent for the whole of 2011. However, the benchmark 3-month deposit rate fell slightly, from an average of 5.6 percent in December 2010 to 5.1 percent in December 2011.
- 4.7 In the context of rising inflation, real interest rates declined during 2011. The real 14-day BoBC rate fell from –0.8 percent in December 2010 to –4.3 percent a year later, while the 3-month BoBC rate also fell from –0.2 percent to –2 percent in the same period. Nonetheless, due to the appreciation of the REER during the year, real monetary conditions remained relatively tight in 2011, thus contributing to the generally restrained inflationary pressures.

(c) Banking System

Domestic Credit

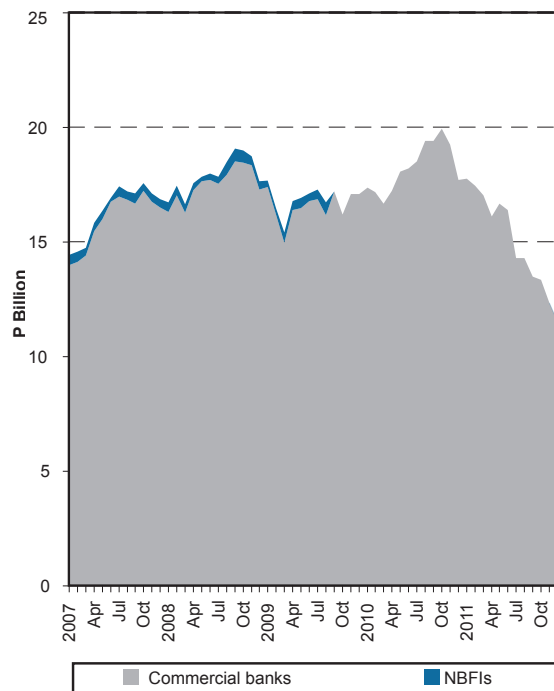
- 4.8 Year on year, commercial bank credit grew by 26.4 percent in December 2011 compared to 11.9 percent in December 2010. The much faster credit growth for 2011 was driven by lending to both the business and household sectors, which expanded at annual rates of 11.3 percent and 12.5 percent in December 2010 and 41 percent and 15.8 percent in December

22 In general, the output gap refers to the difference between long-term trend output and actual output.

23 The Primary Reserve Requirements are held in non-interest-bearing accounts at the central bank.

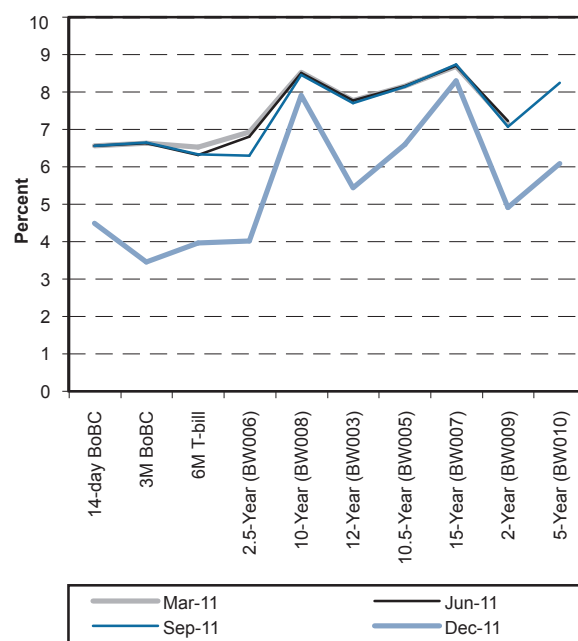
24 The quoted yields for papers of both maturities are based on the weighted average of the winning bids at auction; as such they reflect the bidding preferences of OMO counterparties at auctions.

CHART 1.12: OUTSTANDING BANK OF BOTSWANA CERTIFICATES



Source: Bank of Botswana

CHART 1.13: YIELD TO MATURITY ON BANK OF BOTSWANA CERTIFICATES AND GOVERNMENT BONDS



Source: Bank of Botswana

2011, respectively. At year-end, the share of household credit in total private commercial bank credit was 53.2 percent, down from 58.1 percent a year earlier.

Monetary Aggregates

4.9 Annual growth of broad money was 4.4 percent in December 2011, having slowed from 10.7 percent in December the previous year. In 2011, money supply growth occurred alongside a sustained recovery of output and significant growth in commercial bank credit. However, the pace of monetary expansion was dampened by the slower growth in public spending during 2011 which, combined with buoyant revenues, resulted in the government accumulating cash balances at the central bank during the course of the year.

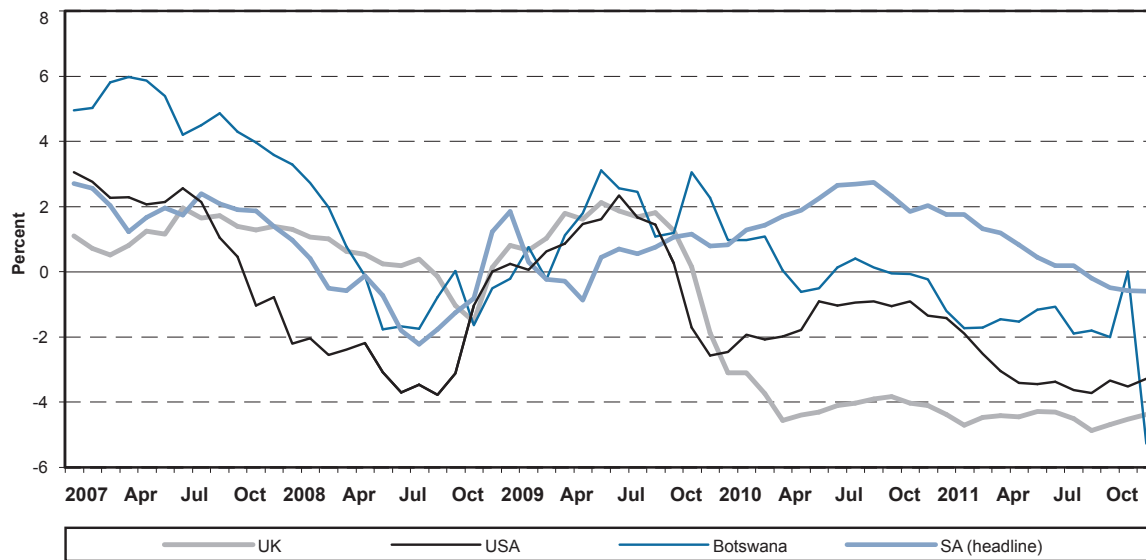
4.10 In 2011, currency outside depository corporations increased by 15.2 percent, transferable deposits declined by 9.7 percent, while other deposits grew by 7.4 percent. In Pula terms, foreign currency accounts (FCAs), which accounted for 14.8 percent of total deposits at commercial banks at the end of 2010, grew by 13.2 percent and contributed 15.5 percent to total deposits at commercial banks. Significant growth in the 31-day notice deposits largely explains growth in FCAs, while deposits of other maturities generally fell. Holdings of FCAs provide a hedge against the impact of any adverse movements in the Pula exchange rate on foreign currency transactions, and the positive growth may partly be a reflection of improved trading conditions in 2011.

Bank of Botswana

4.11 Total assets and liabilities of the Bank of Botswana increased by 18.5 percent from P51.2 billion in December 2010 to P60.7 billion in December 2011. The expansion of the balance sheet in 2011 was mainly due to a growth of 59.7 percent in government deposits at the Bank. In contrast, the value of BoBCs declined by 34.9 percent to P11.5 billion²⁵ as growth in commercial bank credit accelerated and in line with the new limit on BoBC issuance.

²⁵ This total includes BoBCs issued through reverse repos.

CHART 1.14: REAL INTEREST RATES – INTERNATIONAL COMPARISONS



Source: Bank of Botswana

Commercial Banks

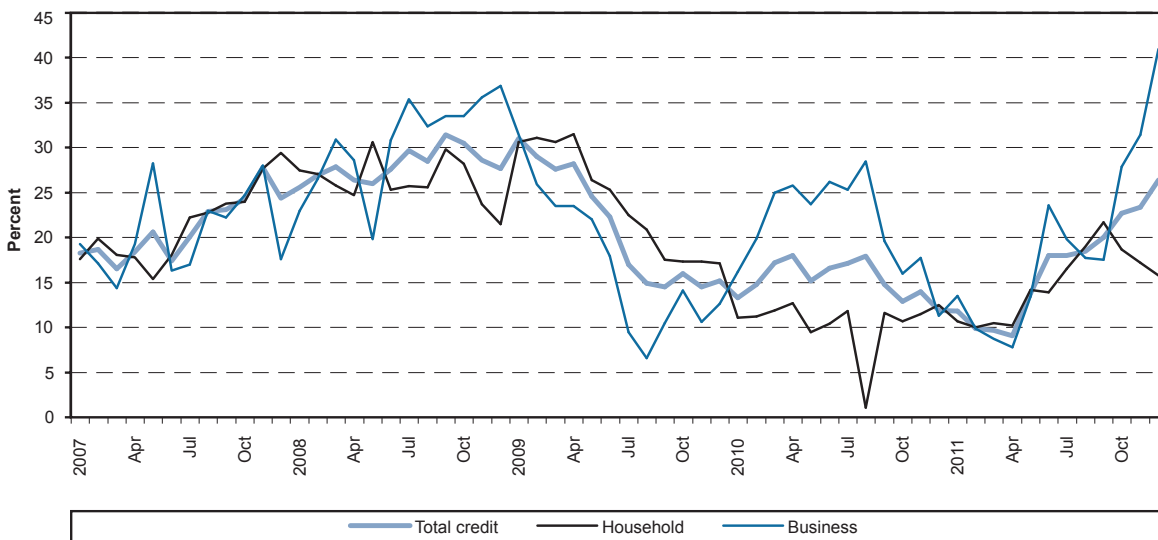
4.12 Total commercial bank assets grew by 4.9 percent from P49.4 billion in December 2010 to P51.8 billion in December 2011; the comparable growth in 2010 was 12.1 percent. In terms of composition, loans and advances and other assets grew by 27.2 percent and 59.2 percent, respectively, while deposits held in foreign banks fell by 1.4 percent and holdings of BoBCs decreased by 41.6 percent. The increase in assets was funded by growth in

total bank deposits, which rose by 7.8 percent to P43.3 billion in December 2011, the largest proportion of which (50.5 percent) was held in current and call accounts.

(d) Other Financial Institutions

4.13 The assets and liabilities of the Botswana Building Society rose by 16.4 percent in 2011, compared to a growth of 10.7 percent the preceding year. Loans and advances, of which mortgage loans contribute the major

CHART 1.15: YEAR – ON – YEAR COMMERCIAL BANK CREDIT GROWTH



Source: Bank of Botswana

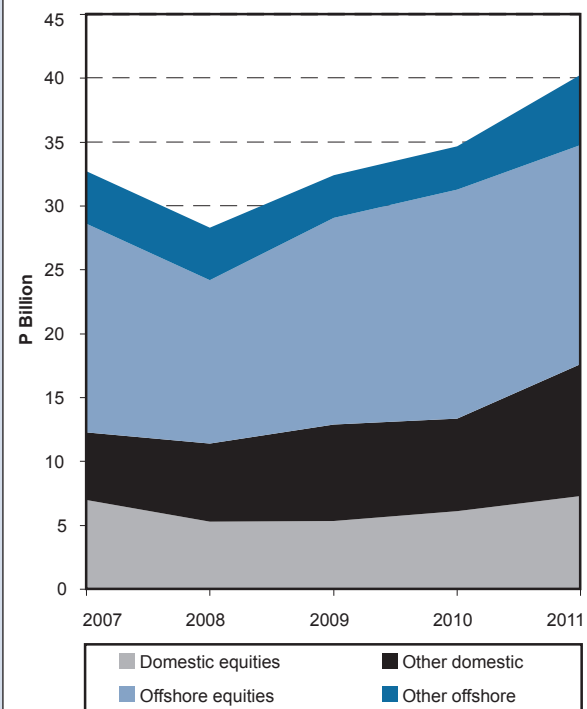
proportion, grew by 15.5 percent to P1.9 billion in the same period, while the Society's cash and deposits held at other banks also increased by 9.5 percent. Year on year, the balance sheet of the Botswana Development Corporation grew by 12.7 percent in September 2011, mainly reflecting a significant increase in investments in related companies, with the increase in assets supported by a 30.3 percent growth in reserves. For the National Development Bank (NDB), total assets and liabilities rose by 5 percent, slightly lower than the 5.5 percent in 2010. Year-on-year, lending by NDB increased by 13.1 percent in 2011 compared to growth of only 1.4 percent the previous year. Similarly, the balance sheet of the Botswana Savings Bank rose by 15.8 percent in December 2011 compared to an increase of 7.6 percent in the previous year.

4.14 For the Botswana Stock Exchange (BSE), the Domestic Companies Index (DCI) gained 558 points (or 8.7 percent) in 2011, compared to a loss of 829 points (-11.4 percent) in 2010. The index generally trended upwards throughout 2011, albeit with some volatility. In the course of 2011, trading was active, with 458 million shares valued at P1 billion traded, and market capitalisation of domestic companies grew by 16.1 percent to P30.7 billion. With global economic prospects increasingly uncertain, the Foreign Company Index rose by 1.8 percent (gaining 30 points), compared to the 18 percent gain in the previous year. Letlole and New African Properties were listed in 2011, and this resulted in 23 listed domestic companies and 12 listed foreign companies (5 of which are venture capital listings). A second exchange traded fund was also listed during the year.

4.15 Assets of pension funds rose by 16.7 percent during 2011 to P40.4 billion, compared to P34.7 billion in December 2010 (Chart 1.16). The value of pension fund holdings of domestic equities and bonds rose by 19.6 percent and 41.6 percent, respectively, while offshore bonds increased by 10.9 percent. However, the value of offshore equities held by pension

funds declined by 4.2 percent. The proportion of pension fund total assets invested offshore fell from 61.5 percent to 56 percent.

CHART 1.16: BOTSWANA PENSION FUND ASSETS 2007 – 2011



Source: Ministry of Finance and Development Planning and NBFIRA

4.16 The Government maintained support for capital market development through the Bond Issuance Programme that commenced in March 2008, as the borrowing limit was increased from P5 billion to P15 billion in February 2011. To this end, the Government issued 6-month Treasury Bills and bonds of varying maturities at the March and September 2011 auctions. For the 6-month Treasury Bills, P2 billion and P1 billion were issued in March and September, respectively, while bonds with cumulative par values of P1.3 billion and P1 billion were issued at the same respective auctions. As at December 2011, the total par value of the outstanding bonds and Treasury Bills was P6.3 billion with 96.3 percent held by domestic commercial banks and their clients. The balance was held mainly by foreign investors with P216.1 million (3.4 percent), while the Bank of Botswana held P20 million (0.3 percent) for potential secondary market activity.

(e) Credit Rating

4.17 Both Moody's Investors Service (Moody's) and Standard & Poor's (S & P) released updates of their sovereign credit rating for Botswana during the course of 2011. While Moody's retained the A2 rating for both foreign and domestic bonds, the outlook was revised upwards from "negative" to "stable". The revision reversed the earlier decision made in February 2010 to assign a negative outlook following the deterioration of the Government's net asset position as a result of the global economic slowdown. In the case of S & P, the foreign currency ratings were once more retained at A-/A-2 (long-term/short-term) and the stable outlook was also affirmed. However, in line with the revised ratings methodology, the domestic currency rating was lowered to A-/A-2 to be in line with the foreign currency rating.

BROADENING ACCESS TO FINANCIAL SERVICES

1. INTRODUCTION

- 1.1 A large body of economic literature supports the premise that, in addition to other important factors, the performance and long-run economic growth and welfare of a country are related to the degree of financial development. Access to financial services such as loans, deposit facilities, insurance, pension plans and payment services, is crucial to balanced and inclusive development. Greater financial inclusion contributes to raising incomes, accumulation of assets and job creation, all of which are key to increased prosperity and poverty reduction. However, realising such objectives globally is constrained by exclusion of a sizeable proportion of the population from the financial system. It is estimated that, at the end of 2010, 2.7 billion adults from worldwide population of approximately 6.9 billion, were so excluded.²⁶ Thus, the issue of broadening financial access must clearly feature on the development agenda.
- 1.2 For Botswana, the social and economic benefits derived from greater financial inclusion are closely aligned with the objectives of *Vision 2016* and National Development Plan 10 (NDP 10), both of which emphasise strategies aimed at enhancing the contribution of the financial sector to the country's development, including accelerating the diversification of the economy. Implementation of the financial sector development strategy and the accompanying macroeconomic policies have contributed to noticeable progress in advancing the banking sector and capital markets. Nonetheless, challenges remain in further improving access to basic banking services as well as broadening participation in capital markets.
- 1.3 By international standards, recommended financial access in Botswana remains at a relatively low level. A 2009 Finscope study found that a significant proportion of adults in Botswana do not have bank accounts. However, comparative data indicate that the overall level of financial access in Botswana has been increasing and is higher than in many other African countries. Nevertheless, there is clearly considerable scope for further improvement through, among others, harnessing opportunities in microfinance arrangements, e-money operations and development finance. In turn, initiatives in these areas need to be accompanied by development of appropriate regulatory and supervisory frameworks that would safeguard financial stability and facilitate complementarity with other developments in the financial sector. Development finance institutions (DFIs), Microfinance Institutions (MFIs) and electronic money (e-money) have the potential to contribute to financial inclusion, as they are less biased towards entities and individuals that already have an advantage in accessing financial services.
- 1.4 The micro lending industry in Botswana is well established, operating mainly in the form of cash loans, pawnshops and salary linked loan schemes and, despite being predominantly small-scale, the industry has a significant impact, especially for those with limited access to the mainstream banking sector. In addition, information and communications technology (ICT) offers considerable scope in facilitating access to financial services and efficiency of transactions which can advance access formally and informally. As elsewhere, DFIs in Botswana are expected to cater for market failure and fill the gaps in the supply of financial services that are not presently provided by the private financial institutions, including financing of small and medium-scale enterprises and long-term funding. However,

²⁶ Alliance for Financial Inclusion, *Financial Inclusion Measurement for Regulators: Survey Design and Implementation*. This document outlines the elements of financial inclusion as well as the data needs for the various elements.

this involves the allocation of government resources, where returns, sustainability and effectiveness in the discharge of mandate and assessment of success are typically less clear cut. There is, therefore, a case for ongoing assessment of the operations of DFIs and their relative contribution to financial access and economic performance.

- 1.5 It is acknowledged that the benefits derived from the emergence of more inclusive financial services must be balanced against actual needs. In particular, there is the question of whether these elements of financial development address the relevant issues for Botswana, notably the need to improve household financial saving, lending for productive purposes and more efficient modes of payment. In addition, while the first round impact in terms of access and inclusion might be apparent, it is important to evaluate whether there will be associated growth and transition to more formal establishments and reduced dependency on development finance. With respect to microfinance and e-money, it is important to highlight the potential regulatory challenges and risks of unfair practices and likely sources of instability and contamination of the broader financial sector.
- 1.6 In addressing the issues highlighted above, Section 2 examines prospects of broadening access to financial services, while Section 3 outlines the financial sector in Botswana, specifically the structure, measures and level of access to financial services, and the contribution to the country's development. Section 4 assesses the development opportunities and challenges for broadening access beyond the banking sector, while section 5 concludes the analysis.

2. PROSPECTS OF BROADENING ACCESS TO FINANCIAL SERVICES

- 2.1 The section examines, at a general level, access to financial services beyond the traditional banking system, with a view to identifying opportunities for wider financial inclusion. In many instances, the emergence of microfinance institutions and e-money operations is indicative of market and business opportunities that result from gaps left by traditional banking institutions. In particular, there is a high incidence of financial exclusion worldwide, arising from the constraints associated with the traditional banking model.
- Traditional Banking and Electronic Banking**
- 2.2 Traditionally, banking involved intermediating and transforming deposits into loans and facilitating payments, with coverage and market reach determined by physical presence and designated operating times. Service provision by banks has, however, evolved to encompass use of Automated Teller Machines (ATMs) for cash withdrawals and deposits, as well as payments to third parties. Innovation in ICT and growing consumer needs have opened opportunities for banks to expand and deepen their services, while also attracting participation by non-banking entities. Therefore, innovation facilitates competition, thus contributing to both the deepening and widening of financial services across various service providers. However, beyond the greater degree of competition arising from innovative and effective use of ICT, there are issues relating to regulation since, as deposit-takers, banks are subject to more rigorous regulation and supervision compared to non-banks. The challenge for regulators is how best to maintain a sound and safe financial system and support innovation, while ensuring integrity and consumer protection for services provided by non-regulated entities.
- 2.3 Despite the differences, there is scope for banks and non-banks to collaborate in order to benefit from market coverage and product development and delivery. In addition, the creation of hybrid services can help overcome the challenges of regulation, consumer protection and overlap in oversight responsibilities for financial services and cellular phone networks.

2.4 Banks make profits from the net interest income, that is, the difference between the interest charged on loans (and other credit facilities) and that paid on deposits (and other sources of funding). Besides generating income from risk-trading, banks are increasingly relying on income from account maintenance fees, transaction-based charges and commissions, advisory services and similar non-funded income. Customers incur these costs in return for security of funds and ease of undertaking transactions. Electronic banking changes banks' cost structures and thus leads to revisions in charges and fees, as well as service options available to customers.

2.5 Technology and electronic banking also tend to involve a move away from bank-based customer relationships that previously centred on personal knowledge of customer profiles. To a significant degree, this still applies with respect to bigger business customers, where banks strive to customise service to individual client businesses. In comparison, the retail relationship increasingly involves demographic profiling and clustering of classes of customers for purposes of marketing products and assessing risk. In addition to improving service provision, these new technologies also accelerate the entry of other institutions that are more adept at using ICT. For example, it is natural that telecommunication operators should play a major role in internet and mobile banking. The advent of new technologies also raises the opportunity cost of the traditional banking model based on rolling out branches and ATMs to cover new territory. Nonetheless, given their central position in the financial system, banks have continued to be at the forefront of assimilating technology to enhance financial inclusion. However, to maximise the benefits from this approach, banking regulation needs to be sufficiently adaptive to innovation without compromising safety and soundness of banking systems.

Development Finance Institutions (DFIs)

2.6 In general, the level of financial sector development is too low in developing countries to have the full range of products and institutions that meet all the financial needs of the economy. This market failure or under-development is normally addressed by establishment of DFIs by government with the specific mandates of funding long-term projects and small and medium scale enterprises (SMEs) and mobilising small-scale savings among low income groups. As such, the purpose of DFIs is to ensure investment in areas where there are social and long-term economic benefits, but the rates of return are less than the level required by the market. In such circumstances, the business model typically emphasises the "project approach" (meaning the viability of the project to be financed) over the "collateral approach" (focus on risk mitigation). DFIs address possible market imperfections and private financiers' concerns about information asymmetry. They may also correct for ineffective capital markets where private investors are unwilling or unable to bear the risk of providing funding to unviable projects or clients not considered creditworthy.

2.7 DFIs may also help to fill funding gaps for investments intended to provide public goods and not for profit. It is likewise envisaged that DFIs can be used to support viable enterprises that are otherwise unable to access private finance. However, to fulfil this role, it is important for DFIs to be sustainable, effective and efficient. In this respect, there is likely to be a challenge in maintaining an appropriate balance between commercial norms of operation, as prevailing in private financial institutions, and developmental objectives. Initiatives towards improving performance of DFIs include strengthening the regulatory and supervisory framework, building capacity and capability, as well as enhancing operational efficiency. Such initiatives should also include consideration of whether the financial market

has developed sufficiently for the functions of DFIs to be taken over by private institutions.

Microfinance Institutions

2.8 Microfinance institutions (MFIs) generally concentrate on the low income segment of the population, but they may also serve other members of society, including those in full time employment and unable to access mainstream financial institutions. Microfinance institutions provide a broad range of services, such as micro-credit²⁷, small scale banking business and insurance. Moreover, there is a variety of MFIs that straddle both the formal and informal sectors (with the impact of the latter being particularly difficult to assess²⁸). The range of MFIs includes community-based and often NGO-sponsored entities to commercial small-scale money lenders; the latter is dominant in Botswana. Overall, the respective business models have both benefits and drawbacks in terms of effective service provision.

2.9 An often advocated strategy for ensuring financial inclusion is the promotion of micro-credit through microfinance institutions, based on the understanding that:

- (a) even if a policy of inclusive banking is adopted, the likelihood that the poor will be reached by the formal financial sector, including cooperatives, remains low;
- (b) the poorest will be deprived of credit or be dependent on informal sources at interest rates that limit them to borrowing for emergencies only and could lead to continuing financial difficulty;
- (c) access by households to micro-credit

may be crucial to ensure income-generating opportunities for a significant section of society, as wage employment in agriculture and small business cannot meet demand for such opportunities, especially in the rural areas; and

- (d) they permit the creation of self-help groups, and can be a potent means for social mobilisation and empowerment, especially among women.²⁹

2.10 Micro-credit is promoted as a complement to formal finance and substitute for commercial money lenders that are sometimes regarded as exploitative. In this respect, micro-credit programmes are mostly targeted at economic activities where participation by poor households is highest in order to provide credit without collateral, often on the basis of peer group guarantees, and sometimes credit is combined with other technical services. However, there are common pitfalls often encountered with this type of microfinance, including the following:

- (a) rates of interest may be high, thus undermining prospects for successful business lending and potentially adding to, rather than reducing, social problems arising from household indebtedness;
- (b) inability to reach, in a financially viable way, the poor;
- (c) donor dependence and unsustainable;
- (d) political interference; and
- (e) abuse and corruption.

2.11 The principal reason for high interest rates is to cover the high transaction costs (and information asymmetry problems) associated with micro-finance ventures. In particular, the cost of disbursing, managing and collecting

²⁷ Micro-credit refers to provision of credit services to poor clients. These are typically small loans, which can range from under USD100 in Asia to USD1 600 in Eastern Europe (Deutsche Bank Research).

²⁸ Feigenberg, B., Field, E., and Pande, R. (2010), "Building Social Capital Through Microfinance", NBER Working Paper No. 16018.

²⁹ United Nations (1996), "Urban Community-Based Savings-and-Credit Systems in Cambodia" and Chandrasekhar, C.P. (2007), "Financial Policies", National Development Strategies, Policy Notes, United Nations, Department for Economic and Social Affairs.

BOX 2.1: MICROFINANCE DEVELOPMENTS IN AFRICA

Microfinance institutions in Sub-Saharan Africa (SSA) are diverse and include non-governmental organisations, non-bank financial institutions, cooperatives, rural banks, savings and postal financial institutions and an increasing number of commercial banks. Overall, MFIs in SSA are dynamic and growing; they appear to serve the broad financial needs of their clients. As indicated by the number of clients, savings mobilisation has been the main focus of the majority of MFIs in SSA, which contrasts with trends in most other regions of the world where lending has been the predominant activity (as in Botswana's case).¹ It is also shown that income sources for MFIs in SSA are diverse and include interest on loans, fees for other financial services, commissions, penalties and investment income. In turn, major expenses include the cost of funds, loan default provisions and general operating expenses.

In general, MFIs in SSA tend to report low levels of profitability, due to the combination of lower average revenues and relatively high operating expenses. The weak (transport and telecommunications) infrastructure, low average population density combined with predominantly rural markets and relatively high administration costs all contribute to high operating expenses. The financial structure of MFIs in SSA varies depending on whether they are regulated, unregulated or are cooperatives. Unregulated MFIs are mostly dependent on equity or self-financing. The NGOs and unregulated MFIs often face challenges in attracting funding from banks and other potential investors because they have non-corporate ownership structures and unclear legal status. Moreover, they are often poorly leveraged because they are unable to mobilise savings.

While unregulated MFIs reach poorer clients, their operating volume is generally small, but with relatively higher costs. Cooperatives compare favourably for savings mobilisation, even though, on average, they do not lend as much as other types for MFIs. There is also some evidence that their operating costs are relatively low and, thus, have the potential to contribute to broadening of financial access, subject to appropriate controls and management.

¹ See An Overview of the Outreach and Financial Performance of Microfinance Institutions in Africa, 2005.

instalment payments on many tiny loans is significantly higher than for fewer large loans.³⁰ This also applies to the operations of commercial money lenders and explains, if only partially justifying, the high interest rates and other charges.

2.12 Furthermore, banking for the poor is a high-

risk activity, given the vulnerability and high failure rates of business ventures they undertake. However, community MFIs can provide the close supervision and support to borrowers and act as an effective instrument of bringing the poor into the cash economy where managerial and financial discipline can be obtained. Even then, providing such services and skills adds to the transaction costs that are likely to be covered by higher interest rates and/or subsidies.

³⁰ United Nations (2006), "Building Inclusive Financial Sectors for Development", Department of Economics and Social Affairs of the United Nations and United Nations Capital Development Fund, New York.

- 2.13 Given business potential, there are cases where commercial banks have absorbed microfinance institutions, which then operate as a specialised financing option within the banking entity. In this way, MFIs are graduated to become part of a larger banking sector and serve as formal delivery channels for micro-credit. Even if not formally absorbed by mainstream banks, some MFIs use bank funding to sustain their own lending activity. Overall, support by banks for MFIs contributes to improvement in risk-assessment, reporting systems and accountability.
- 2.14 Furthermore, efforts to improve micro-credit should occur alongside strengthening of the formal credit system, with a view to addressing the challenges of financial exclusion on a sustainable basis. Meanwhile, the continuing relevance and expansion of the microfinance sector requires development of policies and oversight mechanisms to support and oversee operations of small-scale non-bank financial intermediaries. For developing countries, the strategy focuses on promoting transformation and commercialisation of MFIs, facilitating operation of charity or non-profit MFIs, offering funding for MFIs and supervision of micro-lenders. In addition, some regulators encourage commercial banks to expand their operations to cover microfinance activities by establishing specialised divisions, subsidiaries or wholesale lending to MFIs.

Electronic Money Operations

- 2.15 Innovation in ICT enables the development of electronic money (e-money), which mostly involves financial transactions and money transfers and not so much financial intermediation (deposit taking and lending). It is monetary value stored on a computer-based device and directly accessible to the holder for the purpose of making payments without the need to use either cash or bank accounts.³¹ E-money also improves speed and

accessibility (geographical and demographic) of financial services. Although this concept is relatively new in Botswana, experience elsewhere has shown it to be a substitute for cash in making small value payments and could make retail transactions easier and cheaper for consumers and merchants. E-money operations can further overcome the geographical barrier that limits outreach for location-based service providers. However, e-money also raises a number of policy issues for central banks because of the possible implications for the effectiveness of monetary policy and the authenticity/credibility of the general payment systems.

Key Features of E-money Services

- 2.16 E-money schemes differ considerably in their features, which are still evolving;³² they can be classified under five broad areas of operability:
- (a) e-money products differ in technical and systems configurations, but typically involve a specialised computer hardware and software that facilitate prepayment and storage of monetary value that is accessed through an electronic card or cellphone;
 - (b) institutional arrangements also vary, but it is common to have four types of service providers involved in the operation of an e-money scheme, being the issuers of the e-money value, mobile network operators (MNOs), vendors of specialised hardware and software, and clearers of e-money transactions;
 - (c) products differ in terms of means of transferring value, with some e-money schemes accommodating transfers of electronic balances directly from one consumer to another without involving a third party, such as the issuer of the electronic value;

³¹ See also www.ecb.int/stats/money/aggregates/emon/html/index_en.html and European Central Bank Blue Book (2001).

³² Bernkopf, M. (1998), "Electronic Cash and Monetary Policy: Risk Management for Electronic Banking and Electronic Money Activities". Basle Committee on Banking Supervision.

- (d) transferability referring to the extent transactions are recorded, where most schemes register relevant details of transactions between consumers and merchants in a central database which could be accessed and monitored by e-authorized entities. Direct consumer-to-consumer transactions can only be recorded on the consumers' storage devices and monitored centrally only when the consumer contacts the e-money scheme operator; and
- (e) most e-money schemes involve storage of value denominated in national currency only. It is possible, however, for balances to be held and payments to be made in multiple currencies.

Implications for Monetary Policy

- 2.17 Monetary policy formulation is premised on understanding the behaviour and ability to influence monetary aggregates, in particular, currency in circulation and deposits. However, the development of electronic money is likely to affect the behaviour of monetary aggregates. For instance, the use of currency may diminish further, as has been the case with the introduction of the electronic access products such as credit and debit cards. Overall, while there might be a need to augment the definition of monetary aggregates to include electronic money-based balances, the effect of e-money developments on monetary policy formulation is marginal.

Efficient Functioning of Payment Systems and Confidence in Payment Instruments

- 2.18 Electronic money permits efficiency gains in the use of payments infrastructure, and its development should not endanger the smooth functioning of the payment systems. However, this advantage can only be realised if there are sufficient safeguards to ensure that electronic money is a reliable and acceptable product. In particular, float mismanagement, intrusion of counterfeit value, major technical failure and, ultimately, inability of an issuer

of electronic money to deliver could have a negative impact on the credibility of various electronic money products and even on other card-based payment products. In addition, the possible increase in the use of electronic money schemes may lead to banks reducing the capacity of their existing conventional payments systems. In such circumstances, the failure of major issuers could result in reduced confidence in electronic money schemes, at a time when it may no longer be possible to immediately revert to more traditional means of payment.

Protection of Customers and Merchants

- 2.19 E-money constitutes liability on the balance sheet of the issuer, arising from payment by the customer in exchange for card-based or cellphone-based value. As with bank deposits, prepayments made to the issuers of e-money are not left idle; but may be invested in order to generate returns, and the value of e-money could be jeopardised if the investment policy pursued by the issuer is not sufficiently sound. The risks for the issuer are more likely to be triggered by liquidity strains (if assets are liquidated with losses) than by credit risk.³³
- 2.20 Monetary authorities could be exposed to moral hazard problems if economic agents expect that support would be extended to issuers of electronic money for purposes of public confidence in the currency. It is important, therefore, that the involvement of the monetary authority is understood. For instance, unless adequately regulated, e-money issuers could engage in risky behaviour, especially if under pressure from shareholders for high returns. However, even in the context of rapid development, the value of e-money balances, compared to other monetary aggregates is likely to remain small. This said, for the individuals concerned, especially those with previously limited access to financial services,

³³ Where the issuance of electronic money is similar to deposit-taking, the application of a prudential supervisory framework to electronic money issuers could be justified.

the amounts involved could be significant. More generally, electronic money is designed for everyday use as an alternative to banknotes and coin and, if it were used more widely, it would join cash and sight deposits³⁴ as a major instrument for transaction purposes. In the circumstances, losses arising from the failure of an issuer could be disruptive, with negative consequences on the payments system and economic activity.

- 2.21 In countries that have permitted issuance of e-money by non-banks, regulators have typically addressed safety of prepaid value by requiring that issuers maintain liquid assets equivalent to the value of the customer funds collected (i.e., the total value of electronic value issued and outstanding, also known as the “e-float”). For example, liquidity requirements exist in Indonesia, Afghanistan, the Philippines, Cambodia, Malaysia and India. In Kenya, the major issuer, *Safaricom*, maintains liquidity by placing collected cash in prudentially regulated banks pursuant to a prior agreement with the Central Bank of Kenya.
- 2.22 Liquidity requirements are sometimes reinforced by restrictions on the use of customer funds by non-bank issuers by prohibiting issuers from using funds to finance operating expenses. In Malaysia, issuers are expressly prohibited from using such funds for any purpose other than cashing out against electronic value or executing funds transfers to third parties pursuant to the customer’s request. Other limitations on the use of customer funds are more indirect. The Philippines prohibits non-bank issuers from engaging in extension of credit, effectively ensuring that customer funds are not exposed to credit risk by an entity that is not subject to prudential regulation and supervision.

Mitigating Criminal Abuse

- 2.23 The risk of counterfeiting and fraud is small where e-money is handled in a similar manner

³⁴ Also known as demand deposit – funds in a bank account that may be withdrawn on demand by the customer.

to the processing of sight deposits by credit institutions. If the scheme is based on a book-entry principle, where each loading and, in the end, each payment operation, triggers a debit or credit position in the account of the issuer(s), criminal attacks can be detected at an early stage and counter-measures taken. In contrast, if electronic money units are transferable between customers without these transactions being subsequently recorded by the issuer or a clearing house, the systems may entail a higher degree of operational risk since it is not possible to have a complete audit trail of transactions at all times. Moreover, the sources and exact quantity of any counterfeit electronic money (i.e., value that has been falsely created through systems error or security deficiencies) may not be known. Even those schemes which do not permit customer-to-customer transactions may truncate or amalgamate transferred data to the issuer or clearing system, which would result in an incomplete audit trail.

- 2.24 However, there are instances where customers lose money through unauthorised transactions, even where there are records, as it is not always easy to trace the source, especially if it involves card cloning. Another area of criminal abuse associated with electronic money schemes relates to money laundering and tax evasion. Should electronic money schemes offer the possibility of executing anonymous transfer of large sums of money, they could be used for criminal purposes. In fact, it is possible that market forces alone could foster the development of schemes with features that are more “attractive” for money laundering purposes, such as anonymity of transactions, the possibility of making customer-to-customer transactions, and difficulty of tracing individual transactions.

International Developments and Country Experiences

- 2.25 Available data show that the use of banking services by households varies greatly across regions and is determined by the level of

economic development.³⁵ Table 2.1 shows households, by country, with access to a bank or some kind of financial service. Although varying widely, access rates for formal financial services globally average only 26 percent of households, falling to less than 10 percent for the least financially served economy. In contrast, formal access to finance in developed economies is near universal, often exceeding 90 percent. The relative importance in developing countries of informal financial services is also readily apparent.

2.26 It is not always easy to distinguish between a situation where there is demand for financial services but no access, and where there is lack of demand. Table 2.2 shows a comparison between the United States of America and Latin American countries where there are some similarities. Demand limitations largely explain the reasons many people do not want to use a bank; safety and mistrust are also major considerations.

Country Experiences

2.27 The following is a brief review of experiences relating to MFIs and e-money of three countries: Kenya, South Africa and Brazil.

Microfinance

2.28 In Kenya, microfinance has played a central role in the evolution of financial services, in response to limitations of traditional forms of banking. Thus, MFIs are an important source of credit for a large section of low-income households and SMEs. Four of Kenya's major commercial banks have roots in microfinance; two as building societies, one as an NGO, and another as a cooperative society. These commercial banks, along with a wide variety of registered microfinance institutions, savings and credit cooperatives, and NGOs, make up Kenya's microfinance industry. The Central Bank of Kenya reports that, as of December 2008, the 36 retail MFIs (excluding commercial banks) registered with

TABLE 2.1: SHARE OF HOUSEHOLDS (PERCENT) WITH ACCESS TO A BANK OR USING FINANCIAL SERVICES

Country	Source	Date of Survey	Number of Households surveyed	That saved money in past 12 months	Used formal FI to Save	Used informal institutions to save	Borrowed money in past	Borrowed from formal FI	Borrowed from informal FI
Armenia	LSMS	1996	4920	17.1	8.9	0.2	–	–	4.5
Botswana	Finscope	2003	530	–	47.0	25.7	–	11.7	29.1
Brazil	Estimate	2002	2000	–	42.7	45.5	–	–	–
China	LSMS	1995	787	82.5	41.9	13.3	28.1	5.2	24.7
Ghana	LSMS	1998	5998	12.0	–	–	39.1	3.3	32.0
India	AIDIS	1991	57031	–	–	–	26.9	11.8	19.0
Kenya	Estimate	–	–	–	10.0	–	–	–	–
Lesotho	Finscope	2003	534	–	17.0	11.0	–	–	6.0
Morocco	LSMS	1990	3323	15.5	–	–	22.0	3.6	19.3
Namibia	Finscope	2003	810	–	28.4	0.9	–	5.3	15.2
S/Africa	LSMS	1993	9000	–	–	–	44.8	4.9	42.6
Swaziland	Finscope	2003	604	–	35.3	19.5	–	4.1	16.1

Note: FI – Financial Institutions

AIDIS – All India Debt and Investment Survey

Source: Living Standard Measurement Study (LSMS); Claessens, S. (2006)

35 It should be noted, however, that data are not easily comparable as the quality varies considerably across countries.

TABLE 2.2: REASONS THE UNBANKED DO NOT USE BANKS: A COMPARISON OF FIVE COUNTRIES (PERCENT OF TOTAL)

	United States	Mexico	Colombia	Brazil	India
<i>Demand Limitations</i>					
No need, no savings					
No awareness	53	7	16	–	75
Supply limitations	–	70	–	–	18
<i>Perceptions of Service</i>					
Safety, mistrust	45	–	78	42	–
Lack of documentation	18	16	3	25	–
Privacy	10	3	–	–	–
Inconvenience	22	2	–	–	–
Other reasons	10	2	–	–	–
	–	–	3	33	–

Source: Kumar and others, 2004

the Association of Microfinance Institutions (AMFI) had 1.44 million active deposit accounts/clients at 825 branch offices.

2.29 However, MFIs in Kenya have operated for a long time without an appropriate policy and legal framework. A framework is now being developed through the proposed *Deposit Taking Micro Finance Bill*. In addition, fully-fledged microfinance units have been established in the Ministry of Finance and the Central Bank of Kenya.

2.30 In the case of South Africa, regulation of MFIs is considerably more advanced under the Micro Finance Regulatory Council (MFRC) that was established in 1999. The Act was passed to monitor micro lending activity and to register micro lenders wishing to be exempted from the Usury Act.³⁶ In time, the MFRC mandate was widened to include alleviating deficiencies in financial sector development, in particular to address exclusion of lower-income earners from the banking sector and formal credit options.

2.31 Brazil has taken steps to encourage the

³⁶ An early step, as the apartheid government was nearing its end, was to create the Usury Act Exemption of 1992 with the aim of spurring growth in lending to small, micro and medium sized enterprises (SMMEs). As such, micro lenders offering small loans up to a maximum of R10 000 and for up to 36 months with unregulated interest rates were exempt from the Usury Act.

development of microfinance and broaden access for the country's population to basic banking services. There is legislation permitting the establishment of specialised microfinance entities and companies to undertake lending under the supervision of the central bank. The Government also funds these newly established MFIs at subsidised interest rates. In addition, the legislation was enacted allowing banks to outsource key functions through banking correspondents and challenged the banking sector to establish transactions capacity through point of service facilities located in major stores, post offices and other networks. This development accomplished two objectives: it reduced transaction costs for financial institutions and clients, and enabled the development of a comprehensive national database of client repayment history. The database, in turn, can be put into scoring models that support credit decision-making for personal consumer type loans (even for informal sector workers).

E-money

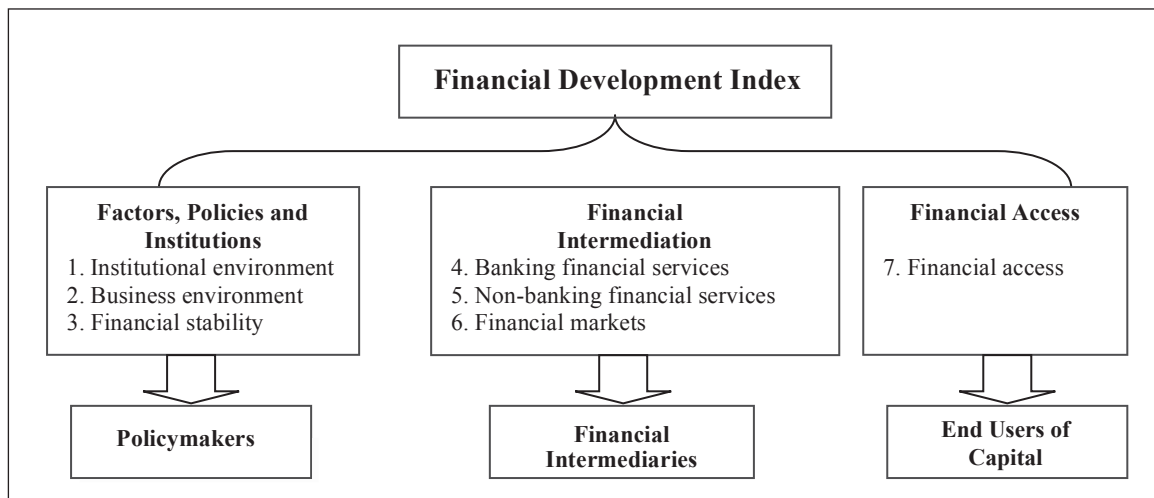
2.32 Kenya is the best known example of an African country where e-money products are extensively used. In addition to traditional forms of microfinance, mobile banking has rapidly expanded access to financial services in Kenya since *Safaricom*, the Kenyan affiliate of global mobile telecommunications provider

Vodafone, launched *M-PESA* service in March 2007. *M-PESA* allows customers to access an electronic payment and store of value system through their mobile phones, and offers cash deposit and withdrawal facilities at 16900 *Safaricom* outlets throughout Kenya, nearly half of which are located outside urban centres. After achieving extraordinary growth since its inception, *M-PESA* had 9 million customers by January 2010, accounting for approximately 40 percent of Kenya's adult population, with a majority being active users of the system. In May 2010, *Safaricom* and *Equity Bank* announced a partnership to allow *M-PESA* customers to open a new *Equity Bank* "M-KESHO" savings account, which they will be able to access through mobile phones.

- 2.33 In contrast, the development of e-money products in South Africa remains mainly card-based. The *Mzansi* account was launched in October 2004 as a collective effort by major South African banks, under a Financial Sector Charter that commits banks to improve financial access. It is principally a savings scheme, but it incorporates transactions options and serves as an example of potential growth at the lower income end of service provision. In future, the Government of South Africa plans to issue a multi-application national identity smartcard. It is envisaged that the smartcard will, among others, incorporate facilities for payment of state pensions and grant beneficiaries. The security features include a digitised version of the cardholder's fingerprints. It is expected that this would ease payments constraints for the country's 10 to 15 million unbanked people. The South African Post Office also plans a similar multi-use card linked to the operation of Post Bank accounts and enabling beneficiaries of state payments to access funds from other banks.
- 2.34 In Brazil, the development of card-based e-money schemes started in 1996 with Visa Cash, which is an electronic purse, loaded using terminals at banks and, more recently, via the internet, ATMs or special loading devices.
- Visa Cash products offer features such as the possibility for each issuer to set a different load ceiling. However, the use of e-money is not yet widespread in Brazil; e-money is mainly for small-value transactions.
- 2.35 Overall, it can be concluded that many developing countries have recognised the importance of financial sector development and financial inclusion as a driver of economic growth. As such, emphasis has been placed on extending financial services to low-income households, more especially in the peripheral areas. There is as well some evidence that access is improving and supervisory frameworks and regulations are being formulated to support financial inclusion without compromising the well-being of the financial sector.
- 2.36 However, financial sector developments need to be viewed more broadly in order to identify and address weaknesses across the broad dimensions of financial systems. This includes the need to provide long-term financing for infrastructure development, improve bond markets (in developing countries) so that they are a consistent and stable source of capital for all segments of the economy, and further improve retail financial access as an enabler of consumer demand.
- 2.37 The other important observation is that microfinance is considered to have potential to contribute to poverty alleviation, given that conventional financial institutions seldom serve the needs of low-income households. This can be attributed to the discrepancy between the mode of operation followed by financial institutions and the economic characteristics and financing needs of low-income households. For example, commercial lending institutions require that borrowers have a stable source of income out of which principal and interest can be paid according to agreed terms and conditions. However, the income of many self-employed individuals is unlikely to be stable, regardless of size. To the extent that microfinance institutions become financially viable, self-sustaining, and integral to the communities in which they operate, they

BOX 2.2: COMPOSITION OF FINANCIAL DEVELOPMENT INDEX

Financial development can be conceptualised as a set of factors that together contribute to the degree of depth and efficiency of providing financial services; thus, seven pillars grouped into three broad categories as indicated in Figure 2.2 below.

FIGURE 2.1: COMPOSITION OF THE FINANCIAL DEVELOPMENT INDEX

Source: *The Financial Development Report 2010*

(a) Factors, Policies and Institutions

The institutional environment encompasses the laws and regulations that allow the development of deep and efficient financial markets, intermediaries, and services, as well as the macro-prudential oversight of financial systems. This includes the broad legislation, regulations and supervisory framework for the financial sector, as well as the quality of contract enforcement and corporate governance. The business environment focuses on the conditions under which industry operates, including availability and quality of the financial sector workforce, hence capability to provide efficient financial services; the state of physical capital and infrastructure such as property rights, judiciary, accounting and auditing frameworks; and costs of the financial intermediation and tax policy. Financial stability addresses the resilience of the financial system. Instability can lead to significant losses to investors and this can result in systemic banking and corporate crises, payments disruptions and sovereign debt problems. The severe negative impact of financial instability on economic growth can be profoundly seen in the recent global financial crisis.

(b) Financial Intermediaries and Markets

The level of financial sector sophistication is indicated by range, depth and quality of financial intermediaries and markets. Banks play a vital role in supporting economic growth by improving access to financial information, as well as lowering of transaction costs and allocating credit more efficiently. The non-bank financial intermediaries, such as investment companies, unit trusts, brokers, asset managers and insurance companies, complement and compete with banks. In particular, non-bank financial intermediaries, are more inclined to participate in the securities market, and in the mobilisation and allocation of financial resources of a longer-term nature. On the other hand, competition between banks and non-banks can help raise overall efficiency and reach of financial intermediation. As another layer of intermediation, financial markets include the bond market, stock market, foreign exchange markets and derivatives market.

(c) Financial Access

Financial access refers to the availability of financial services at a level of quality and cost (both pecuniary and non-pecuniary) defined relative to some objective standard and this is distinguished from the use of financial services, which refers to the actual consumption of financial services. However, the analytical questions on access and use indicate the difficulty of defining access. Documenting access faces the further challenge of limited data on the degree of use of financial services. Although there is much data on financial sector development, there is very limited data on use of financial services, for both households and firms, across countries.¹

Source: The Financial Development Report 2010

¹ Honohan, P. (2005), "Measuring Microfinance Access: Building on Existing Cross-Country Data". Policy Research Working Paper 3606, World Bank, Washington D.C.

have the potential to attract more resources and expand services to clients.

- 2.38 The use of mobile telephone and innovative technology is forcing regulators to re-evaluate their rules for financial service provision. Non-banks may be well placed to expand the reach and range of financial services for the poor and unbanked. The challenge is to develop policies and regulations that would mitigate the risks to customer funds, without stifling dynamism, creativity and potential. This is evident from the South African experience where government initiated programmes enhance the use of electronic money.

3. BOTSWANA'S FINANCIAL SECTOR

- 3.1 Financial sector development continues to receive attention as an important element of the agenda for promoting economic growth and diversification. A developed financial market offers a wider variety of financial services that can, in turn, be deployed in support of a similarly varied range of economic activities, thus raising the long-run trajectory of growth for the economy as a whole.

The Financial Sector Development Strategy

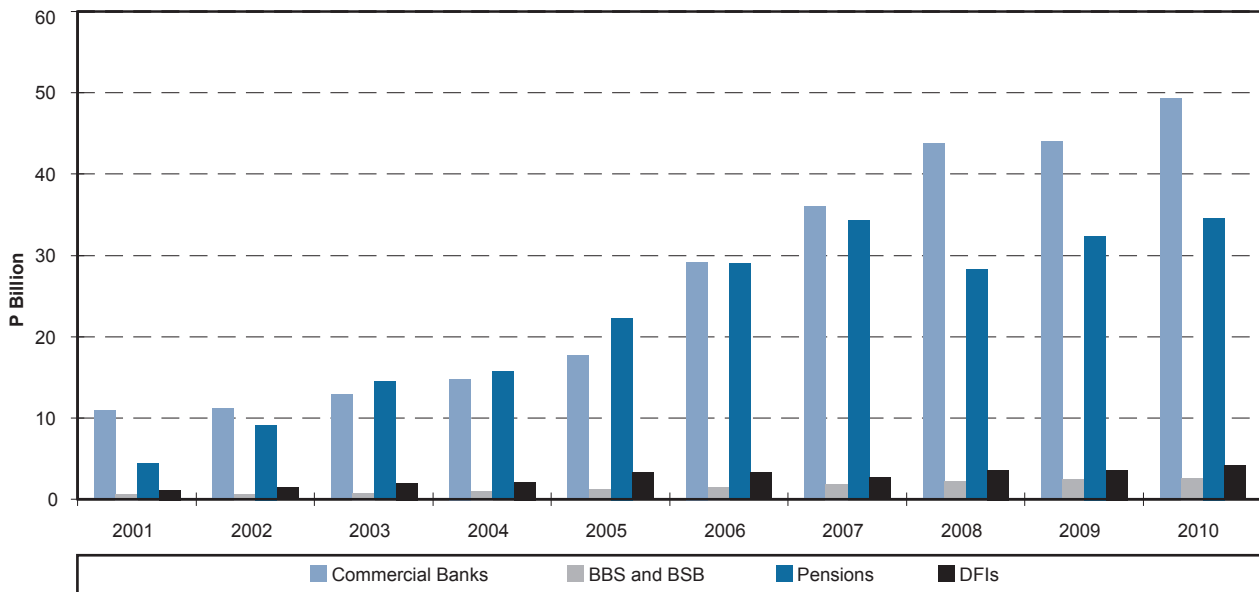
- 3.2 The financial system in Botswana has diversified and grown in the last two decades with increasing support to other sectors of the economy. Pension funds, insurance companies and commercial banks are dominant in terms

of asset size, with more rapid growth in the last decade (Chart 2.1). Nonetheless, while various monetary ratios suggest that Botswana can be classified as having a reasonably mature financial system, there is scope for improvement. For example, the trend in the ratio of broad money to GDP (Chart 2.2) is indicative of financial deepening, but this, at around 40 percent, remains generally low by international standards.³⁷

- 3.3 While effective in providing basic services, the financial sector has limited coverage of the population and with a relatively low rate of intermediation, manifested by endemic excess liquidity. To some degree, the restricted deployment of financial resources reflects a constraint of absorptive capacity. However, extensive government funding of infrastructure, including support for parastatals and the activities of various DFIs in conventional financing, suggests that there is significant scope for the private financial sector to raise intermediation levels. The term structure of the commercial banks' liabilities, which is dominated by short-term deposits, is also a factor, influencing the bias towards short-term lending.
- 3.4 The financial sector development strategy, therefore, encompasses initiatives to effectively harness excess liquidity in the

³⁷ This compares with ratios of roughly 61 percent, 104 percent and 190 percent for South Africa, the euro area and China, respectively.

CHART 2.1: TOTAL ASSETS BY INSTITUTION 2001 – 2010



Source: Bank of Botswana

system, including widening financial access and enhancing funding across sectors and maturity spectrum. In addition, there is

recognition that small- and medium-scale enterprises and the rural population are often excluded from financial services provision.

BOX 2.3 : FINANCIAL SECTOR STRATEGY IN VARIOUS NATIONAL DEVELOPMENT PLANS

NDP 6 (1985/86 – 1990/91) NDP 6 was the first to include a separate chapter on the financial sector. This advocated improving the performance of banking sector operations, particularly with respect to access to credit facilities in support of development activities. At the time, the Government played a role of a major financial intermediary by making loans through the PDSF to parastatals and local authorities.

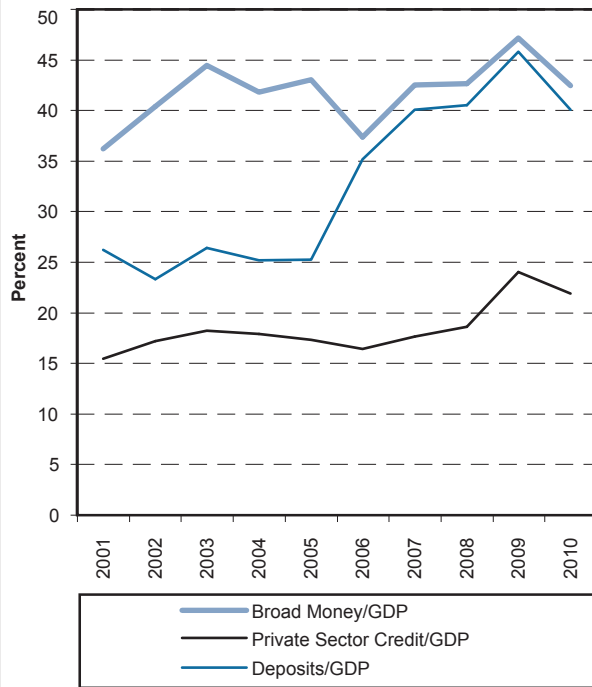
NDP 7 (1991/92 – 1996/97) This plan coincided with the recommendations of *Financial Policies for Diversified Growth*, prepared in collaboration with the World Bank. Its main aims were stimulation of greater competition between commercial banks, improved operating procedures for DFIs, promotion of domestic money and capital markets, revision of the Government’s financial management and development promotion roles in a way that would broaden the scope for anti-inflationary monetary and credit policies within a market-oriented environment.

NDP 8 (1997/98 – 2002/03) It focused on increased financial openness and greater integration of the domestic and international economies. Furthermore, the strategy sought to encourage a greater diversity of financial instruments and institutions.

NDP 9 (2003/04 – 2008/09) Emphasised the importance of continued stability and adaptability of the financial sector. The following areas of financial sector development were stressed: regulation and supervision of the financial system, development of financial markets, consumer protection, and improvement in payments and settlement mechanisms.

NDP 10 (2009/10 – 2015/16) The plan addressed enhancing access to finance by households and businesses, including small and medium scale enterprises, and the rural population, promotion of financial innovation, sustaining capital market development, continuing improvements in the payment and settlement process to enhance efficiency and cost effectiveness of remittances, continuing review of relevant legislation and the supervisory infrastructure to align it with domestic and global development and reducing opportunities for fraud and money laundering.

CHART 2.2: MEASURES OF FINANCIAL DEEPENING 2001 – 2010



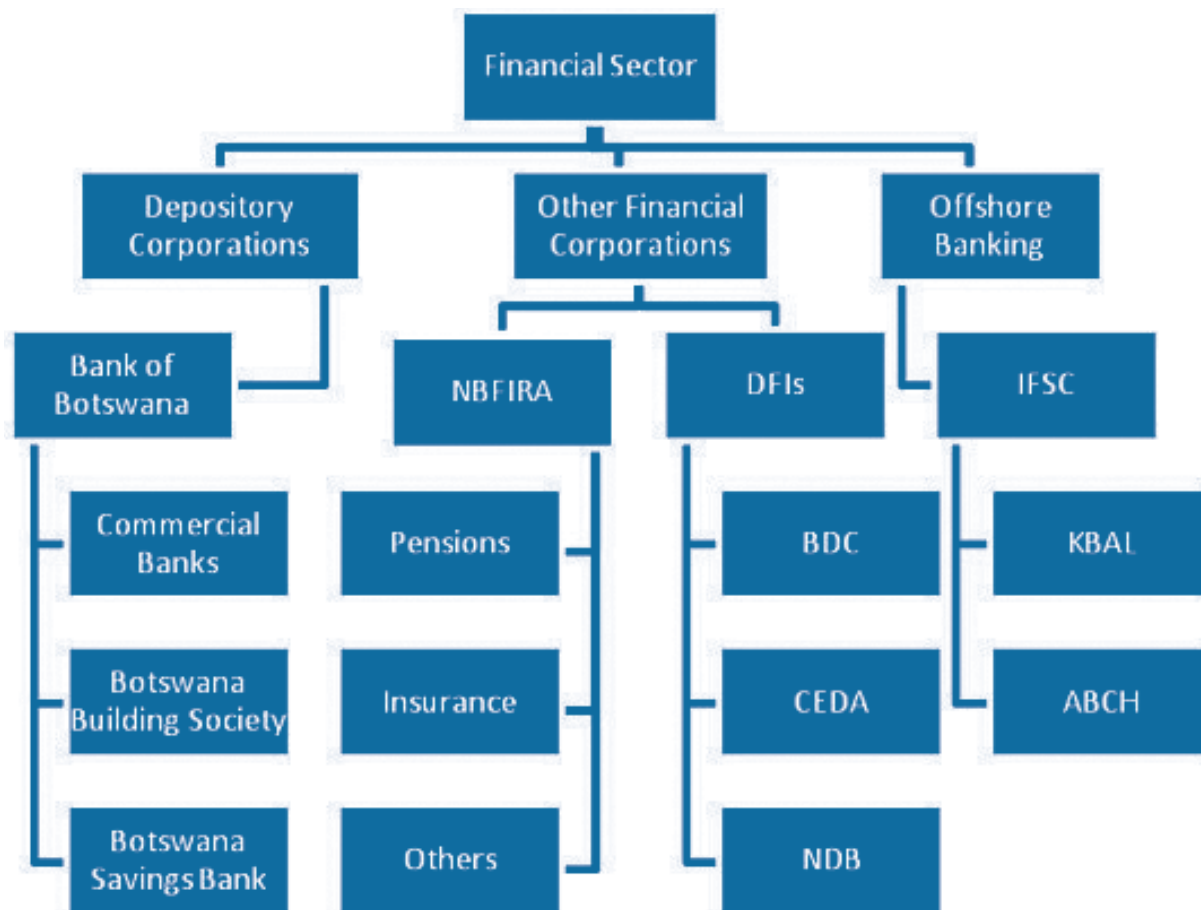
Source: Bank of Botswana

As such, financial sector development is an integral part of the overall strategy of economic diversification in Botswana. In this regard, the tenth National Development Plan builds on previous strategies (Box 2.3) and envisages the development of the financial sector guided, among others, by the following principles:

- (a) a financial services and access policy that encourages economic and social inclusion;
- (b) addresses the cost and quality of services; and
- (c) improves financial and economic literacy.

3.5 Thus, there is emphasis on reducing barriers to accessing formal banking and financial services (commonly identified as physical access, eligibility and affordability). These efforts are also in the context of appropriate regulatory structures that promote variety, innovation

FIGURE 2.2: INSTITUTIONAL STRUCTURE: BOTSWANA FINANCIAL SECTOR



Source: Bank of Botswana

Box 2.4: EVOLUTION OF THE FINANCIAL SECTOR IN BOTSWANA**Year Activity in the Banking/Financial Sector**

- 1897 Standard Chartered Bank (then the Standard Bank of South Africa) opens an office to become the first bank to operate in Botswana (Bechuanaland Protectorate).
- 1911 Post Office Savings Bank (subsidiary of South Africa Post Office Bank) established.
- 1950s Barclays Bank (1950) and Standard Chartered Bank (1956) establish full time presence in Botswana.
- 1964 National Development Bank started operations.
- 1970 Botswana Building Society and Botswana Development Corporation commenced operations.
- 1973 Public Debt Service Fund and Revenue Stabilisation Fund lending to parastatals and local authorities established.
- 1974 Botswana Cooperative Bank (BCB) established.
- 1975 Bank of Botswana (the central bank) and Botswana Insurance Fund Management established.
- 1982 Bank of Credit and Commerce Botswana established.
- 1984 Tswelelo (Pty) Ltd established.
- 1989 Botswana Share Market (subsequently the Botswana Stock Exchange) established.
Financial Policies for Diversified Growth document was completed and provided the basis for extensive policy reform from 1989 onwards.
- 1990 Ulc commences operations, providing financial leasing services.
- 1991 First National Bank Botswana (FNBB) was established, subsequently taking over the Botswana operations of the Bank of Credit and Commerce (Botswana), a subsidiary of the Bank of Credit and Commerce International.
Bank of Botswana Certificates (BoBCs) introduced, signifying a major change to monetary policy implementation through market forces rather than direct controls.
- 1992 Standard Bank South Africa acquires the African business of ANZ Grindlays, merging its Botswana operations as Union Bank, Standard's subsidiary. The new entity was renamed Stanbic Bank Botswana.
Botswana Savings Bank established.
- 1993 National Development Bank restructured. The restructuring included writing off of bad debts, recapitalisation through Government equity injection, staff rationalisation and revision in lending policies.
Financial Services Company, a leasing finance institution owned by BDC and NDB, sold to FNBB.
Zimbank (Botswana), a commercial bank, taken over by FNBB.
- 1994 Establishment of the Botswana Stock Exchange (BSE); Botswana Life Insurance also established.
- 1995 Botswana Cooperative Bank was put under provisional liquidation and was subsequently liquidated.
- 1997 Regent Life Botswana commences operations.
- 1998 Metropolitan Life and Investec Securities Botswana commence operations.
Micro Credit Scheme (operated by NDB) introduced.
- 1999 The first merchant bank, Investec Botswana (Pty) Limited (Investec), licensed.
- 2000 African Banking Corporation (Pty) Limited (ABC), which had taken over ulc (Pty) Limited, converting it from a leasing company, started operations as a second merchant bank.
Capital Securities started operations.
Bank of Baroda started operations.
- 2001 International Financial Services Centre (IFSC) commences operations as a division of BDC.
CEDA established.
- 2002 IFSC established as a corporate entity.
- 2003 Investec acquired by Stanbic Bank, with the two operations subsequently merging.
- 2005 Bank Gaborone started operations.
- 2006 NBFIRA Act passed by Parliament.
- 2007 Capital Bank started operations.
- 2008 NBFIRA commences operations.
- 2009 ABN AMRO started operations.

Source: Bank of Botswana

and competition, while ensuring conformity to prudent operational standards and addressing consumer protection issues. Regulatory functions are performed by the Bank of Botswana and the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), while the Botswana Stock Exchange (BSE) also plays a role in regulating securities trading.

The Structure of Botswana's Financial Sector

- 3.6 Botswana's financial sector has evolved over the years, and featured new entrants, mergers and acquisitions, and orderly exits (Box 2.4). In addition to institutional movements, there has been a progressive widening of services, coverage and innovation, in the context of the financial sector development strategy and regulatory oversight, as well as global developments with respect to banking business models and ICT. Figure 2.2 summarises the broad structure of the Botswana financial sector as at December 2011.
- 3.7 Botswana's financial sector features three broad categories: depository corporations (i.e., commercial banks and other deposit taking institutions), other financial corporations (OFCs), as well as the offshore banking sector operating under the IFSC. OFCs, which are supervised by NBFIRA, include insurance companies, pension funds and other institutions such as the Botswana Stock Exchange and stockbroking firms, asset managers, MFIs (both NGO-backed and money lenders) and Collective Investment Undertakings (CIUs). In addition, there are three statutory development finance institutions, as well as the Motor Vehicle Accident Fund. The depository corporations segment of the financial sector (excluding Bank of Botswana) is historically dominated by commercial banks, which on average held 98 percent of total deposits and 92 percent of total advances from 2001 to 2010.
- 3.8 Depository corporations typically rely on a large and diversified customer base to pool savings, which are used to fund loans, thus supporting the varying requirements of both depositors and borrowers. Services provided by commercial banks include the following:
- (a) facilities for demand deposits and savings;
 - (b) issuance of cheque books and debit and credit cards to facilitate payments;
 - (c) provision of loans (personal, commercial and mortgage, as well as overdraft facilities and credit cards);
 - (d) access to an increasing range of services through ATMs;
 - (e) provision of electronic funds transfer (EFTs) between banks;
 - (f) facilitation of standing orders and direct debits; and
 - (g) automated payment of utility bills and other linked service providers.
- 3.9 As highlighted in Section 2, banks' efforts to improve service delivery and increase market share encompass greater use of electronic banking platforms and designated products for SMMEs. The latter represents a notable advance from a situation where banks mainly served larger businesses and individuals employed in the formal sector, and is partly a response to competition, as well as a desire to protect market share. For some banks, it is planned that lending to SMMEs will overtake credit for corporate businesses in the medium term. The quality of credit assessment will also be enhanced by information from the new credit bureau initiated by the Bankers Association of Botswana.
- 3.10 The commercial banks' branch and ATM networks have been increasing, while cell phone banking is also being used to increase outreach to urban villages and rural areas. It will be important, however, to evaluate the costs and benefits that accrue from use of technology such as cellular phones for banking services.
- Statutory Banks*
- 3.11 Botswana Building Society (BBS) and

Botswana Savings Bank (BSB), the two statutory banks, are depository corporations.³⁸ Alongside other DFIs, these were established by the Government to fill perceived gaps in the provision of financial services; in this case, to promote savings mobilisation and access to credit for the riskier market segment and partly for social reasons. In general, these banks also tend to have multiple objectives, including profitability, while, at the same time, providing services in areas that are less profitable, such as for rural communities and low income earners. BBS provides mortgage loans, mostly to middle- and upper-income households. However, over the years, commercial banks have increased mortgage lending so that, while it remains the largest single mortgage lender, the role of BBS as a catalyst for property development has diminished.

3.12 Botswana Savings Bank (BSB) mobilises savings and provides banking services to small savers through a strategic alliance with the postal

Development Finance Institutions

3.13 DFIs have a specific mandate to promote key investments in areas that are considered critical for economic development. In particular, DFIs are intended to fill the gap in funding long-term projects, as well as riskier funding to agriculture and small-scale enterprises. DFIs in Botswana currently comprise the Botswana Development Corporation (BDC), National Development Bank (NDB) and Citizen Entrepreneurial Development Agency (CEDA). To complement these, there is also a range of financial assistance programmes offered by government. However, while it is acknowledged that DFIs can play a crucial role in development, it is important that financial assistance is sustainable in the sense of helping create economic value, durable job creation and diversification of the economy.

3.14 The activities of DFIs can improve access to finance, with important areas of economic activity and entrepreneurship supported by these institutions. However, the combined size

TABLE 2.3: DFIs AND COMMERCIAL BANKS – LOANS AND PROVISIONS FOR IMPAIRMENT

Year	NDB		BDC		CEDA		Commercial Banks	
	Loans P million	Provisions P million (percent)	Loans and other investments P million	Provisions P million (percent)	Loans P million	Provisions P million (percent)	Business loans P million	Provisions P million (percent)
2001	291.2	20.1 (6.9)	569.2	40.5 (7.1)	...	...	2 033.4	27.6 (1.4)
2005	478.3	16.3 (3.4)	1 142.1	70.2 (6.1)	391.1	162.4 (41.5)	3 449.4	57.1 (1.6)
2008	870.2	31.6 (3.6)	1 683.1	21.2 (1.3)	461.9	88.4 (19.1)	7 247.6	156.6 (2.2)
2010	904.2	29.4 (3.2)	1 429.9	12.6 (0.9)	625.8	154.5 (24.7)	8 867.7	111.1 (1.2)

Source: Botswana Financial Statistics, NDB, BDC and CEDA annual reports

service, and also facilitates money transfers and remittances to communities not served by commercial banks. This use of the widespread post office network³⁹ means that BSB has been able to expand its operations without the need for costly infrastructure development.

38 The Government has divested its stake in BBS.

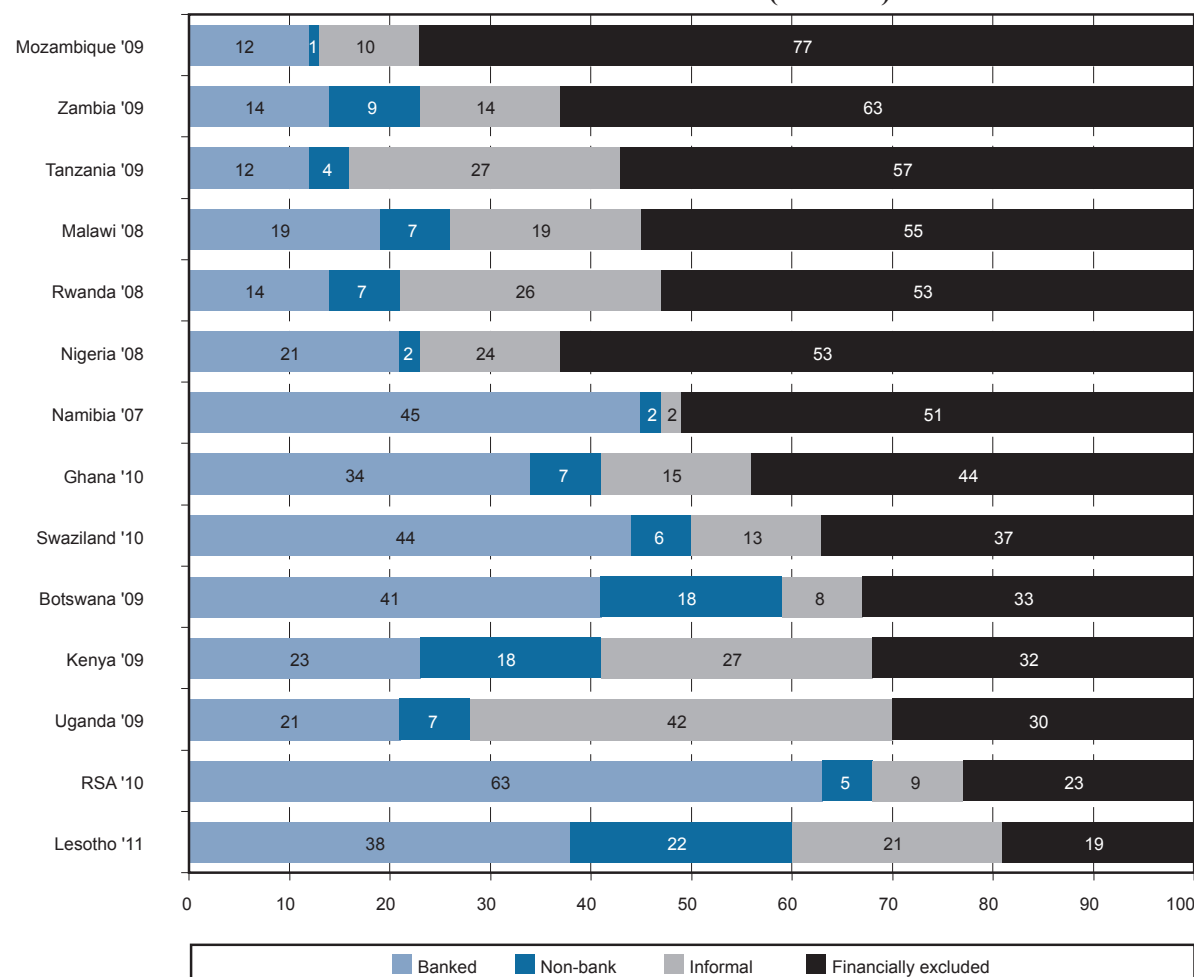
39 In 2011 there were 121 post offices offering banking services on behalf of BSB.

of funding by these entities remains relatively small at 33.4 percent of commercial bank lending to businesses. DFIs' loan performance is significantly less favourable compared to commercial banks (Table 2.3). To some extent this reflects the inherently riskier nature of their operations, but it may also reflect negatively on aspects of performance of DFIs. As such, there is uncertainty with respect to the durability of the contribution to economic development through the investments they

have supported. In turn, this would indicate that there continue to be aspects of loan evaluation and monitoring that could be improved with a view to reducing levels of non-performing assets and limiting costly project failures.

they have challenges in relation to governance, management and controls, making them vulnerable to fraud, particularly given weak regulatory oversight. In general, SACCOs could have a role in broadening financial

CHART 2.3: FINANCIAL ACCESS IN SELECTED AFRICAN COUNTRIES (PERCENT)



Source: Finscope Surveys

Cooperative Societies

3.15 The financing landscape also includes savings and credit cooperatives (SACCOs) and micro lenders, which are, however, at a lower scale and largely informal. SACCOs engage in deposit-taking and credit extension among their members and are more common among employees of larger organisations and communal acquaintances/networks. However, the overall scale of their operation relative to the banking sector remains very small,⁴⁰ and

access, given adequate attention to safety and soundness of the member-based arrangements. Nevertheless, there is growing competition from formal financial institutions, including commercial banks as they extend their reach to lower income earners and communities and facilitate transactions through mobile phones and other ICT products.

Measures of Financial Access and Performance

3.16 Access to financial services could be separated into access by households and access by

⁴⁰ In 2010/11, the 42 SACCOs held deposits of P120 million, which is equivalent to 0.3 percent of deposits at commercial banks.

businesses or firms. The main studies on access to finance by households in Botswana have been undertaken by the FinMark Trust in 2004 and 2009 (Finscope, 2004 and 2009). When compared to other African countries where comparable studies have also been conducted (Chart 2.3), Botswana performs reasonably well with a financial exclusion rate of 33 percent for the adult population. The best performer by this measure is Lesotho with financial exclusion of only 19 percent,⁴¹ while the worst is Mozambique (77 percent). Moreover, in terms of access to formal financial services, Botswana (with 59 percent access) is only outperformed by South Africa (68 percent). However, to some extent, high levels of formal access reflect more extensive use of non-banking formal products (18 percent). Botswana's banked population (41 percent) is lower than that of Swaziland (44 percent) and Namibia (45 percent); South Africa has the highest banked population at 63 percent.

- 3.17 Between 2004 and 2009, the overall rate of exclusion in Botswana fell from 46 percent to 33 percent mainly due to greater service provision through formal non-bank financial institutions. Major determinants of access to financial services include educational level, employment status, age and location. Being unemployed was the main reason for not having a bank account, with the other significant reasons being lack of regular income and no money to save.
- 3.18 The most recent study on access to finance for SMEs was conducted by the FinMark Trust and the Enterprise Banking Group in 2006. This study found that 85 percent of SMEs were banked. In this case, the regulatory environment and poor entrepreneurial culture were found to be the main factors inhibiting SMEs from reaching their potential. Three quarters of the surveyed entrepreneurs started

⁴¹ It is worth noting that the very high levels of financial access in Lesotho are significantly influenced by the widespread use of funeral insurance (both formal and informal). If this is excluded, the level of access falls from 81 percent to 66 percent.

their businesses using own resources, 13 percent accessed funding from commercial banks and 9 percent used CEDA. Lack of finance has also been identified as the biggest constraint to business development in earlier studies. However, a contrasting view was taken in the 1998 report by the SMME Task Force, which concluded that weak entrepreneurial skills, rather than lack of finance, is the fundamental constraint to SMME development. In this respect, the Task Force also indicated that, similar to small business owners elsewhere in the world, there was a perception that lack of finance is the main constraint, when, in fact, lack of entrepreneurial skill is the key obstacle.

- 3.19 The concern of the business community with respect to inadequate access to finance in Botswana is well-documented, while related challenges include ignorance with respect to sources of finance, inadequate risk capital, lack of collateral and complex lending procedures.⁴² It is notable, however, that these factors are highlighted even in the context of Government efforts to enhance access to finance for businesses, including through DFIs and direct financial assistance.

Access to Commercial Banking Services

- 3.20 While Botswana fares better in access to finance measures compared to other countries in the region, access to banking services still varies widely across segments of the population, such that those without employment and regular income, the poorer sections of the community and rural areas lag behind. As at end of 2011, commercial banks operated 96 branches and 357 ATMs country-wide. This compares favourably to 2006, when branches and ATMs numbered 66 and 222, respectively. The non-bank depository corporations also make a significant contribution in extending financial access, more than doubling the total number of branches, principally through the

⁴² Annual Economic Report (1999), Ministry of Finance and Development Planning.

TABLE 2.4: SELECTED MEASURES OF FINANCIAL ACCESS

	2005	2006	2007	2008	2009	2010
<i>Geographic outreach</i>						
Other Financial Institutions Assets/GDP	42.6	44.2	45.1	30.8	39.5	34.3
Commercial Bank Branches per 100 000 adults	6.3	6.7	7.7	8.6	8.6	9.2
ODC Branches per 100 000 adults	17.2	17.3	18.1	18.8	18.8	19.5
Commercial Bank Branches per 1000 Km sq.	0.13	0.14	0.17	0.19	0.20	0.21
ATMs per 100 000 adults	16.0	19.0	32.0	29.1	27.8	30.1
<i>Usage</i>						
Depositors with Commercial Banks per 1000 adults	345.1	339.9	381.7	428.8	495.8	507.0
Depositors with ODCs per 1000 adults	720.5	737.3	666.3	710.5	702.5	641.2
Borrowers from Commercial Banks per 1000 adults	147.9	157.0	181.1	219.5	238.3	186.7
Borrowers from ODCs per 1000 adults	161.3	170.1	196.3	236.3	254.9	200.3

Source: Bank of Botswana and IMF – Financial Access Survey

post office network, that extends into the rural areas. This has the most noticeable impact on depositors increasing the total by 26 percent in 2010 (Table 2.4).

- 3.21 Notwithstanding investment in alternative delivery channels by commercial banks facilitated by ICT, a significant number of rural dwellers and other economically disadvantaged people are still left out.⁴³ Banking services are concentrated in high population density areas, with branch networks and ATMs mainly located in cities and “urban villages”.⁴⁴ Challenges in rural areas include low internet penetration due to inadequate infrastructure and high costs that, together, can put access out of reach of the underprivileged. Another deterrent is likely to be low technological literacy, which again is likely to be highest among marginal groups. Thus, while commercial banks have invested in requisite infrastructure with a view to reduce the cost of service and increase financial access to a greater number of people, the financially excluded segment is still significant.

43 Finscope (2009) indicates that the proportion of the population that is unbanked by location is 74 percent in rural areas and 41 percent for cities.

44 A village in Botswana is categorised as being urban if it meets the twin criteria of both having a population exceeding 5 000 and at least 75 percent of households are not mainly engaged in agriculture.

Conservative Lending Practices and High Cost of Banking Services

- 3.22 There is widely-held view that commercial banks in Botswana practice conservative credit underwriting standards, which are perceived to inhibit access to financial resources. However, it can also be said that sustained financial stability in the country is a positive attribute derived from banks’ credit risk and loan administration policies. In line with international banking supervision standards, non-performing loans are within acceptable levels.
- 3.23 Nevertheless, the authorities continue to engage with the banking industry to be responsive to legitimate concerns about the high cost of banking services, as well as promote policies and practices that foster further improvements in access to financial services. It is expected that with competition among banks and with other entities providing similar services, relative costs of banking will decline. Indeed, the banks have responded by introducing a range of basic savings products that have low minimum balance requirements and, in some instances, waving account maintenance fees.

Responsible Credit Extension and Financial Discipline

- 3.24 Access to financial services also requires

responsible practices regarding credit extension on the part of lenders to ensure that meeting the costs of servicing a loan does not put the borrower under financial stress, taking into account other demands on their income. Proper assessment of indebtedness could, however, be difficult in the absence of a credit information bureau and where borrowers can access multiple sources of loans, including through unregulated MFIs. Moreover, competitive pressures may lead banks to target groups of customers with unsolicited offers of credit, placement of overdraft facilities and increase in credit card limits. Currently, household borrowing constitutes approximately 60 percent of total advances of the banking system in Botswana, thus indicating the extent to which banks' resources are concentrated more towards lending to individuals who have capacity to honour their loan commitment due to their employment status.⁴⁵ Nevertheless, so far, the very low and steady levels of arrears indicate a relatively high quality of assets in the commercial banking sub-sector, thus giving some assurance of the stability of the financial system.

Access to Pension Funds and Insurance Services

- 3.25 The insurance sector in Botswana is relatively well developed with about 62 companies, comprising general insurers, life insurers, reinsurers and brokers, with total assets equivalent to P16.5 billion and insurance premiums amounting to P2.8 billion in 2010/11. Institutions under this category offer risk mitigation products, such as life insurance and saving for retirement, and have evolved to include shorter term (event designated) savings products, such as saving for school fees. However, these services are currently confined to salaried individuals employed in

the formal sector, thus leaving out the low income earners, the informal sector and the rural poor.

- 3.26 Customer perceptions of the insurance industry are less positive, with low trust levels by clients. The 2009 Finscope survey found that less than 20 percent of customers thought that insurance companies are trustworthy, or extend satisfactory service. The geographical representation of insurance providers was also considered inadequate to enable effective service provision. However, with regulatory oversight by NBFIRA, several challenges, such as a poor complaint handling process, using unlicensed agents and failure to submit audited financial statements on time by some entities, are being addressed.
- 3.27 The pension fund industry is even larger. At the end of 2009/10, there were 104 pension funds registered in Botswana, with assets totalling approximately P36.3 billion, which is a 20 percent growth in value compared to 2009. When combined, pension and insurance assets amount to 52.3 percent of GDP. The pension fund industry has grown rapidly since 2001, when the Botswana Public Officers Pension Fund (BPOPF), the largest pension fund in terms of asset size and membership, was set up. Total membership of pension funds at the end of 2010 was 153 787, made up of 131 844 active members, 13 826 deferred members and 8 117 pensioners. Members and contributors to pension funds are mostly employed in the formal sector.

Microfinance Institutions

- 3.28 Microfinance operations fall into two broad categories of term and cash lenders, both of which have grown perceptibly in the last decade. The term lenders are more formal with two of them, Letshego Holdings and Blue Financial Services, listed on the BSE. The market is dominated by Letshego, where loans have been increasing rapidly, rising from P382.2 million in 2006 to P1.1 billion in 2010, with approximately 40 000 customers and eight branches in Botswana. In contrast,

⁴⁵ However, some small-scale business activity may also be financed through household borrowing. Moreover, the balance varies widely across individual banks with several banks giving more emphasis to business lending.

Blue Financial Services has 11 branches countrywide, but a much smaller loan book of about P85 million. The large micro-lenders mainly provide unsecured short to medium-term loans to formally employed people, as well as offering some insurance products. Loan repayments are mainly through direct deductions from salaries, which significantly mitigate credit risk, but further restrict access as the cooperation of employers is necessary.

- 3.29 The cash lenders are more numerous and small scale, with very short repayment periods, and concentrated in the urban centres serving an estimated 60 000 salaried clients that have commercial bank accounts. These smaller micro-lenders rely on more onerous interest rates and holding borrowers' identity and ATM cards to mitigate risk of default. Given the focus of this business model (which is similar in many respects to the "pay-day loan" in more developed economies), there is little scope for cash lenders to lend to SMMEs.

Electronic Money Operations

- 3.30 Advances in ICT have increased potential for promoting financial access for the unbanked in Botswana, with several initiatives undertaken recently. The key component of these delivery channels is the widespread network coverage of mobile phone operators which collaborate with retail chain stores, Botswana Post and commercial banks to enhance access to financial services. Given the high penetration of mobile phones in the country (more than 100 percent), it is expected that, as has been the case elsewhere, e-money products can be cost effective and achieve wide coverage. Currently, three of the four largest commercial banks and two of the three mobile network operators (MNOs) participate in services focused on money transfers.
- 3.31 These e-money alternatives help overcome some of the impediments associated with the traditional banking model, such as the high cost of retail banking undertaken through branches and access constraints (closeness to a bank branch and the need for customer

profiling to open a bank account). The payment and settlement system facilitates exchange of goods and services of the transacting parties regardless of location and distance, as there is instant feedback on the status of the transaction. It also helps reduce the risk of carrying cash. The high volume of transactions that is reported by cell phone operators suggests that it has been well received by consumers, as they find it to be a competitive alternative to other forms of money transfer. The evolution of e-money will, however, depend to some degree on the regulatory environment, technology penetration and relative costs.

4. DEVELOPMENT OPPORTUNITIES AND CHALLENGES

Benefits of Broadening Access to Financial Services

- 4.1 Financial services in the form of credit, savings, payments and remittance facilities allow households and enterprises to make financial investments, acquire assets, smooth consumption, manage liquidity and, through use of insurance services, respond to emergencies. Financial inclusion obtains when the wider population has access to: (a) a savings account; (b) credit; (c) payments and transfer services; (d) insurance and pension services; and (e) financial advice (Box 2.5) and there are minimal volume/value restrictions.

Opportunities for Broadening Financial Access

Product Development and Reduction in Transaction Costs

- 4.2 In addition to institutions and structures for service delivery, ICT-based products and platforms are potentially integral to broadening financial access. Provisions of such products appear to be cost-effective compared to the conventional banking model of physical dispersion of branches, which have relatively higher costs from an infrastructural and operational perspective. Although ATMs provide some advantages in terms of access

BOX 2.5: ELEMENTS OF FINANCIAL INCLUSION

Globally, initiatives and standards to define and measure financial inclusion are covered, among others, by the Consultative Group to Assist the Poor (CGAP) and the Alliance for Financial Inclusion (AFI), while the International Finance Corporation also provides advisory services. These institutions undertake research and set standards for the benefit of policymakers worldwide. The AFI identifies financial inclusion as entailing *access, quality, usage* and *welfare*.

- *Access* primarily refers to using available financial services and products from formal institutions.
- *Quality* measures the relevance of financial service or product to the needs of the consumer.
- *Usage* entails more than basic adoption of banking services, it also includes their permanence, sustainability, depth, regularity, frequency and duration of use over time.
- *Welfare* measures the impact that a financial product or service has on the lives of consumers, including changes in consumption, business activity and wellness.

Source: Adapted from Jitendra Asati, 2009 and AFI Policy Paper, 2010

time and preponderance, there is still a location constraint due to infrastructure and market limitations.

4.3 Therefore, the widespread ownership of mobile phones in the country provides an opportunity to extend financial services through this media. Indeed, mobile phones are increasingly used for services, such as balance enquiries, payment of utility bills, inter-account money transfer, and remittance transfers. It is also relatively easy to adapt such facilities to cover the unbanked, through pre-funding methods and sometimes without routing through financial institutions (Section2).

4.4 Chip-based smart cards are also a convenient, portable, cost-effective and safe option for storage of value and payments. Smart cards can carry personal account, credit and buying

preference information that can be accessed easily with appropriate authorisation. The use of smart cards helps save time and overcome the distance constraint; it can also be accommodated by various media, including ATMs, electronic point of sale, mobile phones, vending machines and the internet. In addition, smart cards facilitate management and control of expenditure, as well as mitigation of fraud, as they can incorporate the setting of desired spending limits and reporting. The challenge for service providers and authorities is to sustain the development of infrastructure and systems, as well as regulatory oversight, to ensure secure and widespread usage.

4.5 Government already uses a smartcard based payments network, called SmartSwitch, to distribute social welfare payments to the poor. The system facilitates payments to about 55 000

recipients who are issued with smartcards that are credited monthly. The cards are used in over 800 participating retail stores equipped with EPOS machines to purchase specified groceries. Although it is primarily a transfer payment, the recipients can leave part of the value on their cards as savings. The use of biometrics reduces risk of fraud and the system offers the following benefits:

- (a) convenience and security;
- (b) eliminates queues at payment points;
- (c) spending is limited to what is needed at the time; and
- (d) a lost card does not result in loss of funds.

Improvement in Living Standards and Safety of Assets

4.6 Typically, lack of access to financial services is closely related to income inequality and impairs poverty alleviation initiatives. On the other hand, enhanced financial access affords the hitherto excluded segment of the population opportunities to utilise financial services in support of productive income generating ventures.

4.7 A significant proportion of micro-entrepreneurs are engaged in small scale farming, street vending and handicrafts activities. These enterprises often operate under financing constraints, resulting in a perpetually depressed level of operations and poor prospects for expansion through investment. The financing constraints are mainly due to lack of collateral and formal credit history and limited networking opportunities. At the same time, access to financial services would help alleviate their funding constraint, and thus improve prospects for business and growth. Globally, it is considered that SMMEs are typically dynamic and innovative, with good potential for employment creation. A removal of constraints to the expansion of this sector could, therefore, contribute to higher employment and improvement in living standards. In addition, facilities for financial saving and insurance can be critical in

allowing households to smooth consumption and support longer-term investments where economic activity, such as agriculture, is prone to adverse shocks arising from weather variability, pest attacks, animal diseases and volatility of prices of produce.

4.8 In the absence of savings and investment products, cash is kept at home and investments are limited to livestock, stockpiling of harvest, physical assets, jewellery and precious metals, with higher risk of loss and decline in value. Apart from physical loss, purchasing power of cash could be eroded, while livestock and crop harvest are prone to adverse weather and disease attacks. Financial services providers facilitate safe keeping of valuables and transformation (or diversification) of harvest and livestock into financial assets. In turn, safety of financial assets and, hence, consumer confidence in financial institutions is enhanced further by appropriate governance structures, adherence to prudential standards and supervisory oversight.

Challenges in Broadening Access to Financial Services

4.9 As previously noted, the FinScope survey for Botswana showed advances in financial inclusion, from 49 percent in 2004 to 64 percent in 2009. Nonetheless, it is a concern that 36 percent of adults in Botswana are excluded from the financial sector. Some of the challenges contributing to this situation are highlighted below.

Proximity and High Access Costs

4.10 Access to physical banking facilities is limited and concentrated in urban and peri-urban areas where both population density and income levels are higher. Similarly, access to banking services through modern ICT requires a level of sophistication and access to infrastructure that are mostly available in urban areas. Rural communities, therefore, incur relatively high costs to access financial services, including transportation costs and time.

4.11 High minimum balance requirements and account maintenance fees can also be a barrier to accessing financial services. Earlier assessments of the cost of banking services have generally indicated that bank charges in Botswana were relatively high compared to the situation in other Southern African Customs Union (SACU) member countries and Mauritius.⁴⁶ In the circumstances, it is possible that elevated costs could discourage the use of banking facilities. However, the results of the FinScope surveys in both 2004 and 2009 suggest that lack of income due to unemployment, rather than high banking fees, was the main reason for low financial inclusion. On the other hand, financial service providers are typically constrained in serving the lower end of the market (low-income households and firms) due to high risk and costs associated with many small transactions that do not offer sufficient returns, individually or collectively. Thus, the low return relative to fixed costs and infrastructure investment constrains broadening of financial services to those that are most in need of access.

Data Challenges and Availability of Client Information

4.12 Although there is information readily available on the number of bank accounts, data on the number of individuals and enterprises that have a bank account are less reliable. Many individuals and firms have multiple bank accounts, making it harder to determine the number of the unbanked on the basis of number of bank accounts relative to the population. In turn, a distinction between access and use of financial services is critical in developing policies for broadening access to financial services. Non-use of financial services could

⁴⁶ The Bank of Botswana Annual Report (2001) found that bank charges in Botswana were higher than in South Africa (SA) and Mauritius, while BIDPA's Briefing (January 2003) concluded that they were higher than in SA. Meanwhile, a paper by the Central Bank of Lesotho (2003), "The Comparative Analysis of the Cost of Banking Services in SACU Countries", found that Botswana had higher banking charges than other SACU member countries.

be due to self-exclusion for various reasons, which could include religion, culture, or availability of alternatives. On the other hand, exclusion could be due to a particular community being considered unbankable due to low incomes or other perceived high-risk profiles. Therefore, initiatives for broadening access should be based on a careful assessment of the needs of targeted beneficiaries.

4.13 Information asymmetry inhibits access to credit for individuals and entities with no credit history or formal employment. Moreover, the unbanked, especially the poor, those unemployed and those in the informal sector (mostly self-employed), already lack documentation or the requirements to access formal financial services, such as proof of regular income or bankable collateral.

Measures Towards Enhanced Financial Inclusion

4.14 In light of the challenges to broadening financial access, it continues to be important to strengthen ongoing efforts towards greater inclusion and use of financial services.

Supervision and Legal Framework

4.15 The supervisory framework and regulation of financial institutions can influence access to financial services. For example, the licensing policy can promote competition and diversity of services by facilitating the creation of tiers of financial institutions and, indeed, some jurisdictions define specialised financial institutions that serve defined communities or niche markets. In addition, capital requirements influence the minimum size of financial institutions, while stipulation of branch representation could have an impact on geographical coverage. The regulatory environment also has a bearing on public confidence in the financial system; hence the extent of usage. As such, promotion of financial access also entails cooperation and coordination between regulatory authorities, in order to promote use, as well as overall safety and soundness of the financial sector.

Banking Sector Competitiveness

- 4.16 There is a need to foster competition, as it encourages institutions to pursue cost-effective means of providing profitable and sustainable services, as well as encouraging the development of new and innovative products that, in turn, could be extended to sections of the population previously excluded. However, a competitive banking industry may encourage aggressive marketing of some products, including loans and predatory lending, which may be to the detriment of borrowers and potentially undermine stability and confidence in the banking system. There is need to guard against such adverse effects, particularly when regulatory liberalisation is under consideration.
- 4.17 Studies exploring the complex interaction between competition and stability in banking come to the ambiguous conclusion that competition can both improve and worsen stability.⁴⁷ An increase in the level of competition tends to encourage risk-taking, raising the probability of bank failure. This tendency, however, may be moderated by appropriate regulation and supervision. At the same time, there is a positive association between some measures of bank competition (for example, low entry barriers, openness to foreign entry) and stability.
- 4.18 For Botswana, there is a clear trend towards greater competition. This is a consequence of both the increase in the number of banks, from 5 in 2005 to 11 in 2011, and growth in market share for smaller banks; in turn, the long-standing duopoly of the two original banks has been eroded. Nonetheless, the degree of concentration is still significant with the current dominance of four or fewer banks in most segments of the market indicative of oligopoly.⁴⁸

⁴⁷ OECD Report (2011), *Bank Competition and Financial Stability*

⁴⁸ It should be noted, however, that such a market is not unusual for banking systems (and indeed other industries) across the world.

Deposit Insurance

- 4.19 Deposit insurance involves full or partial coverage for loss of deposits due to bank failure. Importantly, it narrows the “expectations gap” by explicit indication of the extent of compensation, in the event of a bank failure. While it is acknowledged that deposit insurance can lead to moral hazard by encouraging depositors and banks to take undue risks with the knowledge that they will be covered, crucially, it reduces the likelihood of a bank-run, where customers may decide to withdraw their deposits all at once when they suspect bank insolvency. Therefore, deposit insurance supports stability of the financial system. In addition, deposit insurance may encourage the entry of new, specialised deposit-taking institutions that could further promote access.⁴⁹

Improving Efficacy of Government Support Programmes

- 4.20 Government efforts to promote economic diversification include provision of grants and subsidised loans, with minimum collateral and/or equity contributions by recipients, through designated schemes. It is considered that this form of support would ease financing constraints to entrepreneurship and business development and eventually contribute to industrialisation and job creation. However, it is possible that favourable lending terms may have contributed to crowding out the private financial sector in the credit market, in particular, for SMMEs. Although the low level of lending to SMMEs by commercial banks could be due to the perceived risk of the sector, the presence of government institutions, such as CEDA, may have had a bearing on innovation (or lack thereof) by private financial institutions in this area. Therefore, it is important to support a transition towards more lending to SMME’s by banks, among others, through ensuring that subsidised funding is accompanied

⁴⁹ Deposit-taking MFIs, for example.

by mentoring on project development and management in order to increase the chances of business success.

Collateral Substitutes Based on Customers' Economic Situations

4.21 Lenders sometimes require customers to pledge collateral as a form of security which assures the lender that a customer has an asset (for example, land, property and equipment) to liquidate in case of default. Collateral and third party guarantees help in the following manner:

- (a) reduce losses in the event of a default;
- (b) transfer credit risk to a more credit worthy entity; and
- (c) moderate moral hazard:
 - (i) high quality borrowers are more inclined to provide collateral for a favourable interest rate;
 - (ii) the borrower is more inclined to remain committed to the success of the project for which the loan was granted as he also stands to lose in case of default.

4.22 Nonetheless, such requirements tend to discriminate against small entrepreneurs who often do not have the type of collateral that financial institutions require for lending. In particular, they do not usually own property of significant value, and often have no registered property rights (title deeds) on their assets (land, residential and business premises). Overall, there is a case for improving the system for registration of property rights and greater use of the Hypothecation Act of 1978, which permits the use of livestock as collateral. At the same time, it must be acknowledged that some assets are associated with specific risks,⁵⁰ which need to be accounted for.

Credit Registries

4.23 Credit bureaus collect, distribute and often analyse information on borrower behaviour

from a variety of sources. Going forward, financial institutions may be required, by law, to provide information on borrowers to a public credit registry, which then makes information available to the wider financial system.

4.24 For business lending, information asymmetry is more pronounced for SMMEs. Unlike the bigger and listed companies, there is little independent analysis of small businesses through ratings agencies or stock prices; and, due to their diversity, it is difficult to identify clear predictors of success. Moreover, SMMEs often do not produce audited financial statements on a regular basis. In contrast to household lending, there is no standard profiling based on income levels, professional and employment history and demographic factors. Banks that lend to small businesses have to put significant resources into studying business plans and cash flows in order to identify creditworthiness of the business, as well as requiring collateral to back the loans they offer. This approach is time consuming and results in relatively high costs, making small business loans more expensive.

4.25 The success of credit registries in reducing information asymmetries is dependent on reliable data and proper implementation. Therefore, to strengthen the quality of information in databases, the legal framework should facilitate consumer redress pertaining to deficient data. Borrowers should be able to access their data and enabled by consumer-friendly procedures to challenge flawed information. In this regard, prescribing minimum standards and rules for handling borrower and other bank customer information is advisable.

4.26 A credit reference bureau supported by the Bankers Association of Botswana started operations in 2009, and banks are now sharing data and relevant customer credit information to evaluate borrower creditworthiness before granting loans. The bureau is mandated to collect and store information on, among others, loans and credit card usage, unauthorised overdraft, default, bounced cheques and fraud

⁵⁰ Access for creditors to movable property can be more easily impaired, for example.

in relation to individual customers.⁵¹ However, due to legal constraints, banks only share “negative” data; sharing of positive credit data has the potential to spur competition and lower costs for high quality borrowers.

Financial Education and Literacy

- 4.27 Turning unbanked enterprises and households into a bankable population and, ultimately, more productive customers involves more than increasing bank branches to serve the rural areas and low income earners. Financial literacy encompasses knowledge of products, including associated costs and returns, together with the means to safeguard the value of financial assets. Such knowledge helps elevate the quality of financial decisions and demand for financial services, which can also drive supply as financial institutions develop greater confidence in their customers. Moreover, improved financial literacy and increased market participation and household savings can contribute to poverty reduction and enhanced economic welfare.

Consumer Protection

- 4.28 Adequate and effective consumer protection contributes to financial inclusion as it helps engender trust and confidence in the banking system. Important dimensions of consumer protection include the need for information disclosure that is clear, simple, comparable and easy to understand; improving business practices to ensure that abusive, predatory and deceptive practices are prohibited; enabling consumers to seek quick and easy redress; and, provision of quality banking services and maintenance of reasonable charges.
- 4.29 To some extent, consumer protection can be addressed through self-regulation by financial institutions as they have a vested interest in promoting customers’ confidence in their activities. Thus, in Botswana, the commercial banks have engaged a banking adjudicator to

handle customer complaints. However, this is unlikely to be sufficient as customers should also have the option of seeking redress from an independent authority if any matter should be taken further. The Bank of Botswana already provides some assistance in this regard and there is a possibility of extending coverage to non-bank financial institutions. The Competition Authority also examines allegations of anti-competitive practices among financial institutions.

Fraud Control and Prevention

- 4.30 It is a legal requirement that financial institutions should implement the know-your-customer (KYC) guidelines for purposes of customer identification and in order to help combat identity theft, money laundering and the financing of terrorism. Despite their importance, a stringent enforcement of KYC requirements can become a barrier to accessing financial services.
- 4.31 In addition, the ICT platforms for delivery of financial services could be subject to criminal and fraudulent interception, including password hacking, card cloning, identity theft, phishing attacks,⁵² viruses and spyware. It is, therefore, crucial that both the providers of services, users and regulatory authorities are aware of these possibilities and institute preventive and remedial measures as necessary.

5. CONCLUSION

- 5.1 The review has examined both the causes of financial exclusion in Botswana and possible measures to address the problem. The central importance of financial sector development in nurturing diversified economic growth underscores the value of financial inclusion, as this will help unlock the potential of segments of the population that are currently marginalised.

⁵¹ Banking Supervision Annual Report, 2009.

⁵² Phishing is obtaining personal, financial and/or password information through an email that purports to have been sent from a legitimate organisation, usually a financial institution, with a link to a fake website that replicates the real one, in order to commit fraud.

- 5.2 Section 2 examined financial inclusion in the context of international experience. The strengths and weaknesses of the traditional model of “bricks and mortar” banking were discussed and possible options for reducing gaps in service provision considered. It was noted that, while widening inclusion remains a challenge globally, there are encouraging examples where other countries have successfully supplemented mainstream banking with the effective use of DFIs, MFIs and e-money. However, none of these provides a simple panacea to the challenge of improved inclusion.
- 5.3 As discussed in Section 3, the financial sector in Botswana has developed rapidly since the late 1980s when it comprised three commercial banks, a leasing company, some DFIs and insurers and no stock exchange. Today, there are many more banks, predominantly privately-owned, providing services to much of the population, as well as a wide range of additional institutions offering services such as insurance, asset management and securities trading. As a result, the country has one of the highest rates of financial inclusion in Sub-Saharan Africa with access through the formal financial sector second only to South Africa. Nonetheless, gaps remain: as many as one-third of the adult population continue to be excluded from any type of financial service, formal or informal; access to finance remains one of the key constraints to entrepreneurial development, especially for SMMEs; and citizen participation in the stock exchange and financing of infrastructure is limited.
- 5.4 In considering possible options to address the situation, it is acknowledged that the small and sparsely-distributed population, with many households reliant on low and uncertain incomes inevitably poses major challenges for the provision of financial services on a sustainable basis. To some extent, this has been ameliorated by demographic changes, including increased urbanisation and rising living standards. In that regard, it is apparent that making full use of the opportunities created by technology to broaden access and reduce the associated costs has tremendous potential to help bridge this gap. This is amply demonstrated by the experience of other countries, including elsewhere in Africa.
- 5.5 The review has also shown that a comprehensive credit information system is critical to facilitate access to borrowing, as information asymmetries are major obstacles to inclusion, especially for more marginal groups who have less access to tangible assets to offer as collateral. It is essential that service providers have relevant credit information to better assess and price risk. In this regard, credit bureaus can play a positive role and need to be underpinned by promulgation of supporting legislation to make the submission of relevant information mandatory. Also, equally important is financial literacy and public education to empower consumers of financial services. Related to this, policy measures aimed at strengthening consumer protection in the area of financial services should be sustained.
- 5.6 The performance in Botswana of both statutory banks and DFIs together with related government-sponsored initiatives was also considered. Here, the track record is mixed as service provision has, with some notable exceptions, frequently been undermined by inappropriate design and management, lack of technical capacity and an over-reliance on subsidised credit as a means to support businesses. As a result, it is difficult to conclude that many viable enterprises have benefited from cost-effective support that would not have been available from private financial institutions. Overall, it is apparent that an increasingly commercial approach is required, not in contrast to, but as a pre-requisite for meeting development goals. Moreover, in some instances, given the development of private sector financial institutions, the original rationale behind state-led intervention may no longer be justified.
- 5.7 In the context of continued widening and deepening of financial markets in Botswana,

there is need to deal more comprehensively with issues such as effective information sharing between regulators and regulatory reforms to encourage the development of vibrant e-money providers, including through effective interaction with cell phone operators. Modification of the licensing policy to encourage the establishment of specialised banking institutions that target niche markets (housing finance institutions, for example) is also an area for consideration. It is also evident that strengthening financial safety nets with the introduction of an explicit deposit protection scheme and an overarching financial sector charter that establishes benchmark standards for access could enhance participation and use of finance by a broad segment of the population.

- 5.8 Public policy considerations and other proposals for reform should continue to focus on a more dynamic but robust regulatory and supervisory infrastructure, to be proportionate to the nature and scale of an institution's operations. Similarly, it should also be recognised that a sound and stable financial system is a necessary pre-condition for sustainable economic development.

PART C

STATISTICS 2011

BANK OF BOTSWANA

CONTENTS – PART C

1. NATIONAL OUTPUT

TABLE 1.1	GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CURRENT PRICES)	S-6
TABLE 1.2	GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CONSTANT 1993/94 PRICES)	S-7
TABLE 1.3	GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CURRENT PRICES)	S-8
TABLE 1.4	GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 1993/94 PRICES)	S-10
TABLE 1.5	GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE – QUARTERLY ESTIMATES (CURRENT PRICES)	S-12
TABLE 1.6	GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE – QUARTERLY ESTIMATES (CONSTANT 1993/94)	S-14
TABLE 1.7	GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY – QUARTERLY ESTIMATES (CURRENT PRICES)	S-16
TABLE 1.8	GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY – QUARTERLY ESTIMATES (CONSTANT 1993/94 PRICES)	S-18
TABLE 1.9	MINERAL PRODUCTION	S-20

2. PRICES, WAGES AND EMPLOYMENT

TABLE 2.1	CONSUMER PRICE INDICES	S-22
TABLE 2.2	ANNUAL INFLATION	S-22
TABLE 2.3	COST-OF-LIVING INDEX: TRADEABILITY ANALYSIS	S-23
TABLE 2.4	COST OF LIVING INDEX BY COMMODITY GROUP AND LOCATION	S-24
TABLE 2.5	TOTAL NUMBER OF PAID EMPLOYEES BY GENDER, SECTOR AND ECONOMIC ACTIVITY	S-26
TABLE 2.6	MINIMUM HOURLY WAGE RATES FOR PRIVATE & PARASTATAL COMPANIES	S-26
TABLE 2.7	EMPLOYEE AVERAGE MONTHLY CASH EARNINGS BY SECTOR, ECONOMIC ACTIVITY AND CITIZENSHIP	S-27

3. BANKING SYSTEM

TABLE 3.1	CENTRAL BANK SURVEY	S-28
TABLE 3.2	OTHER DEPOSITORY CORPORATIONS SURVEY	S-30
TABLE 3.3	DEPOSITORY CORPORATIONS SURVEY	S-32
TABLE 3.4	BANK OF BOTSWANA – ASSETS	S-34
TABLE 3.5	BANK OF BOTSWANA – LIABILITIES	S-36
TABLE 3.6	NOTES IN CIRCULATION	S-38
TABLE 3.7	COIN IN CIRCULATION	S-39
TABLE 3.8	COMMERCIAL BANKS – ASSETS	S-40
TABLE 3.9	COMMERCIAL BANKS – LIABILITIES	S-42
TABLE 3.10	COMMERCIAL BANKS – LIQUID ASSETS	S-44
TABLE 3.11	COMMERCIAL BANKS – RESERVES	S-45
TABLE 3.12	COMMERCIAL BANKS – DEPOSITS BY HOLDER	S-46
TABLE 3.13	COMMERCIAL BANKS – DEPOSITS BY TYPE	S-47
TABLE 3.14	COMMERCIAL BANKS – DEPOSITS BY HOLDER (PERCENTAGE DISTRIBUTION)	S-48
TABLE 3.15	COMMERCIAL BANKS – DEPOSITS BY TYPE (PERCENTAGE DISTRIBUTION)	S-49
TABLE 3.16	COMMERCIAL BANKS – FOREIGN CURRENCY ACCOUNTS (FCAs) AND TOTAL DEPOSITS	S-50
TABLE 3.17	COMMERCIAL BANKS – FOREIGN CURRENCY ACCOUNTS BY TYPE	S-52
TABLE 3.18	COMMERCIAL BANKS – LOANS AND ADVANCES OUTSTANDING BY SECTOR	S-54
TABLE 3.19	COMMERCIAL BANKS – OUTSTANDING LOANS AND ADVANCES TO HOUSEHOLDS	S-56
TABLE 3.20	COMMERCIAL BANKS – ADVANCES AND LIQUID ASSET RATIOS	S-57
TABLE 3.21	COMMERCIAL BANKS – LOANS AND ADVANCES BY MATURITY	S-58

TABLE 3.22	COMMERCIAL BANKS – LOANS AND ADVANCES BY INTEREST RATE (PERCENTAGE DISTRIBUTION)	S-58
TABLE 3.23	COMMERCIAL BANKS – INCOME AND EXPENSES	S-59
TABLE 3.24	COMMERCIAL BANKS – OFF-BALANCE SHEET ITEMS	S-60
TABLE 3.25	COMMERCIAL BANKS – ARREARS ON LOANS AND ADVANCES	S-62
TABLE 3.26	COMMERCIAL BANKS – ARREARS BY SECTOR	S-64
TABLE 3.27	ELECTRONIC CLEARING HOUSE (ECH) – CHEQUE CLEARANCE AND ELECTRONIC FUNDS TRANSFERS (EFTs) AND BOTSWANA INTERBANK SETTLEMENT SYSTEM (BISS) TRANSACTIONS	S-66
TABLE 3.28	PAYMENTS SYSTEM: ATM AND ELECTRONIC FUNDS TRANSFER AT POINT OF SALE (EFTPOS)	S-66
TABLE 3.29	BOTSWANA BUILDING SOCIETY – ASSETS AND LIABILITIES	S-68
TABLE 3.30	BOTSWANA SAVINGS BANK - ASSETS AND LIABILITIES	S-69
4.	MONEY AND CAPITAL MARKETS	
TABLE 4.1	INTEREST RATES	S-70
TABLE 4.2	INTEREST RATES – NOMINAL AND REAL	S-71
TABLE 4.3	BANK OF BOTSWANA CERTIFICATES – AUCTIONS SUMMARY	S-72
TABLE 4.4	BANK OF BOTSWANA CERTIFICATES – TOTAL OUTSTANDING	S-74
TABLE 4.5	BOTSWANA STOCK EXCHANGE – TOTAL LISTINGS	S-76
5.	OTHER FINANCIAL INSTITUTIONS	
TABLE 5.1	DISTRIBUTION OF PENSION FUND ASSETS	S-77
TABLE 5.2	BOTSWANA MOTOR VEHICLE ACCIDENT FUND – ASSETS AND LIABILITIES	S-77
TABLE 5.3	NATIONAL DEVELOPMENT BANK – ASSETS AND LIABILITIES	S-78
TABLE 5.4	BOTSWANA DEVELOPMENT CORPORATION – ASSETS AND LIABILITIES	S-79
6.	EXTERNAL TRADE AND INTERNATIONAL FINANCE	
TABLE 6.1	BALANCE OF PAYMENTS	S-80
TABLE 6.2	QUARTERLY BALANCE OF PAYMENTS	S-82
TABLE 6.3	IMPORTS – MAJOR COMMODITY GROUP (c.i.f.)	S-84
TABLE 6.4	EXPORTS – PRINCIPAL MERCHANDISE	S-84
TABLE 6.5	FOREIGN EXCHANGE RESERVES – SELECTED CURRENCIES	S-85
TABLE 6.6	INTERNATIONAL INVESTMENT POSITION	S-86
TABLE 6.7	EXCHANGE RATES – FOREIGN CURRENCY PER PULA	S-87
TABLE 6.8	EXCHANGE RATES – FOREIGN CURRENCY PER PULA – AVERAGES	S-88
TABLE 6.9	EXCHANGE RATES – SELECTED FOREIGN CURRENCIES PER US DOLLAR	S-89
TABLE 6.10	EXCHANGE RATES – SELECTED FOREIGN CURRENCIES PER US DOLLAR – AVERAGES	S-90
TABLE 6.11	REAL EXCHANGE RATES INDICES – FOREIGN CURRENCY PER PULA	S-91
7.	PUBLIC FINANCE	
TABLE 7.1	CENTRAL GOVERNMENT BUDGET SUMMARY	S-92
TABLE 7.2	GOVERNMENT REVENUE	S-92
TABLE 7.3	GOVERNMENT EXPENDITURE	S-94
TABLE 7.4	PUBLIC DEBT OUTSTANDING	S-96
TABLE 7.5	GOVERNMENT LENDING: OUTSTANDING LOANS (PDSF, RSF and DF)	S-98
TABLE 7.6	GOVERNMENT PARTICIPATION ON PARASTATALS AND COMMERCIAL UNDERTAKINGS	S-99

NOTES

1. The following symbols have been used throughout this publication:
 - ... to indicate that data are not available, either because information was not available to the Bank of Botswana at the time of publication, or that a facility/institution/classification, etc., did not exist for the relevant period.
 - to indicate that the figure is either zero or insignificantly different from zero.
2. Any data that have been changed since previous publication appear in bold and italics.
3. For some tables, numbers do not add up to stated totals due to rounding.
4. Tables in this section are prepared according to relevant international standards. In particular, they follow the guidelines set out in *System of National Accounts (SNA)* and the relevant manuals of the IMF, including the *Monetary and Financial Statistics Manual 2000*, the *5th Edition Balance of Payments Manual, 2003* and *A Manual on Government Finance Statistics 1986*.
5. In most cases the tables report data over a ten-year period up to the most recent time for which data are available. This is except for cases where a shorter period is covered due either to data availability or the space needed for reporting.

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 1.1: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CURRENT PRICES)¹

(P MILLION)

Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Type of Expenditure										
Government final consumption	7 971	8 938	9 970	11 763	12 467	14 726	17 339	20 077	21 141	23 991
(a) Central	6 998	7 896	8 800	10 433	11 060	13 085	15 374	17 833	18 767	21 386
(b) Local	973	1 043	1 171	1 330	1 407	1 640	1 965	2 244	2 375	2 605
Household final consumption	12 513	13 948	17 022	19 157	22 229	26 096	32 467	36 977	42 773	54 243
(a) Non-profit services	490	625	796	1 013	1 217	1 335	1 424	1 517	1 565	1 689
(b) Household, marketed	10 628	11 550	14 093	15 913	18 559	21 694	26 935	30 831	36 296	47 252
(c) Household, non-marketed	1 396	1 773	2 132	2 231	2 453	3 067	4 108	4 629	4 912	5 302
Net increase in inventories	937	1 591	3 929	919	1 351	2 316	4 975	2 493	2 396	3 350
(a) Livestock	148	149	88	74	161	218	231	232	254	320
(b) Minerals	137	-235	2 011	16	162	42	2 571	502	-40	472
(c) Other	651	1 677	1 830	829	1 028	2 057	2 173	1 759	2 182	2 558
Gross fixed capital formation	9 455	10 417	11 704	12 860	14 187	18 161	20 919	23 789	27 456	33 620
(a) Construction	5 151	6 043	6 938	8 036	9 131	10 821	11 157	13 531	16 327	20 597
(b) Machinery and equipment	3 336	3 420	3 532	3 625	3 796	5 465	7 322	7 628	8 585	10 126
(c) Transport and equipment	775	760	1 020	950	960	1 518	2 130	2 316	2 191	2 522
(d) Mineral prospecting	193	194	214	250	300	357	309	314	353	375
Gross Domestic Expenditure	30 876	34 894	42 625	44 699	50 234	61 299	75 700	83 335	93 766	115 204
Exports of goods	14 843	14 970	17 345	22 708	26 386	31 695	32 767	24 576	31 473	44 160
Exports of services	3 108	3 184	3 511	4 152	4 500	4 917	5 890	2 222	1 929	2 219
Total exports (goods and services)	17 950	18 155	20 856	26 860	30 886	36 612	38 657	26 798	33 402	46 379
Imports of goods	-10 365	-10 530	-13 440	-13 727	-15 271	-21 226	-29 875	-28 605	-33 083	-42 912
Imports of services	-3 290	-3 230	-3 956	-4 332	-4 872	-6 021	-5 346	-6 701	-7 382	-9 617
Total imports (goods and services)	-13 656	-13 760	-17 396	-18 059	-20 144	-27 247	-35 221	-35 306	-40 465	-52 529
Net errors and omissions	3 375	741	1 072	-1 091	4 718	5 328	12 641	7 714	14 555	11 486
GDP at Current Prices	38 546	40 029	47 157	52 409	65 695	75 993	91 776	82 548	101 258	120 541
Percentage of Total										
Government final consumption	20.7	22.3	21.1	22.4	19.0	19.4	18.9	24.3	20.9	19.9
(a) Central	18.2	19.7	18.7	19.9	16.8	17.2	16.8	21.6	18.5	17.7
(b) Local	2.5	2.6	2.5	2.5	2.1	2.2	2.1	2.7	2.3	2.2
Household final consumption	32.5	34.8	36.1	36.6	33.8	34.3	35.4	44.8	42.2	45.0
(a) Non-profit services	1.3	1.6	1.7	1.9	1.9	1.8	1.6	1.8	1.5	1.4
(b) Household, marketed	27.6	28.9	29.9	30.4	28.3	28.5	29.3	37.3	35.8	39.2
(c) Household, non-marketed	3.6	4.4	4.5	4.3	3.7	4.0	4.5	5.6	4.9	4.4
Net increase in inventories	2.4	4.0	8.3	1.8	2.1	3.0	5.4	3.0	2.4	2.8
(a) Livestock	0.4	0.4	0.2	0.1	0.2	0.3	0.3	0.3	0.3	0.3
(b) Minerals	0.4	-0.6	4.3	-	0.2	-	2.8	0.6	-	0.4
(c) Other	1.7	4.2	3.9	1.6	1.6	2.7	2.4	2.1	2.2	2.1
Gross fixed capital formation	24.5	26.0	24.8	24.5	21.6	23.9	22.8	28.8	27.1	27.9
(a) Construction	13.4	15.1	14.7	15.3	13.9	14.2	12.2	16.4	16.1	17.1
(b) Machinery and equipment	8.7	8.5	7.5	6.9	5.8	7.2	8.0	9.2	8.5	8.4
(c) Transport and equipment	2.0	1.9	2.2	1.8	1.5	2.0	2.3	2.8	2.2	2.1
(d) Mineral prospecting	0.5	0.5	0.5	0.5	0.5	0.5	0.3	0.4	0.3	0.3
Gross Domestic Expenditure	80.1	87.2	90.4	85.3	76.5	80.7	82.5	101.0	92.6	95.6
Exports of goods	38.5	37.4	36.8	43.3	40.2	41.7	35.7	29.8	31.1	36.6
Exports of services	8.1	8.0	7.4	7.9	6.8	6.5	6.4	2.7	1.9	1.8
Total exports (goods and services)	46.6	45.4	44.2	51.2	47.0	48.2	42.1	32.5	33.0	38.5
Imports of goods	-26.9	-26.3	-28.5	-26.2	-23.2	-27.9	-32.6	-34.7	-32.7	-35.6
Imports of services	-8.5	-8.1	-8.4	-8.3	-7.4	-7.9	-5.8	-8.1	-7.3	-8.0
Total imports (goods and services)	-35.4	-34.4	-36.9	-34.5	-30.7	-35.9	-38.4	-42.8	-40.0	-43.6
Net errors and omissions	8.8	1.9	2.3	-2.1	7.2	7.0	13.8	9.3	14.4	9.5

1. Estimates from 2005 onwards are provisional figures and subject to revision.

Source: Statistics Botswana

TABLE 1.2: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (CONSTANT 1993/94 PRICES)¹
(P MILLION)

Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Type of Expenditure										
Government final consumption	4 122	4 337	4 584	5 211	5 076	5 382	5 896	5 954	5 979	5 736
(a) Central	3 615	3 830	4 056	4 663	4 574	4 852	5 279	5 304	5 311	5 068
(b) Local	507	506	529	549	501	530	617	650	668	669
Household final consumption	6 349	6 525	7 449	7 698	8 007	8 691	9 618	9 835	10 970	12 076
(a) Non-profit services	260	311	370	432	466	484	459	466	515	533
(b) Household, marketed	5 378	5 388	6 146	6 371	6 660	7 169	7 941	8 100	9 093	10 258
(c) Household, non-marketed	711	826	932	894	881	1 038	1 218	1 268	1 363	1 284
Net increase in inventories	673	823	1 674	- 72	565	909	1 135	572	107	166
(a) Livestock	80	77	43	36	51	59	49	64	57	32
(b) Minerals	245	- 28	822	- 488	117	- 343	880	- 473	- 505	- 465
(c) Other	348	773	808	380	397	1 193	207	982	556	599
Gross fixed capital formation	5 150	5 280	5 508	5 242	5 097	6 018	6 888	7 228	8 400	9 476
(a) Construction	2 706	2 986	3 183	3 073	3 001	3 188	3 672	4 301	4 971	5 858
(b) Machinery and equipment	1 932	1 827	1 765	1 665	1 625	2 224	2 453	2 127	2 737	2 902
(c) Transport and equipment	412	373	469	404	359	513	672	700	584	613
(d) Mineral prospecting	100	95	91	99	112	93	92	100	108	104
Gross Domestic Expenditure	16 294	16 965	19 215	18 079	18 745	21 000	23 538	23 589	25 456	27 455
Exports of goods	6 647	6 181	6 685	8 038	8 367	9 222	8 629	6 018	7 059	9 477
Exports of services	1 602	1 513	1 560	1 686	1 644	1 787	1 991	916	997	912
Total exports (goods and services)	8 250	7 694	8 245	9 724	10 011	11 009	10 620	6 933	8 056	10 388
Imports of goods	-5 257	-4 933	-5 892	-5 525	-5 505	-7 071	-8 864	-7 242	-7 943	-9 578
Imports of services	-1 703	-1 544	-1 739	-1 732	-1 741	-2 082	-1 326	-1 554	-1 704	-1 748
Total imports (goods and services)	-6 959	-6 476	-7 631	-7 257	-7 246	-9 154	-10 190	-8 796	-9 647	-11 325
Net errors and omissions	2 057	2 691	2 293	1 938	2 130	1 921	1 537	2 547	2 111	772
GDP at constant prices	19 641	20 874	22 122	22 485	23 640	24 776	25 505	24 274	25 977	27 289
Percentage of Total										
Government final consumption	21.0	20.8	20.7	23.2	21.5	21.7	23.1	24.5	23.0	21.0
(a) Central	18.4	18.4	18.3	20.7	19.4	19.6	20.7	21.8	20.4	18.6
(b) Local	2.6	2.4	2.4	2.4	2.1	2.1	2.4	2.7	2.6	2.4
Household final consumption	32.3	31.3	33.7	34.2	33.9	35.1	37.7	40.5	42.2	44.3
(a) Non-profit services	1.3	1.5	1.7	1.9	2.0	2.0	1.8	1.9	2.0	2.0
(b) Household, marketed	27.4	25.8	27.8	28.3	28.2	28.9	31.1	33.4	35.0	37.6
(c) Household, non-marketed	3.6	4.0	4.2	4.0	3.7	4.2	4.8	5.2	5.2	4.7
Net increase in inventories	3.4	3.9	7.6	-	2.4	3.7	4.5	2.4	-	-
(a) Livestock	-	-	-	-	-	-	-	-	-	-
(b) Minerals	1.2	-	3.7	-2.2	-	-1.4	3.4	-1.9	-1.9	-1.7
(c) Other	1.8	3.7	3.7	1.7	1.7	4.8	-	4.0	2.1	2.2
Gross fixed capital formation	26.2	25.3	24.9	23.3	21.6	24.3	27.0	29.8	32.3	34.7
(a) Construction	13.8	14.3	14.4	13.7	12.7	12.9	14.4	17.7	19.1	21.5
(b) Machinery and equipment	9.8	8.8	8.0	7.4	6.9	9.0	9.6	8.8	10.5	10.6
(c) Transport and equipment	2.1	1.8	2.1	1.8	1.5	2.1	2.6	2.9	2.2	2.2
(d) Mineral prospecting	0.5	-	-	-	-	-	-	-	-	-
Gross Domestic Expenditure	83.0	81.3	86.9	80.4	79.3	84.8	92.3	97.2	98.0	100.6
Exports of goods	33.8	29.6	30.2	35.7	35.4	37.2	33.8	24.8	27.2	34.7
Exports of services	8.2	7.2	7.1	7.5	7.0	7.2	7.8	3.8	3.8	3.3
Total exports (goods and services)	42.0	36.9	37.3	43.2	42.3	44.4	41.6	28.6	31.0	38.1
Imports of goods	-26.8	-23.6	-26.6	-24.6	-23.3	-28.5	-34.8	-29.8	-30.6	-35.1
Imports of services	-8.7	-7.4	-7.9	-7.7	-7.4	-8.4	-5.2	-6.4	-6.6	-6.4
Total imports (goods and services)	-35.4	-31.0	-34.5	-32.3	-30.7	-36.9	-40.0	-36.2	-37.1	-41.5
Net errors and omissions	10.5	12.9	10.4	8.6	9.0	7.8	6.0	10.5	8.1	2.8

1. Estimates from 2005 onwards are provisional figures and subject to revision.

Source: Statistics Botswana

TABLE 1.3: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CURRENT PRICES)¹
(P MILLION)

Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Economic Activity										
Agriculture	751	945	903	918	1 162	1 492	1 758	2 326	2 385	2 843
Mining	16 170	14 526	17 492	19 896	27 915	30 567	37 577	21 538	31 638	38 878
Manufacturing	1 419	1 580	1 728	1 839	2 109	2 716	3 111	3 343	3 857	4 762
Water and electricity	869	943	1 200	1 276	1 641	2 065	2 341	2 409	2 824	3 416
Water	344	383	542	455	473	525	565	615	622	836
Electricity	525	560	657	821	1 168	1 540	1 776	1 794	2 202	2 581
Construction	2 064	2 004	2 252	2 296	2 622	3 198	3 571	4 313	5 169	6 884
Trade, hotels and restaurants	3 932	4 720	5 039	5 412	6 752	8 185	10 102	11 328	13 154	15 130
Trade excl. hotels and restaurants	3 033	3 490	3 770	3 980	4 483	5 459	6 674	7 266	8 101	9 278
Hotels and restaurants	899	1 230	1 269	1 432	2 269	2 726	3 428	4 062	5 053	5 852
Transport, post and telecommunications, of which:	1 221	1 318	1 544	1 895	2 388	2 766	3 401	4 050	4 597	5 263
Road transport	242	293	388	520	684	763	819	919	1 041	1 275
Air transport	128	141	193	265	364	501	690	949	1 142	1 250
Post and telecommunications	515	549	620	734	858	1 002	1 333	1 605	1 768	1 991
Banks, insurance and business services, of which:	3 880	4 295	4 811	5 517	6 295	7 523	9 462	10 302	11 598	13 092
Banks and insurance	1 794	2 204	2 287	2 764	3 379	4 063	5 238	5 641	5 980	6 816
Real estate and business services	1 463	1 435	1 783	1 941	2 042	2 440	2 931	3 233	3 987	4 476
General government	5 827	6 695	7 773	8 926	9 913	11 353	13 676	15 364	16 782	19 399
Central	5 016	5 822	6 768	7 792	8 709	9 933	11 932	13 403	14 643	16 932
Local	811	873	1 005	1 134	1 204	1 420	1 744	1 961	2 140	2 467
Social and personal services	1 279	1 454	1 753	2 088	2 369	2 657	3 156	3 765	4 194	4 937
NPISHs ²	609	772	986	1 253	1 506	1 652	1 911	2 130	2 180	2 591
Total Value Added (Gross)	37 411	38 480	44 495	50 063	63 166	72 522	88 155	78 737	96 197	114 604
Adjustment items	1 135	1 550	2 662	2 347	2 529	3 471	3 621	3 811	5 061	5 936
FISIM ³	-1 274	-1 604	-1 575	-1 994	-2 550	-3 181	-4 160	-4 563	-4 835	-5 407
Taxes on imports	1 535	1 849	2 259	2 386	2 909	4 018	4 582	4 610	5 183	6 148
Taxes on products/production	1 069	1 482	2 211	2 219	2 470	2 975	3 586	4 204	5 212	5 742
Subsidies on products/production	-196	-177	-232	-264	-300	-340	-387	-439	-499	-547
GDP at Current Market Prices	38 546	40 029	47 157	52 409	65 695	75 993	91 776	82 548	101 258	120 541
GDP excluding mining	22 376	25 503	29 665	32 513	37 780	45 425	54 199	61 010	69 620	81 662
GDP Per Capita (Pula)	22 959	23 574	27 470	30 270	37 641	43 247	51 822	46 907	55 520	59 140
Excluding mining	12 857	14 484	16 695	18 778	21 647	25 852	30 604	34 668	38 173	40 065
Percentage of Total										
Agriculture	1.9	2.4	1.9	1.8	1.8	2.0	1.9	2.8	2.4	2.4
Mining	42.0	36.3	37.1	38.0	42.5	40.2	40.9	26.1	31.2	32.3
Manufacturing	3.7	3.9	3.7	3.5	3.2	3.6	3.4	4.1	3.8	4.0
Water and electricity	2.3	2.4	2.5	2.4	2.5	2.7	2.6	2.9	2.8	2.8
Water	0.9	1.0	1.2	0.9	0.7	0.7	0.6	0.7	0.6	0.7
Electricity	1.4	1.4	1.4	1.6	1.8	2.0	1.9	2.2	2.2	2.1
Construction	5.4	5.0	4.8	4.4	4.0	4.2	3.9	5.2	5.1	5.7
Trade, hotels and restaurants	10.2	11.8	10.7	10.3	10.3	10.8	11.0	13.7	13.0	12.6
Trade excl. hotels and restaurants	7.9	8.7	8.0	7.6	6.8	7.2	7.3	8.8	8.0	7.7
Hotels and restaurants	2.3	3.1	2.7	2.7	3.5	3.6	3.7	4.9	5.0	4.9
Transport, post and telecommunications, of which:	3.2	3.3	3.3	3.6	3.6	3.6	3.7	4.9	4.5	4.4
Road transport	0.6	0.7	0.8	1.0	1.0	1.0	0.9	1.1	1.0	1.1
Air transport	-	-	-	0.5	0.6	0.7	0.8	1.1	1.1	1.0
Post and telecommunications	1.3	1.4	1.3	1.4	1.3	1.3	1.5	1.9	1.7	1.7
Banks, insurance and business services, of which:	10.1	10.7	10.2	10.5	9.6	9.9	10.3	12.5	11.5	10.9
Banks and insurance	4.7	5.5	4.8	5.3	5.1	5.3	5.7	6.8	5.9	5.7
Real estate and business services	3.8	3.6	3.8	3.7	3.1	3.2	3.2	3.9	3.9	3.7
General government	15.1	16.7	16.5	14.9	13.3	13.1	13.0	16.2	14.5	14.0
Central	13.0	14.5	14.4	14.9	13.3	13.1	13.0	16.2	14.5	14.0
Local	2.1	2.2	2.1	2.2	1.8	1.9	1.9	2.4	2.1	2.0
Social and personal services	3.3	3.6	3.7	4.0	3.6	3.5	3.4	4.6	4.1	4.1
NPISHs ²	1.6	1.9	2.1	2.4	2.3	2.2	2.1	2.6	2.2	2.1
Total Value Added (Gross)	97.1	96.1	94.4	95.5	96.1	95.4	96.1	95.4	95.0	95.1
Adjustment items	2.9	3.9	5.6	4.5	3.9	4.6	3.9	4.6	5.0	4.9
FISIM ³	-3.3	-4.0	-3.3	-3.8	-3.9	-4.2	-4.5	-5.5	-4.8	-4.5
Taxes on imports	4.0	4.6	4.8	4.6	4.4	5.3	5.0	5.6	5.1	5.1
Taxes on products/production	2.8	3.7	4.7	4.2	3.8	3.9	3.9	5.1	5.1	4.8
Subsidies on products/production	-0.5	-	-	-0.5	-	-	-	-0.5	-	-
GDP excluding mining	58.0	63.7	62.9	62.0	57.5	59.8	59.1	73.9	68.8	67.7

TABLE 1.3: (CONTINUED) GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CURRENT PRICES)¹
(P MILLION)

Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Economic Activity										
Annual Percentage Change										
Agriculture	-2.8	25.8	-4.4	1.6	26.6	28.4	<i>17.8</i>	<i>32.3</i>	<i>2.5</i>	19.2
Mining	2.0	-10.2	20.4	13.7	40.3	9.5	22.9	-42.7	46.9	22.9
Manufacturing	1.2	11.3	9.4	6.4	14.7	28.8	14.6	7.5	15.4	23.5
Water and electricity	21.4	8.5	27.2	6.4	28.6	25.8	13.4	2.9	17.2	21.0
Water	31.4	11.5	41.6	-16.1	3.9	10.8	7.7	8.8	1.2	3.9
Electricity	15.6	6.6	17.4	24.9	42.3	31.9	15.3	1.0	22.7	17.2
Construction	44.9	-2.9	12.4	2.0	14.2	22.0	11.6	20.8	19.8	33.2
Trade, hotels and restaurants	16.0	20.0	6.8	7.4	24.8	21.2	23.4	12.1	16.1	15.0
Trade excl. hotels and restaurants	14.2	15.0	8.0	5.6	12.6	21.8	22.2	8.9	11.5	14.5
Hotels and restaurants	22.6	36.9	3.1	12.9	58.4	20.1	25.8	18.5	24.4	15.8
Transport, post and telecommunications, of which:	11.2	8.0	17.2	22.7	26.0	15.9	22.9	19.1	<i>13.5</i>	14.5
Road transport	4.8	21.3	32.4	34.1	31.6	11.5	7.3	12.2	13.4	22.4
Air transport	10.5	10.4	36.8	37.0	37.3	37.7	37.6	37.6	20.4	9.5
Post and telecommunications	9.2	6.7	12.9	18.4	16.9	16.9	33.0	20.5	10.1	12.6
Banks, insurance and business services, of which:	12.9	10.7	12.0	14.7	14.1	19.5	25.8	8.9	<i>12.6</i>	12.9
Banks and insurance	13.7	22.8	3.8	20.9	22.2	20.3	28.9	7.7	6.0	14.0
Real estate and business services	12.1	-2.0	24.3	8.9	5.2	19.5	20.1	10.3	23.3	12.2
General government	19.4	14.9	16.1	14.8	11.1	14.5	20.5	12.3	9.2	15.6
Central	19.6	16.1	16.2	15.1	11.8	14.1	20.1	12.3	9.2	15.6
Local	18.2	7.6	15.2	12.7	6.2	17.9	22.9	12.4	9.1	15.3
Social and personal services	5.2	13.7	20.6	19.1	13.5	12.1	18.8	19.3	11.4	17.7
NPISHs ²	2.9	26.9	27.6	27.1	20.2	9.7	15.7	11.4	2.4	18.8
Total Value Added (Gross)	9.5	2.9	15.6	12.5	26.2	14.8	21.6	-10.7	22.2	19.1
Adjustment items	6.7	36.6	71.8	-11.8	7.8	37.2	4.3	5.2	32.8	17.3
FISIM ³	17.0	25.9	-1.8	26.6	27.9	24.7	30.8	9.7	6.0	11.8
Taxes on imports	-7.7	20.5	22.1	5.6	21.9	38.1	14.1	0.6	12.4	18.6
Taxes on products/production	78.5	38.6	49.2	0.4	11.3	20.4	20.5	17.3	24.0	10.2
Subsidies on products/production	78.2	-9.6	31.0	13.6	13.6	13.6	13.6	13.6	13.6	9.7
GDP at Current Market Prices	9.4	3.8	17.8	11.1	25.3	15.7	20.8	-10.1	22.7	19.0
GDP excluding mining	15.4	14.0	16.3	9.6	16.2	20.2	<i>19.3</i>	<i>12.6</i>	<i>14.1</i>	17.3
GDP per Capita (Pula)	8.1	2.7	16.5	10.2	24.4	14.9	19.8	-9.5	18.4	6.5
Excluding Mining	13.7	12.7	15.3	<i>12.5</i>	<i>15.3</i>	19.4	<i>18.4</i>	<i>13.3</i>	<i>10.1</i>	5.0

1. Estimates from 2005 onwards are provisional and subject to revision.

2. Non-profit institutions serving households.

3. Financial Intermediation Services Indirectly Measured. The value added of the financial institutions sector includes financial intermediation services which are not covered by specific fees. FISIM adjusts total value added downwards by the portion of these services which is estimated to form part of the intermediate consumption of other productive sectors. This estimate is only an approximation and should be treated with caution.

Source: Statistics Botswana

TABLE 1.4: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 1993/94 PRICES)¹
(P MILLION)

Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Economic Activity										
Agriculture	401	462	421	401	397	433	457	503	523	564
Mining	8 250	8 800	8 962	9 134	9 856	9 663	9 309	7 369	7 865	7 762
Manufacturing	669	698	740	785	811	953	972	926	987	1 106
Water and electricity	429	454	489	491	520	545	574	579	611	644
Water	140	152	159	144	144	155	164	176	180	202
Electricity	289	303	329	347	376	390	410	403	431	442
Construction	1 130	990	1 075	1 009	1 033	1 183	1 150	1 248	1 441	1 806
Trade, hotels and restaurants	1 871	2 080	2 156	2 052	2 245	2 488	2 642	2 728	2 977	3 127
Trade excl. hotels and restaurants	1 604	1 742	1 830	1 716	1 766	1 953	2 050	2 080	2 232	2 347
Hotels and restaurants	267	338	326	336	480	535	592	648	744	780
Transport, post and telecommunications, of which:	650	631	659	743	820	912	1 046	1 171	1 239	1 329
Road transport	127	136	166	207	246	269	278	299	326	351
Air transport	78	83	92	104	121	141	164	182	192	199
Post and telecommunications	261	256	270	291	296	327	410	472	499	540
Banks, insurance and business services, of which:	1 969	1 987	2 051	2 239	2 405	2 606	2 997	3 112	3 253	3 377
Banks and insurance	895	1 004	955	1 149	1 369	1 420	1 649	1 688	1 641	1 692
Real estate and business services	531	476	525	766	722	831	914	964	1 107	1 149
General government	3 053	3 299	3 557	3 740	3 693	3 848	4 147	4 300	4 317	4 529
Central	2 626	2 870	3 100	3 269	3 264	3 391	3 621	3 741	3 743	3 924
Local	427	428	458	471	429	456	526	558	574	606
Social and personal services	694	732	821	903	921	971	1 025	1 130	1 171	1 234
NPISHs ²	343	404	480	557	599	610	620	638	612	668
Total Value Added	19 116	20 132	20 930	21 496	22 702	23 601	24 318	23 066	24 383	25 479
Adjustment items	525	741	1 191	988	938	1 176	1 186	1 208	1 594	1 810
FISIM ³	-635	-730	-655	-754	-866	-1 060	-1 324	-1 384	-1 350	-1 372
Taxes on imports	777	860	982	953	1 032	1 350	1 477	1 426	1 540	1 723
Taxes on products/production	482	694	966	895	879	1 001	1 158	1 302	1 552	1 612
Subsidies on products/production	-100	-83	-101	-105	-106	-115	-125	-136	-148	-154
GDP at Constant Market Prices	19 641	20 874	22 122	22 485	23 640	24 776	25 505	24 274	25 977	27 289
GDP excluding mining	11 391	12 074	13 159	13 351	13 784	15 114	16 196	16 905	18 112	19 527
GDP Per Capita (Pula)	11 699	12 293	12 886	12 986	13 545	14 100	14 401	13 794	14 243	13 389
Excluding mining	6 785	7 111	7 666	7 711	7 898	8 601	9 145	9 606	9 931	9 581
Percentage of Total										
Agriculture	2.0	2.2	1.9	1.8	1.7	1.7	1.8	2.1	2.0	2.1
Mining	42.0	42.2	40.5	40.6	41.7	39.0	36.5	30.4	30.3	28.4
Manufacturing	3.4	3.3	3.3	3.5	3.4	3.8	3.8	3.8	3.8	4.1
Water and electricity	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.4	2.4	2.4
Water	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Electricity	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.6
Construction	5.8	4.7	4.9	4.5	4.4	4.8	4.5	5.1	5.5	6.6
Trade, hotels and restaurants	9.5	10.0	9.7	9.1	9.5	10.0	10.4	11.2	11.5	11.5
Trade excl. hotels and restaurants	8.2	8.3	8.3	7.6	7.5	7.9	8.0	8.6	8.6	8.6
Hotels and restaurants	1.4	1.6	1.5	1.5	2.0	2.2	2.3	2.7	2.9	2.9
Transport, post and telecommunications, of which:	3.3	3.0	3.0	3.3	3.5	3.7	4.1	4.8	4.8	4.9
Road transport	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.3	1.3
Air transport	-	-	-	0.8	0.5	0.6	0.6	0.8	0.7	0.7
Post and telecommunications	1.3	1.2	1.2	1.3	1.3	1.3	1.6	1.9	1.9	2.0
Banks, insurance and business services, of which:	10.0	9.5	9.3	10.0	10.2	10.5	11.7	12.8	12.5	12.4
Banks and insurance	4.6	4.8	4.3	5.1	5.8	5.7	6.5	7.0	6.3	6.2
Real estate and business services	2.7	2.3	2.4	3.4	3.1	3.4	3.6	4.0	4.3	4.2
General government	15.5	15.8	16.1	16.6	15.6	15.5	16.3	17.7	16.6	16.6
Central	13.4	13.8	14.0	14.5	13.8	13.7	14.2	15.4	14.4	14.4
Local	2.2	2.1	2.1	2.1	1.8	1.8	2.1	2.3	2.2	2.2
Social and personal services	3.5	3.5	3.7	4.0	3.9	3.9	4.0	4.7	4.5	4.5
NPISHs ²	1.7	1.9	2.2	2.5	2.5	2.5	2.4	2.6	2.4	2.4
Total Value Added	97.3	96.4	94.6	95.6	96.0	95.3	95.3	95.0	93.9	93.4
Adjustment items	2.7	3.6	5.4	4.4	4.0	4.7	4.7	5.0	6.1	6.6
FISIM ³	-3.2	-3.5	-3.0	-3.4	-3.7	-4.3	-5.2	-5.7	-5.2	-5.0
Taxes on imports	4.0	4.1	4.4	4.2	4.4	5.4	5.8	5.9	5.9	6.3
Taxes on products/production	2.5	3.3	4.4	4.0	3.7	4.0	4.5	5.4	6.0	5.9
Subsidies on products/production	-0.5	-	-	-0.8	-0.8	-0.8	-0.8	-0.6	-0.6	-0.6
GDP excluding mining	58.0	57.8	59.5	59.4	58.3	61.0	63.5	69.6	69.7	71.6

TALE 1.4: (CONTINUED) GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY (CONSTANT 1993/94 PRICES)
(P MILLION)

Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Economic Activity										
Annual Percentage Change										
Agriculture	-6.7	15.1	-8.9	-4.6	-1.0	8.9	5.7	10.1	3.9	7.8
Mining	11.5	6.7	1.8	1.9	7.9	-2.0	-3.7	-20.8	6.7	-1.3
Manufacturing	-3.3	4.4	6.1	6.1	3.3	17.5	2.0	-4.8	6.6	12.1
Water and electricity	8.4	6.0	7.5	0.4	6.0	4.8	5.3	0.8	5.5	5.4
Water	7.8	8.6	5.0	-9.8	0.2	7.9	6.0	7.0	2.3	12.2
Electricity	8.7	4.7	8.8	5.4	8.4	3.7	5.1	-1.7	6.9	2.6
Construction	33.4	-12.4	8.6	-6.1	2.3	14.5	-2.8	8.6	15.4	25.4
Trade, hotels and restaurants	7.2	11.1	3.7	-4.8	9.4	10.8	6.2	3.3	9.1	5.1
Trade excl. hotels and restaurants	6.2	8.6	5.1	-6.3	2.9	10.6	5.0	1.4	7.3	5.2
Hotels and restaurants	13.3	26.4	-3.6	3.2	42.7	11.6	10.6	9.5	14.9	4.8
Transport, post and telecommunications, of which:	4.7	-2.9	4.4	12.8	10.5	11.1	14.7	12.0	5.9	7.2
Road transport	-1.4	7.6	22.1	24.6	18.4	9.4	3.3	7.8	8.8	7.6
Air transport	16.3	6.1	10.1	13.8	16.1	16.4	16.3	11.4	5.2	3.9
Post and telecommunications	1.4	-1.9	5.5	7.6	1.8	10.3	25.4	15.2	5.8	8.2
Banks, insurance and business services, of which:	5.7	0.9	3.2	9.1	7.4	8.4	15.0	3.9	4.5	3.8
Banks and insurance	6.3	12.2	-4.9	20.3	19.1	3.7	16.1	2.4	-2.8	3.1
Real estate and business services	6.5	-10.3	10.2	45.9	-5.7	15.0	10.0	5.5	14.8	3.8
General government	11.9	8.0	7.8	5.1	-1.2	4.2	7.8	3.7	0.4	4.9
Central	12.1	9.3	8.0	5.5	-0.2	3.9	6.8	3.3	0.0	4.8
Local	11.0	0.3	6.8	2.9	-8.8	6.2	15.3	6.2	2.8	5.5
Social and personal services	-1.4	5.4	12.1	10.0	2.0	5.4	5.6	10.2	3.6	5.4
NPISHs ²	-3.0	17.9	18.6	16.0	7.7	1.8	1.7	2.9	-4.2	9.2
Total Value Added	9.7	5.3	4.0	2.7	5.6	4.0	3.0	-5.1	5.7	4.5
Adjustment items	-11.6	41.2	60.7	-17.0	-5.1	25.4	0.9	1.8	32.0	13.6
FISIM ³	9.5	15.0	-10.3	15.1	14.9	22.4	24.9	4.6	-2.5	1.6
Taxes on imports	-14.2	10.7	14.1	-3.0	8.3	30.8	9.5	-3.5	8.0	11.9
Taxes on products/production	47.4	43.9	39.2	-7.3	-1.8	13.9	15.7	12.5	19.2	3.9
Subsidies on products/production	66.6	-17.3	22.4	4.4	0.9	7.7	8.9	9.1	9.1	3.4
GDP at Constant Market Prices	9.0	6.3	6.0	1.6	5.1	4.8	2.9	-4.8	7.0	5.1
GDP excluding mining	7.3	6.0	9.0	1.5	3.2	9.6	7.2	4.4	7.1	7.8
GDP per Capita	7.8	5.1	4.8	0.8	4.3	4.1	2.1	-4.2	3.3	-6.0
Excluding Mining	6.1	4.8	7.8	0.6	2.4	8.9	6.3	5.0	3.4	-3.5

1. Estimates from 2005 onwards are provisional and subject to revision.

2. Non-profit institutions serving households.

3. Financial Intermediation Services Indirectly Measured. The value added of the financial institutions sector includes financial intermediation services which are not covered by specific fees. FISIM adjusts total value added downwards by the portion of these services which is estimated to form part of the intermediate consumption of other productive sectors. This estimate is only an approximation and should be treated with caution.

Source: Statistics Botswana

**TABLE 1.5: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE - QUARTERLY ESTIMATES (CURRENT PRICES)¹
(P MILLION)**

Period ²	Government final consumption			Private final consumption				Gross fixed capital formation					
	Central govt.	Local govt.	Total	Non-profit services	Household		Total	Construc- tion	Mach. & equip.	Transp. equip.	Mineral prosp.	Total	
					marketed	non- marketed							
2002	Q1	1 568	235	1 803	108	2 391	330	2 829	1 196	811	189	47	2 244
	Q2	1 567	212	1 779	117	2 325	329	2 772	1 244	827	193	48	2 312
	Q3	1 851	255	2 105	130	2 597	464	3 191	1 309	836	194	49	2 387
	Q4	2 013	271	2 284	135	3 314	272	3 722	1 401	862	200	49	2 512
2003	Q1	2 232	298	2 530	142	2 744	232	3 118	1 415	922	205	47	2 589
	Q2	1 825	223	2 048	152	2 756	345	3 253	1 479	923	213	49	2 663
	Q3	1 854	251	2 105	161	2 967	588	3 716	1 553	706	148	50	2 456
	Q4	1 984	271	2 255	171	3 083	608	3 862	1 596	869	195	49	2 709
2004	Q1	2 222	317	2 539	182	3 399	467	4 047	1 641	786	287	51	2 764
	Q2	2 109	279	2 387	193	3 446	434	4 072	1 687	957	243	52	2 940
	Q3	2 267	278	2 545	205	3 442	647	4 294	1 780	866	259	55	2 961
	Q4	2 202	297	2 499	217	3 807	585	4 609	1 830	923	231	56	3 039
2005	Q1	2 869	365	3 234	231	3 956	459	4 646	1 879	899	357	53	3 189
	Q2	2 248	284	2 533	245	3 650	572	4 467	1 932	830	185	51	2 998
	Q3	2 462	316	2 777	260	4 033	604	4 898	2 083	935	207	68	3 294
	Q4	2 854	365	3 219	277	4 274	596	5 147	2 142	960	200	77	3 380
2006	Q1	2 563	336	2 899	294	4 383	413	5 089	2 202	768	224	67	3 260
	Q2	2 554	337	2 891	299	4 164	703	5 166	2 263	893	217	66	3 439
	Q3	2 865	361	3 225	317	5 069	630	6 016	2 362	1 025	242	85	3 714
	Q4	3 078	374	3 452	307	4 943	706	5 957	2 304	1 109	276	84	3 773
2007	Q1	3 269	391	3 660	304	4 554	733	5 591	2 522	1 064	327	82	3 995
	Q2	3 101	393	3 493	313	5 055	728	6 096	2 624	1 274	420	85	4 403
	Q3	3 340	427	3 768	360	5 863	732	6 954	2 785	1 629	422	96	4 933
	Q4	3 376	429	3 804	358	6 222	874	7 454	2 890	1 497	350	94	4 831
2008	Q1	3 867	473	4 340	<i>416</i>	5 460	865	<i>6 742</i>	2 621	1 698	461	85	4 866
	Q2	3 669	484	4 153	<i>472</i>	6 218	<i>1 041</i>	<i>7 730</i>	2 697	<i>1 665</i>	545	<i>70</i>	4 978
	Q3	3 669	484	4 153	260	7 811	1 050	9 121	2 938	1 787	518	81	5 324
	Q4	4 168	524	4 693	277	7 446	<i>1 152</i>	<i>8 874</i>	2 901	2 171	607	<i>72</i>	5 751
2009	Q1	4 448	551	4 999	<i>384</i>	6 832	1 066	<i>8 281</i>	3 071	1 762	697	<i>62</i>	5 593
	Q2	4 734	582	5 317	<i>369</i>	6 665	<i>1 369</i>	<i>8 403</i>	3 454	1 989	494	<i>79</i>	6 016
	Q3	4 169	541	4 710	<i>387</i>	8 873	<i>1 100</i>	<i>10 359</i>	3 734	1 823	431	<i>91</i>	6 079
	Q4	4 482	569	5 051	<i>377</i>	8 462	<i>1 095</i>	<i>9 934</i>	<i>3 272</i>	2 053	694	<i>81</i>	6 101
2010	Q1	4 506	570	5 076	<i>374</i>	7 617	<i>1 232</i>	<i>9 223</i>	<i>3 603</i>	2 064	591	70	6 328
	Q2	4 708	593	5 301	<i>393</i>	9 076	<i>1 238</i>	<i>10 707</i>	<i>3 990</i>	2 037	<i>531</i>	<i>89</i>	6 648
	Q3	4 789	604	5 393	<i>410</i>	10 423	<i>1 216</i>	<i>12 049</i>	<i>4 169</i>	<i>2 384</i>	<i>554</i>	<i>102</i>	7 209
	Q4	4 764	607	5 371	<i>388</i>	9 180	<i>1 226</i>	<i>10 794</i>	<i>4 566</i>	<i>2 099</i>	515	<i>92</i>	7 272
2011	Q1	5 237	657	5 894	397	10 346	1 142	11 885	4 639	2 120	650	99	7 508
	Q2	5 517	658	6 176	402	11 545	1 293	13 240	5 131	2 762	602	88	8 584
	Q3	5 414	632	6 046	423	12 461	1 390	14 274	5 243	2 858	633	100	8 834
	Q4	5 217	658	5 876	468	12 899	1 478	14 845	5 584	2 385	637	88	8 694

1. Estimates from 2005 onwards are provisional figures and subject to revision.

2. The reporting period has been changed from split to calendar year, so they no longer run from July to June. The new information is available from the Statistics Botswana and starts from 1994.

Source: Statistics Botswana

Changes in inventories				Gross domestic expend.	Exports			Imports			Errors & omissions	Total GDP
Live-stock	Minerals	Others	Total		Goods fob	Services	Total	Goods cif	Services	Total		
26	1 068	149	1 243	8 119	3 665	723	4 388	1 858	764	2 622	- 287	9 598
48	- 218	159	- 10	6 852	3 015	686	3 701	2 293	731	3 024	1 535	9 064
49	40	173	263	7 946	3 899	809	4 708	2 897	858	3 755	1 163	10 063
25	- 753	170	- 558	7 959	4 263	890	5 153	3 317	938	4 255	964	9 822
31	- 325	148	- 146	8 091	3 934	782	4 716	2 187	768	2 955	- 299	9 555
59	326	162	547	8 510	3 597	799	4 396	2 450	724	3 174	6	9 739
36	- 384	678	330	8 607	4 282	821	5 103	2 751	864	3 615	783	10 878
23	148	689	860	9 685	3 157	782	3 939	3 142	875	4 016	250	9 858
21	411	706	1 139	10 489	4 182	1 046	5 228	3 164	1 218	4 382	368	11 704
39	- 1 175	688	- 448	8 951	3 626	596	4 222	3 198	831	4 029	959	10 103
17	1 600	230	1 846	11 646	4 947	677	5 624	3 504	1 059	4 563	453	13 160
11	1 175	206	1 392	11 539	4 590	1 192	5 783	3 574	849	4 422	- 708	12 191
12	- 620	219	- 389	10 679	5 539	1 168	6 707	3 277	1 207	4 485	824	13 725
16	- 130	184	70	10 068	4 872	537	5 408	3 341	1 022	4 363	- 371	10 743
31	598	189	818	11 786	7 021	961	7 982	3 530	1 110	4 639	- 1 865	13 263
16	168	237	420	12 166	5 278	1 485	6 763	3 578	994	4 572	322	14 678
32	179	247	458	11 707	6 029	1 269	7 298	3 239	1 331	4 570	1 300	15 735
26	- 1 110	230	- 854	10 642	6 090	649	6 739	3 692	1 016	4 708	1 471	14 144
59	1 603	309	1 971	14 927	6 215	924	7 139	4 111	1 375	5 486	1 757	18 337
44	- 510	242	- 224	12 958	8 053	1 657	9 710	4 230	1 151	5 380	191	17 479
50	- 263	281	68	13 315	8 899	1 397	10 296	4 202	1 697	5 899	550	18 263
70	- 147	287	210	14 202	7 215	649	7 863	5 071	1 197	6 268	1 505	17 302
62	1 651	725	2 438	18 093	9 162	1 369	10 531	5 294	1 542	6 836	- 918	20 870
36	- 1 199	764	- 400	15 689	5 571	1 796	7 367	6 325	1 585	7 909	4 395	19 541
45	211	632	888	16 835	9 018	1 153	10 171	6 349	1 199	7 548	2 855	22 313
54	- 303	589	340	17 201	8 261	1 381	9 642	7 543	1 339	8 882	2 663	20 624
62	- 717	455	- 200	18 398	10 783	1 847	12 630	8 158	1 383	9 541	3 563	25 050
70	3 380	496	3 947	23 265	4 705	1 509	6 214	7 825	1 424	9 249	3 560	23 790
62	- 2 189	428	- 1 699	17 174	4 205	318	4 523	6 644	1 571	8 215	4 622	18 103
56	1 360	443	1 859	21 595	6 641	619	7 260	6 866	1 656	8 522	1 140	21 473
53	- 179	408	282	21 431	7 052	896	7 948	7 207	1 599	8 806	- 182	20 390
61	1 509	480	2 050	23 136	6 678	389	7 067	7 888	1 874	9 762	2 134	22 576
58	- 804	489	- 257	20 369	7 240	336	7 576	7 938	1 576	9 514	4 078	22 509
51	- 577	542	16	22 672	7 169	505	7 674	7 646	1 983	9 629	4 264	24 982
62	1 086	566	1 714	26 364	8 055	567	8 622	8 197	1 474	9 671	1 248	26 563
83	254	586	923	24 360	9 009	521	9 530	9 302	2 349	11 651	4 964	27 204
79	- 33	619	664	25 952	10 047	626	10 673	10 613	2 502	13 114	3 478	26 988
72	- 760	610	- 78	27 922	12 831	499	13 330	10 134	2 247	12 380	41	28 912
75	683	641	1 399	30 552	12 473	563	13 036	11 156	2 374	13 530	436	30 493
95	583	688	1 365	30 780	8 810	531	9 341	11 009	2 495	13 504	7 530	34 147

TABLE 1.6: GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE – QUARTERLY ESTIMATES (CONSTANT 1993/94 PRICES)¹ (P MILLION)

Period ²	Government final consumption			Private final consumption				Gross fixed capital formation					
	Central govt.	Local govt.	Total	Non- profit services	Household		Total	Construc- tion	Mach. & equip.	Transp. equip.	Mineral prosp.	Total	
					marketed	non- marketed							
2002	Q1	844	127	971	59	1 266	175	1 501	660	489	105	25	1 278
	Q2	820	112	932	63	1 208	172	1 442	675	490	105	25	1 294
	Q3	941	131	1 072	69	1 285	230	1 584	669	472	100	25	1 267
	Q4	1 010	138	1 148	70	1 619	133	1 823	702	481	102	25	1 310
2003	Q1	1 106	150	1 256	72	1 316	112	1 500	689	505	103	25	1 322
	Q2	884	106	990	75	1 280	161	1 516	702	489	103	25	1 319
	Q3	891	120	1 012	79	1 371	273	1 723	794	374	72	23	1 263
	Q4	949	130	1 079	84	1 421	281	1 786	800	459	94	23	1 377
2004	Q1	1 033	149	1 182	87	1 530	211	1 828	799	406	136	23	1 364
	Q2	954	125	1 080	90	1 504	190	1 784	801	479	112	23	1 415
	Q3	1 041	123	1 163	94	1 487	281	1 862	826	429	118	23	1 395
	Q4	1 027	132	1 159	99	1 625	250	1 974	757	451	104	23	1 335
2005	Q1	1 379	160	1 539	104	1 669	194	1 967	749	435	159	23	1 366
	Q2	997	119	1 116	106	1 484	233	1 824	757	387	79	23	1 247
	Q3	1 100	127	1 227	109	1 583	238	1 930	775	421	86	27	1 309
	Q4	1 186	143	1 329	113	1 635	229	1 976	791	422	81	25	1 319
2006	Q1	1 170	127	1 297	116	1 623	153	1 892	783	323	86	27	1 220
	Q2	1 083	123	1 207	115	1 502	255	1 871	775	366	81	26	1 249
	Q3	1 146	124	1 270	120	1 795	224	2 138	789	452	89	29	1 360
	Q4	1 175	127	1 302	116	1 741	250	2 106	653	484	101	30	1 268
2007	Q1	1 255	131	1 386	113	1 580	255	1 948	705	459	118	29	1 311
	Q2	1 137	127	1 264	113	1 707	247	2 067	778	566	148	19	1 511
	Q3	1 241	136	1 377	129	1 893	245	2 268	895	580	117	23	1 615
	Q4	1 220	135	1 355	129	1 989	290	2 408	809	620	131	22	1 581
2008	Q1	1 424	147	1 571	131	1 788	284	2 203	875	594	149	19	1 637
	Q2	1 192	148	1 340	106	1 848	310	2 265	950	612	172	23	1 759
	Q3	1 300	158	1 458	109	2 215	299	2 623	912	612	162	27	1 713
	Q4	1 364	164	1 528	113	2 089	324	2 527	934	634	188	24	1 780
2009	Q1	1 475	171	1 647	116	1 900	297	2 313	1 038	489	214	20	1 761
	Q2	1 243	156	1 399	115	1 737	379	2 230	1 153	564	150	25	1 893
	Q3	1 299	162	1 461	120	2 290	297	2 707	1 126	503	130	29	1 787
	Q4	1 287	160	1 447	116	2 174	295	2 584	984	571	207	26	1 788
2010	Q1	1 366	165	1 531	123	2 003	325	2 450	1 155	663	174	22	2 015
	Q2	1 376	165	1 541	123	2 206	316	2 644	1 259	648	126	27	2 060
	Q3	1 312	164	1 476	136	2 408	317	2 861	1 253	624	137	31	2 045
	Q4	1 256	175	1 431	133	2 476	405	3 014	1 305	801	147	28	2 280
2011	Q1	1 370	173	1 542	132	2 562	298	2 992	1 396	838	164	24	2 421
	Q2	1 189	162	1 352	124	2 714	330	3 168	1 492	798	143	25	2 458
	Q3	1 307	171	1 478	137	2 471	321	2 929	1 482	752	152	29	2 415
	Q4	1 202	162	1 365	140	2 512	335	2 987	1 488	515	154	25	2 183

1. Estimates from 2005 onwards are provisional figures and subject to revision.

2. The reporting period has been changed from split to calendar year, so they no longer run from July to June. The new information is available from Statistics Botswana and starts from 1994.

Source: Statistics Botswana

Changes in inventories				Gross domestic expend.	Exports			Imports			Errors & omissions	Total GDP	Period ²	
Live-stock	Minerals	Others	Total		Goods fob	Services	Total	Goods cif	Services	Total				
14	647	72	734	4 483	1 716	390	2 106	990	413	1 402	- 700	4 488	Q1	2002
26	- 210	92	- 92	3 577	1 384	363	1 747	1 197	388	1 585	1 265	5 004	Q2	
26	168	88	283	4 205	1 706	407	2 113	1 441	434	1 875	418	4 862	Q3	
13	- 362	97	- 252	4 029	1 841	443	2 284	1 629	468	2 097	1 073	5 288	Q4	
17	- 209	79	- 113	3 965	1 669	382	2 050	1 055	376	1 431	218	4 802	Q1	2003
31	250	93	374	4 199	1 477	378	1 854	1 144	343	1 487	703	5 269	Q2	
18	- 239	295	74	4 072	1 749	386	2 136	1 278	410	1 688	939	5 458	Q3	
11	171	306	488	4 730	1 287	367	1 654	1 456	413	1 869	831	5 345	Q4	
11	462	292	765	5 138	1 664	479	2 144	1 432	556	1 988	- 279	5 016	Q1	2004
19	- 1 045	299	- 728	3 551	1 399	265	1 664	1 404	365	1 769	1 661	5 108	Q2	
8	911	110	1 029	5 450	1 890	298	2 187	1 522	457	1 980	323	5 981	Q3	
5	495	107	607	5 076	1 732	518	2 250	1 533	361	1 895	586	6 017	Q4	
6	- 429	90	- 333	4 539	2 066	502	2 567	1 390	506	1 896	184	5 394	Q1	2005
8	- 172	101	- 63	4 124	1 752	222	1 974	1 366	412	1 779	1 176	5 495	Q2	
15	109	90	213	4 679	2 436	384	2 820	1 393	436	1 829	61	5 731	Q3	
7	4	100	112	4 737	1 785	578	2 363	1 376	377	1 753	517	5 864	Q4	
11	91	95	197	4 606	1 973	478	2 451	1 205	486	1 692	415	5 780	Q1	2006
8	- 551	98	- 445	3 882	1 942	238	2 180	1 338	364	1 702	1 284	5 643	Q2	
19	754	110	883	5 651	1 945	333	2 278	1 463	485	1 948	126	6 107	Q3	
13	- 177	94	- 70	4 606	2 507	594	3 101	1 498	406	1 903	305	6 109	Q4	
16	- 412	291	- 105	4 540	2 729	493	3 222	1 465	591	2 057	201	5 907	Q1	2007
19	584	312	915	5 756	2 154	223	2 377	1 722	418	2 140	174	6 169	Q2	
16	- 647	307	- 324	4 936	2 708	466	3 174	1 780	532	2 312	683	6 481	Q3	
8	133	283	424	5 768	1 630	605	2 235	2 104	541	2 646	863	6 220	Q4	
11	- 211	162	- 39	5 373	2 587	609	3 196	2 076	395	2 471	85	6 183	Q1	2008
11	431	- 24	417	5 780	2 171	418	2 589	2 254	305	2 559	455	6 264	Q2	
8	- 439	30	- 401	5 393	2 704	533	3 237	2 326	297	2 624	766	6 772	Q3	
19	1 099	40	1 158	6 992	1 167	431	1 598	2 208	329	2 536	231	6 285	Q4	
13	- 75	244	183	5 904	1 134	190	1 324	1 757	380	2 138	210	5 299	Q1	2009
16	- 450	248	- 187	5 335	1 618	274	1 892	1 802	421	2 223	1 146	6 149	Q2	
19	- 5	235	249	6 204	1 679	246	1 925	1 852	394	2 245	77	5 961	Q3	
16	57	254	327	6 146	1 586	206	1 793	1 831	359	2 190	1 116	6 865	Q4	
8	- 723	129	- 586	5 410	1 683	290	1 973	1 898	379	2 277	1 085	6 191	Q1	2010
13	- 109	138	42	6 287	1 610	231	1 841	1 853	462	2 315	618	6 432	Q2	
20	152	143	315	6 697	1 794	245	2 039	1 976	335	2 311	267	6 693	Q3	
16	176	146	337	7 062	1 972	231	2 203	2 216	529	2 745	140	6 661	Q4	
13	25	151	189	7 144	1 763	234	1 998	2 443	419	2 862	288	6 567	Q1	2011
8	- 399	144	- 247	6 730	2 576	227	2 803	2 297	454	2 750	13	6 797	Q2	
5	96	148	250	7 071	2 590	226	2 816	2 437	443	2 880	163	7 170	Q3	
6	- 187	156	- 25	6 509	2 547	224	2 771	2 401	432	2 833	308	6 755	Q4	

TABLE 1.7: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY – QUARTERLY ESTIMATES (CURRENT PRICES)¹ (P MILLION)

Period ²	Agriculture	Mining	Manu- facturing	Water & electricity	Con- struction	Trade, hotels & restaurants	Transport & comm.	Financial & business services	
2002	Q1	136	4 420	331	189	543	956	296	906
	Q2	220	3 687	328	203	572	897	297	941
	Q3	250	4 385	377	223	469	977	295	985
	Q4	145	3 678	384	254	480	1 101	333	1 048
2003	Q1	172	3 232	390	216	509	1 121	333	1 027
	Q2	300	3 411	400	234	519	1 218	330	1 037
	Q3	278	4 486	388	245	463	1 154	324	1 128
	Q4	195	3 398	403	248	514	1 227	331	1 104
2004	Q1	179	4 495	423	277	573	1 221	365	1 144
	Q2	299	2 697	434	289	553	1 270	373	1 141
	Q3	246	5 789	422	308	576	1 269	397	1 232
	Q4	179	4 510	449	325	549	1 279	409	1 293
2005	Q1	230	5 891	446	281	551	1 218	421	1 300
	Q2	245	3 094	455	302	566	1 308	437	1 345
	Q3	274	4 953	465	339	582	1 381	510	1 404
	Q4	169	5 959	473	354	598	1 505	528	1 467
2006	Q1	336	6 822	482	342	615	1 601	562	1 499
	Q2	249	4 999	492	362	632	1 628	583	1 548
	Q3	337	8 485	551	441	740	1 723	602	1 620
	Q4	241	7 609	584	495	634	1 799	641	1 627
2007	Q1	314	8 045	606	510	703	1 885	652	1 732
	Q2	443	5 927	701	520	779	1 995	678	1 825
	Q3	463	9 101	707	518	811	2 051	701	1 944
	Q4	271	7 494	702	516	906	2 254	735	2 022
2008	Q1	<i>364</i>	10 079	695	534	816	2 283	800	2 153
	Q2	420	<i>7 422</i>	814	563	880	2 448	827	2 227
	Q3	<i>550</i>	<i>10 780</i>	825	596	910	2 620	872	2 503
	Q4	<i>424</i>	<i>9 297</i>	777	648	965	2 751	902	2 579
2009	Q2	<i>523</i>	<i>3 657</i>	802	552	1 011	2 747	926	2 578
	Q3	<i>548</i>	<i>6 488</i>	846	607	1 080	2 891	964	2 558
	Q4	<i>596</i>	<i>4 765</i>	817	628	1 142	2 873	1 046	2 509
	Q4	<i>659</i>	<i>6 629</i>	879	622	1 081	2 816	1 113	2 657
2010	Q1	<i>567</i>	<i>6 180</i>	882	653	1 176	3 011	<i>1 068</i>	2 717
	Q2	<i>606</i>	<i>8 078</i>	931	679	1 184	3 273	<i>1 108</i>	2 870
	Q3	<i>590</i>	<i>8 700</i>	984	791	1 376	3 493	<i>1 193</i>	2 899
	Q4	<i>622</i>	<i>8 680</i>	1 059	701	1 432	3 377	<i>1 228</i>	<i>3 112</i>
2011	Q1	574	8 489	1 050	775	1 576	3 342	1 223	2 959
	Q2	709	9 241	1 141	852	1 631	3 581	1 281	3 129
	Q3	738	9 901	1 248	863	1 794	3 804	1 363	3 384
	Q4	821	11 246	1 324	927	1 884	4 404	1 396	3 621

1. Unadjusted for seasonal variations and data for all years on this table remain provisional.
2. The reporting period has been changed from split to calendar year, so they no longer run from July to June. The new information is available from Statistics Botswana and starts from 1994.
3. Financial Intermediation Services Indirectly Measured. The value added of the financial institutions sector includes financial intermediation services which are not covered by specific fees. FISIM adjusts total value added downwards by the portion of these services which is estimated to form part of the intermediate consumption of other productive sectors. This estimate is only an approximation and should be treated with caution.

Source: Statistics Botswana

Gen. govt.	Social & personal services	Total value added	Adjustments					Total GDP	Period ²	
			FISIM ³	Taxes on imports	Other taxes on products	Subsidies	Net taxes			
1 356	289	9 422	-288	376	157	-70	463	9 598	Q1	2002
1 297	310	8 752	-302	382	270	-38	614	9 064	Q2	
1 517	322	9 799	-338	392	251	-41	601	10 063	Q3	
1 656	358	9 438	-346	386	391	-46	730	9 822	Q4	
1 662	358	9 017	-373	410	545	-44	911	9 555	Q1	2003
1 615	357	9 420	-382	551	177	-28	700	9 739	Q2	
1 675	361	10 501	-449	440	436	-50	826	10 878	Q3	
1 743	379	9 541	-400	448	324	-56	717	9 858	Q4	
1 859	424	10 961	-379	452	722	-53	1 121	11 704	Q1	2004
1 955	432	9 443	-350	632	437	-59	1 009	10 103	Q2	
1 989	443	12 673	-393	591	345	-57	880	13 160	Q3	
1 970	454	11 418	-453	584	706	-63	1 226	12 191	Q4	
2 058	487	12 881	-457	600	761	-60	1 300	13 725	Q1	2005
2 087	500	10 338	-496	540	428	-67	901	10 743	Q2	
2 265	542	12 716	-497	486	622	-64	1 044	13 263	Q3	
2 515	559	14 127	-545	760	408	-72	1 096	14 678	Q4	
2 208	578	15 044	-571	650	680	-68	1 262	15 735	Q1	2006
2 521	581	13 595	-638	720	544	-77	1 188	14 144	Q2	
2 583	609	17 692	-668	807	579	-73	1 313	18 337	Q3	
2 601	602	16 835	-673	732	666	-82	1 317	17 479	Q4	
2 604	616	17 666	-725	762	637	-78	1 322	18 263	Q1	2007
2 849	645	16 363	-741	1 072	695	-87	1 680	17 302	Q2	
2 925	696	19 915	-833	1 086	793	-83	1 796	20 878	Q3	
2 975	700	18 577	-882	1 097	850	-93	1 854	19 549	Q4	
2 991	730	21 444	-907	1 102	763	-88	1 776	22 313	Q2	2008
3 431	744	19 776	-1 004	1 142	809	-99	1 852	20 624	Q3	
3 578	820	24 055	-1 059	1 164	984	-94	2 054	25 050	Q4	
3 675	862	22 880	-1 190	1 175	1 030	-105	2 100	23 790	Q4	
3 706	912	17 415	-1 152	1 024	911	-100	1 834	18 097	Q1	2009
3 799	915	20 696	-1 169	1 107	964	-112	1 958	21 485	Q2	
3 914	976	19 264	-1 059	1 174	1 118	-107	2 185	20 390	Q3	
3 945	962	21 362	-1 183	1 305	1 212	-120	2 397	22 576	Q4	
3 939	1 002	21 196	-1 088	1 268	1 248	-114	2 402	22 509	Q1	2010
4 012	1 048	23 789	-1 202	1 230	1 292	-127	2 394	24 982	Q2	
4 182	1 078	25 287	-1 211	1 291	1 318	-122	2 487	26 563	Q3	
4 649	1 065	25 925	-1 335	1 394	1 355	-136	2 613	27 204	Q4	
4 410	1 107	25 505	-1 219	1 438	1 394	-130	2 702	26 988	Q1	2011
4 573	1 230	27 367	-1 246	1 512	1 404	-125	2 791	28 912	Q2	
4 764	1 226	29 085	-1 376	1 577	1 347	-139	2 784	30 493	Q3	
5 651	1 374	32 647	-1 566	1 622	1 598	-154	3 066	34 147	Q4	

TABLE 1.8: GROSS DOMESTIC PRODUCT BY TYPE OF ECONOMIC ACTIVITY – QUARTERLY ESTIMATES (CONSTANT 1993/94 PRICES)¹ (P MILLION)

Period ²	Agriculture	Mining	Manu- facturing	Water & electricity	Cons- truction	Trade, hotels & restaurants	Transport & comm.	Financial & business services	
2002	Q1	76	1 724	161	102	312	477	163	477
	Q2	118	2 247	156	104	322	442	162	486
	Q3	134	2 010	175	108	247	456	153	490
	Q4	73	2 270	177	115	248	496	171	515
2003	Q1	87	1 715	176	112	256	508	166	492
	Q2	148	2 296	175	109	254	530	159	475
	Q3	135	2 473	171	116	221	501	150	516
	Q4	92	2 316	176	117	259	541	156	504
2004	Q1	87	1 690	181	123	282	558	163	507
	Q2	140	1 827	181	116	264	542	159	489
	Q3	115	2 752	185	121	272	526	167	519
	Q4	79	2 692	193	128	256	529	170	536
2005	Q1	101	2 034	192	120	255	487	174	531
	Q2	109	2 327	194	120	253	502	175	528
	Q3	122	2 353	201	125	251	510	197	587
	Q4	70	2 421	199	126	251	553	196	592
2006	Q1	114	2 390	192	130	250	572	198	583
	Q2	83	2 285	191	127	250	538	202	589
	Q3	120	2 562	209	132	288	557	207	616
	Q4	80	2 618	218	132	245	578	214	617
2007	Q1	107	2 356	224	136	268	596	220	634
	Q2	130	2 359	249	137	289	617	226	623
	Q3	128	2 607	242	136	298	611	231	682
	Q4	69	2 341	238	136	329	664	236	668
2008	Q1	98	2 347	233	136	293	635	254	702
	Q2	131	2 250	257	140	283	652	257	715
	Q3	132	2 606	250	147	280	668	265	759
	Q4	97	2 105	232	151	294	686	270	821
2009	Q1	125	1 181	239	131	307	672	276	800
	Q2	126	1 970	233	145	312	700	281	780
	Q3	137	1 670	219	150	324	685	302	747
	Q4	115	2 548	235	153	305	671	312	786
2010	Q1	121	1 784	235	159	338	716	293	791
	Q2	143	1 982	239	143	332	740	300	809
	Q3	137	2 096	248	163	378	758	320	800
	Q4	123	2 003	264	146	393	763	327	853
2011	Q1	133	1 902	265	157	425	746	322	792
	Q2	137	2 060	268	159	426	762	328	816
	Q3	141	2 294	282	158	470	785	338	862
	Q4	152	1 506	292	169	486	834	341	907

1. Unadjusted for seasonal variations and all data for all years on this table remain provisional.

2. The reporting period has been changed from split to calendar year, so they no longer run from July to June. The new information is available from Statistics Botswana and starts from 1994.

3. Financial Intermediation Services Indirectly Measured. The value added of the financial institutions sector includes financial intermediation services which are not covered by specific fees. FISIM adjusts total value added downwards by the portion of these services which is estimated to form part of the intermediate consumption of other productive sectors. This estimate is only an approximation and should be treated with caution.

Source: Statistics Botswana

General govt.	Social & personal services	Total value added	Adjustments				Total GDP	Period ²		
			FISIM ³	Taxes on imports	Other taxes on products	Subsidies			Net taxes	
737	162	4 392	-149	198	83	-37	244	4 488	Q1	2002
686	171	4 895	-153	198	85	-20	263	5 004	Q2	
784	172	4 730	-165	193	124	-20	297	4 862	Q3	
846	189	5 100	-167	188	191	-23	356	5 288	Q4	
845	185	4 542	-176	196	261	-21	436	4 802	Q1	2003
792	179	5 116	-172	255	82	-13	325	5 269	Q2	
815	180	5 279	-202	203	201	-23	381	5 458	Q3	
846	188	5 195	-180	206	149	-26	330	5 345	Q4	
880	204	4 676	-164	203	325	-24	504	5 016	Q1	2004
893	202	4 814	-146	275	191	-26	440	5 108	Q2	
899	206	5 763	-161	255	149	-24	380	5 981	Q3	
885	209	5 678	-183	249	301	-27	523	6 017	Q4	
914	221	5 028	-182	252	321	-25	548	5 394	Q1	2005
892	220	5 320	-190	219	174	-27	366	5 495	Q2	
931	230	5 507	-185	191	244	-25	410	5 731	Q3	
1 002	231	5 641	-196	291	156	-28	419	5 864	Q4	
857	231	5 517	-198	238	249	-25	462	5 780	Q1	2006
945	227	5 437	-217	257	194	-27	424	5 643	Q2	
948	234	5 872	-225	282	203	-26	460	6 107	Q3	
943	230	5 876	-226	255	232	-27	459	6 109	Q4	
926	233	5 697	-244	261	219	-27	454	5 907	Q1	2007
983	238	5 850	-249	362	235	-29	568	6 169	Q2	
972	251	6 157	-277	363	265	-28	601	6 481	Q3	
967	249	5 896	-290	363	282	-31	614	6 220	Q4	
946	253	5 898	-295	361	249	-29	580	6 183	Q1	2008
1 053	246	5 983	-322	370	265	-32	603	6 264	Q2	
1 068	258	6 433	-320	374	316	-30	659	6 772	Q3	
1 079	268	6 004	-387	373	328	-33	667	6 285	Q4	
1 071	281	5 082	-360	322	287	-32	577	5 299	Q1	2009
1 074	278	5 898	-359	344	300	-35	610	6 149	Q2	
1 079	288	5 602	-315	362	345	-33	674	5 961	Q3	
1 075	284	6 484	-350	398	370	-37	732	6 865	Q4	
1 054	291	5 781	-316	383	377	-34	726	6 191	Q1	2010
1 072	294	6 054	-338	367	387	-38	716	6 432	Q2	
1 094	296	6 289	-332	382	390	-36	736	6 693	Q3	
1 097	290	6 258	-363	408	397	-40	766	6 661	Q4	
1 076	295	6 113	-323	413	401	-37	777	6 567	Q1	2011
1 082	292	6 329	-321	426	397	-35	788	6 797	Q2	
1 102	309	6 741	-344	438	374	-39	774	7 170	Q3	
1 270	339	6 295	-384	446	440	-42	843	6 755	Q4	

TABLE 1.9: MINERAL PRODUCTION

		Copper-Nickel Matte						
		Matte (tonnes)	Copper (tonnes)	Nickel (tonnes)	Cobalt (tonnes)	E.V.P. ¹ (P'000)	Copper concentrate (tonnes)	E.V.P. ¹ (P'000)
2002		45 755	21 590	23 896	...	859 067	...	...
2003		51 983	24 289	27 400	294	1 052 264	...	...
2004		44 140	21 392	22 522	227	1 222 951	...	...
2005		59 365	28 115	30 883	366	1 983 784	...	...
2006		56 222	26 201	29 687	335	3 620 096	...	...
2007		49 475	22 589	26 532	356	5 096 254	...	...
2008		52 422	23 146	28 940	337	3 596 049	...	...
2009		54 340	24 382	29 616	342	2 833 931	...	...
2010		44 138	20 833	23 053	252	2 896 016	...	...
2011		28 202	14 231	13 842	129	...	28 246	1 520
2002	Q1	9 418	4 340	5 022	...	181 221	...	...
	Q2	7 670	3 608	4 018	...	147 768	...	...
	Q3	13 982	6 657	7 233	...	260 714	...	...
	Q4	14 685	6 985	7 623	...	269 364	...	...
2003	Q1	7 517	3 638	3 842	37	140 751	...	...
	Q2	15 911	7 529	8 290	92	287 605	...	...
	Q3	15 233	7 109	8 036	88	300 143	...	...
	Q4	13 322	6 013	7 232	78	323 765	...	...
2004	Q1	14 791	7 090	7 611	90	434 305	...	...
	Q2	8 722	4 279	4 412	32	223 188	...	...
	Q3	4 864	2 356	2 493	15	134 547	...	...
	Q4	15 763	7 667	8 006	90	430 911	...	...
2005	Q1	15 820	7 672	8 043	105	468 965	...	...
	Q2	14 768	6 921	7 763	83	518 649	...	...
	Q3	15 041	7 122	7 824	96	531 603	...	...
	Q4	13 736	6 400	7 253	82	464 567	...	...
2006	Q1	12 818	6 139	6 600	80	484 187	...	...
	Q2	14 552	6 879	7 586	87	660 736	...	...
	Q3	15 111	7 049	7 979	83	1 201 572	...	...
	Q4	13 741	6 134	7 522	85	1 273 601	...	...
2007	Q1	13 721	6 253	7 386	83	1 509 406	...	...
	Q2	14 229	6 533	7 589	108	1 808 536	...	...
	Q3	4 981	2 364	2 586	31	420 507	...	...
	Q4	16 544	7 439	8 971	134	1 357 805	...	...
2008	Q1	14 430	6 307	8 024	99	1 306 771	...	...
	Q2	12 347	5 460	6 804	84	1 040 429	...	...
	Q3	13 791	6 076	7 629	87	784 655	...	...
	Q4	11 854	5 303	6 483	68	464 194	...	...
2009	Q1	10 853	4 896	5 876	81	440 088	...	...
	Q2	14 537	6 456	7 989	92	681 744	...	...
	Q3	15 196	6 740	8 361	95	903 026	...	...
	Q4	13 754	6 290	7 390	74	809 073	...	...
2010	Q1	14 142	6 524	7 531	87	855 862	...	...
	Q2	7 945	3 727	4 172	46	571 336	...	...
	Q3	14 881	6 936	7 862	83	975 055	...	...
	Q4	7 170	3 646	3 488	36	493 763	...	...
2011	Q1	10 569	5 318	5 207	44	...	5 034	271
	Q2	9 535	4 806	4 681	48	...	8 075	435
	Q3	800	445	353	2	...	7 638	411
	Q4	7 298	3 662	3 601	35	...	7 499	404

1. Estimated Value of Production.

Source: Department of Mines

Coal		Diamonds		Soda Ash		Salt		Gold		
(tonnes)	E.V.P. ¹ (P'000)	('000 carats)	(tonnes)	E.V.P. ¹ (P'000)	(tonnes)	E.V.P. ¹ (P'000)	Kg	E.V.P. ¹ (P'000)		
953 081	30 023	28 368	283 400	210 000	315 100	64 911	...	...		2002
822 780	25 919	30 371	234 520	173 780	229 432	47 264	...	...		2003
910 968	28 695	31 037	264 695	218 375	216 745	45 950	...	...		2004
984 876	31 024	31 832	281 976	232 629	198 887	42 164	3 235	218 309		2005
962 427	51 810	34 293	264 974	259 674	214 848	57 794	3 022	354 832		2006
828 164	44 582	33 639	279 625	349 810	191 302	59 499	2 656	352 195		2007
909 511	48 959	32 595	263 566	329 721	170 994	53 179	3 176	606 428		2008
737 798	39 714	17 733	215 188	269 199	241 114	74 986	1 626	344 872		2009
988 240	53 197	22 019	240 898	301 363	364 761	113 442	1 774	477 444		2010
787 729	42 404	22 903	257 851	322 572	446 525	138 869	1 562	544 010		2011
231 936	7 306	5 910	72 900	54 020	82 900	17 078	...	...	Q1	2002
223 975	7 055	7 823	72 200	53 500	90 500	18 643	...	...	Q2	
236 490	7 450	6 838	67 300	49 869	60 600	12 484	...	...	Q3	
260 680	8 212	7 797	71 000	52 611	81 100	16 706	...	...	Q4	
193 052	6 081	5 914	56 371	41 771	52 523	10 820	...	...	Q1	2003
230 307	7 255	7 784	63 244	46 864	65 730	13 540	...	...	Q2	
223 714	7 048	8 653	59 104	43 796	65 492	13 492	...	...	Q3	
175 707	5 535	8 020	55 801	41 349	45 687	9 412	...	...	Q4	
206 214	6 496	5 780	51 448	42 445	51 047	10 822	...	...	Q1	2004
227 123	7 154	6 274	58 520	48 279	64 343	13 641	...	...	Q2	
230 798	7 270	9 609	73 378	60 537	49 352	10 462	...	...	Q3	
246 833	7 775	9 374	81 349	67 114	52 003	11 025	...	...	Q4	
241 440	7 605	7 113	75 587	62 359	56 313	11 938	918	52 677	Q1	2005
227 513	7 167	8 164	61 946	51 105	45 689	9 687	1 064	68 796	Q2	
247 159	7 786	8 154	74 486	61 451	48 034	10 183	650	45 176	Q3	
268 764	8 466	8 401	69 957	57 714	48 851	10 356	604	51 660	Q4	
250 265	13 473	8 250	42 651	41 798	38 739	10 421	697	66 702	Q1	2006
251 847	13 557	7 978	64 778	63 482	61 017	16 414	791	85 358	Q2	
224 061	12 062	8 911	78 982	77 402	73 480	19 766	785	115 859	Q3	
236 254	12 718	9 154	78 563	76 992	41 612	11 193	749	86 913	Q4	
222 009	11 951	8 207	57 202	74 061	19 248	5 986	525	68 370	Q1	2007
209 218	11 263	8 203	69 747	87 109	73 611	22 894	753	99 096	Q2	
214 860	11 566	9 129	83 945	104 619	67 264	20 919	688	91 124	Q3	
182 077	9 802	8 100	68 731	84 021	31 179	9 700	690	93 605	Q4	
229 050	12 330	8 140	64 845	81 121	40 765	12 678	655	127 377	Q1	2008
221 811	11 940	8 031	57 394	71 800	27 502	8 554	777	144 492	Q2	
231 756	12 476	9 138	70 377	88 042	57 727	17 953	804	144 863	Q3	
226 894	12 213	7 286	70 950	88 758	45 000	13 994	940	189 696	Q4	
219 559	11 818	-	49 389	61 785	56 541	17 584	423	95 141	Q1	2009
187 672	10 102	3 915	38 399	48 037	42 507	13 220	469	98 581	Q2	
170 563	9 181	5 856	66 532	83 232	56 660	17 621	404	80 854	Q3	
160 004	8 613	7 962	60 868	76 145	85 406	26 561	330	70 296	Q4	
236 959	12 756	4 595	59 089	73 920	76 231	23 708	406	102 558	Q1	2010
238 649	12 846	5 671	51 982	65 029	73 931	22 993	407	111 604	Q2	
268 811	14 470	5 987	62 585	78 294	124 811	38 816	485	131 544	Q3	
243 821	13 125	5 766	67 242	84 119	89 788	27 925	475	131 738	Q4	
207 794	11 186	5 399	56 264	70 387	93 634	29 120	335	99 326	Q1	2011
270 677	14 571	5 927	57 879	72 406	90 559	28 164	337	106 872	Q2	
212 762	11 453	6 929	74 560	93 275	138 860	43 185	405	147 086	Q3	
96 496	5 194	4 647	69 148	86 504	123 472	38 400	484	190 726	Q4	

TABLE 2.1: CONSUMER PRICE INDICES ¹
(SEPTEMBER 2006 = 100)

	2002	2003	2004	2005	2006	2007			2008			2009			2010			2011		
	CPI	CPI	CPI	CPI	CPI	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA
Jan	65.9	73.0	77.5	83.7	94.3	101.3	101.0	102.3	109.8	109.1	109.8	123.8	122.8	127.7	131.4	129.7	135.2	141.8	139.6	145.5
Feb	65.9	73.6	78.3	84.0	95.0	101.9	101.4	101.9	111.1	111.1	110.6	124.1	122.4	128.1	131.7	129.0	135.5	142.9	142.1	146.0
Mar	66.8	74.0	79.1	84.2	95.8	102.0	101.9	102.6	112.1	112.0	111.8	125.2	123.7	129.4	132.6	130.0	136.7	143.8	142.6	147.1
Apr	67.6	75.0	79.9	84.8	96.9	102.9	103.0	103.7	114.4	115.0	112.8	126.0	124.6	130.3	135.0	133.1	139.1	146.0	143.4	149.4
May	67.8	75.4	81.0	86.1	97.8	104.0	103.9	104.7	116.6	116.3	114.2	126.4	125.0	130.8	136.3	133.2	140.2	147.6	148.7	150.5
Jun	68.1	76.4	81.6	87.4	98.3	104.7	104.6	105.6	119.8	119.1	115.9	128.2	126.4	131.9	138.1	135.0	141.0	149.0	148.8	151.4
Jul	70.3	76.4	81.5	88.2	98.7	106.2	105.7	105.2	122.1	120.6	116.8	129.4	127.7	133.4	138.6	136.6	141.5	149.3	150.3	151.9
Aug	71.2	76.7	81.8	89.7	99.3	106.5	106.1	106.7	122.5	121.4	117.8	130.0	128.1	133.5	138.7	135.4	142.0	150.8	153.7	152.5
Sep	71.6	76.8	82.3	90.5	100.0	106.8	106.6	106.8	121.8	121.5	119.0	130.3	128.5	134.0	139.4	136.8	142.7	151.4	154.8	153.2
Oct	71.9	76.9	82.8	92.1	100.6	107.9	107.6	107.8	122.0	119.7	120.6	130.4	127.1	134.0	139.7	137.2	143.1	152.0	155.6	154.0
Nov	72.4	77.2	83.0	92.4	100.5	108.2	108.1	108.2	124.5	123.6	125.0	130.8	129.5	134.5	140.1	137.9	143.6	153.0	156.3	154.4
Dec	72.6	77.2	83.3	92.7	100.6	108.8	109.0	108.4	123.7	121.8	125.9	130.9	127.7	134.7	140.6	137.5	144.2	153.5	156.9	155.1

1. (i) The Consumer Price Index (CPI) gives the 'headline' rate of consumer price inflation using the full CPI basket. Since September 2006, the basket, which is based on the 2002/03 Household Income and Expenditure Survey (HIES), comprises 384 items. Previously, the CPI was calculated using a smaller basket of 256 items based on the 1993/94 HIES.
- (ii) The 16 percent trimmed mean (CPIT) excludes 8 percent (by weight in the CPI basket) from both the top and bottom ends of the ordered series of price changes, in order to remove extreme price changes.
- (iii) The CPI excluding administered prices (CPIXA) excludes 36 items in the CPI basket that have administered prices which are only adjusted periodically and not necessarily in response to market forces.

Source: Statistics Botswana

TABLE 2.2: ANNUAL INFLATION ¹
(PERCENT)

	2002	2003	2004	2005	2006	2007			2008			2009			2010			2011		
	CPI	CPI	CPI	CPI	CPI	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA	CPI	CPIT	CPIXA
Jan	5.7	10.8	6.2	8.0	12.7	7.4	6.4	7.9	8.4	7.9	7.2	12.8	11.5	16.4	6.1	6.7	5.9	7.9	8.0	7.6
Feb	5.7	11.6	6.3	7.3	13.1	7.3	6.0	6.5	9.0	8.7	8.6	11.7	10.2	15.8	6.1	6.7	5.8	8.5	8.6	7.7
Mar	6.1	10.6	6.9	6.5	13.8	6.5	5.5	6.3	9.8	9.7	8.9	11.7	10.6	15.8	6.0	6.5	5.6	8.5	8.4	7.6
Apr	6.9	10.8	6.6	6.2	14.2	6.3	5.5	6.1	11.1	10.5	8.8	10.2	9.9	15.5	7.1	7.7	6.8	8.2	8.0	7.4
May	5.8	11.2	7.4	6.3	13.5	6.4	5.9	6.5	12.1	11.0	9.1	8.4	8.7	14.5	7.8	8.3	7.2	8.3	8.2	7.3
Jun	5.9	12.2	6.7	7.1	12.5	6.4	6.1	6.8	14.5	12.5	9.8	7.0	7.5	13.8	7.7	8.1	6.9	7.9	7.6	7.4
Jul	8.8	8.6	6.8	8.2	11.9	7.5	6.8	6.0	15.0	12.7	11.1	6.0	7.4	14.2	7.0	7.6	6.1	7.8	7.4	7.3
Aug	9.9	7.8	6.7	9.6	10.7	7.2	6.8	7.2	15.1	13.0	10.4	6.1	6.9	13.4	6.7	7.2	6.3	8.7	8.4	7.4
Sep	10.1	7.3	7.0	10.0	10.5	6.8	6.6	6.8	14.0	12.9	11.4	7.0	6.8	12.6	7.0	7.4	6.5	8.6	8.1	7.4
Oct	10.0	7.0	7.7	11.2	9.2	7.3	7.3	7.0	13.1	11.3	12.0	6.9	5.8	11.1	7.2	7.6	6.8	8.8	8.3	7.6
Nov	10.4	6.6	7.6	11.3	8.8	7.7	7.7	7.1	15.0	13.6	15.5	5.0	5.3	7.7	7.2	7.6	6.7	9.2	8.5	7.5
Dec	10.6	6.4	7.8	11.4	8.5	8.1	7.8	7.1	13.7	12.1	16.1	5.8	6.4	7.0	7.4	7.7	7.1	9.2	8.5	7.5
Average	8.0	9.2	7.0	8.6	11.6	7.1	6.5	6.8	12.6	11.3	10.7	8.2	8.1	13.2	6.9	7.4	6.5	8.5	8.2	7.5

1. See notes for Table 2.1.

Source: Statistics Botswana

TABLE 2.3: COST-OF-LIVING INDEX: TRADEABILITY ANALYSIS

(SEPTEMBER 2006 = 100)¹

		All Items		Non-Tradeables ²		Domestic Tradeables ³		Imported Tradeables		All Tradeables	
		Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation
As at end of	Weights⁴	100.0		30.92		23.92		45.17		69.08	
2002		72.6	10.6	74.6	9.8	74.1	15.2	70.5	8.2	71.7	10.6
2003		77.2	6.4	80.7	8.2	78.6	6.1	74.3	5.5	75.8	5.7
2004		83.3	7.8	88.9	10.2	83.1	5.6	80.0	7.6	81.0	6.9
2005		92.7	11.4	94.2	6.0	91.0	9.6	92.6	15.8	92.1	13.6
2006		100.6	8.5	103.1	9.5	100.4	10.3	99.1	7.0	99.5	8.0
2007	Mar	102.0	6.5	103.8	5.3	105.0	9.8	99.4	5.3	101.2	6.7
	Jun	104.7	6.4	104.3	4.7	110.2	12.2	102.2	4.7	104.9	7.2
	Sep	106.8	6.8	105.6	5.6	112.9	12.9	104.6	4.6	107.4	7.4
	Dec	108.8	8.1	106.6	3.4	115.7	15.2	106.7	7.7	109.7	10.3
2008	Jan	109.8	8.4	106.7	3.0	117.6	15.9	108.1	8.5	111.3	11.1
	Feb	111.1	9.0	107.8	3.8	118.7	15.7	109.5	9.1	112.5	11.3
	Mar	112.1	9.8	108.8	4.8	121.2	15.5	109.6	10.2	113.4	12.0
	Apr	114.4	11.1	109.9	5.7	122.3	14.1	113.4	13.4	116.4	13.6
	May	116.6	12.1	110.0	5.7	124.0	13.8	117.2	15.5	119.5	14.9
	Jun	119.8	14.5	111.9	7.3	125.9	14.2	122.0	19.3	123.2	17.5
	Jul	122.1	15.0	111.9	7.0	127.2	13.7	126.3	20.9	126.6	18.3
	Aug	122.5	15.1	113.1	8.3	128.3	13.8	125.8	19.9	126.6	17.7
	Sep	121.8	14.0	113.5	7.5	129.8	15.0	123.1	17.7	125.3	16.7
	Oct	122.0	13.1	113.2	6.3	130.9	14.9	123.5	16.7	126.0	16.1
	Nov	124.5	15.0	113.2	6.3	144.6	25.8	122.4	15.0	128.9	18.1
	Dec	123.7	13.7	113.5	6.4	146.2	26.4	119.5	11.9	127.6	16.3
2009	Jan	123.8	12.8	117.1	9.8	145.1	23.3	117.2	8.4	126.8	14.0
	Feb	124.1	11.7	117.4	8.9	146.3	23.2	116.9	6.8	127.1	13.0
	Mar	125.2	11.7	118.7	9.2	147.5	21.7	117.8	7.5	127.8	12.7
	Apr	126.0	10.2	119.5	8.8	148.5	21.4	118.6	4.5	128.7	10.5
	May	126.4	8.4	119.7	8.8	148.6	19.9	119.3	1.7	129.2	8.1
	Jun	128.2	7.0	120.9	8.0	148.6	18.0	122.4	0.4	131.2	6.5
	Jul	129.4	6.0	121.5	8.5	149.6	17.6	124.2	-1.7	132.8	4.9
	Aug	130.0	6.1	121.7	7.5	149.5	16.5	125.3	-0.4	133.4	5.4
	Sep	130.3	7.0	122.5	7.9	149.1	14.9	125.7	2.1	133.6	6.7
	Oct	130.4	6.9	122.4	8.2	149.1	13.9	125.8	1.9	133.7	6.1
	Nov	130.8	5.0	122.6	8.3	149.4	3.3	126.5	3.3	134.2	4.1
	Dec	130.9	5.8	123.2	8.5	149.0	1.9	126.6	6.0	134.2	5.1
2010	Jan	131.4	6.1	123.8	5.7	149.3	3.0	127.2	8.5	134.6	6.1
	Feb	131.7	6.1	124.0	5.6	149.5	2.2	127.4	9.0	134.9	6.1
	Mar	132.6	6.0	124.6	4.9	150.5	2.0	128.7	9.3	136.0	6.4
	Apr	135.0	7.1	126.9	6.2	153.7	3.5	130.6	10.1	138.3	7.5
	May	136.3	7.8	128.7	7.5	154.9	4.2	131.7	10.4	139.5	8.0
	Jun	138.1	7.7	129.7	7.3	154.8	4.2	135.1	10.3	141.6	7.9
	Jul	138.6	7.0	129.9	6.9	155.3	3.8	135.7	9.2	142.2	7.1
	Aug	138.7	6.7	130.0	6.8	155.3	3.8	135.9	8.5	142.4	6.7
	Sep	139.4	7.0	130.9	6.9	155.5	4.3	136.8	8.8	143.1	7.1
	Oct	139.7	7.2	131.0	7.0	155.6	4.3	137.3	9.1	143.4	7.3
	Nov	140.1	7.2	131.2	7.0	155.9	4.3	137.9	9.0	144.0	7.3
	Dec	140.6	7.4	131.6	6.9	156.5	5.0	138.4	9.3	144.5	7.7
2011	Jan	141.8	7.9	132.8	7.3	158.2	5.9	139.2	9.5	145.6	8.2
	Feb	142.9	8.5	132.9	7.2	158.9	6.2	141.3	10.9	147.2	9.1
	Mar	143.8	8.5	133.7	7.3	160.1	6.4	142.2	10.5	148.2	9.0
	Apr	146.0	8.2	135.2	6.5	162.2	5.5	144.8	10.9	150.6	8.9
	May	147.6	8.3	135.3	5.2	163.5	5.5	147.6	12.1	152.9	9.6
	Jun	149.0	7.9	138.0	6.4	164.8	6.5	148.1	9.6	153.6	8.5
	Jul	149.3	7.8	138.0	6.3	165.4	6.5	148.6	9.5	154.2	8.4
	Aug	150.8	8.7	139.0	7.0	165.7	6.7	150.9	11.1	155.8	9.5
	Sep	151.4	8.6	139.9	6.9	166.3	6.9	151.3	10.6	156.3	9.2
	Oct	152.0	8.8	140.3	7.1	167.0	7.4	152.1	10.8	157.0	9.5
	Nov	153.0	9.2	140.4	7.0	167.5	7.4	153.9	11.6	158.4	10.0
	Dec	153.5	9.2	140.7	6.9	168.0	7.4	154.6	11.8	159.1	10.1

1. The CPI has been rebased to September 2006 from the previous base period of November 1996.

2. Non-tradeables include mainly services.

3. Domestic tradeables are goods produced in Botswana.

4. These are revised weights based on the 2002/03 Household Income and Expenditure Survey and have been used in the calculation of the CPI from September 2006 onwards.

Source: Statistics Botswana

TABLE 2.4: COST OF LIVING INDEX BY COMMODITY GROUP AND LOCATION¹

(SEPTEMBER 2006 = 100)

Subgroups		Food	Alcohol and tobacco	Clothing and footwear	Housing	Furnishing, H/hold Equip & Maintenance	Health	Transport	Communi-cation	Recreation & Culture	Educa-tion
As at end of	Weights	21.84	9.29	7.52	11.46	6.76	2.71	18.98	3.01	2.22	3.37
2002		75.4	69.2	94.0	75.0	...	...	63.3	...	...	61.5
2003		79.9	72.7	97.5	83.3	...	...	68.1	...	...	66.3
2004		83.9	79.3	98.6	92.6	...	...	77.8	...	...	71.7
2005		91.2	92.7	100.5	96.7	...	...	93.4	...	...	80.3
2006		99.9	101.3	101.5	101.7	101.8	102.1	99.8	95.7	100.1	100.2
2007	Mar	103.3	105.7	101.7	102.8	103.9	102.4	98.2	95.4	98.0	105.5
	Jun	109.6	108.7	104.3	103.5	106.2	102.2	99.6	95.3	102.2	105.5
	Sep	112.5	109.9	101.6	104.8	106.7	113.2	104.9	94.1	98.8	105.5
	Dec	115.4	110.4	100.6	105.8	105.3	113.3	109.9	95.0	98.7	105.5
2008	Jan	119.2	110.6	101.7	106.1	106.3	113.3	110.0	95.0	99.3	105.5
	Feb	120.7	111.3	100.8	106.1	107.4	117.2	112.7	95.0	99.6	109.9
	Mar	122.0	114.9	100.3	108.0	107.6	117.2	112.8	95.0	102.0	109.9
	Apr	123.9	116.2	101.4	110.1	107.9	117.7	119.3	95.0	102.3	109.9
	May	126.4	117.1	103.4	111.9	109.1	117.8	124.8	95.0	102.2	109.9
	Jun	129.6	117.6	104.8	114.3	110.9	117.9	135.1	95.0	102.5	109.9
	Jul	132.1	117.9	105.7	114.4	111.6	118.0	143.2	95.0	102.4	109.9
	Aug	133.5	118.8	105.9	114.9	112.5	118.2	142.4	95.0	102.7	109.9
	Sep	135.5	119.5	106.4	115.6	114.7	118.3	134.1	95.0	102.8	109.9
	Oct	142.0	119.7	106.8	115.9	116.0	118.2	126.7	95.0	102.6	109.9
	Nov	143.1	150.7	107.5	116.0	116.9	118.3	121.4	95.0	102.8	109.9
	Dec	144.2	152.3	108.6	116.0	117.9	118.6	113.8	95.0	103.1	109.9
2009	Jan	145.8	159.7	108.7	114.8	118.2	123.3	107.5	94.7	103.8	113.7
	Feb	146.2	161.0	108.6	114.7	118.2	123.2	107.6	94.7	103.6	113.8
	Mar	148.2	162.2	109.6	116.5	120.1	123.3	107.9	94.7	103.6	113.8
	Apr	148.8	163.2	110.8	116.4	122.7	123.7	108.4	94.7	105.0	113.8
	May	149.2	163.4	111.8	116.4	123.7	123.8	108.8	94.6	106.6	113.8
	Jun	149.4	163.7	112.5	117.6	125.6	123.9	115.2	94.6	107.1	113.8
	Jul	151.5	164.6	115.5	118.1	127.4	124.2	115.5	94.6	108.8	113.8
	Aug	151.7	164.5	115.8	118.1	127.4	124.3	117.6	94.6	109.1	113.8
	Sep	151.7	164.7	116.1	120.0	127.8	124.3	118.1	94.6	109.2	113.8
	Oct	151.6	164.9	116.1	119.9	128.1	124.3	118.3	94.6	109.2	113.8
	Nov	151.9	165.8	117.0	119.9	129.0	124.8	118.6	94.7	109.5	113.8
	Dec	151.0	166.0	116.6	120.3	129.9	125.0	119.6	94.6	109.6	113.8
2010	Jan	151.1	165.8	116.9	119.9	130.6	124.9	120.6	94.6	109.9	120.4
	Feb	151.1	166.0	117.3	120.0	131.2	125.2	121.0	94.6	110.3	120.4
	Mar	152.4	167.6	118.9	121.2	133.1	125.4	121.2	94.6	110.8	120.4
	Apr	154.4	174.1	119.9	121.8	134.3	127.3	123.4	95.4	111.1	120.4
	May	156.0	176.7	120.5	126.3	135.0	127.6	123.6	95.4	111.4	120.5
	Jun	156.1	177.4	121.4	126.8	137.1	127.8	130.2	96.4	111.5	120.5
	Jul	156.4	177.4	122.9	127.3	138.0	128.1	130.3	96.4	115.6	120.5
	Aug	156.8	177.6	123.6	127.5	138.5	128.2	129.6	96.4	115.8	120.5
	Sep	156.7	179.1	125.0	127.7	139.3	128.3	131.6	96.4	116.1	120.5
	Oct	156.7	179.7	126.3	127.9	139.6	128.4	131.7	96.4	116.5	120.5
	Nov	157.2	180.4	127.4	128.1	140.4	128.4	131.8	96.4	116.7	120.5
	Dec	157.6	182.1	127.1	128.8	141.7	128.6	132.2	96.4	116.9	120.5
2011	Jan	158.2	183.4	127.5	129.1	142.3	128.7	133.7	96.4	117.1	133.2
	Feb	159.1	183.9	127.9	129.4	142.9	128.8	137.5	96.4	117.6	133.2
	Mar	160.5	186.0	128.5	130.9	144.6	129.1	137.7	96.4	118.5	133.2
	Apr	164.4	188.5	131.0	131.1	145.3	133.0	139.0	96.4	123.4	133.2
	May	165.8	191.3	132.1	131.8	146.7	133.3	142.8	91.2	124.1	133.2
	Jun	166.6	191.9	133.1	137.6	148.9	133.6	143.3	91.2	124.4	133.2
	Jul	167.0	192.2	134.4	138.2	149.5	133.6	143.4	91.2	124.5	133.2
	Aug	167.9	192.4	135.1	138.9	150.4	133.7	148.7	91.2	124.7	133.2
	Sep	168.8	192.4	135.8	140.0	152.9	133.9	148.8	91.2	124.8	133.2
	Oct	169.8	192.8	136.4	140.6	153.9	136.0	149.4	91.2	125.3	133.2
	Nov	170.7	192.9	137.2	141.2	154.3	136.1	152.6	91.2	125.3	133.2
	Dec	171.8	192.8	138.8	141.8	155.2	136.4	152.6	91.2	125.4	133.2

1. From September 2006, the CPI basket has been expanded to cover 384 items classified into 51 sections, compared to the previous index, which covered 256 items classified into 31 sections. A more representative range of locations from which prices are collected was also included, especially from rural areas. The revised items and weights in the basket are based on the 2002/03 Household Income and Expenditure Survey.

Source: Statistics Botswana

PART C: STATISTICS: 2: PRICES, WAGES AND EMPLOYMENT

Restaurants & Hotels	Misc. Goods & Services	All items index	Annual inflation	Monthly change	Cities & Towns index	Urban villages index	Rural index	Annual Inflation			Subgroups	
								Cities & Town	Urban village	Rural		
3.27	9.58	100.0	%	%	0.47	0.34	0.19	%	%	%	Weights	As at end of
...	...	72.6	10.6	0.3	73.0	72.2	71.7	10.4	11.1	9.8		2002
...	...	77.2	6.4	0.1	77.9	76.3	76.3	6.8	5.6	6.4		2003
...	...	83.3	7.8	0.3	84.1	82.2	81.7	7.9	7.8	7.1		2004
...	...	92.7	11.4	0.4	93.4	92.1	91.2	11.1	12.0	11.7		2005
105.1	100.3	100.6	8.5	0.1	100.3	100.3	101.9	7.4	8.9	11.7		2006
108.4	100.7	102.0	6.5	0.1	100.8	101.9	104.1	4.2	6.3	10.3	Mar	2007
111.6	101.6	104.7	6.4	0.6	103.6	105.1	105.7	5.0	7.1	9.1	Jun	
116.2	102.4	106.8	6.8	0.3	106.0	107.0	108.3	6.0	7.0	8.3	Sep	
119.7	105.3	108.8	8.1	0.5	108.1	108.9	110.2	7.7	8.6	8.1	Dec	
120.2	105.4	109.8	8.4	1.0	109.1	110.1	111.1	8.2	8.9	8.6	Jan	2008
121.1	105.8	111.1	9.0	1.2	110.4	110.9	112.9	9.2	9.0	9.5	Feb	
122.7	105.8	112.1	9.8	0.8	111.5	111.6	113.7	10.7	9.5	9.2	Mar	
123.5	107.4	114.4	11.1	2.1	114.1	114.2	115.2	11.0	11.0	9.8	Apr	
125.2	107.5	116.6	12.1	1.9	116.5	116.2	116.8	12.9	11.8	11.1	May	
126.2	107.7	119.8	14.5	2.8	120.0	119.3	119.3	15.8	13.5	12.9	Jun	
127.1	107.8	122.1	15.0	1.9	122.4	121.7	121.0	16.1	14.1	13.7	Jul	
127.1	108.2	122.5	15.1	0.3	122.8	122.4	121.8	15.7	14.7	14.1	Aug	
129.4	108.3	121.8	14.0	-0.6	121.7	121.6	122.2	14.8	13.6	12.8	Sep	
129.8	108.2	122.0	13.1	0.2	121.5	121.9	123.4	13.5	12.6	12.8	Oct	
138.3	108.3	124.5	15.0	2.1	123.3	124.1	128.2	14.8	14.3	16.7	Nov	
139.7	108.4	123.7	13.7	-0.7	121.9	123.4	128.5	12.9	13.3	16.7	Dec	
143.5	108.8	123.8	12.8	0.1	121.6	123.9	129.3	11.5	12.5	16.3	Jan	2009
145.1	108.9	124.1	11.7	0.2	122.0	124.1	129.4	10.5	11.9	14.7	Feb	
147.9	108.8	125.2	11.7	0.9	123.0	125.2	130.6	10.3	12.2	14.9	Mar	
148.8	110.4	126.0	10.2	0.7	123.7	126.1	131.7	8.4	10.4	14.3	Apr	
150.4	110.4	126.4	8.4	0.3	124.0	126.3	132.5	6.5	8.7	13.4	May	
153.1	111.5	128.2	7.0	1.4	126.3	128.0	133.5	5.2	7.3	11.9	Jun	
154.2	112.9	129.4	6.0	1.0	127.3	129.4	134.9	4.0	6.3	11.5	Jul	
154.7	113.1	130.0	6.1	0.4	127.9	129.9	135.2	4.1	6.2	11.0	Aug	
154.5	113.2	130.3	7.0	0.3	128.3	130.3	135.4	5.4	7.1	10.8	Sep	
153.9	113.2	130.4	6.9	0.1	128.5	130.2	135.1	5.8	6.9	9.5	Oct	
155.2	113.3	130.8	5.0	0.3	128.9	130.5	135.9	4.6	5.1	6.0	Nov	
155.3	113.6	130.9	5.8	0.1	129.3	130.5	135.5	6.1	5.7	5.4	Dec	
155.6	114.4	131.4	6.1	0.4	129.8	131.2	135.8	6.7	5.9	5.1	Jan	2010
156.5	114.6	131.7	6.1	0.2	130.1	131.2	136.4	6.6	5.8	5.4	Feb	
158.3	115.0	132.6	6.0	0.7	131.0	131.8	138.3	6.5	5.2	5.9	Mar	
162.7	119.5	135.0	7.1	1.8	133.5	134.0	140.4	7.9	6.3	6.6	Apr	
164.4	119.7	136.3	7.8	1.0	134.8	135.4	141.6	8.7	7.2	6.9	May	
165.9	120.8	138.1	7.7	1.3	137.0	137.0	142.8	8.5	7.0	7.0	Jun	
166.6	121.0	138.6	7.0	0.3	137.4	137.6	143.2	7.9	6.4	6.2	Jul	
167.5	121.1	138.7	6.7	0.1	137.8	137.6	142.7	7.7	5.9	5.6	Aug	
168.8	121.4	139.4	7.0	0.6	138.6	138.7	143.0	8.0	6.4	5.6	Sep	
170.6	121.5	139.7	7.2	0.2	138.8	139.1	143.0	8.0	6.8	5.9	Oct	
171.8	121.5	140.1	7.2	0.3	139.5	139.3	143.2	8.2	6.7	5.4	Nov	
171.9	121.7	140.6	7.4	0.4	139.8	139.9	144.0	8.1	7.2	6.2	Dec	
172.7	122.6	141.8	7.9	0.8	141.3	141.0	144.5	8.8	7.5	6.4	Jan	2011
172.9	122.6	142.9	8.5	0.8	142.4	142.2	145.5	9.5	8.4	6.6	Feb	
173.7	122.8	143.8	8.5	0.7	143.2	143.2	146.6	9.3	8.7	6.0	Mar	
175.5	125.7	146.0	8.2	1.5	145.3	145.5	148.8	8.9	8.5	6.0	Apr	
179.3	126.1	147.6	8.3	1.1	146.9	146.9	150.5	9.0	8.5	6.2	May	
182.5	126.6	149.0	7.9	0.9	148.4	148.1	152.0	8.3	8.1	6.4	Jun	
183.4	126.7	149.3	7.8	0.3	148.9	148.3	152.3	8.4	7.7	6.3	Jul	
183.7	126.8	150.8	8.7	1.0	150.4	149.8	153.4	9.1	8.9	7.5	Aug	
184.5	126.9	151.4	8.6	0.4	150.9	150.6	153.9	8.9	8.6	7.6	Sep	
184.6	127.1	152.0	8.8	0.4	151.4	151.5	154.6	9.0	8.9	8.1	Oct	
185.3	127.2	153.0	9.2	0.6	152.4	152.7	155.0	9.3	9.6	8.2	Nov	
186.0	127.2	153.5	9.2	0.4	152.9	153.1	155.9	9.4	9.4	8.3	Dec	

TABLE 2.5: TOTAL NUMBER OF PAID EMPLOYEES BY GENDER, SECTOR AND ECONOMIC ACTIVITY¹

	2004			2005			2006			2007		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Private and Parastatal	109 141	67 865	177 006	107 425	69 926	177 351	111 392	71 792	183 184	111 743	75 845	187 588
Private	...	...	...	99 017	65 472	164 489	102 024	66 225	168 249	102 650	70 232	172 882
Parastatal	...	...	...	8 409	4 454	12 863	9 367	5 567	14 934	9 093	5 613	14 706
Agriculture	3 650	1 948	5 598	3 591	1 963	5 554	3 458	2 002	5 460	3 493	1 986	5 479
Mining and quarrying	7 758	923	8 681	8 160	1 110	9 270	9 070	1 432	10 502	10 177	1 559	11 736
Manufacturing	16 731	16 040	32 771	15 946	16 450	32 396	16 445	17 153	33 598	17 741	17 463	35 204
Electricity and water	2 242	500	2 742	2 000	430	2 430	1 969	442	2 411	2 309	526	2 835
Construction	24 360	4 411	28 771	21 198	3 166	24 364	22 246	2 657	24 903	18 810	2 980	21 789
Commerce	25 727	25 843	51 570	28 573	27 406	55 979	29 718	27 018	56 736	23 223	20 903	44 126
Transport and communications	8 376	4 771	13 147	9 501	3 107	12 608	8 530	4 727	13 257	14 559	13 007	27 567
Finance and business services	14 540	6 517	21 056	12 743	9 020	21 763	14 346	8 519	22 865	15 250	9 504	24 755
Community and personal services	1 595	2 669	4 264	1 934	3 203	5 137	2 138	3 275	5 413	2 272	3 037	5 309
Education	4 162	4 244	8 405	3 779	4 071	7 850	3 472	4 567	8 039	3 910	4 879	8 789
Central Government²	49 535	41 714	91 249	55 094	41 608	96 702	45 331	41 224	86 555	45 659	42 862	88 521
Local Government	13 035	9 425	22 460	13 705	10 957	24 662	13 418	11 734	25 152	13 945	11 924	25 869
of which: Ipelegeng	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ALL SECTORS	171 711	119 004	290 715	176 224	122 491	298 715	170 141	124 750	294 891	171 347	130 631	301 978
Excluding Ipelegeng	171 711	119 004	290 715	176 224	122 491	298 715	170 141	124 750	294 891	171 347	130 631	301 978

1. Based on surveys of formal sector employment carried out in March each year. They exclude working proprietors, unpaid family workers and small businesses with less than five employees.

2. Central Government figures exclude Botswana Defence Force (BDF).

Source: Statistics Botswana

TABLE 2.6: MINIMUM HOURLY WAGE RATES FOR PRIVATE & PARASTATAL COMPANIES (Thebe)

Effective beginning of	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	July	July	July	June	May	April	April	April	April	April
Building, construction, exploration and quarrying	240	260	290	310	335	355	380	380	380	380
Manufacturing, service and repair trades	240	260	290	310	335	355	380	380	380	380
Wholesale distributive trades	240	260	290	310	335	355	380	380	380	380
Retail distributive trades	215	230	255	310	290	310	330	330	330	330
Hotel, catering and entertainment trades	240	260	290	310	335	355	380	380	380	380
Garage, motor trades and road transport	240	260	290	270	335	355	380	380	380	380
Nightwatchmen in all sectors	210	220	245	265	280	300	320	320	320	320
Security guards employed by security companies	240	260	290	310	280	355	380	380	380	380
Domestic service workers	...	...	...	...	...	...	210	210	210	210
Agriculture sector workers (Pula per month)	...	...	...	...	...	...	408	408	408	408

Source: Ministry of Labour and Home Affairs

2008			2009			2010			2011			
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
115 433	74 714	190 148	113 228	80 271	193 499	117 809	81 312	199 121	119 462	84 350	203 812	Private and Parastatal
106 671	69 196	175 868	104 310	74 691	179 001	108 335	75 090	183 425	109 211	77 654	186 865	Private
8 762	5 518	14 280	8 917	5 580	14 497	9 474	6 222	15 696	10 251	6 696	16 947	Parastatal
3 531	2 033	5 563	3 528	2 378	5 906	3 199	3 037	6 236	3 427	3 061	6 488	Agriculture
10 229	1 444	11 673	9 555	1 037	10 592	9 975	826	10 801	10 424	1 244	11 668	Mining and quarrying
18 819	17 070	35 888	18 460	17 244	35 704	18 971	16 961	35 932	21 091	15 458	36 549	Manufacturing
2 211	589	2 800	2 278	616	2 894	2 479	768	3 248	2 999	1 001	4 000	Electricity and water
19 290	2 520	21 810	19 399	2 663	22 062	20 047	2 886	22 933	19 849	3 450	23 298	Construction
30 726	29 033	59 759	30 497	31 395	61 892	32 190	31 622	63 813	31 033	33 433	64 465	Commerce
9 016	3 278	12 294	8 300	4 173	12 474	8 171	4 497	12 668	7 924	4 963	12 887	Transport and communications
15 175	10 178	25 353	15 092	10 867	25 959	15 883	10 959	26 842	15 967	11 456	27 424	Finance and business services
2 104	3 538	5 643	1 974	4 307	6 281	2 359	4 452	6 811	2 668	4 360	6 978	Community and personal services
4 334	5 032	9 366	4 145	5 591	9 736	4 534	5 304	9 838	4 081	5 925	10 006	Education
46 396	45 059	91 455	48 136	48 031	96 167	51 002	49 095	100 097	49 706	53 350	103 056	Central Government²
14 216	12 798	27 014	35 748	59 220	94 968	40 580	21 469	62 049	48 112	23 897	72 009	Local Government
...	...	...	21 325	45 481	66 806	25 805	7 152	32 957	33 740	9 911	43 651	of which: Ipelegeng
176 045	132 571	308 617	197 111	187 522	384 633	209 391	151 876	361 267	217 280	161 597	378 877	TOTAL ALL SECTORS
176 045	132 571	308 617	175 786	142 041	317 827	183 586	144 724	328 310	183 540	151 686	335 226	Excluding Ipelegeng

TABLE 2.7: EMPLOYEE AVERAGE MONTHLY CASH EARNINGS BY SECTOR, ECONOMIC ACTIVITY AND CITIZENSHIP¹
(Pula)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
A. Citizens										
Private and parastatal	1 560	1 719	1 771	2 141	2 588	2 942	3 158	3 287	3 728	4 392
Agriculture	563	542	626	697	830	756	735	1 062	909	1 002
Mining and quarrying	3 206	3 362	3 385	4 518	5 274	7 013	7 113	6 857	7 242	8 811
Manufacturing	849	944	1 114	1 219	1 475	1 350	1 617	1 831	2 029	2 520
Water and electricity	4 517	5 569	5 476	6 124	7 786	9 141	7 943	9 806	9 972	10 426
Construction	997	1 050	904	1 138	1 408	1 789	1 456	2 047	2 178	2 743
Commerce	989	1 253	1 395	1 538	1 769	1 651	2 006	2 137	2 246	2 896
Transport and communications	3 510	3 597	2 703	3 585	3 770	5 222	4 973	5 522	5 532	6 968
Finance and business services	3 056	3 080	2 878	3 350	4 594	5 472	7 194	5 514	7 183	7 516
Community and personal services	1 998	1 965	2 084	2 527	2 331	2 464	3 644	4 458	3 952	3 974
Education	2 895	2 830	3 708	5 010	5 061	4 873	5 933	5 480	8 093	7 636
Local government	1 866	2 502	2 362	2 545	2 656	3 294	3 183	3 700	4 678	4 478
Including Ipelegeng Programme	...	...	...	...	...	...	...	1 366	2 368	1 970
Central government	2 804	2 781	3 335	3 489	3 686	3 928	4 322	5 230	5 358	5 992
Total citizens	1 973	2 119	2 759	2 600	2 923	3 275	3 558	3 939	4 344	4 911
Including Ipelegeng Programme	...	...	...	...	...	...	...	3 293	3 960	4 360
B. Non-citizens										
Private and parastatal	6 655	7 518	6 764	7 100	7 421	8 894	8 882	9 344	9 754	12 275
Local government	7 538	6 888	7 532	6 564	9 861	8 364	11 158	14 633	17 596	17 221
Central government	6 342	6 755	7 838	7 888	8 385	5 479	9 506	10 806	11 092	11 758
Total Non-citizens	6 601	7 387	6 909	7 163	7 558	8 584	8 993	9 584	10 040	12 315
C. ALL SECTORS	2 217	2 396	2 584	2 885	3 206	3 417	3 841	3 990	4 288	4 746

1. Estimates are based on survey of formal sector employment conducted in March each year. Reclassification and coverage changes have affected data over time.

Source: Statistics Botswana

BANK OF BOTSWANA ANNUAL REPORT 2011

**TABLE 3.1: CENTRAL BANK SURVEY
(P MILLION)**

As at end of	2004	2005	2006	2007	2008	2009	2010			
	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	23 927.4	34 228.3	47 528.7	57 984.5	68 041.6	56 409.2	54 713.0	53 974.8	53 848.8	49 307.8
Claims on non-residents	24 203.2	34 613.5	47 989.5	58 538.8	68 615.3	57 908.1	56 243.9	55 443.8	55 309.9	50 847.0
Monetary Gold and SDRs	226.3	281.1	335.4	365.4	457.7	966.3	954.7	969.6	950.8	929.7
Foreign Exchange Reserves	23 740.6	34 152.3	47 447.0	58 111.2	67 984.3	56 759.0	55 108.4	54 291.6	54 179.9	49 719.7
IMF Reserve Tranche	134.1	58.2	56.4	41.8	97.9	118.0	116.6	118.4	116.0	135.4
Administered Fund – PRGF	–	–	–	–	–	–	–	–	–	–
Administered Fund – PRGF–HIPC Trust	99.2	118.7	136.9	–	71.8	64.7	64.2	64.2	63.3	62.2
Other non-resident	3.0	3.1	13.8	20.4	3.5	–	–	–	–	–
Less: Liabilities to non-residents	275.8	385.2	460.7	554.3	573.7	1 498.9	1 530.9	1 468.9	1 461.1	1 539.2
Deposits	247.0	346.6	411.2	511.9	520.3	896.3	935.8	867.5	867.6	954.7
Loans	–	–	–	–	–	–	–	–	–	–
Securities other than shares	–	–	–	–	–	–	–	–	–	–
Financial derivatives	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0.2	4.0	9.8	0.8	2.6	3.4	1.0	1.1	2.4	9.4
SDR allocations ³	28.6	34.6	39.7	41.6	50.8	599.1	594.0	600.4	591.1	575.1
Domestic Claims	-9 490.4	-13 178.4	-21 179.2	-27 808.4	-31 694.4	-23 168.9	-22 130.0	-18 427.0	-17 418.6	-14 802.8
Claims on other depository corporations	11.9	–	–	–	–	3.1	0.1	10.7	–	–
Net claims on central government	-9 540.9	-13 223.2	-21 236.2	-27 871.0	-31 767.7	-23 251.8	-22 209.1	-18 516.4	-17 496.8	-14 882.2
Claims on central government	108.2	88.5	88.4	89.0	41.0	45.0	43.8	44.5	42.9	43.8
Securities other than shares	108.2	88.5	88.4	89.0	41.0	45.0	43.8	44.5	42.9	43.8
Other claims	–	–	–	–	–	–	–	–	–	–
Less: Liabilities to central government	9 649.1	13 311.7	21 324.5	27 960.1	31 808.8	23 296.9	22 252.9	18 560.8	17 539.7	14 926.0
Deposits	9 649.1	13 311.7	21 324.5	27 960.1	31 808.8	23 296.9	22 252.9	18 560.8	17 539.7	14 926.0
Claims on other sectors	38.6	44.8	57.0	62.6	73.4	79.9	79.0	78.7	78.3	79.4
Other financial corporations	–	–	–	–	–	–	–	–	–	–
State and local government	–	–	–	–	–	–	–	–	–	–
Public non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other resident sectors	38.6	44.8	57.0	62.6	73.4	79.9	79.0	78.7	78.3	79.4
Reserve Money	1 263.8	1 395.3	2 111.6	2 429.6	3 078.5	3 322.6	3 343.4	3 271.7	3 526.2	4 257.3
Currency in circulation	910.9	935.3	1 069.7	1 360.9	1 594.0	1 659.2	1 630.0	1 621.0	1 773.0	1 915.7
Deposits of other depository corporations	352.9	460.1	1 041.8	1 068.7	1 484.5	1 663.4	1 713.4	1 650.6	1 753.3	2 341.7
Reserve and free deposits	352.9	460.1	1 041.8	1 068.7	1 484.5	1 663.4	1 713.4	1 650.6	1 753.3	2 341.7
Transferable deposits included in broad money	603.4	166.2	17.2	94.3	194.5	398.4	145.5	1 097.4	437.9	1 393.8
Other financial corporations	0.1	2.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.3
State and local government	–	–	–	–	–	–	–	–	–	–
Public non-financial corporations	599.7	159.9	13.0	89.1	188.5	388.9	134.6	1 086.6	427.7	1 383.6
Other non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other resident sectors	3.6	4.3	4.1	5.1	5.9	9.2	10.7	10.7	10.0	9.8
Securities excluded from base money, included in broad money	6 446.9	7 873.5	–	–	–	–	–	–	–	–
Other financial corporations ¹	755.8	876.4	–	–	–	–	–	–	–	–
State and local government	–	–	–	–	–	–	–	–	–	–
Public non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other resident sectors ¹	5 691.0	6 997.1	–	–	–	–	–	–	–	–
Bank of Botswana Certificates held by banks	3 202.4	4 542.7	14 002.7	16 616.2	17 553.9	17 030.3	16 621.8	18 133.1	19 341.8	17 641.6
Shares and other equity	3 025.6	7 168.4	10 317.1	11 128.5	15 628.9	12 615.1	12 602.4	13 176.1	13 262.0	11 358.2
Funds contributed by owners	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Retained earnings	–	–	–	–	–	–	–	–	–	–
Current year results	–	–	–	–	–	–	–	108.7	258.3	–
General reserve	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0
Valuation adjustment	1 400.6	5 543.4	8 692.1	9 503.5	14 003.9	10 990.1	10 977.4	11 442.4	11 378.7	9 733.2
Other items (net)	-105.0	-96.2	-99.0	-92.5	-108.5	-126.1	-130.2	-130.6	-137.6	-145.9
Other liabilities ²	26.2	36.0	48.7	61.0	54.3	50.9	49.7	47.6	43.9	90.1
Less: other assets	-131.2	-132.6	-147.7	-153.5	-162.8	-177.0	-179.9	-178.2	-181.5	-236.0
Memorandum items:										
Monetary Base	11 516.4	13 977.7	16 131.4	19 140.1	20 826.9	20 751.3	20 110.8	22 502.3	23 305.9	23 292.7
Currency in circulation	910.9	935.3	1 069.7	1 360.9	1 594.0	1 659.2	1 630.0	1 621.0	1 773.0	1 915.7
Liabilities to other depository corporations	3 555.3	5 002.7	15 044.5	17 684.9	19 038.4	18 693.7	18 335.2	19 783.8	21 095.1	19 983.3
Reserve and free deposits	352.9	460.1	1 041.8	1 068.7	1 484.5	1 663.4	1 713.4	1 650.6	1 753.3	2 341.7
Other liabilities ¹	3 202.4	4 542.7	14 002.7	16 616.2	17 553.9	17 030.3	16 621.8	18 133.1	19 341.8	17 641.6
Transferable deposits included in broad money	603.4	166.2	17.2	94.3	194.5	398.4	145.5	1 097.4	437.9	1 393.8
Other financial corporations	0.1	2.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.3
State and local government	–	–	–	–	–	–	–	–	–	–
Public non-financial corporations	599.7	159.9	13.0	89.1	188.5	388.9	134.6	1 086.6	427.7	1 383.6
Other non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other resident sectors	3.6	4.3	4.1	5.1	5.9	9.2	10.7	10.7	10.0	9.8
Securities included in broad money	6 446.9	7 873.5	–	–	–	–	–	–	–	–
Other financial corporations ¹	755.8	876.4	–	–	–	–	–	–	–	–
State and local government	–	–	–	–	–	–	–	–	–	–
Public non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other resident sectors ¹	5 691.0	6 997.0	–	–	–	–	–	–	–	–

1. Includes Bank of Botswana Certificates.

2. Includes other accounts receivable, other deposit liabilities plus abandoned funds.

3. Following the revised IMF statistical guidelines, the SDR allocations have been reclassified from 'shares and other equity' to 'liabilities to non-residents'.

Source: Bank of Botswana

2011												
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	As at end of
52 312.7	51 366.6	53 179.4	53 892.8	54 727.2	54 465.4	56 475.6	56 418.3	58 479.6	61 977.7	60 117.6	58 694.8	Net Foreign Assets
53 864.2	52 924.7	54 732.9	55 412.5	56 261.7	55 993.6	57 999.7	57 970.8	60 062.3	63 574.7	61 716.7	60 270.9	Claims on non-residents
980.8	968.3	899.4	893.1	908.8	908.7	906.2	933.7	980.4	993.2	1 004.8	998.6	Monetary Gold and SDRs
52 658.8	51 734.6	53 548.5	54 205.6	55 030.6	54 762.6	56 763.8	56 697.3	58 725.0	62 219.9	60 346.1	58 887.9	Foreign Exchange Reserves
65.7	156.9	220.3	249.5	258.0	258.0	265.5	273.5	287.1	290.8	294.2	313.0	IMF Reserve Tranche
158.9	64.9	64.7	64.3	64.3	64.4	64.3	66.3	69.7	70.8	71.7	71.4	Administered Fund – PRGF
–	–	–	–	–	–	–	–	–	–	–	–	Administered Fund – PRGF–HIPC Trust
–	–	–	–	–	–	–	–	–	–	–	–	Other non-resident
1 551.5	1 558.2	1 553.5	1 519.8	1 534.5	1 528.3	1 524.1	1 552.5	1 582.7	1 597.0	1 599.1	1 576.2	Less: Liabilities to non-residents
939.7	954.4	954.4	923.5	925.5	923.8	914.9	932.0	931.6	930.8	931.6	910.0	Deposits
–	–	–	–	–	–	–	–	–	–	–	–	Loans
–	–	–	–	–	–	–	–	–	–	–	–	Securities other than shares
–	–	–	–	–	–	–	–	–	–	–	–	Financial derivatives
6.2	4.2	5.7	2.3	5.4	2.6	7.6	2.8	2.0	8.3	1.9	4.2	Trade Creditors
605.5	599.6	593.4	594.0	603.6	601.9	601.5	617.7	649.1	657.9	665.6	662.0	SDR allocations ³
												–23
–16 734.8	–15 865.6	–19 347.9	–20 728.1	–20 273.6	–20 598.9	–23 086.9	–21 612.0	–22 414.9	–25 632.3	–24 064.6	–	Domestic Claims
26.2	46.4	–	10.2	–	0.9	–	73.2	1.2	1.9	–	–	Claims on other depository corporations
–16 840.6	–15 990.9	–19 426.7	–20 817.2	–20 352.3	–20 677.1	–23 164.0	–21 762.0	–22 492.3	–25 708.1	–24 137.6	–	Net claims on central government
44.1	44.4	22.1	22.2	22.4	22.6	22.7	22.9	22.0	22.1	24.2	24.4	Claims on central government
44.1	44.4	22.1	22.2	22.4	22.6	22.7	22.9	22.0	22.1	24.2	24.4	Securities other than shares
–	–	–	–	–	–	–	–	–	–	–	–	Other claims
16 884.7	16 035.3	19 448.7	20 839.4	20 374.7	20 699.7	23 186.7	21 784.9	22 514.2	25 730.2	24 161.8	24 099.2	Less: Liabilities to central government
16 884.7	16 035.3	19 448.7	20 839.4	20 374.7	20 699.7	23 186.7	21 784.9	22 514.2	25 730.2	24 161.8	24 099.2	Deposits
79.6	78.9	78.8	78.9	78.7	77.4	77.1	76.8	76.1	73.9	73.0	71.5	Claims on other sectors
–	–	–	–	–	–	–	–	–	–	–	–	Other financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	State and local government
–	–	–	–	–	–	–	–	–	–	–	–	Public non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other non-financial corporations
79.6	78.9	78.8	78.9	78.7	77.4	77.1	76.8	76.1	73.9	73.0	71.5	Other resident sectors
3 971.1	4 087.9	4 018.7	4 256.7	4 034.9	4 105.8	5 503.8	5 389.2	5 545.9	5 595.1	5 685.6	5 823.9	Reserve Money
1 676.4	1 688.7	1 720.5	1 802.4	1 725.2	1 749.6	1 803.6	1 837.7	1 992.1	1 961.3	2 073.4	2 089.2	Currency in circulation
2 294.7	2 399.2	2 298.2	2 454.4	2 309.7	2 356.2	3 700.2	3 551.5	3 553.9	3 633.7	3 612.1	3 734.7	Deposits of other depository corporations
2 294.7	2 399.2	2 298.2	2 454.4	2 309.7	2 356.2	3 700.2	3 551.5	3 553.9	3 633.7	3 612.1	3 734.7	Reserve and free deposits
466.2	829.7	209.7	324.2	316.9	330.5	493.2	892.5	977.3	426.2	663.6	209.3	Transferable deposits included in broad money
0.3	0.3	0.4	0.3	0.3	0.4	0.4	0.5	0.4	0.4	0.5	0.5	Other financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	State and local government
456.0	819.3	198.9	312.5	306.2	319.8	482.5	881.6	967.0	415.6	653.2	199.0	Public non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other non-financial corporations
9.9	10.1	10.3	11.3	10.4	10.3	10.3	10.4	9.9	10.1	9.9	9.8	Other resident sectors
–	–	–	–	–	–	–	–	–	–	–	–	Securities excluded from base money, included in broad money
–	–	–	–	–	–	–	–	–	–	–	–	Other financial corporations ¹
–	–	–	–	–	–	–	–	–	–	–	–	State and local government
–	–	–	–	–	–	–	–	–	–	–	–	Public non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other resident sectors ¹
17 687.3	17 396.0	16 999.9	16 056.7	16 618.4	16 345.7	14 268.7	14 257.4	13 433.0	13 312.4	12 330.7	11 479.2	Bank of Botswana Certificates held by banks
13 610.0	13 357.2	12 777.9	12 698.7	13 664.9	13 275.4	13 314.3	14 453.1	16 321.5	17 227.6	17 596.3	17 449.7	Shares and other equity
25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	Funds contributed by owners
–	–	–	–	–	–	–	–	–	–	–	–	Retained earnings
16.7	75.9	93.0	67.3	107.6	101.4	90.9	209.6	337.0	350.8	405.1	–	Current year results
1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	1 600.0	General reserve
11 968.4	11 656.3	11 059.9	11 006.4	11 932.3	11 549.0	11 598.4	12 618.4	14 359.5	15 251.8	15 566.2	15 824.7	Valuation adjustment
–156.6	–169.8	–174.7	–171.7	–181.5	–191.0	–191.3	–185.9	–213.1	–215.8	–223.2	–234.3	Other items (net)
79.3	69.3	63.6	67.6	63.5	63.3	71.4	75.2	65.6	69.0	65.8	67.1	Other liabilities ²
–235.9	–239.1	–238.3	–239.3	–245.0	–254.3	–262.8	–261.1	–278.7	–284.8	–289.0	–301.4	Less: other assets
												Memorandum items:
22 124.5	22 313.6	21 228.3	20 637.6	20 970.2	20 782.1	20 265.7	20 539.1	19 956.3	19 333.6	18 679.9	17 512.4	Monetary Base
1 676.4	1 688.7	1 720.5	1 802.4	1 725.2	1 749.6	1 803.6	1 837.7	1 992.1	1 961.3	2 073.4	2 089.2	Currency in circulation
19 981.9	19 795.2	19 298.1	18 511.0	18 928.1	18 701.9	17 968.9	17 808.9	16 986.9	16 946.1	15 942.8	15 213.9	Liabilities to other depository corporations
2 294.7	2 399.2	2 298.2	2 454.4	2 309.7	2 356.2	3 700.2	3 551.5	3 553.9	3 633.7	3 612.1	3 734.7	Reserve and free deposits
17 687.3	17 396.0	16 999.9	16 056.7	16 618.4	16 345.7	14 268.7	14 257.4	13 433.0	13 312.4	12 330.7	11 479.2	Other liabilities ¹
466.2	829.7	209.7	324.2	316.9	330.5	493.2	892.5	977.3	426.2	663.6	209.3	Transferable deposits included in broad money
0.3	0.3	0.4	0.3	0.3	0.4	0.4	0.5	0.4	0.4	0.5	0.5	Other financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	State and local government
456.0	819.3	198.9	312.5	306.2	319.8	482.5	881.6	967.0	415.6	653.2	199.0	Public non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other non-financial corporations
9.9	10.1	10.3	11.3	10.4	10.3	10.3	10.4	9.9	10.1	9.9	9.8	Other resident sectors
–	–	–	–	–	–	–	–	–	–	–	–	Securities included in broad money
–	–	–	–	–	–	–	–	–	–	–	–	Other financial corporations ¹
–	–	–	–	–	–	–	–	–	–	–	–	State and local government
–	–	–	–	–	–	–	–	–	–	–	–	Public non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other resident sectors ¹

BANK OF BOTSWANA ANNUAL REPORT 2011

**TABLE 3.2: OTHER DEPOSITORY CORPORATIONS SURVEY
(P MILLION)**

As at end of	2004	2005	2006	2007	2008	2009	2010			
	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	1 267.9	1 531.3	1 092.6	2 169.6	4 416.4	2 384.6	2 214.2	1 670.9	2 124.1	2 965.2
Claims on non-residents	1 779.0	2 992.9	2 863.1	3 749.1	6 058.8	3 750.1	5 287.1	4 617.0	5 600.3	5 838.2
Foreign currency	35.1	59.1	45.2	56.5	102.9	87.9	46.3	62.2	67.3	55.8
Deposits	1 465.6	2 805.1	2 620.4	3 458.3	5 610.1	3 451.1	4 995.0	4 255.2	5 109.8	5 323.0
Securities other than shares	–	–	0.0	0.0	0.0	–	–	–	–	–
Loans	278.3	128.7	197.5	234.2	345.8	211.1	245.7	299.5	423.1	459.4
Financial derivatives	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Less: Liabilities to non-residents	511.1	1 461.7	1 770.5	1 579.5	1 642.4	1 365.5	3 072.8	2 946.1	3 476.2	2 873.0
Deposits	511.1	1 461.7	1 770.5	1 579.5	1 642.4	1 365.5	3 072.8	2 946.1	3 476.2	2 873.0
Securities other than shares	–	–	–	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–	–	–	–
Financial derivatives	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Claims on central bank	3 964.3	5 722.5	15 560.0	18 509.6	17 910.1	18 748.3	18 268.9	19 647.8	20 625.6	20 253.7
Currency	278.4	309.8	316.7	453.3	491.4	513.9	438.1	402.7	434.2	674.3
Reserve and free deposits	541.7	444.9	1 027.1	1 255.6	1 461.7	1 772.0	1 737.5	1 627.8	1 691.0	2 577.8
Other claims (including BoBCs)	3 144.2	4 967.8	14 216.2	16 800.6	15 957.0	16 462.4	16 093.3	17 617.3	18 500.4	17 001.7
Net claims on central government	31.2	62.5	12.2	38.4	2 038.2	848.2	991.0	914.4	603.6	301.9
Claims on central government	464.1	227.8	196.1	183.0	2 567.9	1 245.1	1 222.9	1 192.3	1 323.3	613.8
Securities other than shares	464.1	227.8	196.1	183.0	2 567.8	1 245.1	1 222.9	1 192.3	1 323.3	613.8
Other claims	–	–	–	–	0.1	–	–	–	–	–
Less: Liabilities to central government	432.9	165.3	183.9	144.6	529.7	396.8	231.9	277.9	719.7	311.9
Deposits	432.9	165.3	183.9	144.6	529.7	396.8	231.9	277.9	719.7	311.9
Other liabilities	–	–	–	–	–	–	–	–	–	–
Claims on other sectors	9 623.6	10 338.9	12 350.2	15 371.7	19 423.0	21 505.6	22 784.9	22 719.1	23 519.8	23 940.7
Other financial corporations	69.6	91.0	38.8	61.1	126.3	28.6	17.0	24.2	2.9	11.4
State and local government	–	0.3	–	1.3	8.7	20.5	9.4	15.7	9.5	8.4
Public non-financial corporations	371.5	262.1	260.6	167.1	93.0	282.6	275.7	313.8	527.0	377.8
Other non-financial corporations	3 278.7	3 633.0	4 531.1	5 524.8	7 646.1	7 876.8	8 591.8	8 383.9	8 439.0	8 477.1
Other resident sectors	5 903.8	6 352.5	7 519.7	9 617.4	11 548.9	13 297.1	13 891.0	13 981.6	14 541.5	15 065.9
Liabilities to central bank	4.2	105.5	49.8	126.5	21.5	49.2	121.2	25.3	160.7	–
Deposits included in broad money	12 025.7	13 881.9	23 797.4	31 294.7	37 930.7	37 173.2	36 954.4	38 223.9	39 316.5	40 224.9
Transferable deposits	2 989.1	3 206.0	4 386.6	5 236.4	6 471.4	5 564.2	6 208.8	5 861.8	5 860.5	6 628.7
Other financial corporations	220.3	48.7	452.1	528.7	828.0	237.6	296.5	282.3	291.4	442.8
State and local government	70.6	113.9	96.9	43.8	89.1	37.9	36.9	53.5	50.6	35.1
Public non-financial corporations	94.8	70.6	51.0	61.6	41.0	19.7	148.3	182.9	129.9	181.0
Other non-financial corporations	1 994.8	2 271.9	2 846.2	3 363.5	4 208.8	3 579.2	4 102.2	3 695.1	3 652.0	3 984.6
Other resident sectors	608.6	701.0	940.3	1 238.9	1 304.5	1 689.7	1 624.9	1 648.0	1 736.7	1 985.2
Other deposits	9 036.6	10 675.9	19 410.8	26 058.3	31 459.3	31 609.0	30 745.6	32 362.2	33 456.0	33 596.2
Other financial corporations	719.1	1 171.7	2 669.4	2 200.0	2 000.0	3 503.0	2 785.3	2 919.7	3 000.8	5 011.1
State and local government	639.7	305.5	445.7	662.6	736.6	903.6	537.3	1 389.4	1 882.9	2 067.1
Public non-financial corporations	669.6	732.5	1 978.7	3 064.4	2 631.6	3 142.9	3 559.0	3 702.3	5 658.4	5 018.1
Other non-financial corporations	4 756.8	4 712.6	10 319.8	15 599.7	18 980.3	18 002.3	17 678.1	17 848.8	16 127.9	14 962.3
Other resident sectors	2 251.4	3 753.5	3 997.2	4 531.5	7 110.9	6 057.2	6 185.8	6 502.0	6 786.0	6 537.6
Securities other than shares included in broad money	–	–	–	–	–	–	–	–	–	–
Other financial corporations	–	–	–	–	–	–	–	–	–	–
State and local government	–	–	–	–	–	–	–	–	–	–
Public non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other non-financial corporations	–	–	–	–	–	–	–	–	–	–
Other resident sectors	–	–	–	–	–	–	–	–	–	–
Loans, of which:	604.7	633.3	1 061.0	1 272.9	1 487.7	1 366.6	1 321.5	1 371.5	1 426.7	1 483.5
State and local government	–	–	–	–	–	–	–	–	–	–
Other depository corporations	–	–	–	–	–	–	–	–	–	–
Other financial corporations	604.7	633.3	1 061.0	1 272.9	1 487.7	1 366.6	1 321.5	1 371.5	1 426.7	1 483.5
Securities other than shares excl. from broad money¹	...	...	...	...	...	...	...	...	...	...
Financial derivatives	...	...	...	...	...	...	...	...	...	...
Shares and other equity	1 922.2	2 137.3	2 651.1	3 292.1	4 125.8	4 912.3	5 128.1	5 225.8	5 548.7	5 947.7
Other items (net)	330.1	897.2	1 455.5	103.1	222.0	– 14.6	733.8	105.8	420.5	– 194.6
Other liabilities	1 283.0	1 652.7	2 581.4	1 890.6	2 170.4	1 895.9	2 634.8	1 873.9	2 444.0	1 991.9
Less: Other assets	– 952.9	– 755.4	– 1 125.8	– 1 787.4	– 1 948.4	– 1 910.4	– 1 900.9	– 1 768.1	– 2 023.5	– 2 186.5

1. This includes bonds and certificates of deposits. Effective July 2011, other depository corporations report data on the basis of the revised report format, which now has additional data and further breakdowns by financial instruments.

Sources: Commercial banks, BSB and BBS

2011												As at end of
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
3 235.3	4 574.7	4 858.3	4 227.6	4 224.4	3 846.1	3 801.2	4 960.9	5 210.0	4 445.5	3 984.6	4 710.5	Net Foreign Assets
6 367.3	6 132.4	6 352.2	5 375.5	5 539.9	5 180.2	5 285.5	6 267.1	7 369.7	6 268.8	5 685.4	5 523.7	Claims on non-residents
68.1	65.0	58.7	81.4	79.1	76.1	75.5	78.1	76.8	80.1	75.6	75.8	Foreign currency
5 990.3	5 761.1	5 971.9	4 951.5	5 099.3	4 746.9	5 027.2	6 009.9	7 094.7	5 998.8	5 412.1	5 249.3	Deposits
–	–	–	–	–	–	–	–	–	–	–	–	Securities other than shares
308.9	306.4	321.6	342.5	361.5	357.2	182.9	179.1	198.2	189.9	197.7	198.6	Loans
–	–	–	–	–	–	–	–	–	–	–	–	Financial derivatives
–	–	–	–	–	–	–	–	–	–	–	–	Other
3 132.0	1 557.7	1 494.0	1 147.9	1 315.5	1 334.1	1 484.3	1 306.2	2 159.8	1 823.3	1 700.9	813.2	Less: Liabilities to non-residents
3 132.0	1 557.7	1 494.0	1 147.9	1 315.5	1 334.1	1 484.3	1 306.2	2 159.8	1 823.3	1 700.9	813.2	Deposits
–	–	–	–	–	–	–	–	–	–	–	–	Securities other than shares
–	–	–	–	–	–	–	–	–	–	–	–	Loans
–	–	–	–	–	–	–	–	–	–	–	–	Financial derivatives
–	–	–	–	–	–	–	–	–	–	–	–	Other
20 478.8	20 094.3	19 363.6	19 006.5	18 505.6	18 670.0	17 899.1	18 141.7	18 512.1	17 707.5	15 943.1	14 687.2	Claims on central bank
476.3	379.1	433.4	482.2	449.6	394.9	383.9	439.6	493.7	479.2	563.8	658.5	Currency
2 340.2	2 260.7	2 529.4	2 453.8	2 360.0	2 891.6	3 752.5	3 723.2	3 653.6	3 670.7	3 752.5	3 985.4	Reserve and free deposits
17 662.4	17 454.5	16 400.8	16 070.5	15 696.0	15 383.5	13 762.6	13 978.9	14 364.8	13 557.6	11 626.7	10 043.2	Other claims (including BoBCs)
256.4	288.9	212.8	550.7	1 025.1	1 042.8	1 273.4	579.3	696.0	796.0	1 107.7	1 348.9	Net claims on central government
594.9	628.0	594.6	868.5	1 348.2	1 308.7	1 600.3	850.7	1 017.2	1 038.5	1 388.3	1 595.7	Claims on central government
594.9	628.0	594.6	868.5	1 348.2	1 308.7	1 592.6	843.1	1 006.5	1 036.2	1 383.2	1 595.7	Securities other than shares
–	–	–	–	–	–	7.7	7.6	10.7	2.3	5.2	–	Other claims
338.4	339.1	381.7	317.8	323.2	265.9	326.9	271.4	321.2	242.6	280.7	246.9	Less: Liabilities to central government
338.4	339.1	381.7	317.8	323.2	265.9	326.9	271.4	321.2	242.6	280.7	246.9	Deposits
–	–	–	–	–	–	–	–	–	–	–	–	Other liabilities
24 446.0	24 627.0	25 024.2	25 227.4	25 408.0	26 738.7	27 172.3	27 701.6	28 788.0	29 568.2	30 342.8	31 036.0	Claims on other sectors
9.9	8.3	8.2	7.4	6.5	107.2	1 443.9	1 322.5	1 325.9	1 286.2	1 327.8	1 305.7	Other financial corporations
7.5	7.4	7.1	7.0	7.0	6.6	24.4	24.0	22.9	31.2	31.3	23.6	State and local government
327.4	441.2	506.2	481.3	463.6	516.5	754.9	736.3	727.1	806.7	800.4	997.2	Public non-financial corporations
8 903.6	8 794.4	9 071.9	9 143.5	9 222.8	10 115.1	8 433.7	8 618.0	8 976.9	9 914.4	10 390.4	10 721.0	Other non-financial corporations
15 198.2	15 375.7	15 430.7	15 588.2	15 708.1	15 993.3	16 515.4	17 000.9	17 735.2	17 529.7	17 793.0	17 988.6	Other resident sectors
–	25.2	–	–	153.2	23.5	–	114.1	26.7	89.2	24.9	–	Liabilities to central bank
40 912.4	41 893.8	41 654.5	41 206.8	41 524.7	42 189.6	41 402.5	42 611.2	43 243.5	43 130.5	43 154.6	43 123.3	Deposits included in broad money
6 526.2	6 489.0	6 595.5	6 733.5	6 142.2	7 311.4	6 691.2	6 449.3	7 229.2	6 695.3	7 200.5	7 035.1	Transferable deposits
385.9	422.5	349.1	874.5	542.2	642.4	681.6	525.5	814.3	600.7	722.8	697.5	Other financial corporations
70.1	43.9	63.5	49.2	54.9	48.7	60.1	51.3	59.6	55.9	59.9	52.1	State and local government
148.9	193.8	251.4	327.8	116.6	404.6	183.4	168.8	201.9	198.2	226.8	437.8	Public non-financial corporations
3 884.8	3 768.2	3 936.7	3 487.7	3 506.1	3 814.8	3 487.2	3 434.1	3 854.2	3 552.3	3 636.9	3 384.5	Other non-financial corporations
2 036.4	2 060.7	1 994.8	1 994.3	1 922.3	2 401.0	2 278.9	2 269.7	2 299.2	2 288.1	2 554.1	2 463.3	Other resident sectors
34 386.2	35 404.8	35 059.0	34 473.3	35 382.6	34 878.2	34 711.4	36 162.0	36 014.3	36 435.2	35 954.1	36 088.2	Other deposits
5 533.4	6 425.6	6 216.9	6 114.6	6 491.4	6 442.1	6 782.4	7 183.1	7 075.8	9 070.0	7 090.0	7 555.1	Other financial corporations
1 802.3	1 585.7	1 617.3	2 193.7	2 282.1	3 026.5	2 431.7	1 943.2	2 236.5	2 141.1	1 817.0	1 534.9	State and local government
5 297.9	5 121.6	6 729.1	5 746.5	6 161.1	5 144.8	4 456.6	5 107.0	4 920.3	5 008.6	5 426.5	5 395.7	Public non-financial corporations
14 463.6	15 157.5	13 695.9	13 873.9	13 830.6	13 398.6	14 724.7	15 452.3	15 752.1	12 865.4	14 809.8	14 835.6	Other non-financial corporations
7 289.0	7 114.4	6 799.8	6 544.6	6 617.4	6 866.2	6 316.0	6 476.5	6 029.6	7 350.1	6 810.7	6 766.9	Other resident sectors
–	–	–	–	–	–	–	–	–	–	–	–	Securities other than shares included in broad money
–	–	–	–	–	–	–	–	–	–	–	–	Other financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	State and local government
–	–	–	–	–	–	–	–	–	–	–	–	Public non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other non-financial corporations
–	–	–	–	–	–	–	–	–	–	–	–	Other resident sectors
1 441.5	1 315.9	1 380.6	1 385.2	1 376.4	1 474.6	973.3	712.7	578.5	272.6	699.2	716.2	Loans, of which:
–	–	–	–	–	–	–	–	–	–	–	–	State and local government
–	–	–	–	–	–	–	–	–	–	–	–	Other depository corporations
1 441.5	1 315.9	1 380.6	1 385.2	1 376.4	1 474.6	973.3	712.7	578.5	272.6	699.2	716.2	Other financial corporations
...	...	...	...	...	...	1 183.8	1 322.8	1 335.1	1 485.1	1 524.5	1 603.4	Securities other than shares excl. from broad money¹
...	...	...	...	...	...	14.1	20.0	61.4	67.8	59.3	51.4	Financial derivatives
6 146.5	6 261.4	6 139.2	6 359.8	6 296.2	6 126.4	6 061.6	6 112.6	6 264.6	6 210.2	6 238.3	6 480.6	Shares and other equity
– 83.9	88.6	284.5	60.4	– 187.5	483.4	510.5	490.1	1 696.2	1 261.8	– 322.7	– 192.2	Other items (net)
2 310.7	2 286.7	2 749.0	2 429.0	2 365.7	2 979.6	3 034.9	2 937.9	3 946.2	3 442.7	3 013.1	2 510.0	Other liabilities
– 2 394.6	– 2 198.2	– 2 464.5	– 2 368.6	– 2 553.2	– 2 496.2	– 2 524.4	– 2 447.8	– 2 250.0	– 2 180.9	– 3 335.8	– 2 702.2	Less: Other assets

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 3.3: DEPOSITORY CORPORATIONS SURVEY
(P MILLION)

As end of	2004	2005	2006 ¹	2007	2008	2009	2010			
	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec
Net Foreign Assets	25 195.3	35 759.5	48 621.3	60 154.1	72 458.0	58 793.8	56 927.2	55 645.8	55 972.9	52 273.0
Claims on non-residents	25 982.2	37 606.4	50 852.6	62 287.9	74 674.0	61 658.1	61 530.9	60 060.8	60 910.2	56 685.2
Central bank	24 203.2	34 613.5	47 989.5	58 538.8	68 615.3	57 908.1	56 243.9	55 443.8	55 309.9	50 847.0
Other depository corporations	1 779.0	2 992.9	2 863.1	3 749.1	6 058.8	3 750.1	5 287.1	4 617.0	5 600.3	5 838.2
Less: Liabilities to non-residents	786.9	1 846.9	2 231.3	2 133.8	2 216.1	2 864.4	4 603.7	4 415.0	4 937.3	4 412.2
Central bank	275.8	385.2	460.7	554.3	573.7	1 498.9	1 530.9	1 468.9	1 461.1	1 539.2
Other depository corporations	511.1	1 461.7	1 770.5	1 579.5	1 642.4	1 365.5	3 072.8	2 946.1	3 476.2	2 873.0
Domestic claims	152.5	-2 777.0	-8 816.8	-12 398.3	-10 233.1	- 818.2	1 645.8	5 195.9	6 907.0	9 439.8
Net claims on central government	-9 509.7	-13 160.8	-21 224.0	-27 832.6	-29 729.5	-22 403.6	-21 218.1	-17 601.9	-16 691.1	-14 580.3
Claims on central government	572.3	316.2	284.4	272.0	2 608.9	1 290.1	1 266.7	1 236.8	1 366.1	657.6
Central bank	108.2	88.5	88.4	89.0	41.0	45.0	43.8	44.5	42.9	43.8
Other depository corporations	464.1	227.8	196.1	183.0	2 567.9	1 245.1	1 222.9	1 192.3	1 323.3	613.8
Less: Liabilities to central government	10 082.0	13 477.0	21 508.4	28 104.6	32 338.5	23 693.7	22 484.9	18 838.7	18 057.3	15 237.9
Central bank	9 649.1	13 311.7	21 324.5	27 960.1	31 808.8	23 296.9	22 252.9	18 560.8	17 539.7	14 926.0
Other depository corporations	432.9	165.3	183.9	144.6	529.7	396.8	231.9	277.9	517.5	311.9
Claims on other sectors	9 662.2	10 383.7	12 407.2	15 434.4	19 496.4	21 585.4	22 863.9	22 797.8	23 598.1	24 020.1
Other financial corporations	69.6	91.0	38.8	61.1	126.3	28.6	17.0	24.2	2.9	11.4
State and local government	-	0.3	-	1.3	8.7	20.5	9.4	15.7	9.5	8.4
Public non-financial corporations	371.5	262.1	260.6	167.1	93.0	282.6	275.7	313.8	527.0	377.8
Other non-financial corporations	3 278.7	3 633.0	4 531.1	5 524.8	7 646.1	7 876.8	8 591.8	8 383.9	8 439.0	8 477.1
Other resident sectors	5 942.3	6 397.4	7 576.6	9 680.0	11 622.3	13 377.0	13 970.1	14 060.2	14 619.7	15 145.2
TOTAL ASSETS	25 347.8	32 982.5	39 804.5	47 755.8	62 224.8	57 975.6	58 573.1	60 841.6	62 879.9	61 712.8
Broad money liabilities	19 708.5	22 547.0	24 567.7	32 296.6	39 227.8	38 716.8	38 291.8	40 539.7	41 295.4	42 860.1
Currency outside depository corporations	632.4	625.4	753.0	907.6	1 102.6	1 145.2	1 191.9	1 218.3	1 338.8	1 241.4
Transferable deposits	3 592.5	3 372.3	4 403.8	5 330.8	6 665.9	5 962.6	6 354.3	6 959.2	6 298.4	8 022.5
Other financial corporations	220.4	50.8	452.2	528.8	828.2	237.8	296.7	282.4	291.5	443.1
State and local government	70.6	113.9	96.9	43.8	89.1	37.9	36.9	53.5	50.6	35.1
Public non-financial corporations	694.5	230.5	64.1	150.7	229.5	408.6	282.9	1 269.5	557.7	1 564.7
Other non-financial corporations	1 994.8	2 271.9	2 846.2	3 363.5	4 208.8	3 579.2	4 102.2	3 695.1	3 652.0	3 984.6
Other resident sectors	612.2	705.2	944.4	1 244.0	1 310.3	1 699.0	1 635.6	1 658.7	1 746.7	1 995.0
Other deposits included in broad money	9 036.7	10 675.9	19 410.8	26 058.3	31 459.3	31 609.0	30 745.6	32 362.2	33 658.1	33 596.2
Other financial corporations	719.1	1 171.7	2 669.4	2 200.0	2 000.0	3 503.0	2 785.3	2 919.7	2 760.8	5 011.1
State and local government	639.7	305.5	445.7	662.6	736.6	903.6	537.3	1 389.4	1 882.9	2 067.1
Public non-financial corporations	669.6	732.5	1 978.7	3 064.4	2 631.6	3 142.9	3 559.0	3 702.3	5 043.2	5 018.1
Other non-financial corporations	4 756.8	4 712.6	10 319.8	15 599.7	18 980.3	18 002.3	17 678.1	17 848.8	17 185.3	14 962.3
Other resident sectors	2 251.4	3 753.5	3 997.2	4 531.5	7 110.9	6 057.2	6 185.8	6 502.0	6 786.0	6 537.6
Securities other than shares included in broad money	6 446.9	7 873.5	-	-	-	-	-	-	-	-
Other financial corporations	755.8	876.4	-	-	-	-	-	-	-	-
Other non-financial corporations	-	-	-	-	-	-	-	-	-	-
Other resident sectors	5 691.0	6 997.0	-	-	-	-	-	-	-	-
Bank of Botswana Certificates held by banks	3 202.4	4 542.7	14 002.7	16 616.2	17 553.9	17 030.3	16 621.8	18 133.1	19 341.8	17 641.6
Loans	604.7	633.3	1 061.0	1 272.9	1 487.7	1 366.6	1 321.5	1 371.5	1 426.7	1 483.5
Central bank	-	-	-	-	-	-	-	-	-	-
Other depository corporations	604.7	633.3	1 061.0	1 272.9	1 487.7	1 366.6	1 321.5	1 371.5	1 426.7	1 483.5
Securities other than shares excl. from broad money³	-	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-	-
Shares and other equity	4 947.8	9 305.7	12 968.3	14 420.6	19 754.7	17 527.4	17 730.5	18 401.9	18 810.7	17 305.9
Central bank	3 025.6	7 168.4	10 317.1	11 128.5	15 628.9	12 615.1	12 602.4	13 176.1	13 262.0	11 358.2
Other depository corporations	1 922.2	2 137.3	2 651.1	3 292.1	4 125.8	4 912.3	5 128.1	5 225.8	5 548.7	5 947.7
Other items (net)	-3 115.6	-4 046.1	-12 795.1	-16 850.5	-15 799.3	-16 665.4	-15 392.6	-17 604.6	-17 994.6	-17 578.3
Liabilities to other depository corporations	352.9	460.1	1 041.8	1 068.7	1 484.5	1 663.4	1 713.4	1 650.6	1 753.3	2 341.7
Liabilities to central bank	4.2	105.5	49.8	126.5	21.5	49.2	121.2	25.3	160.7	-
Other liabilities	1 309.2	1 688.7	2 630.0	1 951.6	2 224.7	1 946.7	2 684.4	1 921.5	2 487.9	2 082.0
Currency	278.4	309.8	316.7	453.3	491.4	513.9	438.1	402.7	434.2	674.3
Less: Claims on central bank	-3 964.3	-5 722.5	-15 560.0	-18 509.6	-17 910.1	-18 748.3	-18 268.9	-19 647.8	-20 625.6	-20 253.7
Less: Claims on other depository corporations	- 11.9	-	-	-	-	- 3.1	- 0.1	- 10.7	-	-
Less: Other assets	-1 084.1	- 887.6	-1 273.5	-1 940.9	-2 111.2	-2 087.4	-2 080.8	-1 946.3	-2 205.0	-2 422.5
TOTAL LIABILITIES	25 347.8	32 982.5	39 804.5	47 755.8	62 224.8	57 975.6	58 573.1	60 841.6	62 879.9	61 712.8
Memorandum items:										
M1 (currency outside depository corporations plus transferable deposits)	4 224.9	3 997.7	5 156.8	6 238.3	7 768.5	7 107.8	7 546.2	8 177.5	7 637.2	9 263.9
M2 (M1 plus other deposits included in broad money)	13 261.6	14 673.6	24 567.7	32 296.6	39 227.8	38 716.8	38 291.8	40 539.7	41 295.4	42 860.1
M3 (M2 plus securities included in broad money – BoBCs)	19 708.5	22 547.0	24 567.7	32 296.6	39 227.8	38 716.8	38 291.8	40 539.7	41 295.4	42 860.1
1.	Following the implementation of standardised reporting forms, the broad measure of money, M4, no longer exist. The foreign currency deposits, which were previously reported as part of M4, have been reclassified under transferable and other deposits, which go under M1 and M2, respectively.									
2.	Following the move by the Bank, effective March 2006, to exclude the private sector from trading in BoBCs, M2 and M3 converged.									

2011													
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	As end of	
55 548.0	55 941.3	58 037.6	58 120.3	58 951.6	58 311.4	60 276.8	61 379.2	63 689.6	66 423.2	64 102.2	63 405.2	Net Foreign Assets	
60 231.5	59 057.1	61 085.2	60 788.0	61 801.6	61 173.8	63 285.2	64 237.9	67 432.0	69 843.5	67 402.1	65 794.6	Claims on non-residents	
53 864.2	52 924.7	54 732.9	55 412.5	56 261.7	55 993.6	57 999.7	57 970.8	60 062.3	63 574.7	61 716.7	60 270.9	Central bank	
6 367.3	6 132.4	6 352.2	5 375.5	5 539.9	5 180.2	5 285.5	6 267.1	7 369.7	6 268.8	5 685.4	5 523.7	Other depository corporations	
4 683.5	3 115.9	3 047.5	2 667.7	2 850.0	2 862.4	3 008.3	2 858.8	3 742.4	3 420.3	3 299.9	2 389.4	Less: Liabilities to non-residents	
1 551.5	1 558.2	1 553.5	1 519.8	1 534.5	1 528.3	1 524.1	1 552.5	1 582.7	1 597.0	1 599.1	1 576.2	Central bank	
3 132.0	1 557.7	1 494.0	1 147.9	1 315.5	1 334.1	1 484.3	1 306.2	2 159.8	1 823.3	1 700.9	813.2	Other depository corporations	
7 941.4	9 003.8	5 889.2	5 039.8	6 159.5	7 181.8	5 358.7	6 595.7	7 067.9	4 730.0	7 385.9	8 381.5	Domestic claims	
-16 584.2	-15 702.0	-19 213.8	-20 266.4	-19 327.2	-19 634.3	-21 890.6	-21 182.7	-21 796.2	-24 912.1	-23 029.9	-22 726.0	Net claims on central government	
638.9	672.4	616.6	890.8	1 370.6	1 331.3	1 623.0	873.6	1 039.2	1 060.6	1 412.6	1 620.1	Claims on central government	
44.1	44.4	22.1	22.2	22.4	22.6	22.7	22.9	22.0	22.1	24.2	24.4	Central bank	
594.9	628.0	594.6	868.5	1 348.2	1 308.7	1 600.3	850.7	1 017.2	1 038.5	1 388.3	1 595.7	Other depository corporations	
17 223.1	16 374.4	19 830.5	21 157.2	20 697.9	20 965.6	23 513.6	22 056.3	22 835.4	25 972.8	24 442.5	24 346.1	Less: Liabilities to central government	
16 884.7	16 035.3	19 448.7	20 839.4	20 374.7	20 699.7	23 186.7	21 784.9	22 514.2	25 730.2	24 161.8	24 099.2	Central bank	
338.4	339.1	381.7	317.8	323.2	265.9	326.9	271.4	321.2	242.6	280.7	246.9	Other depository corporations	
24 525.5	24 705.9	25 103.0	25 306.3	25 486.7	26 816.1	27 249.3	27 778.4	28 864.1	29 642.1	30 415.8	31 107.5	Claims on other sectors	
9.9	8.3	8.2	7.4	6.5	107.2	1 443.9	1 322.5	1 325.9	1 286.2	1 327.8	1 305.7	Other financial corporations	
7.5	7.4	7.1	7.0	7.0	6.6	24.4	24.0	22.9	31.2	31.3	23.6	State and local government	
327.4	441.2	506.2	481.3	463.6	516.5	754.9	736.3	727.1	806.7	800.4	997.2	Public non-financial corporations	
8 903.0	8 794.4	9 071.9	9 143.5	9 222.8	10 115.1	8 433.7	8 618.0	8 976.9	9 914.4	10 390.4	10 721.0	Other non-financial corporations	
15 277.8	15 454.6	15 509.5	15 667.1	15 786.8	16 070.7	16 592.5	17 077.7	17 811.4	17 603.6	17 866.0	18 060.0	Other resident sectors	
63 489.3	64 945.1	63 926.8	63 160.2	65 111.0	65 493.2	65 635.6	67 974.9	70 757.4	71 153.2	71 488.1	71 786.7	TOTAL ASSETS	
42 578.6	44 033.1	43 151.3	42 851.2	43 117.3	43 874.9	43 315.4	44 901.8	45 719.2	45 038.8	45 327.8	44 763.2	Broad money liabilities	
1 200.1	1 309.6	1 287.1	1 320.2	1 275.6	1 354.8	1 419.7	1 398.1	1 498.3	1 482.1	1 509.6	1 430.6	Currency outside depository corporations	
6 992.4	7 318.7	6 805.2	7 057.7	6 459.1	7 642.0	7 184.4	7 341.7	8 206.6	7 121.4	7 864.2	7 244.4	Transferable deposits	
386.2	422.8	349.4	874.8	542.5	642.9	682.1	526.0	814.8	601.1	723.3	698.0	Other financial corporations	
70.1	43.9	63.5	49.2	54.9	48.7	60.1	51.3	59.6	55.9	59.9	52.1	State and local government	
604.9	1 013.0	450.3	640.3	422.8	724.4	665.8	1 050.4	1 168.9	613.8	880.0	636.8	Public non-financial corporations	
3 884.8	3 768.2	3 936.7	3 487.7	3 506.1	3 814.8	3 487.2	3 434.1	3 854.2	3 552.3	3 636.9	3 384.5	Other non-financial corporations	
2 046.3	2 070.8	2 005.2	2 005.6	1 932.7	2 411.3	2 289.2	2 280.1	2 309.2	2 298.2	2 564.0	2 473.1	Other resident sectors	
34 386.2	35 404.8	35 059.0	34 473.3	35 382.6	34 878.2	34 711.4	36 162.0	36 014.3	36 435.2	35 954.1	36 088.2	Other deposits included in broad money	
5 533.4	6 425.6	6 216.9	6 114.6	6 491.4	6 442.1	6 782.4	7 183.1	7 075.8	9 070.0	7 090.0	7 555.1	Other financial corporations	
1 802.3	1 585.7	1 617.3	2 193.7	2 282.1	3 026.5	2 431.7	1 943.2	2 236.5	2 141.1	1 817.0	1 534.9	State and local government	
5 297.9	5 121.6	6 729.1	5 746.5	6 161.1	5 144.8	4 456.6	5 107.0	4 920.3	5 008.6	5 426.5	5 395.7	Public non-financial corporations	
14 463.6	15 157.5	13 695.9	13 873.9	13 830.6	13 398.6	14 724.7	15 452.3	15 752.1	12 865.4	14 809.8	14 835.6	Other non-financial corporations	
7 289.0	7 114.4	6 799.8	6 544.6	6 617.4	6 866.2	6 316.0	6 476.5	6 029.6	7 350.1	6 810.7	6 766.9	Other resident sectors	
-	-	-	-	-	-	-	-	-	-	-	-	Securities other than shares included in broad money	
-	-	-	-	-	-	-	-	-	-	-	-	Other financial corporations	
-	-	-	-	-	-	-	-	-	-	-	-	Other non-financial corporations	
-	-	-	-	-	-	-	-	-	-	-	-	Other resident sectors	
17 687.3	17 396.0	16 999.9	16 056.7	16 618.4	16 345.7	14 268.7	14 257.4	13 433.0	13 312.4	12 330.7	11 479.2	Bank of Botswana Certificates held by banks	
1 441.5	1 315.9	1 380.6	1 385.2	1 376.4	1 474.6	973.3	712.7	578.5	272.6	699.2	716.2	Loans	
-	-	-	-	-	-	-	-	-	-	-	-	Central bank	
1 441.5	1 315.9	1 380.6	1 385.2	1 376.4	1 474.6	973.3	712.7	578.5	272.6	699.3	716.2	Other depository corporations	
-	-	-	-	-	-	1 183.8	1 322.8	1 335.1	1 485.1	1 524.5	1 603.4	Securities other than shares excl. from broad money³	
-	-	-	-	-	-	14.1	20.0	61.4	67.8	59.3	51.4	Financial derivatives	
19 756.6	19 618.5	18 917.2	19 058.5	19 961.1	19 401.8	19 375.9	20 565.6	22 586.1	23 437.8	23 834.6	23 930.4	Shares and other equity	
13 610.0	13 357.2	12 777.9	12 698.7	13 664.9	13 275.4	13 314.3	14 453.1	16 321.5	17 227.6	17 596.3	17 449.7	Central bank	
6 146.5	6 261.4	6 139.2	6 359.8	6 296.2	6 126.4	6 061.6	6 112.6	6 264.6	6 210.2	6 238.3	6 480.6	Other depository corporations	
-17 974.7	-17 418.4	-16 522.2	-16 191.3	-15 962.2	-15 603.9	-13 495.8	-13 805.5	-12 955.9	-12 461.2	-12 288.1	-10 756.9	Other items (net)	
2 294.7	2 399.2	2 298.2	2 454.4	2 309.7	2 356.2	3 700.2	3 551.5	3 553.9	3 633.7	3 612.1	3 734.7	Liabilities to other depository corporations	
-	25.2	-	-	153.2	23.5	-	114.1	26.7	89.2	24.9	-	Liabilities to central bank	
2 390.0	2 356.1	2 812.6	2 496.6	2 429.2	3 042.9	3 106.3	3 013.1	4 011.7	3 511.7	3 079.0	2 577.1	Other liabilities	
476.3	379.1	433.4	482.2	449.6	394.9	383.9	439.6	493.7	479.2	563.8	658.5	Currency	
-20 478.8	-20 094.3	-19 363.6	-19 006.5	-18 505.6	-18 670.0	-17 899.1	-18 141.7	-18 512.1	-17 707.5	-15 943.1	-14 687.2	Less: Claims on central bank	
-26.2	-46.4	-	-10.2	-	-0.9	-	-73.2	-1.2	-1.9	-	-36.5	Less: Claims on other depository corporations	
-2 630.5	-2 437.3	-2 702.8	-2 607.9	-2 798.2	-2 750.5	-2 787.2	-2 708.9	-2 528.6	-2 465.7	-3 624.8	-3 003.6	Less: Other assets	
63 489.3	64 945.1	63 926.8	63 160.2	65 111.0	65 493.2	65 635.6	67 974.9	70 757.4	71 153.2	71 488.1	71 786.7	TOTAL LIABILITIES	
Memorandum items:													
M1 (currency outside depository corporations plus transferable deposits)													
8 192.4	8 628.4	8 092.3	8 377.8	7 734.7	8 996.7	8 604.1	8 739.8	9 704.9	8 603.6	9 373.8	8 675.0	M2 (M1 plus other deposits included in broad money)	
42 578.7	44 033.1	43 151.3	42 851.2	43 117.3	43 874.9	43 315.4	44 908.8	45 719.2	45 038.8	45 327.8	44 763.2	M3 (M2 plus securities included in broad money – BoBCs)	
42 578.6	44 033.1	43 151.3	42 851.2	43 117.3	43 874.9	43 315.5	44 901.8	45 719.2	45 038.8	45 327.8	44 763.2		

3. This includes bonds and certificates of deposits. Effective July 2011, other depository corporations report data on the basis of the revised report format, which now has additional data and further breakdowns by financial instruments.

Sources: Bank of Botswana, commercial banks, BBS and BSB

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 3.4: BANK OF BOTSWANA – ASSETS
(P MILLION)

As at end of		International Reserves			
		Pula Fund	Liquidity Portfolio	Assets at the IMF	Total reserves
2002		24 473.5	5 035.5	417.4	29 926.4
2003		19 245.9	4 054.5	416.6	23 717.0
2004		20 013.2	3 826.6	360.4	24 200.2
2005		24 867.3	9 403.8	339.3	34 610.4
2006		36 854.5	10 729.4	391.8	47 975.6
2007	Mar	39 320.1	13 159.8	403.9	52 883.8
	Jun	39 246.2	16 256.9	395.9	55 898.9
	Sep	40 362.0	17 684.9	400.6	58 447.4
	Dec	39 722.0	18 389.2	407.2	58 518.4
2008	Jan	42 408.0	19 593.6	428.9	62 430.5
	Feb	44 036.4	20 901.9	444.3	65 382.7
	Mar	45 920.4	21 002.6	468.8	67 391.9
	Apr	44 262.6	21 269.0	450.2	65 981.8
	May	43 997.8	20 599.2	449.4	65 046.4
	Jun	48 034.8	16 876.5	465.7	65 377.0
	Jul	46 307.3	18 059.1	446.9	64 813.2
	Aug	47 711.5	18 923.4	453.1	67 088.1
	Sep	48 007.9	17 427.0	466.0	65 900.9
	Oct	51 794.2	20 487.9	519.4	72 801.5
	Nov	53 004.3	18 826.4	567.6	72 398.3
	Dec	51 626.1	16 430.0	555.6	68 611.7
2009	Jan	53 663.0	15 482.9	578.9	69 724.7
	Feb	51 588.5	12 278.7	562.5	64 429.7
	Mar	51 961.9	10 187.2	553.8	62 702.9
	Apr	43 743.5	14 813.2	521.7	59 078.4
	May	43 075.7	13 931.5	514.1	57 521.3
	Jun	42 456.6	12 074.4	533.9	55 064.8
	Jul	44 161.2	12 908.6	544.0	57 613.9
	Aug	44 820.4	11 003.6	1 042.0	56 866.0
	Sep	44 087.5	15 413.4	1 080.4	60 581.3
	Oct	45 588.8	15 988.7	1 122.6	62 700.1
	Nov	45 435.0	14 328.1	1 105.0	60 868.1
	Dec	43 529.7	13 294.1	1 084.3	57 908.1
2010	Jan	45 311.3	14 061.7	1 098.8	60 471.8
	Feb	46 194.2	12 923.9	1 111.2	60 229.2
	Mar	45 227.1	9 945.5	1 071.3	56 243.9
	Apr	45 530.7	9 456.6	1 069.7	56 057.1
	May	45 848.7	9 088.6	1 082.1	56 019.3
	Jun	46 110.6	8 245.2	1 087.9	55 443.8
	Jul	46 294.8	7 573.5	1 078.4	54 946.6
	Aug	47 158.2	7 532.8	1 085.4	55 776.4
	Sep	46 742.5	7 500.6	1 066.8	55 309.9
	Oct	47 076.6	7 870.9	1 098.6	56 046.0
	Nov	46 873.1	6 968.4	1 099.3	54 940.9
	Dec	44 732.7	5 049.2	1 065.1	50 847.0
2011	Jan	45 602.8	7 121.6	1 139.7	53 864.2
	Feb	45 452.2	6 347.3	1 125.2	52 924.7
	Mar	44 928.9	8 684.3	1 119.7	54 732.9
	Apr	45 084.0	9 185.9	1 142.6	55 412.5
	May	46 264.9	8 830.0	1 166.8	56 261.7
	Jun	45 890.9	8 936.0	1 166.7	55 993.6
	Jul	46 108.7	10 719.4	1 171.6	57 999.7
	Aug	47 478.3	9 285.3	1 207.2	57 970.8
	Sep	49 726.9	9 067.8	1 267.6	60 062.3
	Oct	51 132.7	11 158.0	1 284.0	63 574.7
	Nov	51 568.8	8 848.9	1 298.9	61 716.7
	Dec	51 460.8	7 498.5	1 311.6	60 270.9

Source: Bank of Botswana

Loans and advances to financial institutions	Fixed assets	Other assets	Total Assets		As at end of
–	126.6	55.6	30 108.6		2002
–	126.6	165.7	24 009.3		2003
–	130.2	162.6	24 493.1		2004
–	127.7	140.9	34 879.0		2005
–	144.7	162.1	48 282.5		2006
–	143.6	159.3	53 186.7	Mar	2007
–	143.7	153.1	56 195.7	Jun	
–	142.4	154.2	58 743.9	Sep	
–	143.1	182.5	58 844.0	Dec	
–	143.9	184.8	62 759.1	Jan	2008
–	147.0	187.0	65 716.7	Feb	
–	147.8	183.9	67 723.5	Mar	
–	148.0	183.9	66 313.8	Apr	
–	149.1	182.9	65 378.4	May	
–	148.5	162.6	65 688.0	Jun	
–	148.7	144.7	65 106.6	Jul	
–	148.8	169.0	67 406.0	Aug	
–	150.7	296.7	66 348.3	Sep	
–	150.3	128.9	73 080.8	Oct	
–	149.8	154.5	72 702.6	Nov	
–	147.6	133.1	68 892.5	Dec	
–	152.4	131.7	70 008.9	Jan	2009
–	153.1	138.8	64 721.6	Feb	
63.3	152.9	142.0	63 061.0	Mar	
–	152.8	141.5	59 372.7	Apr	
0.2	155.4	142.7	57 819.6	May	
1.2	156.8	142.1	55 364.9	Jun	
0.6	158.8	135.3	57 908.5	Jul	
1.9	158.6	136.2	57 162.7	Aug	
–	159.3	134.6	60 875.2	Sep	
–	158.8	137.1	62 996.0	Oct	
9.5	161.9	137.6	61 177.1	Nov	
3.1	160.8	141.1	58 213.0	Dec	
–	163.9	137.9	60 773.5	Jan	2010
–	164.2	140.8	60 534.1	Feb	
–	163.6	139.1	56 546.6	Mar	
–	162.2	140.1	56 359.4	Apr	
–	162.5	138.7	56 320.5	May	
–	163.9	148.0	55 755.7	Jun	
–	163.4	195.0	55 305.0	Jul	
3.3	166.4	135.5	56 081.6	Aug	
–	170.3	132.4	55 612.6	Sep	
12.6	176.9	131.1	56 366.6	Oct	
3.0	185.1	133.2	55 262.1	Nov	
–	196.9	162.3	51 206.2	Dec	
26.3	197.3	162.3	54 250.0	Jan	2011
46.4	200.6	161.7	53 333.5	Feb	
–	203.9	135.2	55 072.1	Mar	
10.2	204.4	136.0	55 763.1	Apr	
–	209.3	136.8	56 607.8	May	
0.9	224.2	130.1	56 348.8	Jun	
–	230.5	132.0	58 362.3	Jul	
73.2	232.1	128.7	58 404.8	Aug	
1.2	247.4	129.3	60 440.2	Sep	
1.9	255.3	125.5	63 957.4	Oct	
–	258.7	127.5	62 102.9	Nov	
36.5	270.7	126.6	60 704.7	Dec	

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 3.5: BANK OF BOTSWANA – LIABILITIES

(P MILLION)

As at end of		Deposits				BoBCs ¹ held by		
		Banks	Government	Others	Total deposits	Banks	Others	Total BoBCs
2002		290.6	16 544.3	285.9	17 120.9	5 238.7	2 424.7	7 663.5
2003		520.3	10 529.5	230.9	11 280.7	5 959.3	2 780.1	8 739.3
2004		351.0	9 418.0	852.3	10 621.3	6 626.3	3 022.9	9 649.3
2005		452.5	12 827.3	525.8	13 805.7	8 673.7	3 742.5	12 416.1
2006		1 039.1	21 130.7	432.9	22 602.7	13 503.8	498.9	14 002.7
2007		1 066.6	27 691.7	608.5	29 366.8	16 249.5	366.7	16 616.2
2008	Mar	1 093.2	33 396.7	1 235.9	35 725.8	16 127.9	341.9	16 469.8
	Jun	1 080.7	31 053.6	873.5	33 007.8	17 571.1	280.0	17 851.1
	Sep	1 200.7	30 010.5	1 205.7	32 416.8	18 441.6	555.4	18 996.9
	Dec	1 478.9	31 385.4	720.5	33 584.7	17 209.8	344.1	17 553.9
2009	Jan	1 389.2	32 283.2	769.3	34 441.7	17 260.7	274.0	17 534.7
	Feb	1 427.0	29 383.2	950.4	31 760.7	16 044.1	269.3	16 313.5
	Mar	1 461.1	28 768.1	749.1	30 978.3	14 910.5	442.2	15 352.7
	Apr	1 616.4	25 448.0	765.9	27 830.2	16 267.4	395.7	16 663.1
	May	1 608.1	24 189.7	1 005.8	26 803.6	16 343.3	450.0	16 793.2
	Jun	1 605.6	21 851.4	1 169.5	24 626.6	16 725.6	330.6	17 056.2
	Jul	1 618.4	23 329.9	948.2	25 896.5	16 783.1	408.0	17 191.1
	Aug	1 666.2	21 793.5	1 085.5	24 545.2	16 088.2	541.8	16 630.0
	Sep ²	1 717.6	25 616.7	1 338.2	28 672.5	17 143.2	–	17 143.2
	Oct	1 731.1	27 877.5	1 170.3	30 779.0	16 127.9	–	16 127.9
	Nov	1 714.5	25 492.7	1 189.9	28 397.2	16 988.6	–	16 988.6
	Dec	1 658.5	22 928.8	1 299.8	25 887.1	17 030.3	–	17 030.3
2010	Jan	1 657.7	25 038.6	1 312.7	28 009.1	17 318.6	–	17 318.6
	Feb	1 767.1	24 077.2	1 546.3	27 390.5	17 083.4	–	17 083.4
	Mar	1 705.6	22 136.3	1 089.3	24 931.2	16 621.8	–	16 621.8
	Apr	1 634.7	20 623.1	1 833.5	24 091.2	17 166.8	–	17 166.8
	May	1 611.9	19 729.1	1 584.1	22 925.0	17 991.1	–	17 991.1
	Jun	1 646.4	18 442.4	1 969.4	22 058.2	18 133.1	–	18 133.1
	Jul	1 691.8	17 905.0	1 688.5	21 285.3	18 438.7	–	18 438.7
	Aug	1 711.7	16 959.6	1 745.4	20 416.6	19 354.1	–	19 354.1
	Sep	1 749.2	17 423.7	1 309.7	20 482.6	19 341.8	–	19 341.8
	Oct	1 720.7	17 407.4	1 305.3	20 433.4	19 852.7	–	19 852.7
	Nov	2 299.6	16 394.3	1 512.1	20 205.9	19 164.2	–	19 164.2
	Dec	2 338.9	14 615.6	2 351.4	19 305.9	17 641.6	–	17 641.6
2011	Jan	2 291.1	16 742.4	1 412.1	20 445.7	17 687.3	–	17 687.3
	Feb	2 396.8	15 954.2	1 786.6	20 137.6	17 396.0	–	17 396.0
	Mar	2 292.8	19 387.0	1 169.4	22 849.3	16 999.9	–	16 999.9
	Apr	2 451.7	20 722.8	1 249.3	24 423.9	16 056.7	–	16 056.7
	May	2 307.6	20 289.8	1 244.6	23 841.9	16 618.4	–	16 618.4
	Jun	2 351.5	20 608.8	1 259.1	24 219.3	16 345.7	–	16 345.7
	Jul	3 695.6	23 077.8	1 412.8	28 186.1	14 268.7	–	14 268.7
	Aug	3 548.4	21 786.6	1 827.4	27 162.5	14 257.4	–	14 257.4
	Sep	3 551.3	22 514.2	1 911.5	27 977.0	13 433.0	–	13 433.0
	Oct	3 630.7	25 730.2	1 360.0	30 720.9	13 312.4	–	13 312.4
	Nov ³	3 609.9	24 161.8	1 597.6	29 369.3	12 330.7	–	12 330.7
	Dec	3 730.9	23 629.2	1 123.2	28 483.3	11 479.2	–	11 479.2

1. Bank of Botswana securities issued under Section 38(2)(c) of the Bank of Botswana Act [CAP 55: 01].

2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

3. Effective November 2011, BoBC issuance has been capped at P10 billion, hence this includes the reverse repos.

Source: Bank of Botswana

Currency in Circulation			Capital and Reserves				Other liabilities	TOTAL LIABILITIES	As at end of
Notes	Coin	Total currency	Paid-up Capital	General Reserve	Revaluation Reserve				
710.7	48.3	759.1	25.0	1 600.0	2 449.8	490.3	30 108.6		2002
766.4	51.6	818.0	25.0	1 600.0	1 105.0	441.3	24 009.3		2003
854.1	56.8	910.9	25.0	1 600.0	1 400.6	286.1	24 493.1		2004
875.5	59.7	935.3	25.0	1 600.0	5 543.4	553.5	34 879.0		2005
1 005.2	64.6	1 069.7	25.0	1 600.0	8 692.1	290.3	48 282.5		2006
1 285.9	75.0	1 360.9	25.0	1 600.0	9 503.5	371.6	58 844.0		2007
1 181.6	71.8	1 253.5	25.0	1 600.0	12 373.9	275.5	67 723.5	Mar	2008
1 295.8	74.8	1 370.6	25.0	1 600.0	11 673.7	159.8	65 688.0	Jun	
1 451.7	79.0	1 530.7	25.0	1 600.0	11 622.4	156.4	66 348.3	Sep	
1 510.4	83.6	1 594.0	25.0	1 600.0	14 003.9	530.9	68 892.5	Dec	
1 329.7	81.9	1 411.6	25.0	1 600.0	14 768.2	227.7	70 008.9	Jan	2009
1 347.5	80.9	1 428.4	25.0	1 600.0	13 372.7	221.3	64 721.6	Feb	
1 400.5	81.8	1 482.3	25.0	1 600.0	13 400.2	222.5	63 061.0	Mar	
1 406.3	82.2	1 488.5	25.0	1 600.0	11 554.6	211.3	59 372.7	Apr	
1 399.6	82.3	1 481.9	25.0	1 600.0	10 906.6	209.2	57 819.6	May	
1 445.9	82.8	1 528.7	25.0	1 600.0	10 287.9	240.6	55 364.9	Jun	
1 438.7	84.0	1 522.7	25.0	1 600.0	11 433.7	239.5	57 908.5	Jul	
1 771.9	83.1	1 855.0	25.0	1 600.0	11 776.6	730.9	57 162.7	Aug	
1 644.7	84.2	1 728.9	25.0	1 600.0	10 920.8	784.8	60 875.2	Sep ²	
1 562.3	84.2	1 646.5	25.0	1 600.0	12 014.3	803.3	62 996.0	Oct	
1 631.6	84.8	1 716.4	25.0	1 600.0	11 659.8	790.1	61 177.1	Nov	
1 570.2	89.0	1 659.2	25.0	1 600.0	10 990.1	1 021.3	58 213.0	Dec	
1 420.8	86.8	1 507.6	25.0	1 600.0	11 499.9	813.3	60 773.5	Jan	2010
1 437.2	85.7	1 522.9	25.0	1 600.0	12 102.3	810.0	60 534.1	Feb	
1 542.8	87.2	1 630.0	25.0	1 600.0	10 977.4	761.1	56 546.6	Mar	
1 523.1	86.6	1 609.6	25.0	1 600.0	11 083.8	782.8	56 359.4	Apr	
1 548.5	86.4	1 634.9	25.0	1 600.0	11 311.7	832.8	56 320.5	May	
1 533.0	88.1	1 621.0	25.0	1 600.0	11 442.4	876.0	55 755.7	Jun	
1 566.5	88.5	1 655.0	25.0	1 600.0	11 432.7	868.3	55 305.0	Jul	
1 588.7	88.4	1 677.1	25.0	1 600.0	12 048.3	960.5	56 081.6	Aug	
1 682.8	90.1	1 773.0	25.0	1 600.0	11 378.7	1 011.6	55 612.6	Sep	
1 723.7	90.9	1 814.6	25.0	1 600.0	11 563.9	1 076.9	56 366.6	Oct	
1 826.6	92.1	1 918.7	25.0	1 600.0	11 301.2	1 047.1	55 262.1	Nov	
1 819.6	96.1	1 915.7	25.0	1 600.0	9 733.2	984.9	51 206.2	Dec	
1 582.7	93.7	1 676.4	25.0	1 600.0	11 968.4	847.3	54 250.0	Jan	2011
1 595.9	92.9	1 688.7	25.0	1 600.0	11 656.3	829.9	53 333.5	Feb	
1 626.2	94.3	1 720.5	25.0	1 600.0	11 059.9	817.5	55 072.1	Mar	
1 707.9	94.5	1 802.4	25.0	1 600.0	11 006.4	848.8	55 763.1	Apr	
1 630.9	94.3	1 725.2	25.0	1 600.0	11 932.3	864.9	56 607.8	May	
1 656.1	93.5	1 749.6	25.0	1 600.0	11 549.0	860.1	56 348.8	Jun	
1 709.0	94.6	1 803.6	25.0	1 600.0	11 598.4	880.4	58 362.3	Jul	
1 741.6	96.1	1 837.7	25.0	1 600.0	12 618.4	903.8	58 404.8	Aug	
1 895.4	96.7	1 992.1	25.0	1 600.0	14 359.5	1 053.7	60 440.2	Sep	
1 864.3	97.0	1 961.3	25.0	1 600.0	15 251.8	1 086.0	63 957.4	Oct	
1 974.6	98.9	2 073.4	25.0	1 600.0	15 566.2	1 138.4	62 102.9	Nov ³	
1 987.4	101.7	2 089.2	25.0	1 600.0	15 824.7	1 203.3	60 704.7	Dec	

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 3.6: NOTES IN CIRCULATION

(P MILLION)

End of	P1	P2	P5	P10	P20	P50	P100	P200	Total	
2002	0.8	0.9	2.9	26.4	74.0	110.6	504.3	...	719.9	
2003	0.8	0.9	2.7	29.3	72.8	109.3	558.8	...	774.7	
2004	0.8	0.9	2.6	27.5	69.5	129.0	632.2	...	862.6	
2005	0.8	0.9	2.6	31.1	104.4	43.6	700.6	...	884.0	
2006	0.8	0.9	2.5	30.4	65.9	125.4	789.0	...	1 015.0	
2007	Mar	0.8	0.9	2.5	27.4	82.3	98.9	725.3	...	938.2
	Jun	0.8	0.9	2.5	23.9	93.9	112.5	827.5	...	1 062.2
	Sep	0.8	0.9	2.5	18.6	110.3	126.2	912.4	...	1 171.7
	Dec	0.8	0.9	2.5	30.8	116.3	159.5	982.6	...	1 293.5
2008	Jan	0.8	0.9	2.5	30.0	98.0	125.9	851.4	...	1 109.6
	Feb	0.8	0.9	2.5	30.8	98.5	129.4	898.4	...	1 161.3
	Mar	0.8	0.9	2.5	31.8	101.3	135.7	915.9	...	1 188.9
	Apr	0.8	0.9	2.5	33.8	98.1	135.5	972.7	...	1 244.4
	May	0.8	0.9	2.5	34.5	103.2	136.4	1 005.9	...	1 284.2
	Jun	0.8	0.9	2.5	34.7	100.2	137.5	1 026.1	...	1 302.8
	Jul	0.8	0.9	2.5	36.2	99.1	136.0	1 053.2	...	1 328.8
	Aug	0.8	0.9	2.5	37.1	101.4	140.4	1 079.0	...	1 362.0
	Sep	0.8	0.9	2.5	44.1	107.1	143.4	1 161.9	...	1 460.7
	Oct	0.8	0.9	2.5	38.5	104.2	141.6	1 136.7	...	1 425.2
	Nov	0.8	0.9	2.5	37.7	106.0	149.3	1 243.5	...	1 540.8
	Dec	0.8	0.9	2.5	40.6	108.2	159.9	1 205.1	...	1 518.0
2009	Jan	0.8	0.9	2.5	34.0	101.9	139.0	1 057.2	...	1 336.3
	Feb	0.8	0.9	2.5	31.8	103.1	137.4	1 081.8	...	1 358.3
	Mar	0.8	0.9	2.5	31.5	102.1	139.0	1 133.6	...	1 410.4
	Apr	0.8	0.9	2.5	33.6	103.9	142.7	1 131.6	...	1 416.0
	May	0.8	0.9	2.5	31.9	95.4	143.6	1 134.5	...	1 409.6
	Jun	0.8	0.9	2.5	33.3	99.7	142.6	1 174.3	...	1 454.0
	Jul	0.8	0.9	2.5	33.0	102.2	144.7	1 162.8	...	1 447.0
	Aug	0.8	0.9	2.5	39.5	128.1	197.7	1 166.8	246.9	1 783.3
	Sep	0.8	0.9	2.5	31.6	109.3	161.9	976.8	373.5	1 657.3
	Oct	0.8	0.9	2.5	31.9	98.9	146.3	873.2	417.1	1 571.6
	Nov	0.8	0.9	2.5	30.2	97.6	144.6	857.5	509.3	1 643.3
	Dec	0.8	0.9	2.5	31.6	97.5	143.4	743.9	559.9	1 580.6
2010	Jan	0.8	0.9	2.5	30.2	88.7	128.7	631.0	547.5	1 430.2
	Feb	0.8	0.9	2.5	31.4	85.7	122.4	619.3	584.7	1 447.7
	Mar	0.8	0.9	2.5	34.8	92.8	130.6	636.3	655.3	1 554.0
	Apr	0.8	0.9	2.4	33.6	90.9	124.6	608.9	673.1	1 535.2
	May	0.8	0.9	2.4	33.8	92.7	129.9	602.3	694.7	1 557.6
	Jun	0.8	0.9	2.4	34.6	89.9	128.6	588.9	695.5	1 541.6
	Jul	0.8	0.9	2.4	34.6	85.9	131.2	580.7	740.3	1 576.8
	Aug	0.8	0.9	2.4	34.9	82.6	132.3	584.4	761.3	1 599.7
	Sep	0.8	0.9	2.4	35.1	87.2	138.2	608.7	822.5	1 695.9
	Oct	0.8	0.9	2.4	37.5	84.6	137.4	611.9	857.3	1 732.9
	Nov	0.8	0.9	2.4	36.9	86.7	140.7	627.2	940.1	1 835.8
	Dec	0.8	0.9	2.4	39.8	92.5	147.3	597.9	946.5	1 828.3
2011	Jan	0.8	0.9	2.4	37.7	86.9	130.8	518.6	813.5	1 591.6
	Feb	0.8	0.9	2.4	35.6	84.4	123.3	521.0	835.3	1 603.6
	Mar	0.8	0.9	2.4	36.8	87.4	132.8	517.3	858.3	1 636.7
	Apr	0.8	0.9	2.4	37.4	88.6	136.0	556.8	894.3	1 717.2
	May	0.8	0.9	2.4	36.4	84.4	135.0	533.1	845.5	1 638.6
	Jun	0.8	0.9	2.4	39.1	92.3	131.8	534.1	875.9	1 677.4
	Jul	0.8	0.9	2.4	40.7	93.1	142.7	532.5	920.9	1 734.1
	Aug	0.8	0.9	2.4	40.7	95.0	140.9	546.7	938.7	1 766.1
	Sep	0.8	0.9	2.4	40.1	93.1	141.0	599.1	1 041.5	1 918.8
	Oct	0.8	0.9	2.4	38.8	82.0	136.6	567.9	1 043.6	1 873.1
	Nov	0.8	0.9	2.4	39.4	84.4	139.6	609.5	1 105.0	1 982.2
	Dec	0.8	0.9	2.4	42.2	90.9	141.8	587.2	1 124.8	1 991.1

1. The one, two, and five pula notes ceased to be legal tender effective July 1, 2006.

Source: Bank of Botswana

TABLE 3.7: COIN IN CIRCULATION

(P MILLION)

End of	1t ¹	5t	10t	25t	50t	P1	P2	P5	Commemorative coins	Total
2002	0.7	3.3	3.7	3.9	4.6	10.6	9.1	12.1	0.2	47.4
2003	0.7	3.7	3.9	4.1	4.8	11.3	9.2	13.6	0.2	50.7
2004	0.7	4.1	4.2	4.4	5.3	12.5	9.1	16.3	0.2	55.9
2005	0.7	4.5	4.2	4.4	5.3	12.8	11.1	16.5	0.2	58.8
2006	–	4.7	4.6	4.6	5.8	13.0	12.9	18.8	0.2	64.4
2007										
Mar	–	4.7	4.6	4.6	5.6	12.3	12.6	17.4	0.2	61.7
Jun	–	4.7	4.7	4.7	6.0	12.7	13.6	18.9	0.2	65.4
Sep	–	4.7	4.9	4.7	6.4	12.7	14.6	20.9	0.2	69.0
Dec	–	5.0	5.1	4.8	6.7	13.3	16.1	23.9	0.2	74.8
2008										
Jan	–	5.0	5.0	4.7	6.6	12.8	15.5	22.5	0.2	72.1
Feb	–	5.1	5.0	4.8	6.5	12.9	15.2	21.7	0.2	71.2
Mar	–	5.2	5.1	5.0	6.6	13.4	15.1	21.4	0.2	71.7
Apr	–	5.2	5.1	5.1	6.5	13.7	15.3	21.4	0.2	72.3
May	–	5.3	5.1	5.2	6.7	13.8	15.4	21.8	0.2	73.3
Jun	–	5.4	5.2	5.3	6.7	14.2	15.6	22.3	0.2	74.7
Jul	–	5.5	5.1	5.4	6.8	14.5	16.1	23.1	0.2	76.6
Aug	–	5.5	5.1	5.5	6.9	14.6	16.3	23.2	0.2	77.1
Sep	–	5.7	5.1	5.6	7.0	15.0	16.7	23.7	0.2	78.9
Oct	–	5.8	5.1	5.7	7.0	15.1	16.5	23.3	0.2	78.4
Nov	–	5.9	5.1	5.7	7.1	15.2	16.7	23.5	0.2	79.2
Dec	–	6.0	5.1	5.9	7.4	16.0	17.9	25.3	0.2	83.5
2009										
Jan	–	6.0	5.1	5.7	7.3	15.8	17.2	24.6	0.2	81.7
Feb	–	6.0	5.1	5.7	7.3	15.4	17.0	24.2	0.2	80.7
Mar	–	6.0	5.1	5.8	7.2	15.5	17.1	25.0	0.2	81.7
Apr	–	6.0	5.2	5.8	7.3	15.6	17.2	24.8	0.2	82.0
May	–	6.1	5.3	5.8	7.2	15.5	17.3	24.9	0.2	82.1
Jun	–	6.1	5.3	5.8	7.3	15.8	17.5	24.9	0.2	82.6
Jul	–	6.1	5.4	5.8	7.3	15.8	17.7	25.7	0.2	83.8
Aug	–	6.1	5.4	5.7	7.2	15.7	17.5	25.3	0.2	82.9
Sep	–	6.1	5.5	5.8	7.4	15.7	17.8	25.8	0.2	84.1
Oct	–	6.2	5.5	5.9	7.4	15.7	17.7	25.7	0.2	84.0
Nov	–	6.3	5.6	5.9	7.3	16.0	17.8	25.8	0.2	84.6
Dec	–	6.4	5.7	6.1	7.5	16.8	19.0	27.4	0.2	89.0
2010										
Jan	–	6.4	5.7	6.1	7.4	16.4	18.4	26.3	0.2	86.6
Feb	–	6.4	5.7	6.1	7.3	16.1	18.1	25.9	0.2	85.5
Mar	–	6.5	5.8	6.2	7.4	16.2	18.5	26.5	0.2	87.0
Apr	–	6.5	5.8	6.2	7.3	16.1	18.5	26.0	0.2	86.4
May	–	6.5	5.8	6.2	7.3	16.1	18.4	25.8	0.2	86.2
Jun	–	6.6	5.9	6.3	7.4	16.3	18.7	26.8	0.2	87.9
Jul	–	6.6	5.9	6.4	7.5	16.3	19.0	26.7	0.2	88.4
Aug	–	6.6	5.9	6.3	7.4	16.4	18.9	26.5	0.2	88.2
Sep	–	6.7	5.9	6.4	7.5	16.7	19.4	27.3	0.2	89.9
Oct	–	6.8	6.0	6.5	7.6	16.8	19.4	27.8	0.2	90.8
Nov	–	6.8	6.1	6.6	7.8	17.0	19.6	28.0	0.2	91.9
Dec	–	7.0	6.2	6.8	8.2	17.4	21.0	29.5	0.2	96.0
2011										
Jan	–	7.0	6.2	6.7	8.0	16.9	20.2	28.6	0.2	93.5
Feb	–	7.0	6.1	6.7	7.9	16.7	19.9	28.4	0.2	92.7
Mar	–	7.0	6.2	6.7	8.0	17.0	20.4	28.7	0.2	94.1
Apr	–	7.1	6.2	6.8	8.1	17.0	20.6	28.7	0.2	94.3
May	–	7.1	6.2	6.8	7.9	17.0	21.0	30.4	0.2	96.4
Jun	–	7.1	6.2	6.8	7.9	16.7	20.8	30.0	0.2	95.6
Jul	–	7.2	6.3	6.8	8.0	16.7	21.2	30.5	0.2	96.7
Aug	–	7.2	6.3	7.0	8.2	17.0	21.6	30.9	0.2	98.1
Sep	–	7.2	6.4	7.0	8.3	16.9	21.6	31.3	0.2	98.6
Oct	–	7.3	6.4	7.0	8.3	17.1	21.4	31.4	0.2	98.9
Nov	–	7.3	6.5	7.1	8.4	17.5	21.9	32.2	0.2	100.9
Dec	–	7.4	6.6	7.2	8.6	18.1	22.3	33.6	0.2	103.8

1. Effective December 1998, the one thebe coin was demonetised and also ceased to be legal tender, and was ultimately written off the accounts of the Bank in March 2006.

Source: Bank of Botswana

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 3.8: COMMERCIAL BANKS – ASSETS
(P MILLION)

As at end of		Liquid Assets						Total liquid assets
		Cash	Balances at Bank of Botswana	Balances due from domestic banks	Bank of Botswana Certificates ¹	Treasury ² bills	Bills purchased and discounted	
2002		323.1	21.8	220.3	1 622.4	...	–	2 187.6
2003		317.7	111.3	90.3	2 028.1	...	–	2 547.4
2004⁵		309.2	196.3	105.6	2 543.2	...	76.7	3 231.0
2005		362.3	79.6	185.9	4 010.9	...	–	4 638.6
2006		361.4	83.4	77.1	13 212.9	...	16.4	13 751.2
2007		506.6	123.5	364.3	16 053.1	...	15.9	17 063.4
2008	Mar	347.7	150.0	262.3	15 631.7	...	375.1	16 766.8
	Jun	364.2	485.0	484.7	17 093.7	74.8	153.4	18 655.9
	Sep	407.3	227.3	279.3	18 112.4	76.0	277.9	19 380.3
	Dec	590.6	511.3	315.3	16 908.6	88.7	379.6	18 794.1
2009	Jan ⁶	349.3	543.6	182.2	15 925.4	77.0	354.4	17 431.8
	Feb	314.1	468.6	185.7	14 208.1	73.8	345.1	15 595.4
	Mar	406.3	601.1	536.8	13 701.0	70.6	382.8	15 698.5
	Apr	373.7	343.5	242.8	15 305.1	69.7	410.4	16 745.2
	May	375.6	584.9	164.0	15 238.2	77.4	411.5	16 851.6
	Jun	419.4	493.0	236.8	15 517.1	94.2	417.7	17 178.2
	Jul	399.5	444.7	376.8	15 506.5	93.9	403.2	17 224.7
	Aug	665.2	498.2	153.7	15 464.6	123.7	396.9	17 302.2
	Sep ⁷	552.8	562.9	398.2	16 211.6	2.0	402.2	18 129.7
	Oct	462.5	612.1	359.9	15 008.0	–	375.0	16 817.5
	Nov	481.2	646.9	405.1	15 476.2	–	269.7	17 279.2
	Dec	600.3	628.0	403.2	14 887.7	617.7	268.5	17 405.2
2010	Jan	419.9	534.4	246.0	14 970.3	448.7	200.7	16 820.0
	Feb	393.0	553.3	510.0	15 696.5	444.1	136.6	17 733.5
	Mar	483.3	588.0	458.9	14 507.2	449.6	146.8	16 633.7
	Apr	446.0	477.6	319.7	15 373.1	449.9	144.9	17 211.3
	May	481.7	575.9	345.8	16 136.9	620.8	165.6	18 326.8
	Jun	458.5	514.0	243.4	16 053.2	491.5	254.6	18 015.1
	Jul	458.1	537.9	283.4	17 214.6	461.6	351.0	19 306.7
	Aug	500.0	544.2	189.6	18 056.8	344.1	346.7	19 981.4
	Sep	493.5	557.7	349.8	17 085.3	647.2	262.3	19 395.7
	Oct	478.5	617.1	278.2	18 346.0	70.4	281.3	20 071.5
	Nov	541.5	783.3	236.3	17 236.8	61.2	247.4	19 106.5
	Dec	723.1	986.9	344.6	14 942.4	59.7	195.5	17 252.2
2011	Jan	538.0	754.2	357.9	15 624.7	59.9	187.6	17 522.4
	Feb	434.9	677.0	331.7	15 311.0	60.2	206.9	17 021.7
	Mar	486.0	919.6	372.3	14 430.7	59.0	130.3	16 397.8
	Apr	554.9	861.9	335.0	13 996.3	324.4	128.1	16 200.6
	May	519.9	700.4	458.8	13 666.6	809.2	126.0	16 281.0
	Jun	464.0	603.4	511.2	13 349.5	761.7	126.7	15 816.4
	Jul	451.7	387.3	706.7	12 652.3	809.2	...	15 007.1
	Aug	508.4	124.3	873.8	12 658.8	143.2	...	14 308.4
	Sep	562.4	18.3	598.3	13 044.6	202.0	...	14 425.5
	Oct	554.2	91.8	479.7	12 237.2	233.0	...	13 595.9
	Nov	634.7	259.1	1 574.4	10 306.2	198.5	...	12 972.9
	Dec	714.0	433.1	998.1	8 722.6	198.4	...	11 066.2

1. The data reported in this table are from the commercial banks' records. They differ from those reported in Table 4.4, which are from Bank of Botswana records, due to the commercial banks' allocation of part of their holdings as pledged securities, which form part of other assets.
2. These are Botswana Government treasury bills of six months duration, which began to be issued on March 7, 2008.
3. Including overdrafts, hire purchase and leasing. These are net of provisions and thus differ from those in Table 3.18.
4. Other assets comprises statutory primary reserves, marketable securities, intra-bank balances, accounts receivables, cash in process of collection, other domestic investments and pledged securities.
5. Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.

Balances due from foreign banks	Loans and advances ³	Fixed assets	Other assets ⁴	Total assets		As at end of
1 514.7	6 523.2	194.9	762.7	11 183.0		2002
1 731.7	7 140.0	205.5	1 338.2	12 962.7		2003
1 430.7	8 329.8	205.3	1 645.5	14 842.3		2004⁵
2 753.0	8 913.7	197.8	1 257.5	17 760.6		2005
2 505.8	10 587.8	212.4	2 194.8	29 251.9		2006
3 388.2	13 168.1	291.5	2 165.9	36 077.1		2007
4 221.2	13 661.6	300.2	3 063.7	38 013.4	Mar	2008
4 708.6	14 305.2	345.7	2 417.9	40 433.3	Jun	
4 768.7	16 168.7	340.4	2 832.3	43 490.5	Sep	
5 398.5	16 778.9	356.6	2 495.2	43 823.4	Dec	
4 951.7	17 256.7	482.0	3 020.4	43 142.7	Jan ⁶	2009
5 394.1	17 365.4	481.7	3 355.0	42 191.6	Feb	
3 150.4	17 341.6	362.0	3 428.1	39 980.5	Mar	
3 340.5	17 454.2	360.7	3 736.9	41 637.6	Apr	
3 257.1	17 266.5	359.2	3 749.4	41 483.7	May	
3 891.3	17 359.1	366.9	4 174.1	42 969.6	Jun	
4 036.5	17 347.9	366.0	3 424.1	42 399.1	Jul	
4 080.7	17 472.2	367.6	3 409.0	42 631.7	Aug	
3 623.7	18 271.0	393.5	3 834.1	44 252.0	Sep ⁷	
4 111.4	18 646.1	402.7	3 743.4	43 721.1	Oct	
4 131.6	18 754.8	405.2	3 772.7	44 343.5	Nov	
3 555.7	19 131.6	412.3	3 558.6	44 063.3	Dec	
4 781.4	19 422.0	414.9	3 724.5	45 162.8	Jan	2010
4 117.7	19 806.5	429.0	3 698.9	45 785.6	Feb	
4 995.0	20 202.0	429.7	4 091.5	46 351.9	Mar	
4 341.1	20 480.7	427.8	4 301.4	46 762.3	Apr	
4 494.5	19 751.5	426.6	4 065.6	47 064.9	May	
4 255.2	20 123.8	465.3	3 885.7	46 745.1	Jun	
4 682.2	20 216.2	481.0	3 959.2	48 645.2	Jul	
5 189.3	20 505.3	475.0	3 554.8	49 705.9	Aug	
5 109.8	20 969.8	475.8	3 564.9	49 516.1	Sep	
4 942.1	21 078.9	486.4	4 210.5	50 789.3	Oct	
5 102.8	21 475.0	595.5	4 684.7	50 964.5	Nov	
5 323.0	21 434.6	528.1	4 837.9	49 375.7	Dec	
5 990.3	21 769.1	528.1	5 073.6	50 883.4	Jan	2011
5 761.1	21 821.4	527.2	5 140.0	50 271.4	Feb	
5 971.9	22 215.4	533.5	5 239.9	50 358.6	Mar	
4 951.5	22 415.3	537.3	5 269.4	49 374.0	Apr	
5 099.3	22 597.3	538.9	5 281.4	49 797.9	May	
4 725.4	23 924.7	551.6	5 707.1	50 725.3	Jun	
5 027.2	23 980.2	513.6	6 296.7	50 824.8	Jul	
6 009.9	24 457.9	504.2	6 452.3	51 732.7	Aug	
7 094.7	25 297.7	510.5	6 647.1	53 975.6	Sep	
5 998.8	25 977.0	511.8	6 957.8	53 041.2	Oct	
5 412.1	26 641.3	504.3	7 426.9	52 957.4	Nov	
5 249.3	27 273.6	500.7	7 702.4	51 792.1	Dec	

6. In January 2009, approximately P600 million previously classified under 'balances due from foreign banks' was reclassified as 'loans and advances'. The change followed one of the bank's assuming ownership of domestic credit card debt, with the result that the growth of commercial bank credit was significantly inflated, especially for households. This distortion should be taken into account when analysing the affected data.

7. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

TABLE 3.9: COMMERCIAL BANKS – LIABILITIES
(P MILLION)

As at end of	Balances due to			Deposits from the public		
	Other banks	Bank of Botswana	Government deposits	Current & call	Savings	
2002	170.8	64.1	57.6	6 620.1	1 008.1	
2003	217.9	1.3	148.2	7 480.1	1 174.8	
2004¹	328.7	4.2	432.9	8 338.1	1 305.2	
2005	1 413.7	104.8	165.3	10 149.0	1 317.4	
2006	1 426.4	49.8	183.9	11 650.5	1 591.5	
2007	1 135.0	116.3	144.6	17 052.8	1 954.4	
2008						
	Mar	1 461.2	254.3	215.0	17 566.0	2 043.1
	Jun	1 243.2	–	194.4	19 060.0	2 190.2
	Sep	983.3	80.1	299.6	20 182.5	2 329.1
	Dec	906.6	18.6	529.7	19 883.5	2 512.3
2009						
	Jan	710.0	20.3	446.4	19 038.8	2 478.4
	Feb	562.7	164.1	390.7	20 293.6	2 501.5
	Mar	623.8	24.1	238.7	18 219.5	2 703.9
	Apr	859.7	96.8	460.1	19 482.0	2 609.2
	May	868.7	48.7	410.7	19 111.2	2 630.7
	Jun	1 454.1	64.4	513.5	19 257.7	2 790.2
	Jul	876.7	–	268.4	19 621.6	2 779.5
	Aug	1 055.6	–	156.1	19 395.8	2 768.9
	Sep ²	993.2	62.5	270.9	20 315.2	2 776.0
	Oct	937.2	57.1	227.3	19 289.5	2 784.8
	Nov	922.1	–	296.9	19 764.8	2 782.7
	Dec	599.9	49.2	396.8	20 307.5	2 812.5
2010						
	Jan	1 689.6	16.0	263.2	20 149.0	2 741.0
	Feb	2 403.7	69.2	320.7	20 304.5	2 772.4
	Mar	2 585.7	121.2	231.9	20 336.9	2 782.1
	Apr	2 514.2	41.6	372.9	20 931.7	2 764.8
	May	2 864.5	64.3	338.8	19 793.8	2 759.2
	Jun	2 304.9	25.3	277.9	20 192.4	2 791.7
	Jul	2 930.3	114.7	215.9	19 414.7	2 797.5
	Aug	2 268.4	7.7	342.6	20 292.4	2 801.5
	Sep	3 275.1	160.7	517.5	19 898.1	2 808.2
	Oct	3 818.7	–	469.7	20 630.1	2 837.7
	Nov	3 079.6	3.9	509.0	20 244.6	2 845.5
	Dec	2 393.7	–	311.9	20 568.1	2 838.7
2011						
	Jan	2 575.7	–	338.4	21 468.2	2 806.8
	Feb	1 095.0	25.2	339.1	20 794.0	2 839.2
	Mar	1 287.9	–	381.7	22 106.8	2 858.4
	Apr	843.0	–	317.8	21 219.6	2 866.1
	May	734.4	153.2	323.2	21 062.3	2 936.5
	Jun	1 068.5	23.5	265.9	22 347.7	2 966.7
	Jul	1 343.3	–	326.9	22 224.9	3 020.8
	Aug	1 273.7	114.1	271.4	22 879.8	3 240.9
	Sep	2 783.2	26.7	321.2	23 909.1	3 108.9
	Oct	1 870.6	89.2	242.6	22 442.4	3 036.3
	Nov	1 597.8	24.9	280.7	21 605.8	3 065.9
	Dec	679.6	–	246.9	21 830.8	3 105.3

1. Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.
2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

Deposits from the public						
Notice & time	Total	Capital and reserves	Other liabilities	Total liabilities		As at end of
1 297.0	8 925.3	1 102.1	863.1	11 183.0		2002
1 771.1	10 426.0	1 345.8	823.5	12 962.7		2003
1 799.6	11 443.0	1 395.4	1 238.1	14 842.3		2004¹
1 598.8	13 065.3	1 471.4	1 540.1	17 760.6		2005
9 686.3	22 928.3	1 667.8	2 995.7	29 251.9		2006
11 303.7	30 311.0	2 205.0	2 165.3	36 077.1		2007
11 809.2	31 418.3	2 243.8	2 420.9	38 013.4	Mar	2008
12 422.0	33 672.3	2 591.4	2 732.1	40 433.3	Jun	
14 094.1	36 605.6	2 748.8	2 773.1	43 490.5	Sep	
14 354.8	36 750.6	2 915.6	2 702.2	43 823.4	Dec	
14 742.3	36 259.5	3 115.2	2 591.3	43 142.7	Jan	2009
12 703.5	35 498.6	3 202.7	2 372.7	42 191.6	Feb	
12 388.8	33 312.1	3 146.7	2 635.1	39 980.5	Mar	
11 979.5	34 070.7	3 139.0	3 011.4	41 637.6	Apr	
12 817.9	34 559.8	3 206.6	2 389.2	41 483.7	May	
13 363.8	35 411.7	3 240.0	2 285.9	42 969.6	Jun	
13 254.2	35 655.2	3 336.3	2 262.4	42 399.1	Jul	
13 120.7	35 285.3	3 453.5	2 681.2	42 631.7	Aug	
13 717.5	36 808.7	3 623.5	2 493.2	44 252.0	Sep ⁷	
14 423.3	36 497.5	3 544.4	2 457.6	43 721.1	Oct	
14 539.0	37 086.4	3 562.7	2 475.4	44 343.5	Nov	
14 099.7	37 219.8	3 709.7	2 087.9	44 063.3	Dec	
14 447.6	37 337.6	3 787.7	2 068.6	45 162.8	Jan	2010
13 973.1	37 050.0	3 911.5	2 030.6	45 785.6	Feb	
13 799.8	36 918.8	3 918.0	2 576.2	46 351.9	Mar	
13 932.0	37 628.5	3 930.4	2 274.7	46 762.3	Apr	
15 209.5	37 762.6	3 862.5	2 172.1	47 064.9	May	
15 222.7	38 206.7	4 008.3	1 922.0	46 745.1	Jun	
15 875.9	38 088.2	4 096.2	3 200.1	48 645.2	Jul	
16 647.5	39 741.5	4 180.6	3 165.0	49 705.9	Aug	
16 691.6	39 398.0	4 259.8	1 904.9	49 516.1	Sep	
16 665.7	40 133.5	4 337.7	2 029.7	50 789.3	Oct	
17 643.5	40 733.7	4 603.1	2 035.3	50 964.5	Nov	
16 704.1	40 110.9	4 647.7	1 911.6	49 375.7	Dec	
16 626.9	40 901.9	4 855.6	2 211.8	50 883.4	Jan	2011
18 158.5	41 791.6	4 967.3	2 053.2	50 271.4	Feb	
16 609.2	41 574.4	4 818.1	2 296.5	50 358.6	Mar	
16 979.4	41 065.2	5 049.6	2 098.4	49 374.0	Apr	
17 449.0	41 447.8	4 982.4	2 157.0	49 797.9	May	
16 776.3	42 090.7	4 809.7	2 466.8	50 725.3	Jun	
16 747.0	41 992.7	4 748.6	2 413.4	50 824.8	Jul	
16 834.1	42 954.8	4 795.3	2 323.5	51 732.7	Aug	
16 822.5	43 840.5	4 919.1	2 085.0	53 975.6	Sep	
17 902.9	43 381.7	4 861.0	2 596.2	53 041.2	Oct	
18 762.8	43 434.4	4 895.0	2 724.6	52 957.4	Nov	
18 322.0	43 258.2	5 135.3	2 472.2	51 792.1	Dec	

TABLE 3.10: COMMERCIAL BANKS - LIQUID ASSETS

(P MILLION)

		ACTUAL LIQUID ASSETS									
		Required liquid assets ¹	Cash and balances ²	Balances held abroad	Treasury bills ³	Government Bonds	Bills purchased & discounted	Other Liquid assets	Bank of Botswana Certificates ⁴	Total (2+3+4+5+6+7+8)	Actual less required liquid assets (8-1)
As at end of		1	2	3	4	5	6	7	8	9	10
2002		812.1	531.4	33.7	...	...	-	...	1 622.4	2 187.6	1 375.5
2003		898.7	486.9	32.5	...	...	-	...	2 028.1	2 547.4	1 648.7
2004⁵		1 006.1	576.0	35.1	...	...	76.7	...	2 543.2	3 231.0	2 224.8
2005		1 108.2	568.7	59.1	...	...	-	...	4 010.9	4 638.6	2 679.6
2006		1 821.2	476.7	45.2	...	...	16.4	...	13 212.9	13 751.2	11 930.0
2007		1 948.2	938.5	56.0	...	...	15.9	...	16 053.1	17 063.4	15 115.2
2008	Mar	2 002.3	700.2	59.8	...	...	375.1	...	15 631.7	16 766.8	14 764.5
	Jun	2 041.6	1278.3	55.7	74.8	...	153.4	...	17 093.7	18 655.9	16 614.3
	Sep	2 280.1	852.9	61.0	76.0	...	277.9	...	18 112.4	19 380.3	17 100.3
	Dec	2 630.3	1314.7	102.5	88.7	...	379.6	...	16 908.6	18 794.1	16 163.8
2009	Jan	2 622.5	1029.0	46.0	77.0	...	354.4	...	15 925.4	17 431.8	14 809.3
	Feb	2 679.7	906.3	62.1	73.8	...	345.1	...	14 208.1	15 595.4	12 915.7
	Mar	2 811.5	1491.2	52.9	70.6	...	382.8	...	13 701.0	15 698.5	12 887.0
	Apr	2 655.4	900.1	60.0	69.7	...	410.4	...	15 305.1	16 745.2	14 089.9
	May	2 781.4	1053.0	71.5	77.4	...	411.5	...	15 238.2	16 851.6	14 070.2
	Jun	2 965.4	1086.2	63.0	94.2	...	417.7	...	15 517.1	17 178.2	14 212.9
	Jul	2 985.1	1168.5	52.5	93.9	...	403.2	...	15 506.5	17 224.7	14 239.6
	Aug	3 055.7	1 255.1	62.0	123.7	...	396.9	...	15 464.6	17 302.2	14 246.5
	Sep ⁶	3 204.6	1 466.7	47.2	2.0	...	402.2	...	16 211.6	18 129.7	14 925.1
	Oct	3 214.8	1 376.0	58.5	...	...	375.0	...	15 008.0	16 817.5	13 602.7
	Nov	3 331.8	1 493.5	39.8	...	...	269.7	...	15 476.2	17 279.2	13 947.4
	Dec	3 300.4	1 543.6	87.9	617.7	...	268.5	...	14 887.7	17 405.2	14 104.8
2010	Jan	3 283.7	1 154.1	46.2	448.7	...	200.7	...	14 970.3	16 820.0	13 536.3
	Feb	3 351.4	1 390.2	66.2	444.1	...	136.6	...	15 696.5	17 733.5	14 382.1
	Mar	3 314.5	1 483.8	46.3	449.6	...	146.8	...	14 507.2	16 633.7	13 319.2
	Apr	3 224.4	1 179.8	63.5	449.9	...	144.9	...	15 373.1	17 211.3	13 986.8
	May	3 154.7	1 339.3	64.2	620.8	...	165.6	...	16 136.9	18 326.8	15 172.0
	Jun	3 221.9	1 153.6	62.2	491.5	...	254.6	...	16 053.2	18 015.1	14 793.2
	Jul	3 175.6	1 214.3	65.2	461.6	...	351.0	...	17 214.6	19 306.7	16 131.1
	Aug	3 237.7	1 171.1	62.7	344.1	...	346.7	...	18 056.8	19 981.4	16 743.7
	Sep	3 291.5	1 333.7	67.3	647.2	...	262.3	...	17 085.3	19 395.7	16 104.2
	Oct	3 401.9	1 303.3	70.4	70.4	...	281.3	...	18 346.0	20 071.5	16 669.5
	Nov	3 456.3	1 505.1	56.0	61.2	...	247.4	...	17 236.8	19 106.5	15 650.2
	Dec	3 541.3	1 998.7	55.8	59.7	...	195.5	...	14 942.4	17 252.2	13 710.9
2011	Jan	3 497.2	1 582.0	68.1	59.9	...	187.6	...	15 624.7	17 522.4	14 025.2
	Feb	3 506.5	1 378.6	65.0	60.2	...	206.9	...	15 311.0	17 021.7	13 515.2
	Mar	3 463.7	1 719.2	58.7	59.0	...	130.3	...	14 430.7	16 397.8	12 934.2
	Apr	3 592.4	1 670.3	81.4	324.4	...	128.1	...	13 996.3	16 200.6	12 608.2
	May	3 527.5	1 600.1	79.1	809.2	...	126.0	...	13 666.6	16 281.0	12 753.5
	Jun	3 502.7	1 502.4	76.1	761.7	...	126.7	...	13 349.5	15 816.4	12 313.7
	Jul ⁷	3 493.5	1 897.3	75.5	809.2	213.2	...	57.0	11 624.3	14 676.5	11 183.0
	Aug	3 540.1	1 326.3	78.1	143.2	138.6	...	5.3	11 375.6	13 067.1	9 527.0
	Sep	3 525.5	1 002.7	76.8	202.0	162.3	...	5.7	11 735.9	13 185.4	9 659.9
	Oct	3 561.7	946.9	80.1	233.0	59.3	...	5.1	11 003.0	12 327.4	8 765.7
	Nov	3 555.7	2 293.9	75.6	198.5	79.7	...	...	9 140.3	11 788.0	8 232.2
	Dec	3 574.3	1 970.7	75.8	198.4	75.8	...	...	7 561.2	9 881.9	6 307.6

1. The required liquid assets are calculated on the basis of the average daily balance of deposit levels two months earlier. Effective August 1996, required liquid assets were 10 percent of commercial banks' daily average deposit balances compared to 20 percent that prevailed prior to this date.
2. Cash and balances encompasses cash and (Pula) balances held with Bank of Botswana and domestic banks (balances withdrawable on demand only).
3. These are Botswana Government treasury bills of six months duration which began to be issued on March 7, 2008.
4. The data reported in this table are from the commercial banks' records and differ from those reported in Tables 3.1 and 4.5, which are from Bank of Botswana records of holdings of BoBCs.
5. Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.
6. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.
7. From July 2011, liquid assets presented in this table do not match those in Table 3.8 as these exclude balances due from domestic banks over 184 days, other financial instruments with maturities over a year and those pledged for securities.

Source: Commercial banks

TABLE 3.11: COMMERCIAL BANKS - RESERVES

(P MILLION)

As at end of		Required reserves ¹	Current account balances/excess reserves ²	Total reserves (1+2)	Average deposits ³	% of Total Reserves to average deposits (3/4)
		1	2	3	4	5
2002		263.9	21.8	285.7	7 870.8	3.6
2003		292.1	111.3	403.4	9 419.3	4.3
2004⁴		327.0	196.3	523.3	10 692.9	4.9
2005		360.2	79.6	439.7	9 961.8	4.4
2006		910.6	95.4	1 006.0	17 805.7	5.7
2007		974.1	123.5	1 097.6	21 100.0	5.2
2008	Mar	1 001.2	150.0	1 151.2	20 502.2	5.6
	Jun	1 020.8	485.0	1 505.9	21 534.4	7.0
	Sep	1 140.0	227.3	1 367.4	24 993.7	5.5
	Dec	1 315.2	511.3	1 826.5	26 800.2	6.8
2009	Jan	1 311.3	543.6	1 854.8	28 117.5	6.6
	Feb	1 339.8	468.6	1 808.4	26 558.8	6.8
	Mar	1 405.7	601.1	2 006.8	27 818.3	7.2
	Apr	1 327.7	343.5	1 671.2	29 660.2	5.6
	May	1 390.7	584.9	1 975.6	29 860.5	6.6
	Jun	1 482.7	493.0	1 975.7	30 567.7	6.5
	Jul	1 492.5	444.7	1 937.2	30 944.1	6.3
	Aug	1 527.8	498.2	2 026.0	30 962.3	6.5
	Sep ⁵	1 546.4	562.9	2 109.4	33 317.7	6.3
	Oct	1 547.2	612.1	2 159.3	33 004.1	6.5
	Nov	1 665.9	646.9	2 312.8	32 836.7	7.0
	Dec	1 650.2	628.0	2 278.2	33 494.8	6.8
2010	Jan	1 641.8	534.4	2 176.3	33 145.0	6.6
	Feb	1 675.7	553.3	2 229.0	32 244.2	6.9
	Mar	1 657.2	588.0	2 245.2	31 547.5	7.1
	Apr	1 612.2	477.6	2 089.8	32 219.4	6.5
	May	1 577.4	575.9	2 153.2	32 261.9	6.7
	Jun	1 611.0	514.0	2 125.0	32 377.2	6.6
	Jul	1 587.8	537.9	2 125.7	32 915.3	6.5
	Aug	1 618.9	544.2	2 163.1	34 019.3	6.4
	Sep	1 645.8	557.7	2 203.5	34 563.1	6.4
	Oct	1 701.0	617.1	2 318.1	35 413.2	6.5
	Nov	2 246.6	783.3	3 029.9	34 972.0	8.7
	Dec	2 301.9	986.9	3 288.8	35 065.3	9.4
2011	Jan	2 273.2	754.2	3 027.4	34 636.7	8.7
	Feb	2 279.2	677.0	2 956.3	35 876.4	8.2
	Mar	2 251.4	919.6	3 171.0	35 274.5	9.0
	Apr	2 335.1	861.9	3 197.0	35 026.8	9.1
	May	2 292.8	700.4	2 993.2	34 934.6	8.6
	Jun	2 276.7	603.4	2 880.1	35 400.9	8.1
	Jul	3 493.5	387.3	3 880.8	35 254.9	11.0
	Aug	3 540.1	124.3	3 664.3	35 616.9	10.3
	Sep	3 525.5	18.3	3 543.8	35 557.4	10.0
	Oct	3 561.7	91.8	3 653.5	36 094.9	10.1
	Nov	3 555.7	259.1	3 814.9	36 691.2	10.4
	Dec	3 574.3	433.1	4 007.4	35 674.2	11.2

1. Required reserves at the Bank of Botswana (BoB) are for a period of one month and are calculated on the basis of deposits two months earlier. Foreign Currency Accounts in pula terms have been netted out from the average total deposits to calculate primary reserve requirements.
2. Current account balances as at end of period.
3. The average of commercial banks' deposit for the period. Foreign Currency Accounts (FCAs) in Pula terms have been netted out from the average total deposits, so that the figure for average deposits in this table conforms with that used to calculate the primary reserve requirements.
4. Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.
5. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks and Bank of Botswana

TABLE 3.12: COMMERCIAL BANKS - DEPOSITS BY HOLDER
(P MILLION)

As at end of	Government			Business			Total
	Central	Local	Parastatals	Resident	Non-resident	Households	
2002	57.6	544.1	780.2	4 935.5	173.4	2 492.1	8 982.9
2003	148.2	949.9	968.7	5 036.2	212.3	3 258.9	10 574.2
2004¹	432.9	629.7	1 165.8	6 946.1	201.2	2 500.2	11 875.9
2005	165.3	299.4	485.4	7 940.5	263.3	4 076.6	13 230.6
2006	183.9	434.5	2 181.3	15 544.7	246.5	4 521.2	23 112.2
2007	144.6	550.2	3 487.9	19 354.5	429.4	6 489.0	30 455.5
2008							
Mar	215.0	511.6	2 180.7	21 668.7	419.9	6 637.5	31 633.3
Jun	194.4	545.8	2 693.2	23 876.5	445.0	6 111.8	33 866.7
Sep	299.6	960.8	4 515.1	23 379.5	415.1	7 335.1	36 905.2
Dec	529.7	730.1	2 922.9	24 967.4	527.4	7 602.9	37 280.3
2009							
Jan	446.4	761.7	3 970.4	22 879.2	565.6	8 082.6	36 705.9
Feb	390.7	464.7	3 937.5	23 201.3	515.5	7 379.7	35 889.4
Mar	238.7	358.0	3 114.8	21 418.4	489.4	7 931.5	33 550.8
Apr	460.1	736.3	3 748.3	21 639.2	559.3	7 387.6	34 530.8
May	410.7	482.8	3 208.8	24 027.4	460.2	6 380.6	34 970.5
Jun	513.5	718.1	3 207.2	24 700.6	544.6	6 346.1	36 030.1
Jul	268.4	638.9	2 714.7	25 236.9	468.6	6 596.1	35 923.7
Aug	156.1	514.0	3 127.0	24 587.8	498.3	6 558.2	35 441.4
Sep ²	270.9	910.0	2 890.9	25 472.3	536.8	6 998.7	37 079.6
Oct	227.3	740.5	3 983.0	24 318.5	635.9	6 819.7	36 724.8
Nov	296.9	797.2	3 614.1	25 004.9	615.0	7 055.2	37 383.3
Dec	396.8	941.5	3 803.8	24 681.0	766.3	7 027.2	37 616.6
2010							
Jan	263.2	804.5	4 180.9	25 071.3	675.8	6 605.1	37 600.8
Feb	320.7	751.3	4 172.5	24 239.1	639.2	7 247.9	37 370.7
Mar	231.9	574.3	4 113.0	24 456.4	644.9	7 130.1	37 150.7
Apr	372.9	860.7	4 409.2	24 567.5	577.4	7 213.7	38 001.4
May	338.8	997.4	4 615.5	24 354.6	651.6	7 143.5	38 101.4
Jun	277.9	1 442.9	4 265.9	24 365.3	717.0	7 415.7	38 484.6
Jul	215.9	1 476.8	4 674.3	23 896.5	584.7	7 455.8	38 304.0
Aug	204.0	1 157.5	4 449.3	25 760.9	562.2	7 950.2	40 084.1
Sep	719.7	1 933.4	5 384.8	23 475.6	631.7	7 770.3	39 915.5
Oct	469.7	1 886.5	6 110.4	23 977.7	562.8	7 596.1	40 603.2
Nov	509.0	1 993.8	5 131.9	25 380.2	499.9	7 727.8	41 242.7
Dec	311.9	2 102.3	4 972.4	24 627.5	641.8	7 767.0	40 422.8
2011							
Jan	338.4	1 872.4	5 115.0	24 599.6	741.1	8 573.8	41 240.4
Feb	339.1	1 629.6	5 182.9	25 906.2	643.1	8 429.8	42 130.8
Mar	381.7	1 680.8	7 127.6	24 051.4	668.0	8 046.6	41 956.1
Apr	317.8	2 242.9	6 388.2	24 036.8	617.4	7 779.8	41 383.0
May	323.2	2 337.1	6 871.4	23 776.6	745.6	7 717.1	41 771.0
Jun	265.9	3 075.1	6 163.0	23 684.3	714.7	8 453.6	42 356.6
Jul	326.9	2 491.8	5 001.5	25 604.3	892.4	8 002.7	42 319.6
Aug	271.4	1 994.4	5 614.4	26 613.9	578.1	8 153.8	43 226.1
Sep	321.2	2 296.1	5 390.7	27 729.4	692.8	7 731.5	44 161.6
Oct	242.6	2 168.3	5 814.2	25 913.8	439.2	9 046.2	43 624.2
Nov	280.7	1 842.9	6 026.9	26 472.3	427.0	8 665.3	43 715.1
Dec	246.9	1 549.9	6 099.2	26 711.0	315.7	8 582.3	43 505.0

1. Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.

2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

TABLE 3.13: COMMERCIAL BANKS - DEPOSITS BY TYPE
(P MILLION)

As at end of	Current	Call	Savings	Up to 31-day notice	Up to 88-day notice	Fixed up to 6 months	Fixed up to 12 months	Fixed over 12 months	Total
2002	2 112.8	4 563.1	1 008.1	182.0	40.6	900.9	144.9	30.4	8 982.9
2003	2 377.0	5 221.0	1 174.8	335.7	71.5	1 218.7	159.1	16.5	10 574.2
2004¹	3 051.4	5 497.4	1 305.2	60.5	50.6	1 410.7	395.0	105.1	11 875.9
2005	3 376.7	6 863.7	1 317.4	34.5	58.0	886.3	513.7	180.3	13 230.6
2006	4 471.0	7 271.2	1 591.5	114.7	111.1	8 266.3	956.2	330.2	23 112.2
2007	5 328.1	11 767.4	1 954.4	409.5	108.6	7 583.4	2 844.2	459.9	30 455.5
2008									
Mar	5 156.9	12 607.5	2 043.3	657.6	115.4	8 075.5	2 738.0	239.1	31 633.3
Jun	5 627.2	13 625.6	2 190.5	493.9	137.3	10 493.0	862.0	437.2	33 866.7
Sep	6 687.7	13 705.9	2 329.3	486.7	145.0	11 631.8	666.2	1 252.5	36 905.2
Dec	6 583.9	13 532.7	2 513.1	467.6	290.4	8 358.2	4 231.9	1 302.6	37 280.3
2009									
Jan	6 157.4	13 001.3	2 479.2	526.9	284.2	9 045.9	3 959.9	1 251.1	36 705.9
Feb	6 479.9	13 948.8	2 501.5	477.0	278.7	8 090.9	3 011.0	1 101.6	35 889.4
Mar	6 457.9	11 965.3	2 704.7	441.5	213.6	8 009.7	2 260.6	1 497.5	33 550.8
Apr	6 347.5	13 378.8	2 610.2	236.0	182.3	9 394.5	1 393.8	987.7	34 530.8
May	6 231.2	13 256.5	2 631.7	168.1	202.1	9 651.3	1 409.7	1 419.9	34 970.5
Jun	5 839.7	13 880.6	2 790.5	174.0	223.3	10 016.6	2 037.0	1 068.4	36 030.1
Jul	5 738.5	14 105.0	2 780.5	212.4	237.1	9 590.3	1 724.7	1 535.3	35 923.7
Aug	5 899.9	13 604.2	2 769.9	367.1	367.3	9 375.1	1 537.5	1 520.4	35 441.4
Sep ²	5 599.8	14 895.1	2 777.1	1 219.4	779.3	9 567.5	852.5	1 389.0	37 079.6
Oct	5 418.0	14 047.9	2 785.9	1 155.7	696.1	10 423.3	804.6	1 393.3	36 724.8
Nov	5 611.5	14 352.4	2 783.8	948.8	966.0	10 936.6	353.9	1 430.3	37 383.3
Dec	5 703.3	14 841.7	2 813.6	1 060.6	829.9	9 496.5	1 767.1	1 103.9	37 616.6
2010									
Jan	5 716.6	14 580.8	2 742.1	970.9	1 001.6	9 002.0	2 341.0	1 245.9	37 600.8
Feb	6 107.3	14 408.3	2 773.5	1 353.6	822.0	9 141.6	1 230.9	1 533.4	37 370.7
Mar	6 357.5	14 069.7	2 782.7	826.2	1 175.0	9 601.5	1 134.1	1 204.1	37 150.7
Apr	6 473.3	14 760.1	2 765.3	934.5	1 257.6	9 775.6	1 053.7	981.3	38 001.4
May	5 587.0	14 437.4	2 759.7	1 390.2	1 294.0	10 951.5	916.6	764.9	38 101.4
Jun	6 020.1	14 366.6	2 792.2	941.7	1 170.9	11 194.3	1 195.1	803.7	38 484.6
Jul	5 792.7	13 754.8	2 798.7	1 240.9	1 483.8	11 773.1	718.7	741.3	38 304.0
Aug	5 586.8	14 985.2	2 802.7	1 637.5	1 206.7	12 332.7	788.3	744.1	40 084.1
Sep	6 101.7	14 280.0	2 809.9	1 962.8	1 346.4	12 104.8	638.1	671.9	39 915.5
Oct	6 636.6	14 355.5	2 838.3	1 289.5	1 277.7	12 844.5	623.9	737.3	40 603.2
Nov	6 761.9	13 830.9	2 845.6	1 972.1	1 269.2	13 170.9	789.6	602.5	41 242.7
Dec	6 776.9	14 052.6	2 840.2	2 579.2	1 620.5	11 503.8	642.3	407.3	40 422.8
2011									
Jan	6 713.2	15 021.0	2 806.8	3 058.9	1 562.5	10 869.7	787.6	420.8	41 240.4
Feb	6 689.4	14 375.4	2 840.6	2 750.9	1 600.2	12 419.9	1 011.7	442.8	42 130.8
Mar	6 737.9	15 689.4	2 859.4	1 640.9	1 512.0	12 072.3	995.3	449.0	41 956.1
Apr	6 909.1	14 567.7	2 867.1	1 751.1	1 543.8	12 191.9	1 098.8	453.4	41 383.0
May	6 328.2	15 001.8	2 938.0	1 853.2	1 332.6	12 634.5	1 170.8	512.0	41 771.0
Jun	7 394.4	15 130.6	2 968.5	3 742.9	3 208.2	8 589.2	834.3	488.5	42 356.6
Jul	6 842.3	15 527.7	3 022.6	2 870.6	3 290.9	8 783.1	1 247.5	734.8	42 319.6
Aug	6 588.7	16 396.3	3 240.9	3 047.0	3 295.0	9 098.5	831.7	728.2	43 226.1
Sep	7 425.6	16 683.6	3 108.9	2 761.4	3 579.5	8 971.0	911.9	719.7	44 161.6
Oct	6 897.1	15 714.2	3 038.2	2 685.5	4 361.4	9 372.4	879.7	675.6	43 624.2
Nov	7 328.4	14 484.2	3 067.8	3 437.2	4 446.7	8 801.7	1 475.5	673.5	43 715.1
Dec	7 122.9	14 882.4	3 107.3	2 923.5	4 652.3	9 272.2	916.4	628.1	43 505.0

1. Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.

2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

TABLE 3.14: COMMERCIAL BANKS – DEPOSITS BY HOLDER
(PERCENTAGE DISTRIBUTION)

As at end of	Government			Business		
	Central	Local	Parastatals	Resident	Non-resident	Households
2002	0.6	6.1	8.7	54.9	1.9	27.7
2003	1.4	9.0	9.2	47.6	2.0	30.8
2004¹	3.6	5.3	9.8	58.5	1.7	21.1
2005	1.2	2.3	3.7	60.0	2.0	30.8
2006	0.8	1.9	9.4	67.2	1.1	19.6
2007	0.5	1.8	11.5	63.5	1.4	21.3
2008						
Mar	0.7	1.6	6.9	68.5	1.3	21.0
Jun	0.6	1.6	8.0	70.5	1.3	18.0
Sep	0.8	2.6	12.2	63.4	1.1	19.9
Dec	1.4	2.0	7.8	67.0	1.4	20.4
2009						
Jan	1.2	2.1	10.8	62.3	1.5	22.0
Feb	1.1	1.3	11.0	64.6	1.4	20.6
Mar	0.7	1.1	9.3	63.8	1.5	23.6
Apr	1.3	2.1	10.9	62.7	1.6	21.4
May	1.2	1.4	9.2	68.7	1.3	18.2
Jun	1.4	2.0	8.9	68.6	1.5	17.6
Jul	0.7	1.8	7.6	70.3	1.3	18.4
Aug	0.4	1.5	8.8	69.4	1.4	18.5
Sep ²	0.7	2.5	7.8	68.7	1.4	18.9
Oct	0.6	2.0	10.8	66.2	1.7	18.6
Nov	0.8	2.1	9.7	66.9	1.6	18.9
Dec	1.1	2.5	10.1	65.6	2.0	18.7
2010						
Jan	0.7	2.1	11.1	66.7	1.8	17.6
Feb	0.9	2.0	11.2	64.9	1.7	19.4
Mar	0.6	1.5	11.1	65.8	1.7	19.2
Apr	1.0	2.3	11.6	64.6	1.5	19.0
May	0.9	2.6	12.1	63.9	1.7	18.7
Jun	0.7	3.7	11.1	63.3	1.9	19.3
Jul	0.6	3.9	12.2	62.4	1.5	19.5
Aug	0.9	2.9	11.3	63.7	1.4	19.8
Sep	1.3	4.8	11.9	60.9	1.6	19.5
Oct	1.2	4.6	15.0	59.1	1.4	18.7
Nov	1.2	4.8	12.4	61.5	1.2	18.7
Dec	0.8	5.2	12.3	60.9	1.6	19.2
2011						
Jan	0.8	4.5	12.4	59.6	1.8	20.8
Feb	0.8	3.9	12.3	61.5	1.5	20.0
Mar	0.9	4.0	17.0	57.3	1.6	19.2
Apr	0.8	5.4	15.4	58.1	1.5	18.8
May	0.8	5.6	16.5	56.9	1.8	18.5
Jun	0.6	7.3	14.6	55.9	1.7	20.0
Jul	0.8	5.9	11.8	60.5	2.1	18.9
Aug	0.6	4.6	13.0	61.6	1.3	18.9
Sep	0.7	5.2	12.2	62.8	1.6	17.5
Oct	0.6	5.0	13.3	59.4	1.0	20.7
Nov	0.6	4.2	13.8	60.6	1.0	19.8
Dec	0.6	3.6	14.0	61.4	0.7	19.7

1. Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.

2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

TABLE 3.15: COMMERCIAL BANKS – DEPOSITS BY TYPE
(PERCENTAGE DISTRIBUTION)

As at end of	Current	Call	Savings	Up to 31-day notice	Up to 88-day notice	Fixed up to 6 months	Fixed up to 12 months	Fixed over 12 months
2002	23.5	50.8	11.2	2.0	0.5	10.0	1.6	0.3
2003	22.5	49.4	11.1	3.2	0.7	11.5	1.5	0.2
2004¹	25.7	46.3	11.0	0.5	0.4	11.9	3.3	0.9
2005	25.5	51.9	10.0	0.3	0.4	6.7	3.9	1.4
2006	19.3	31.5	6.9	0.5	0.5	35.8	4.1	1.4
2007	17.5	38.6	6.4	1.3	0.4	24.9	9.3	1.5
2008								
Mar	16.3	39.9	6.5	2.1	0.4	25.5	8.7	0.8
Jun	16.6	40.2	6.5	1.5	0.4	31.0	2.5	1.3
Sep	18.1	37.1	6.3	1.3	0.4	31.5	1.8	3.4
Dec	17.7	36.3	6.7	1.3	0.8	22.4	11.4	3.5
2009								
Jan	16.8	35.4	6.8	1.4	0.8	24.6	10.8	3.4
Feb	18.1	38.9	7.0	1.3	0.8	22.5	8.4	3.1
Mar	19.2	35.7	8.1	1.3	0.6	23.9	6.7	4.5
Apr	18.4	38.7	7.6	0.7	0.5	27.2	4.0	2.9
May	17.8	37.9	7.5	0.5	0.6	27.6	4.0	4.1
Jun	16.2	38.5	7.7	0.5	0.6	27.8	5.7	3.0
Jul	16.0	39.3	7.7	0.6	0.7	26.7	4.8	4.3
Aug	16.6	38.4	7.8	1.0	1.0	26.5	4.3	4.3
Sep ²	15.1	40.2	7.5	3.3	2.1	25.8	2.3	3.7
Oct	14.8	38.3	7.6	3.1	1.9	28.4	2.2	3.8
Nov	15.0	38.4	7.4	2.5	2.6	29.3	0.9	3.8
Dec	15.2	39.5	7.5	2.8	2.2	25.2	4.7	2.9
2010								
Jan	15.2	38.8	7.3	2.6	2.7	23.9	6.2	3.3
Feb	16.3	38.6	7.4	3.6	2.2	24.5	3.3	4.1
Mar	17.1	37.9	7.5	2.2	3.2	25.8	3.1	3.2
Apr	17.0	38.8	7.3	2.5	3.3	25.7	2.8	2.6
May	14.7	37.9	7.2	3.6	3.4	28.7	2.4	2.0
Jun	15.6	37.3	7.3	2.4	3.0	29.1	3.1	2.1
Jul	15.1	35.9	7.3	3.2	3.9	30.7	1.9	1.9
Aug	13.9	37.4	7.0	4.1	3.0	30.8	2.0	1.9
Sep	15.3	35.8	7.0	4.9	3.4	30.3	1.6	1.7
Oct	16.3	35.4	7.0	3.2	3.1	31.6	1.5	1.8
Nov	16.4	33.5	6.9	4.8	3.1	31.9	1.9	1.5
Dec	16.8	34.8	7.0	6.4	4.0	28.5	1.6	1.0
2011								
Jan	16.3	36.4	6.8	7.4	3.8	26.4	1.9	1.0
Feb	15.9	34.1	6.7	6.5	3.8	29.5	2.4	1.1
Mar	16.1	37.4	6.8	3.9	3.6	28.8	2.4	1.1
Apr	16.7	35.2	6.9	4.2	3.7	29.5	2.7	1.1
May	15.1	35.9	7.0	4.4	3.2	30.2	2.8	1.2
Jun	17.5	35.7	7.0	8.8	7.6	20.3	2.0	1.2
Jul	16.2	36.7	7.1	6.8	7.8	20.8	2.9	1.7
Aug	15.2	37.9	7.5	7.0	7.6	21.0	1.9	1.7
Sep	16.8	37.8	7.0	6.3	8.1	20.3	2.1	1.6
Oct	15.8	36.0	7.0	6.2	10.0	21.5	2.0	1.5
Nov	16.8	33.1	7.0	7.9	10.2	20.1	3.4	1.5
Dec	16.4	34.2	7.1	6.7	10.7	21.3	2.1	1.4

1. Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.

2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 3.16: COMMERCIAL BANKS - FOREIGN CURRENCY ACCOUNTS (FCAs) AND TOTAL DEPOSITS¹

(P MILLION)

As at end of		US dollar		British pound		SA rand	
		Foreign currency	Pula equivalent	Foreign currency	Pula equivalent	Foreign currency	Pula equivalent
2002		194.6	1 064.1	29.8	260.9	163.4	103.4
2003		203.2	902.8	31.5	249.2	130.4	87.6
2004³		212.6	910.1	24.9	205.4	148.2	112.0
2005		375.5	2 070.2	22.6	215.6	267.5	232.4
2006		640.8	3 864.7	26.1	309.8	252.3	218.2
2007		1 303.2	7 827.0	29.5	353.7	327.0	288.9
2008	Mar	1 492.1	9 868.1	23.1	304.7	601.6	490.3
	Jun	1 580.8	10 372.7	47.3	618.6	390.7	324.5
	Sep	1 509.9	10 327.7	61.5	766.5	503.5	423.2
	Dec	1 139.7	8 569.1	68.1	739.9	499.5	401.0
2009	Jan	1 082.5	8 625.7	69.4	788.4	567.4	448.9
	Feb	905.5	7 209.5	68.5	779.5	347.5	279.0
	Mar	529.6	4 134.0	69.5	776.4	354.3	286.8
	Apr	633.1	4 580.9	70.9	760.7	401.7	341.9
	May	571.6	3 952.7	72.5	803.6	330.5	285.9
	Jun	459.3	3 118.3	68.8	782.1	394.7	344.9
	Jul	466.5	3 173.4	70.1	789.8	319.6	280.2
	Aug	455.4	3 113.1	71.2	788.6	365.2	319.5
	Sep ⁴	447.7	3 029.0	71.8	773.8	328.6	288.6
	Oct	524.0	3 552.8	80.2	899.5	461.6	404.1
	Nov	451.4	2 964.2	79.0	858.0	467.5	416.3
	Dec	523.8	3 494.1	61.8	663.4	422.1	380.8
2010	Jan	474.1	3 240.8	113.3	1 249.4	390.4	349.7
	Feb	485.9	3 377.0	114.8	1 219.3	386.2	346.4
	Mar	530.5	3 603.7	113.1	1 158.1	435.0	401.0
	Apr	627.8	4 270.6	126.9	1 326.5	409.3	379.3
	May	553.0	3 897.4	106.3	1 085.8	480.2	444.4
	Jun	531.5	3 753.8	106.0	1 125.8	466.1	430.7
	Jul	509.1	3 482.5	106.5	1 137.9	364.5	338.4
	Aug	529.9	3 647.1	86.3	916.7	450.8	420.9
	Sep	581.3	3 829.6	107.1	1 117.4	410.2	388.3
	Oct	575.0	3 790.3	86.3	906.3	486.4	457.5
	Nov	722.5	4 881.7	86.3	907.5	497.7	471.2
	Dec	645.4	4 156.1	85.7	853.7	589.6	574.4
2011	Jan	639.6	4 315.6	85.8	919.3	492.0	463.4
	Feb	612.1	4 069.6	77.0	824.9	547.0	520.2
	Mar	730.6	4 768.7	83.3	876.2	487.6	468.1
	Apr	682.0	4 346.8	98.4	1 044.1	463.6	446.9
	May	716.0	4 716.8	94.2	1 025.4	499.4	476.6
	Jun	756.9	4 943.9	88.0	925.1	540.7	520.4
	Jul	759.2	4 958.9	84.3	898.8	724.6	700.1
	Aug	814.3	5 461.2	84.4	923.9	751.2	713.2
	Sep	876.2	6 330.6	89.5	1 011.4	1 297.1	1 196.6
	Oct	753.1	5 437.6	89.6	1 034.4	1 257.2	1 158.2
	Nov	696.4	5 287.6	89.8	1 062.1	1 119.9	1 014.2
	Dec	574.5	4 322.8	89.4	1 037.1	1 008.6	928.8

1. Pula equivalent is obtained by using the middle exchange rate as at the end of each month.
2. Other Pula equivalent includes Pula equivalent for any currency other than the ones specified in this table.
3. Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.
4. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source Commercial Banks

Euro						
Foreign currency	Pula equivalent	Other Pula equivalent ²	Total Pula equivalent	Total deposits	Proportion of FCAs in total deposits	As at end of
18.4	105.3	3.8	1 537.5	8 982.9	17.1	2002
46.7	260.7	17.2	1 517.5	10 574.2	14.4	2003
29.9	174.2	4.7	1 406.3	11 875.9	11.8	2004³
63.0	412.3	1.6	2 932.1	13 230.6	22.2	2005
33.2	264.0	12.5	4 669.2	23 098.9	20.2	2006
27.7	245.0	192.4	8 907.0	30 455.5	29.2	2007
26.8	279.4	100.6	11 043.2	31 632.1	34.9	Mar 2008
39.2	406.5	211.1	11 933.4	33 944.5	35.2	Jun
46.4	458.2	27.8	12 003.3	36 905.2	32.5	Sep
47.8	506.7	15.2	10 231.8	37 280.3	27.4	Dec
44.7	459.4	29.2	10 351.6	36 705.9	28.2	Jan 2009
43.1	436.2	19.1	8 723.4	35 889.4	24.3	Feb
47.2	488.4	6.6	5 692.1	33 550.8	17.0	Mar
47.3	456.3	3.7	6 143.4	34 530.8	17.8	Apr
38.8	375.5	3.6	5 421.2	34 970.5	15.5	May
38.6	370.5	29.5	4 645.4	36 083.6	12.9	Jun
35.2	338.5	3.5	4 585.4	35 923.7	12.8	Jul
36.7	357.6	29.2	4 608.0	35 441.4	13.0	Aug
37.9	373.2	30.1	4 494.7	37 079.6	12.1	Sep ⁴
36.9	370.9	22.9	5 250.2	36 724.8	14.3	Oct
37.4	369.4	23.1	4 630.9	37 383.3	12.4	Nov
33.2	318.6	32.5	4 889.3	37 616.6	13.0	Dec
42.3	402.6	25.2	5 267.8	37 600.8	14.0	Jan 2010
40.5	382.8	31.7	5 357.1	37 370.7	14.3	Feb
38.1	347.5	29.4	5 539.7	37 150.7	14.9	Mar
40.5	365.3	38.7	6 380.4	38 001.4	16.8	Apr
35.7	309.2	43.8	5 780.7	38 101.4	15.2	May
36.4	314.7	56.5	5 681.5	38 579.4	14.7	Jun
45.1	403.7	47.0	5 409.5	38 304.0	14.1	Jul
39.2	341.2	53.8	5 379.7	40 084.1	13.4	Aug
41.7	373.2	45.0	5 753.4	39 915.5	14.4	Sep
36.9	337.4	40.4	5 531.9	40 603.2	13.6	Oct
32.5	288.3	39.1	6 587.8	41 242.7	16.0	Nov
38.3	329.5	50.8	5 964.5	40 422.8	14.8	Dec
37.5	344.5	52.9	6 095.7	41 240.4	14.8	Jan 2011
47.5	434.4	53.8	5 902.9	42 130.8	14.0	Feb
37.1	343.4	48.0	6 504.4	41 956.1	15.5	Mar
55.3	522.9	55.4	6 416.2	41 383.0	15.5	Apr
48.9	463.9	57.9	6 740.7	41 771.0	16.1	May
35.5	335.6	75.1	6 800.2	42 356.6	16.1	Jun
35.9	334.1	57.1	6 949.0	42 319.6	16.4	Jul
35.3	341.9	81.8	7 522.0	43 226.1	16.9	Aug
34.3	338.3	71.9	8 948.8	44 161.6	20.3	Sep
35.0	353.4	95.8	8 079.5	43 624.2	18.5	Oct
37.7	381.6	96.5	7 842.1	43 715.1	17.9	Nov
37.1	360.9	103.7	6 753.4	43 505.0	15.5	Dec

TABLE 3.17: COMMERCIAL BANKS – FOREIGN CURRENCY ACCOUNTS BY TYPE

(P MILLION)

As at end of	Current	Call	Savings	Up to 31-day Notice	Up to 88-day Notice
2002	232.9	1 000.3	...	63.3	6.5
2003	277.4	1 061.6	...	23.9	–
2004¹	391.1	665.9	...	45.5	2.6
2005	815.3	1 733.0	...	21.3	121.5
2006	735.0	1 309.1	...	643.2	255.1
2007	208.9	2 565.4	...	1 430.5	1 051.5
2008					
Mar	264.0	2 826.6	...	2 523.8	1 253.4
Jun	319.7	2 578.3	...	2 782.7	867.5
Sep	262.2	3 039.8	...	2 671.0	130.8
Dec	339.2	2 682.0	...	2 149.4	901.4
2009					
Jan	300.1	2 796.4	...	1 578.0	68.5
Feb	346.3	3 996.3	...	359.1	629.1
Mar	319.0	2 096.8	...	–	854.4
Apr	370.3	2 088.7	...	–	500.5
May	342.1	2 373.6	...	–	511.5
Jun	353.2	2 270.2	...	–	5.8
Jul	422.5	2 147.0	...	–	–
Aug	433.6	2 809.2	...	–	–
Sep ²	483.2	2 636.9	...	46.2	35.1
Oct	498.0	3 288.5	...	77.0	48.9
Nov	497.5	2 828.9	...	50.2	54.0
Dec	447.8	2 952.0	...	102.2	54.3
2010					
Jan	399.4	2 973.1	...	142.3	57.5
Feb	448.1	2 840.6	...	53.1	85.6
Mar	418.5	3 054.2	...	49.9	87.5
Apr	395.2	3 093.6	...	9.5	365.5
May	405.1	3 166.3	...	73.3	89.9
Jun	446.5	2 837.6	...	52.9	38.0
Jul	447.3	2 754.9	...	95.1	36.5
Aug	473.7	3 018.8	...	214.2	–
Sep	484.3	2 651.1	...	109.6	–
Oct	508.4	3 193.1	...	114.3	70.0
Nov	492.8	2 892.4	...	25.4	128.7
Dec	530.9	2 667.6	...	34.7	116.9
2011					
Jan	476.5	3 287.7	...	138.0	55.2
Feb	515.5	3 257.3	...	138.5	59.5
Mar	472.1	3 224.1	...	18.9	61.1
Apr	432.3	3 373.8	...	87.1	15.0
May	449.1	3 297.0	...	25.3	30.1
Jun	512.3	3 402.6	...	71.0	89.3
Jul	379.3	3 536.0	6.8	279.9	23.0
Aug	313.2	4 461.3	7.4	88.7	40.4
Sep	463.4	5 180.4	7.5	102.2	63.1
Oct	470.4	4 355.8	7.6	165.3	22.2
Nov	511.0	4 051.5	12.1	161.3	40.1
Dec	486.3	3 875.8	12.4	132.2	47.8

1. Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.

2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

Fixed up to			Fixed over 18 months	Total	As at end of	
6 months	12 months	18 months				
193.9	35.9	1.4	3.3	1 537.5		2002
116.6	19.6	18.4	–	1 517.5		2003
271.5	26.1	3.7	–	1 406.3		2004 ¹
181.4	57.3	2.3	–	2 932.1		2005
1 665.2	58.5	3.1	–	4 669.2		2006
2 982.3	659.1	9.3	–	8 907.0		2007
3 388.3	379.1	408.0	–	11 043.2	Mar	2008
5 336.9	45.8	2.6	–	11 933.4	Jun	
5 836.0	49.1	14.4	–	12 003.3	Sep	
4 112.4	45.8	1.5	–	10 231.8	Dec	
5 219.6	192.9	196.2	–	10 351.6	Jan	2009
3 126.3	264.9	0.4	0.9	8 723.4	Feb	
2 085.2	319.7	17.1	–	5 692.1	Mar	
2 588.5	358.4	236.9	–	6 143.4	Apr	
1 778.9	384.6	30.5	–	5 421.2	May	
1 743.5	269.6	3.1	–	4 645.4	Jun	
1 743.0	271.0	2.0	–	4 585.4	Jul	
1 201.6	10.2	153.3	–	4 608.0	Aug	
952.2	340.5	0.6	–	4 494.7	Sep ²	
813.2	524.1	0.6	–	5 250.2	Oct	
762.3	437.4	0.6	–	4 630.9	Nov	
875.7	100.5	356.7	–	4 889.3	Dec	
1 291.1	70.8	333.3	0.2	5 267.8	Jan	2010
1 366.7	240.6	322.2	0.2	5 357.1	Feb	
1 374.2	246.6	308.7	–	5 539.7	Mar	
1 594.7	606.6	315.2	–	6 380.4	Apr	
1 225.8	511.1	308.9	0.2	5 780.7	May	
2 028.7	269.1	1.3	7.3	5 681.5	Jun	
2 055.0	20.4	0.2	–	5 409.5	Jul	
1 015.6	641.7	15.7	–	5 379.7	Aug	
1 862.0	632.2	14.1	–	5 753.4	Sep	
1 296.8	22.4	326.9	–	5 531.9	Oct	
2 922.2	121.0	5.2	–	6 587.8	Nov	
2 444.1	163.0	7.3	–	5 964.5	Dec	
1 995.1	136.1	7.0	–	6 095.7	Jan	2011
1 597.3	7.8	327.0	–	5 902.9	Feb	
2 550.8	121.1	56.2	–	6 504.4	Mar	
1 959.1	224.9	–	324.2	6 416.2	Apr	
2 427.4	178.7	–	333.2	6 740.7	May	
2 300.8	423.7	0.1	0.5	6 800.2	Jun	
2 714.7	8.7	–	0.5	6 949.0	Jul	
2 266.4	343.8	0.5	0.4	7 522.0	Aug	
3 126.0	5.4	0.4	0.4	8 948.8	Sep	
3 055.6	1.8	0.3	0.4	8 079.5	Oct	
3 062.5	2.3	0.7	0.4	7 842.1	Nov	
2 195.5	2.3	0.7	0.4	6 753.4	Dec	

TABLE 3.18: COMMERCIAL BANKS - LOANS AND ADVANCES OUTSTANDING BY SECTOR

(P MILLION)

As at end of	Government		Parastatals	Households	Agri culture	Mining	Manu- facturing	Electri city & water	Con struction	
	Central	Local								
2002	–	–	462.0	3 560.8	44.1	128.1	329.9	55.5	208.9	
2003	–	0.2	381.1	3 843.3	55.1	116.2	392.4	50.9	233.3	
2004³	–	–	433.3	4 866.0	120.0	40.5	356.3	85.7	240.7	
2005	–	0.3	317.5	5 320.4	129.1	18.7	333.7	71.8	191.6	
2006	–	–	260.6	6 206.7	122.4	55.6	416.5	67.6	205.0	
2007	–	1.3	183.3	8 031.2	142.9	120.7	420.8	157.7	185.5	
2008	Mar	2.2	6.5	130.7	8 095.7	124.4	162.6	391.7	162.1	239.3
	Jun	2.3	7.0	123.0	8 611.9	85.1	347.3	439.4	163.1	291.4
	Sep	2.3	8.1	148.0	9 444.9	105.5	635.5	535.7	186.8	311.1
	Dec	0.1	8.7	138.7	9 755.4	116.6	788.6	398.8	167.7	312.2
2009	Jan ⁴	–	8.0	77.6	10 531.5	111.4	638.3	566.5	177.9	320.6
	Feb	7.4	0.0	54.8	10 646.5	112.3	589.6	547.0	179.3	330.8
	Mar	–	9.2	189.1	10 575.2	129.5	596.6	398.7	184.6	325.5
	Apr	–	18.2	270.0	10 634.3	119.1	510.4	349.4	207.0	319.7
	May	–	19.6	211.3	10 648.9	128.4	496.1	369.1	185.3	325.8
	Jun	–	19.6	239.3	10 793.4	99.1	784.4	393.3	181.0	291.1
	Jul	–	19.4	249.5	10 750.8	106.7	600.1	411.3	177.8	329.6
	Aug	–	19.7	242.4	10 934.9	105.5	556.9	405.2	163.6	305.1
	Sep ⁵	–	18.2	222.5	11 095.3	138.6	553.2	475.4	176.9	346.6
	Oct	–	20.1	326.8	11 222.1	154.2	566.0	546.9	168.0	668.9
	Nov	–	20.1	301.4	11 342.6	169.1	515.5	517.5	168.5	762.3
	Dec	–	20.5	303.4	11 426.5	163.7	512.1	546.8	61.2	778.1
2010	Jan	–	20.7	319.0	11 703.4	141.9	503.5	526.7	47.4	796.2
	Feb	–	20.7	282.1	11 838.6	142.2	577.6	512.5	45.7	840.6
	Mar	–	9.4	286.8	11 835.1	153.6	504.0	527.4	49.1	828.7
	Apr	–	17.2	311.6	11 982.8	147.5	563.0	551.1	43.8	813.0
	May	–	17.1	297.6	11 660.0	146.0	558.4	575.8	43.7	959.0
	Jun	–	15.7	323.9	11 915.4	138.9	602.2	595.5	41.2	896.5
	Jul	–	14.5	261.5	12 014.2	134.2	580.2	705.9	44.8	868.4
	Aug	–	13.7	340.9	12 154.1	142.6	521.4	685.0	48.9	867.8
	Sep	–	9.5	527.0	12 386.2	147.6	506.0	783.7	49.6	926.7
	Oct	–	9.4	520.4	12 424.1	139.3	582.9	835.5	53.1	941.8
	Nov	–	9.2	639.9	12 642.3	139.0	556.1	775.5	53.2	952.7
	Dec	–	8.4	386.0	12 859.1	153.0	447.5	727.9	56.7	931.9
2011	Jan	–	7.5	335.6	12 961.3	177.4	300.6	1 056.3	56.8	953.5
	Feb	–	7.4	448.4	13 025.3	177.8	222.1	891.0	61.9	962.8
	Mar	–	7.1	513.5	13 074.7	179.8	319.2	888.2	59.8	983.8
	Apr	–	7.0	488.6	13 202.5	185.6	354.8	960.1	58.9	987.2
	May	–	7.0	470.0	13 311.9	196.6	404.3	968.8	59.1	1 006.9
	Jun	–	6.6	522.9	13 573.5	169.0	436.9	1 012.9	60.5	1 062.1
	Jul ⁶	7.7	24.4	811.0	13 990.7	138.5	682.4	1 461.8	552.6	722.5
	Aug	7.6	24.0	770.0	14 464.0	148.2	688.1	1 295.4	483.1	745.7
	Sep	10.7	22.9	756.4	15 077.7	150.5	724.5	1 256.9	454.9	769.3
	Oct	2.3	31.2	836.0	14 744.3	171.7	683.9	1 278.0	470.3	958.8
	Nov	5.2	31.3	831.4	15 193.1	176.4	1 188.0	1 314.4	313.7	877.6
	Dec	–	23.6	1 043.4	15 276.3	202.5	1 024.9	1 152.3	503.5	986.9

1. 'Other' comprises real estate, community services, tourism and hotel sectors.
2. 'Resident Business Total' includes all sectors, except Central and Local Government and Households.
3. Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.
4. In January 2009, approximately P600 million previously classified under 'balances due from other banks' was reclassified as 'loans and advances'. The change followed one of the banks assuming ownership of domestic credit card debt, with the result that the growth of commercial bank credit was significantly inflated, especially for households. This distortion should be taken into account when analysing the affected data.
5. Effective September 2009, data from commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.
6. From July 2011, there may be some anomalies in this table arising from the introduction of a new reporting format by the commercial banks. While these are being addressed, the data should be used with caution as revision can be expected. These will be clearly highlighted and, where necessary, explained.
7. This category has been temporarily dropped pending resolution of classification.

Source: Commercial banks

Trade	Transport	Finance	Business services ⁷	Other ¹	Resident business total ²	Non-resident	Total	As at end of	
578.8	117.5	24.6	984.2	126.8	3 060.3	6.5	6 627.6		2002
865.2	125.6	27.2	1 005.5	185.6	3 438.0	7.7	7 289.2		2003
448.4	287.7	23.6	1 265.0	273.4	3 574.5	19.0	8 459.6		2004 ³
516.7	297.3	52.8	1 508.6	298.8	3 736.4	24.7	8 466.4		2005
734.3	296.4	69.2	1 865.4	427.3	4 520.3	66.8	10 793.9		2006
1 112.1	129.4	80.0	1 937.3	842.5	5 312.2	84.5	13 429.2		2007
1 267.2	241.9	62.1	2 283.4	707.3	5 772.8	90.3	13 967.5	Mar	2008
1 210.8	246.2	77.4	2 139.1	798.7	5 921.4	89.2	14 631.8	Jun	
1 596.5	289.0	128.0	2 162.1	866.9	6 965.1	81.1	16 501.6	Sep	
1 471.3	301.5	111.1	2 381.7	1 093.7	7 281.8	104.5	17 150.4	Dec	
1 331.9	301.7	103.3	2 465.7	982.7	7 077.7	105.6	17 722.8	Jan ⁴	2009
1 355.3	388.6	121.8	2 294.7	1 107.3	7 081.5	109.7	17 845.1	Feb	
1 245.1	304.4	105.9	2 454.2	1 193.2	7 126.9	113.0	17 824.2	Mar	
1 256.4	295.4	107.7	2 432.5	1 319.3	7 186.8	115.2	17 954.5	Apr	
1 147.0	294.6	103.3	2 526.1	1 223.9	7 010.8	115.7	17 795.0	May	
1 195.6	298.4	37.8	2 381.7	1 068.4	6 970.1	114.9	17 898.1	Jun	
1 311.6	299.3	47.0	2 285.8	1 197.7	7 016.4	116.9	17 903.5	Jul	
1 263.9	309.7	34.5	2 323.3	1 261.9	6 971.9	117.6	18 044.2	Aug	
1 375.3	336.2	36.0	2 513.7	1 308.4	7 482.9	303.1	18 899.5	Sep ⁵	
1 644.6	401.7	113.7	1 770.9	1 380.2	7 741.8	310.6	19 294.5	Oct	
1 731.5	391.2	107.6	1 798.0	1 363.3	7 825.8	266.7	19 455.1	Nov	
1 935.4	321.4	136.4	1 936.3	1 411.6	8 106.6	211.1	19 764.6	Dec	
2 106.5	348.7	134.4	1 847.2	1 357.6	8 129.1	219.9	20 073.2	Jan	2010
2 220.4	356.8	120.4	1 824.8	1 429.3	8 352.3	267.8	20 479.5	Feb	
2 398.1	347.0	88.2	2 113.8	1 507.4	8 804.2	245.7	20 894.4	Mar	
2 604.8	362.9	93.5	1 866.7	1 595.1	8 952.9	234.4	21 187.3	Apr	
1 939.7	287.5	84.9	1 989.8	1 660.9	8 543.2	270.7	20 491.0	May	
1 847.3	360.6	66.8	2 050.2	1 716.9	8 640.0	299.5	20 870.6	Jun	
1 755.6	363.8	65.9	2 029.9	1 838.1	8 648.4	288.0	20 965.2	Jul	
1 803.3	383.2	44.0	2 064.7	1 885.8	8 787.5	319.3	21 274.5	Aug	
1 862.5	339.8	51.7	1 872.8	1 819.3	8 886.6	423.1	21 705.5	Sep	
1 832.4	328.9	72.7	1 806.2	1 951.9	9 065.1	279.3	21 778.0	Oct	
1 985.7	319.8	56.5	1 740.7	2 019.9	9 238.9	285.6	22 176.1	Nov	
1 834.2	495.2	61.2	1 707.8	1 993.8	8 795.3	459.4	22 122.2	Dec	
2 033.7	347.9	57.3	1 864.4	1 983.4	9 167.0	308.9	22 444.7	Jan	2011
2 172.0	308.0	67.2	1 772.3	2 088.0	9 171.3	306.4	22 510.3	Feb	
2 116.8	376.4	34.3	2 061.9	1 979.5	9 513.2	321.6	22 916.7	Mar	
2 041.4	394.3	65.3	2 024.3	2 002.3	9 562.8	342.5	23 114.8	Apr	
2 063.2	403.3	24.5	1 980.1	2 053.3	9 630.2	361.5	23 310.7	May	
2 367.0	624.4	126.3	2 060.5	2 228.5	10 671.1	378.7	24 629.9	Jun	
2 478.9	547.9	1 349.2	...	1 781.9	10 526.7	182.9	24 732.4	Jul ⁶	
2 816.6	543.2	1 216.2	...	1 829.0	10 535.5	179.1	25 210.1	Aug	
3 094.8	537.3	1 079.6	...	1 919.6	10 743.8	198.2	26 053.3	Sep	
3 520.0	533.5	1 080.5	...	2 225.3	11 758.1	189.9	26 725.7	Oct	
3 185.7	594.7	1 167.0	...	2 283.8	11 932.5	197.7	27 359.9	Nov	
3 392.5	596.4	1 240.2	...	2 326.3	12 469.0	198.6	27 967.6	Dec	

TABLE 3.19: COMMERCIAL BANKS - OUTSTANDING LOANS AND ADVANCES TO HOUSEHOLDS

(P MILLION)

As at nd of	Property	Motor vehicle	Credit Cards	Other ¹	Total
2002	555.0	1 160.2	...	1 845.6	3 560.8
2003	766.2	1 157.6	...	1 919.5	3 843.3
2004²	1 051.6	1 097.7	...	2 716.8	4 866.0
2005	1 197.5	889.1	...	3 233.9	5 320.4
2006	1 467.4	802.4	...	3 937.0	6 206.7
2007	1 558.2	984.2	...	5 488.7	8 031.2
2008					
Mar	1 666.9	876.8	...	5 552.1	8 095.7
Jun	1 792.9	878.7	...	5 940.3	8 611.9
Sep	2 089.8	950.3	...	6 404.9	9 444.9
Dec	2 069.2	996.5	...	6 689.6	9 755.4
2009					
Jan ³	2 108.7	999.9	...	7 422.9	10 531.5
Feb	2 125.9	998.9	...	7 521.6	10 646.5
Mar	2 135.8	987.4	...	7 452.0	10 575.2
Apr	2 141.4	981.1	...	7 511.8	10 634.3
May	2 160.7	973.0	...	7 515.3	10 648.9
Jun	2 182.3	960.8	...	7 650.3	10 793.4
Jul	2 307.5	938.2	...	7 505.2	10 750.8
Aug	2 345.6	925.9	...	7 663.4	10 934.9
Sep ⁴	2 424.6	924.1	...	7 746.7	11 095.3
Oct	2 462.0	920.0	...	7 840.0	11 222.1
Nov	2 509.9	1 132.2	...	7 700.5	11 342.6
Dec	2 543.3	933.9	...	7 949.3	11 426.5
2010					
Jan	2 562.1	1 160.2	...	7 981.1	11 703.4
Feb	2 628.2	1 173.0	...	8 037.4	11 838.6
Mar	2 678.3	1 126.6	...	8 030.2	11 835.1
Apr	2 734.2	1 199.6	...	8 049.0	11 982.8
May	2 800.2	996.3	...	7 863.5	11 660.0
Jun	2 853.5	985.4	...	8 076.5	11 915.4
Jul	2 934.8	1 009.6	...	8 069.9	12 014.2
Aug	3 007.0	827.1	...	8 320.0	12 154.1
Sep	3 043.2	822.0	...	8 521.0	12 386.2
Oct	3 095.8	822.6	...	8 505.8	12 424.1
Nov	3 158.1	833.7	...	8 650.5	12 642.3
Dec	3 223.0	837.4	...	8 798.7	12 859.1
2011					
Jan	3 296.6	1 033.4	...	8 631.4	12 961.3
Feb	3 338.9	1 001.0	...	8 685.5	13 025.3
Mar	3 366.3	1 021.1	...	8 687.3	13 074.7
Apr	3 436.8	1 027.7	...	8 738.1	13 202.5
May	3 496.9	1 017.7	...	8 797.3	13 311.9
Jun	3 594.9	1 020.6	...	8 958.1	13 573.5
Jul ⁵	2 956.2	1 359.5	...	9 675.0	13 990.7
Aug	3 097.7	1 337.4	...	10 028.9	14 464.0
Sep	3 566.0	1 518.6	557.3	9 435.9	15 077.7
Oct	3 297.1	1 002.6	850.2	9 594.3	14 744.3
Nov	3 418.3	1 025.6	625.0	10 124.3	15 193.1
Dec	3 466.1	1 047.1	589.4	10 173.8	15 276.3

1. 'Other' includes all personal advances other than for motor vehicle and property purposes.

2. Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.

3. In January 2009, approximately P600 million previously classified under 'balances due from other banks' was reclassified as 'loans and advances'. The change followed one of the banks assuming ownership of domestic credit card debt, with the result that the growth of commercial bank credit was significantly inflated, especially for households. This distortion should be taken into account when analysing the affected data.

4. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

5. From July 2011, there may be some anomalies in this table arising from the introduction of a new reporting format by the commercial banks. While these are being addressed the data should be used with caution as revisions can be expected. These will be clearly highlighted and, where necessary, explained.

Source: Commercial banks

TABLE 3.20: COMMERCIAL BANKS - ADVANCES AND LIQUID ASSET RATIOS
(P MILLION)

As at end of		Total deposits	Total advances	Ratio (2/1)	Liquid assets	Ratio (4/1)
		1	2	3	4	5
2002		8 982.9	6 627.6	0.74	2 187.6	0.24
2003		10 574.2	7 289.2	0.69	2 547.4	0.24
2004¹		11 875.9	8 459.6	0.71	3 231.0	0.27
2005		13 230.6	9 087.6	0.69	4 638.6	0.35
2006		23 112.2	10 793.9	0.47	13 751.2	0.59
2007		30 455.5	13 429.2	0.44	17 063.4	0.56
2008	Mar	31 633.3	13 967.5	0.44	16 766.8	0.53
	Jun	33 866.7	14 631.8	0.43	18 655.9	0.55
	Sep	36 905.2	16 501.6	0.45	19 380.3	0.53
	Dec	37 280.3	17 150.4	0.46	18 794.1	0.50
2009	Jan	36 705.9	17 722.8	0.48	17 431.8	0.47
	Feb	35 889.4	17 845.1	0.50	15 595.4	0.43
	Mar	33 550.8	17 824.2	0.53	15 698.5	0.47
	Apr	34 530.8	17 954.5	0.52	16 745.2	0.48
	May	34 970.5	17 795.0	0.51	16 851.6	0.48
	Jun	36 030.1	17 898.1	0.50	17 178.2	0.48
	Jul	35 923.7	17 903.5	0.50	17 224.7	0.48
	Aug	35 441.4	18 044.2	0.51	17 302.2	0.49
	Sep ²	37 079.6	18 899.5	0.51	18 129.7	0.49
	Oct	36 724.8	19 294.5	0.53	16 817.5	0.46
	Nov	37 383.3	19 455.1	0.52	17 279.2	0.46
	Dec	37 616.6	19 764.6	0.53	17 405.2	0.46
2010	Jan	37 600.8	20 073.2	0.53	16 820.0	0.45
	Feb	37 370.7	20 479.5	0.55	17 733.5	0.47
	Mar	37 150.7	20 894.4	0.56	16 633.7	0.45
	Apr	38 001.4	21 187.3	0.56	17 211.3	0.45
	May	38 101.4	20 491.0	0.54	18 326.8	0.48
	Jun	38 484.6	20 870.6	0.54	18 015.1	0.47
	Jul	38 304.0	20 965.2	0.55	19 306.7	0.50
	Aug	40 084.1	21 274.5	0.53	19 981.4	0.50
	Sep	39 915.5	21 705.5	0.54	19 395.7	0.49
	Oct	40 603.2	21 778.0	0.54	20 071.5	0.49
	Nov	41 242.7	22 176.1	0.54	19 106.5	0.46
	Dec	40 422.8	22 122.2	0.55	17 252.2	0.43
2011	Jan	41 240.4	22 444.7	0.54	17 522.4	0.42
	Feb	42 130.8	22 510.3	0.53	17 021.7	0.40
	Mar	41 956.1	22 916.7	0.55	16 397.8	0.39
	Apr	41 383.0	23 114.8	0.56	16 200.6	0.39
	May	41 771.0	23 310.7	0.56	16 281.0	0.39
	Jun	42 356.6	24 629.9	0.58	15 816.4	0.37
	Jul	42 319.6	24 732.4	0.58	14 676.5	0.35
	Aug	43 226.1	25 210.1	0.58	13 067.1	0.30
	Sep	44 161.6	26 053.3	0.59	13 185.4	0.30
	Oct	43 624.2	26 725.7	0.61	12 327.4	0.28
	Nov	43 715.1	27 359.9	0.63	11 788.0	0.27
	Dec	43 505.0	27 967.6	0.64	9 881.9	0.23

- Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.
- In January 2009, approximately P600 million previously classified under 'balances due from other banks' was reclassified as 'loans and advances'. The change followed one of the banks assuming ownership of domestic credit card debt, with the result that the growth of commercial bank credit was significantly inflated, especially for households. This distortion should be taken into account when analysing the affected data.
- Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

TABLE 3.21: COMMERCIAL BANKS - LOANS AND ADVANCES BY MATURITY
By VALUE (P MILLION)

Maturity/As at end of	2002	2003	2004 ¹	2005	2006	2007	2008	2009 ²	2010	2011
Credit cards	...	...	...	...	...	...	...	...	...	607.2
Overdrafts	1 407.4	1 876.4	1 840.2	2 029.9	2 080.5	2 683.3	2 994.8	3 129.6	3 223.4	2 319.6
1 to 6 months	582.4	283.5	395.7	177.8	820.4	572.7	304.5	1 223.4	1 489.7	1 179.6
6 to 12 months	493.7	314.5	271.1	276.5	279.0	819.8	814.8	496.8	1 181.3	1 818.3
1 to 2 years	844.8	658.0	634.3	513.0	617.8	560.4	543.5	759.4	2 309.2	838.5
2 to 3 years	1 045.1	923.7	1 088.4	1 128.6	1 176.8	1 651.2	2 082.1	2 163.1	3 932.5	2 036.6
3 to 5 years	1 068.1	1 509.8	2 056.0	2 245.8	2 508.4	3 319.2	4 519.1	5 818.0	3 626.0	6 531.9
5 to 7 years	358.0	416.9	350.2	726.0	595.9	635.6	709.0	1 019.1	599.8	3 673.1
7 to 10 years	561.5	843.0	1 095.2	926.2	1 009.5	1 154.9	1 081.3	1 502.9	1 401.8	4 054.3
Over 10 years	266.6	463.5	728.5	1 063.9	1 705.6	2 032.0	4 101.3	3 652.1	4 358.5	4 908.4
TOTAL	6 627.6	7 289.2	8 459.6	9 087.6	10 793.9	13 429.2	17 150.4	19 764.4	22 122.2	27 967.6

Percentage Distribution

Maturity/As at end of	2002	2003	2004 ¹	2005	2006	2007	2008	2009 ²	2010	2011
Credit cards	...	...	...	...	...	...	...	...	...	2.2
Overdrafts	21.2	25.7	21.8	22.3	19.3	20.0	17.5	15.8	14.6	8.3
1 to 6 months	8.8	3.9	4.7	2.0	7.6	4.3	1.8	6.2	6.7	4.2
6 to 12 months	7.4	4.3	3.2	3.0	2.6	6.1	4.8	2.5	5.3	6.5
1 to 2 years	12.7	9.0	7.5	5.6	5.7	4.2	3.2	3.8	10.4	3.0
2 to 3 years	15.8	12.7	12.9	12.4	10.9	12.3	12.1	10.9	17.8	7.3
3 to 5 years	16.1	20.7	24.3	24.7	23.2	24.7	26.4	29.4	16.4	23.4
5 to 7 years	5.4	5.7	4.1	8.0	5.5	4.7	4.1	5.2	2.7	13.1
7 to 10 years	8.5	11.6	12.9	10.2	9.4	8.6	6.3	7.6	6.3	14.5
Over 10 years	4.0	6.4	8.6	11.7	15.8	15.1	23.9	18.5	19.7	17.6
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

- In January 2009, approximately P600 million previously classified under 'balances due from other banks' was reclassified as 'loans and advances'. The change followed one of the banks assuming ownership of domestic credit card debt, with the result that the growth of commercial banks credit was significantly inflated, especially for households. This distortion should be taken into account when analysing the affected data.
- Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

TABLE 3.22: COMMERCIAL BANKS - LOANS AND ADVANCES BY INTEREST RATE (PERCENTAGE DISTRIBUTION)
By NUMBER

As at end of	2002	2003	2004 ¹	2005	2006	2007	2008	2009 ²	2010	2011 ³
Interest Rate Category										
Staff advances	2.9	3.4	2.8	3.1	2.8	2.7	2.5	2.5	2.4	Prime - (minus) 8.3
Up to 6 percent	0.4	1.3	4.0	8.4	9.4	3.6	7.6	7.4	7.1	Prime Rate 3.3
Above 6-8 percent	-	-	0.1	-	-	-	5.8	5.5	5.2	Prime + (<2) 3.0
Above 8-10 percent	-	-	-	-	-	0.2	0.9	1.3	2.2	Prime + (2 < 4) 4.3
Above 10-12 percent	-	0.1	0.2	0.2	0.3	-	1.7	3.5	7.6	Prime + (4 < 10) 25.7
Above 12-14 percent	0.3	0.4	0.5	0.6	0.5	0.1	3.9	6.9	6.6	Prime + (≥10) 55.4
Above 14-16 percent	13.3	27.7	13.2	16.6	9.8	12.1	10.3	10.3	4.3	
Above 16-18 percent	20.2	16.4	16.0	11.6	10.8	9.6	3.9	2.4	4.9	
Above 18-20 percent	8.1	5.2	3.9	4.0	6.0	6.1	3.0	1.7	4.0	
Above 20 percent	54.8	45.4	59.2	55.4	60.4	65.5	60.3	58.6	55.7	
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

By VALUE

As at end of	2002	2003	2004 ¹	2005	2006	2007	2008	2009	2010	2011
Interest Rate Category										
Staff advances	2.1	2.1	2.0	1.8	1.8	2.0	6.9	6.6	2.5	Prime - (minus) 28.6
Up to 6 percent	6.9	2.6	1.4	2.1	3.4	3.1	10.3	7.6	12.5	Prime Rate 17.9
Above 6-8 percent	0.2	0.4	1.2	0.4	1.0	0.8	2.8	4.8	5.7	Prime + (<2) 11.7
Above 8-10 percent	-	0.1	0.1	1.2	0.4	1.1	0.6	6.7	11.3	Prime + (2 < 4) 9.0
Above 10-12 percent	0.1	0.3	0.3	0.3	1.7	0.8	3.4	11.3	18.6	Prime + (4 < 10) 20.6
Above 12-14 percent	3.7	5.3	13.7	8.1	6.3	8.5	8.4	14.0	11.1	Prime + (≥10) 12.2
Above 14-16 percent	24.3	36.7	38.8	37.7	22.8	33.9	23.9	17.9	6.7	
Above 16-18 percent	35.4	19.9	19.6	18.0	22.2	10.4	13.4	2.1	8.9	
Above 18-20 percent	10.1	6.3	5.6	4.1	6.5	5.0	3.3	0.8	1.9	
Above 20 percent	17.3	26.3	17.2	26.2	33.9	34.4	27.0	28.3	20.8	
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

- Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.
- Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.
- Due to revision of reporting forms, the interest rates structure has changed effective July 2011.

Source: Commercial banks

TABLE 3.23: COMMERCIAL BANKS – INCOME AND EXPENSES
(P MILLION)

		Interest income	Interest expenses	Net interest income	Provision for bad and doubtful debts	Non-interest income	Non-interest expenses	Extra-ordinary items	Taxation	Net income
2002	Jan – Mar	325.3	160.4	165.0	9.6	94.8	126.4	–	24.6	99.1
	Apr – Jun	341.4	168.2	173.2	8.8	101.9	123.0	–	24.7	124.9
	Jul – Sep	368.4	174.1	194.3	14.2	104.1	135.4	–	35.4	113.3
	Oct – Dec	383.4	184.6	198.9	13.6	121.5	152.3	–	36.8	117.6
2003	Jan – Mar	405.1	190.1	215.0	11.0	103.9	141.6	–	32.9	132.8
	Apr – Jun	414.6	205.3	209.2	27.5	114.2	148.9	–	15.0	138.4
	Jul – Sep	429.1	166.5	213.5	21.1	123.1	153.7	0.1	20.8	141.4
	Oct – Dec	434.7	235.0	199.7	10.8	126.6	183.5	–0.1	41.7	114.9
2004	Jan – Mar	432.7	220.5	212.2	19.8	121.7	188.5	–	34.9	118.0
	Apr ¹ – Jun	480.8	248.7	232.1	16.9	129.9	181.1	0.9	22.2	152.3
	Jul – Sep	469.3	236.8	232.5	12.2	136.7	171.0	–	26.5	159.2
	Oct – Dec	471.3	228.0	243.3	27.6	132.0	178.3	–	45.2	160.3
2005	Jan – Mar	487.5	243.8	243.7	26.2	137.9	173.7	–	30.1	151.7
	Apr – Jun	520.1	254.2	266.1	18.7	161.5	175.2	–	42.7	196.8
	Jul – Sep	521.2	255.3	265.8	12.1	176.0	188.4	–	51.8	197.6
	Oct – Dec	569.9	277.6	292.3	9.1	174.3	223.2	–	25.2	211.2
2006	Jan – Mar	643.1	342.5	300.6	20.9	163.9	208.9	–	50.5	184.3
	Apr – Jun	834.6	508.8	325.8	32.3	182.6	183.3	–	30.3	262.8
	Jul – Sep	910.3	574.5	335.9	23.9	193.7	213.3	–	58.5	240.2
	Oct – Dec	942.3	607.7	334.6	16.2	174.5	220.6	–	57.6	228.1
2007	Jan – Mar	965.7	600.4	365.3	21.8	194.2	250.0	–	65.5	221.8
	Apr – Jun	1 031.9	647.9	384.0	14.7	199.1	269.8	–	48.3	305.8
	Jul – Sep	1 069.3	645.5	423.7	29.3	213.2	267.5	–	105.2	234.8
	Oct – Dec	1 114.9	664.9	450.0	76.8	246.3	324.7	–	68.7	245.5
2008	Jan – Mar	1 127.6	663.3	464.3	71.4	238.4	290.5	–	79.3	261.5
	Apr – Jun	1 208.9	690.1	518.8	52.1	311.7	381.1	–	75.6	380.5
	Jul – Sep	1 242.7	691.9	550.8	27.7	259.6	348.3	–	108.6	325.7
	Oct – Dec	1 411.6	784.1	627.5	64.7	298.0	465.0	–	53.7	342.2
2009	Jan – Mar	1 336.2	727.1	609.1	80.9	285.2	399.9	–	96.2	317.3
	Apr – Jun	1 254.5	637.1	617.4	97.6	265.0	395.2	–	56.8	332.8
	Jul – Sep ²	1 128.5	556.4	572.2	98.4	287.7	393.9	–	71.8	296.1
	Oct – Dec	1 157.6	518.1	639.5	114.1	307.2	456.3	–	81.2	299.4
2010	Jan – Mar	1 030.3	436.7	593.7	93.2	308.1	423.4	–	77.4	307.8
	Apr – Jun	1 054.4	438.6	615.8	82.5	314.1	473.6	–	67.0	306.7
	Jul – Sep	1 121.3	465.5	655.9	56.6	294.2	468.6	–	110.9	319.5
	Oct – Dec	1 191.4	496.8	694.7	43.3	351.9	424.0	88.5	150.8	516.7
2011	Jan – Mar	1 077.9	423.2	654.8	61.5	354.9	483.3	–	141.5	323.6
	Apr – Jun	1 085.4	415.9	669.6	60.7	395.7	507.7	–	144.1	353.9
	Jul ³	360.4	139.0	221.3	–	141.4	152.3	–	30.3	180.0
	Aug	370.9	143.1	227.8	19.8	139.0	171.2	–	36.7	139.2
	Sep	381.0	142.9	238.1	29.2	134.6	180.5	–	39.7	123.3
	Oct	387.1	147.5	239.6	36.9	137.9	162.1	–	39.8	138.7
	Nov	360.2	130.4	229.8	32.1	155.4	153.6	–	58.0	141.5
	Dec	365.4	116.1	249.3	30.9	174.7	228.8	–	–14.4	178.6

1. Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.

2. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

3. Effective July 2011, data for this table are reported monthly.

Source: Commercial banks

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 3.24: COMMERCIAL BANKS – OFF BALANCE SHEET ITEMS¹
(P MILLION)

As at end of		Commitments ¹	Letters of credit ²	Performance bonds	Government bonds held on behalf of customers	BoBCs held on behalf of customers
2002	Mar	880.6	475.3	638.8	–	1 735.4
	Jun	1 285.5	550.0	587.3	–	2 068.5
	Sep	1 074.2	440.6	634.9	–	2 231.0
	Dec	1 080.7	287.2	661.8	–	3 610.3
2003	Mar	1 304.4	257.6	852.2	–	3 476.0
	Jun	953.9	429.3	876.7	–	3 948.6
	Sep	943.3	472.6	827.8	–	4 462.8
	Dec	907.3	423.3	810.6	–	3 769.5
2004⁴	Mar	1 072.2	521.0	777.9	–	3 605.2
	Jun	1 079.0	699.9	807.7	–	4 020.8
	Sep	1 043.2	606.4	1 001.0	–	4 715.2
	Dec	1 078.7	531.8	1 093.7	–	4 244.8
2005	Mar	911.2	300.5	1 134.5	–	5 030.8
	Jun	1 187.1	513.1	1 087.1	–	5 361.6
	Sep	1 295.8	298.4	1 013.6	–	4 605.9
	Dec	1 368.8	371.1	1 045.0	537.7	7 093.1
2006	Mar	1 278.5	358.4	1 002.6	–	2 494.7
	Jun	1 345.9	365.4	1 079.3	573.4	–
	Sep	1 624.9	555.1	1 098.9	573.5	–
	Dec	1 518.0	424.9	1 094.2	573.5	–
2007	Mar	1 588.4	382.9	1 201.7	573.5	–
	Jun	1 668.4	372.1	1 262.0	578.8	–
	Sep	1 989.3	507.7	970.9	562.5	–
	Dec	2 041.1	493.5	1 062.7	562.5	–
2008	Mar	1 848.4	509.5	954.2	551.2	–
	Jun	1 972.6	806.3	1 188.6	578.1	–
	Sep	1 634.0	970.1	1 397.6	738.7	–
	Dec	1 949.2	982.4	1 407.5	740.2	–
2009	Mar	2 361.3	1 110.2	2 438.4	778.8	–
	Jun	2 595.3	1 145.3	2 825.3	975.6	–
	Sep ⁵	2 357.6	1 093.9	2 539.1	1 235.4	–
	Dec	2 168.8	1 580.6	3 114.6	1 346.6	–
2010	Mar	3 405.0	2 112.8	2 719.5	1 509.1	–
	Jun	2 456.6	2 139.7	2 955.3	1 594.2	–
	Sep	2 515.1	1 889.3	3 882.5	1 918.9	–
	Dec	2 924.2	1 623.9	3 808.9	–	–
2011	Mar	2 766.1	1 418.9	3 666.9	–	–
	Jun	2 816.6	1 181.1	3 324.0	–	–
	Jul ⁶	2 780.3	1 419.1	3 413.0	–	–
	Aug	3 040.9	1 345.2	3 309.8	–	–
	Sep	3 335.4	1 393.6	3 279.2	–	–
	Oct	3 195.0	1 245.1	3 440.4	–	–
	Nov	3 375.1	1 262.4	3 515.9	–	–
	Dec	3 005.2	1 468.8	3 171.3	–	–

1. Includes commitments of under 1 year and over that can be cancelled, as well as formal commitments (which entail credit lines, bills endorsed and promissory notes of original maturity of over 1 year).
2. Includes standby and commercial letters of credit.
3. Foreign exchange contracts are now given by maturity as opposed to purchases and sales.
4. Effective April 2004, data for commercial banks include Investec Bank, following its takeover by Stanbic Bank.
5. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.
6. Effective July 2011, data for this table are reported monthly.

Source: Commercial banks

Foreign exchange contracts ³					
Over 7 days and under 1 year	Over 1 year	Other off-balance sheet exposures	Total		As at end of
559.6	–	56.2	4 345.8	Mar	2002
426.4	–	62.0	4 979.7	Jun	
419.9	–	67.4	4 868.1	Sep	
358.9	–	64.8	6 063.7	Dec	
348.7	–	69.0	6 307.8	Mar	2003
403.5	–	68.1	6 680.1	Jun	
183.7	–	73.2	6 963.3	Sep	
164.1	–	79.9	6 154.7	Dec	
94.1	–	71.0	6 141.4	Mar	2004⁴
83.4	–	71.1	6 761.9	Jun	
142.1	–	72.9	7 580.8	Sep	
37.3	–	79.5	7 065.7	Dec	
24.4	–	81.4	7 482.8	Mar	2005
42.3	–	86.9	8 278.2	Jun	
69.9	–	75.8	7 359.4	Sep	
717.4	–	111.8	10 707.2	Dec	
990.4	–	109.8	6 234.4	Mar	2006
2 212.7	–	90.7	5 667.4	Jun	
2 486.2	–	111.6	6 450.1	Sep	
2 754.0	–	101.7	6 466.2	Dec	
2 300.4	–	159.4	6 206.3	Mar	2007
3 854.9	–	136.8	7 873.0	Jun	
3 467.4	4.8	165.5	7 668.1	Sep	
2 452.1	–	286.5	6 898.5	Dec	
3 820.3	–	344.2	8 028.0	Mar	2008
2 352.1	–	152.0	7 049.7	Jun	
2 695.3	–	205.6	7 641.2	Sep	
2 825.9	–	236.1	8 141.3	Dec	
1 037.4	–	380.0	8 106.1	Mar	2009
236.1	–	397.6	8 175.1	Jun	
339.6	–	519.5	8 085.0	Sep ⁵	
288.5	–	626.5	9 125.7	Dec	
263.8	–	467.6	10 477.6	Mar	2010
75.9	–	326.9	9 548.6	Jun	
306.9	0.7	202.7	10 716.1	Sep	
398.9	–	276.2	9 032.1	Dec	
835.4	–	215.4	8 902.7	Mar	2011
1 234.1	–	230.4	8 786.3	Jun	
929.1	–	200.5	8 742.0	Jul ⁶	
1 179.8	–	198.6	9 074.3	Aug	
1 229.2	–	197.3	9 434.7	Sep	
1 027.7	–	188.4	9 096.5	Oct	
1 179.7	–	206.6	9 539.7	Nov	
– 11.7	–	203.6	7 837.2	Dec	

TABLE 3.25: COMMERCIAL BANKS – ARREARS ON LOANS AND ADVANCES
(P MILLION)

End of	Business & non-bank financial institutions			
	30-89 days	90+ days	Specific provisions	
2002	Mar	7.5	12.6	28.9
	Jun	11.1	12.7	25.5
	Sep	38.8	34.4	28.9
	Dec	22.7	32.3	27.6
2003	Mar	14.3	11.0	27.3
	Jun	10.4	6.8	3.9
	Sep	23.3	10.3	39.1
	Dec	9.0	20.8	42.5
2004 ²	Mar	7.9	5.1	45.0
	Jun	4.2	14.1	48.5
	Sep	3.0	13.1	56.3
	Dec	3.9	11.1	48.5
2005	Mar	22.1	17.9	50.8
	Jun	12.5	26.5	66.1
	Sep	2.9	6.8	56.5
	Dec	3.7	5.5	57.1
2006	Mar	13.9	29.4	57.2
	Jun	152.8	9.2	68.2
	Sep	34.1	12.7	63.6
	Dec	19.9	13.2	59.5
2007	Mar	14.3	26.5	76.1
	Jun	51.5	3.2	70.0
	Sep	67.9	3.7	63.9
	Dec	98.2	27.4	120.2
2008	Mar	21.4	41.1	176.9
	Jun	17.0	16.8	186.0
	Sep	8.6	10.0	186.8
	Dec	79.0	12.4	156.6
2009	Mar	28.4	69.8	157.0
	Jun	29.6	63.9	163.3
	Sep ³	107.3	44.8	208.2
	Dec	64.3	27.2	140.8
2010	Mar	74.6	70.8	145.6
	Jun	149.2	77.8	156.2
	Sep	106.5	31.2	116.9
	Dec	62.4	42.4	111.1
2011	Mar	45.0	81.1	113.2
	Jun	100.7	70.2	101.7
Business & non-bank financial institutions				
	>31-90 days	>91-180 days	Over 180 days	
2011	Sep ¹	97.4	18.5	45.3
	Dec	144.1	37.2	13.3

1. Effective September 2011, the reporting durations for commercial bank loans arrears changed from '30-89 days', '90-180 days' and 'Specific provisions' to '>31-90 days', '>91-180 days' and 'Over 180 days', respectively.

2. Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.

3. Effective September 2009, data for commercial banks include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

Persons			Total			End of	
30-89 days	90+ days	Specific provisions	30-89 days	90+ days	Specific provisions		
55.8	18.2	33.8	63.2	30.8	62.8	Mar	2002
48.7	20.7	42.1	59.8	33.4	67.6	Jun	
48.7	20.9	51.7	87.5	55.3	80.6	Sep	
83.5	33.1	58.6	106.2	65.4	86.2	Dec	
79.0	32.4	48.0	93.2	43.4	75.3	Mar	2003
135.9	30.6	75.1	146.3	37.4	109.0	Jun	
122.6	59.8	86.9	145.8	70.1	125.9	Sep	
124.2	46.6	87.0	133.2	67.4	129.6	Dec	
114.5	62.0	71.1	122.4	67.1	116.1	Mar	2004 ²
113.1	65.1	79.8	117.3	79.2	128.3	Jun	
125.5	48.7	80.2	128.5	61.8	136.5	Sep	
151.4	58.5	77.9	155.3	69.7	126.4	Dec	
149.3	69.7	68.0	171.3	87.6	118.8	Mar	2005
113.0	68.8	92.2	125.6	95.3	158.3	Jun	
130.8	73.9	101.2	133.6	80.7	157.7	Sep	
148.9	80.6	93.9	152.6	86.1	151.0	Dec	
178.0	93.7	74.0	191.9	123.0	131.2	Mar	2006
154.0	85.0	88.1	306.8	94.1	156.3	Jun	
176.8	106.5	103.9	210.9	119.1	167.6	Sep	
168.0	145.2	103.8	187.9	158.4	163.3	Dec	
188.7	154.7	54.8	203.0	181.2	130.9	Mar	2007
180.0	147.8	64.1	231.5	151.0	134.1	Jun	
205.6	122.6	96.1	273.5	126.3	160.0	Sep	
234.4	155.7	115.9	332.6	183.1	236.0	Dec	
292.9	122.3	89.1	314.3	163.4	266.0	Mar	2008
355.2	151.3	82.8	372.1	168.1	268.8	Jun	
293.3	145.8	87.5	301.8	155.7	274.4	Sep	
362.3	145.5	141.2	441.3	157.9	297.8	Dec	
418.0	152.7	253.6	446.4	222.5	410.6	Mar	2009
416.0	147.2	314.0	445.6	211.2	477.4	Jun	
579.9	149.7	355.3	687.1	194.4	563.5	Sep ³	
591.1	142.0	432.7	655.3	169.2	573.5	Dec	
538.9	159.0	487.0	613.5	229.8	632.6	Mar	2010
543.9	143.2	493.0	693.2	220.9	649.2	Jun	
550.8	132.2	543.6	657.3	163.5	660.4	Sep	
159.2	552.3	521.1	221.6	594.7	632.2	Dec	
217.7	565.3	517.7	262.7	646.4	630.9	Mar	2011
237.7	516.6	535.1	338.4	586.7	636.8	Jun	
Persons			Total				
>31-90 days	>91-180 days	Over 180 days	>31-90 days	>91-180 days	Over 180 days		
180.0	445.2	73.5	277.4	463.7	118.8	Sep ¹	2011
327.7	440.3	77.7	471.8	477.4	91.0	Dec	

TABLE 3.26: COMMERCIAL BANKS – ARREARS BY SECTOR

(P MILLION)

End of		Agriculture			Manufacturing			Construction		
		30-89 days	90+ days	Specific provisions	30-89 days	90+ days	Specific provisions	30-89 days	90+ days	Specific provisions
2002	Mar	–	–	0.4	1.3	6.2	13.1	2.4	0.4	2.6
	Jun	0.4	0.2	0.4	1.2	3.5	10.7	1.7	1.0	2.0
	Sep	0.8	0.4	0.5	2.2	19.8	9.9	2.8	1.1	2.6
	Dec	0.2	1.3	0.5	1.7	8.1	8.5	1.3	0.9	2.4
2003	Mar	0.3	–	0.5	0.1	1.2	7.6	1.8	0.7	2.5
	Jun	0.4	–	0.6	–	1.2	7.8	1.9	1.0	2.2
	Sep	0.4	–	0.5	1.4	0.9	6.9	1.7	1.6	3.0
	Dec	0.1	–	0.4	–	0.8	8.2	1.0	4.6	7.3
2004 ²	Mar	0.2	–	0.7	0.1	0.8	9.4	1.3	0.6	2.1
	Jun	–	–	0.6	0.6	0.8	9.8	0.2	1.7	2.2
	Sep	–	–	0.5	–	0.8	8.5	–	2.0	3.1
	Dec	–	0.2	0.3	0.5	–	9.6	0.5	2.3	1.9
2005	Mar	–	–	0.3	2.6	10.0	–	0.1	2.7	2.1
	Jun	–	–	0.4	0.1	0.4	14.5	–	1.7	2.1
	Sep	–	–	0.4	0.1	0.4	14.1	0.2	1.5	2.1
	Dec	–	–	0.2	1.4	0.3	19.9	0.4	0.2	1.9
2006	Mar	–	–	0.2	0.3	1.5	22.9	2.0	0.5	1.3
	Jun	12.7	–	0.3	21.8	1.5	20.6	70.1	0.8	6.5
	Sep	0.9	–	0.3	0.1	0.5	15.8	11.1	0.8	6.6
	Dec	0.1	–	0.2	1.3	0.5	17.7	2.1	1.6	8.8
2007	Mar	0.8	–	0.6	0.1	1.2	18.8	1.8	11.0	15.4
	Jun	0.2	–	0.5	11.2	0.1	18.3	25.3	0.9	10.3
	Sep	0.3	–	0.4	1.4	0.1	15.3	1.7	0.1	6.5
	Dec	2.7	3.1	2.7	30.8	1.5	13.8	11.6	1.5	4.5
2008	Mar	–	0.3	0.8	0.9	1.4	12.6	1.1	2.5	4.1
	Jun	–	0.9	0.1	0.1	–	10.6	0.5	1.5	3.3
	Sep	–	0.5	0.7	0.1	–	7.0	0.4	0.2	10.0
	Dec	2.0	1.3	0.2	0.1	0.8	7.5	0.4	0.1	1.5
2009	Mar	–	0.6	1.5	1.8	0.2	7.2	2.7	0.4	2.1
	Jun	–	–	0.2	–	0.2	7.8	1.5	0.5	3.4
	Sep ³	0.1	0.1	0.7	1.0	16.2	13.7	1.2	3.8	6.7
	Dec	1.5	0.1	0.9	0.1	9.3	9.4	0.2	3.5	8.3
2010	Mar	2.6	0.3	0.9	3.6	9.3	9.7	2.7	7.7	10.5
	Jun	13.8	0.7	1.3	14.8	0.1	16.6	36.5	3.2	9.2
	Sep	0.1	0.1	0.7	1.7	4.3	11.3	8.7	0.3	20.4
	Dec	1.9	0.2	3.6	0.2	–	16.9	14.0	1.0	8.4
2011	Mar	0.1	–	3.6	0.2	–	15.9	0.3	1.0	17.3
	Jun	4.4	0.2	6.2	14.5	6.6	10.1	13.2	3.5	21.3
		Agriculture			Manufacturing			Construction		
		>30-90 days	>90-180 days	Over 180 days	>30-90 days	>90-180 days	Over 180 days	>30-90 days	>90-180 days	Over 180 days
2011	Sep ¹	2.3	2.6	2.4	24.5	0.2	1.0	9.3	0.8	5.4
	Dec	1.7	3.5	0.2	2.0	0.0	0.2	26.1	19.7	0.2

1. Effective September 2011, the reporting durations for commercial bank loans arrears changed from '30-89 days', '90-180 days' and 'Specific provisions' to '>30-90 days', '>90-180 days' and 'Over 180 days', respectively.

2. Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.

3. Effective September 2009, data for commercial bank include African Banking Corporation (ABC), following its change of operations from a merchant bank to a commercial bank in August 2009.

Source: Commercial banks

Trade			Real Estate			End of	
30-89 days	90+ days	Specific provisions	30-89 days	90+ days	Specific provisions		
1.2	4.2	3.0	0.5	0.3	–	Mar	2002
5.2	0.4	3.1	–	–	–	Jun	
14.3	6.9	3.9	10.9	–	–	Sep	
8.9	8.8	4.2	–	0.1	–	Dec	
6.1	3.7	4.2	0.3	–	–	Mar	2003
2.1	2.7	8.0	0.3	–	0.2	Jun	
10.5	4.1	9.5	2.9	–	0.2	Sep	
1.6	2.1	5.6	0.2	–	0.2	Dec	
1.2	1.0	9.5	0.4	0.5	0.1	Mar	2004²
0.8	2.2	9.2	–	–	0.1	Jun	
0.5	2.0	9.1	–	–	0.2	Sep	
0.1	–	6.3	–	–	0.1	Dec	
0.1	0.8	7.4	–	–	0.7	Mar	2005
9.1	16.4	9.8	–	–	3.6	Jun	
0.4	1.3	2.5	–	–	3.7	Sep	
1.1	1.5	2.9	0.1	–	0.1	Dec	
10.0	2.9	3.4	–	21.1	0.2	Mar	2006
7.2	3.1	11.1	23.9	0.1	0.1	Jun	
3.6	5.3	7.0	8.8	0.1	0.2	Sep	
6.7	3.7	9.8	8.8	0.6	0.2	Dec	
9.4	6.0	14.7	–	1.7	1.0	Mar	2007
10.6	0.7	9.7	0.2	0.3	1.1	Jun	
3.0	1.0	13.0	0.7	0.9	1.0	Sep	
36.1	12.1	10.3	0.1	–	0.2	Dec	
1.5	3.4	8.7	9.7	13.0	2.4	Mar	2008
3.8	2.5	8.4	0.8	2.4	0.5	Jun	
2.4	0.8	7.6	1.6	0.3	2.6	Sep	
3.7	1.5	5.5	2.5	0.8	1.6	Dec	
2.1	1.2	6.4	14.9	0.5	2.5	Mar	2009
11.9	1.4	5.4	14.2	0.8	2.1	Jun	
17.3	7.7	25.1	15.9	4.3	2.6	Sep ³	
12.5	2.2	6.1	14.9	4.0	23.7	Dec	
14.5	36.3	6.2	4.6	1.2	22.3	Mar	2010
16.1	6.9	4.6	8.1	2.0	17.5	Jun	
21.3	4.5	12.8	3.1	0.3	1.5	Sep	
24.1	11.3	21.0	3.4	13.0	13.4	Dec	
21.8	5.2	22.2	3.1	13.0	1.1	Mar	2011
16.3	4.1	18.8	3.8	15.9	2.1	Jun	
Trade			Real Estate			End of	
>30–90 days	>90–180 days	Over 180 days	>30–90 days	>90–180 days	Over 180 days		
19.8	8.0	23.0	2.2	0.7	0.8	Sep ¹	2011
65.5	4.7	5.4	21.8	2.5	1.1	Dec	

TABLE 3.27: ELECTRONIC CLEARING HOUSE (ECH) - CHEQUE CLEARANCE, ELECTRONIC FUNDS TRANSFERS (EFTs)¹ AND BOTSWANA INTERBANK SETTLEMENT SYSTEM (BISS) TRANSACTIONS

Period	Cheques			EFTs			BISS		
	Volume (‘000 units) (1)	Value (P million) (2)	Average (P thousands) (3)=(2/1)	Volume (‘000 units) (4)	Value (P million) (5)	Average (P thousands) 6=(5/4)	Volume (absolute) (7)	Value (P billion) (8)	
2002	2 561.9	53 731.6	21.0	243.6	1 129.7	4.6	...	...
2003	2 978.3	62 150.2	20.9	1 666.3	6 196.9	3.7	...	...
2004	2 970.3	60 531.2	20.4	1 649.2	7 458.4	4.5	...	...
2005	2 958.4	61 591.0	20.8	1 937.6	9 550.0	4.9	...	...
2006	2 830.0	59 313.0	21.0	2 160.2	12 104.0	5.6	3 522.0	125.0	
2007	Mar	641.1	25 123.0	39.2	591.1	3 116.6	5.3	7 073.0	356.0
	Jun	691.7	17 821.0	25.8	635.4	3 459.0	5.4	7 314.0	347.0
	Sep	721.5	20 065.0	27.8	646.7	3 907.0	6.0	8 131.0	351.0
	Dec	762.9	24 279.0	31.8	695.6	4 369.9	6.3	8 724.0	378.0
2008	Jan	209.4	5 703.4	27.2	225.9	1 428.2	6.3	2 637.0	129.0
	Feb	225.8	6 011.3	26.6	219.4	1 267.6	5.8	2 936.0	127.0
	Mar	238.6	6 529.9	27.4	236.9	1 540.7	6.5	2 749.0	237.0
	Apr	256.3	8 389.4	32.7	245.9	1 840.3	7.5	3 145.0	162.0
	May	231.4	6 711.7	29.0	239.1	1 716.2	7.2	4 200.0	130.0
	Jun	247.4	7 117.7	28.8	240.3	2 429.1	10.1	4 851.0	156.0
	Jul	246.2	7 663.7	31.1	264.8	1 885.0	7.1	4 537.0	147.0
	Aug	243.2	7 206.9	29.6	233.0	2 206.1	9.5	5 079.0	173.0
	Sep	253.0	7 968.3	31.5	259.2	2 854.9	11.0	5 398.0	186.0
	Oct	267.9	8 162.6	30.5	264.5	2 494.8	9.4	5 644.0	224.0
	Nov	230.2	6 947.8	30.2	243.3	1 782.7	7.3	5 101.0	164.0
	Dec	262.9	9 036.9	34.4	288.8	2 660.3	9.2	5 227.0	174.0
2009	Jan	199.5	6 574.2	33.0	249.9	1 881.0	7.5	3 657.0	171.0
	Feb	217.5	6 048.7	27.8	239.1	2 756.7	11.5	4 791.0	166.0
	Mar	261.7	7 947.2	30.4	285.1	2 045.8	7.2	4 702.0	147.0
	Apr	233.1	8 461.0	36.3	261.7	2 320.0	8.9	4 632.0	146.0
	May	219.4	5 880.7	26.8	254.1	2 883.9	11.4	4 228.0	134.0
	Jun	247.1	6 593.5	26.7	270.1	4 025.1	14.9	5 303.0	150.0
	Jul	247.7	6 428.4	26.0	273.3	4 030.3	14.7	4 846.0	154.0
	Aug	232.7	5 945.8	25.6	263.2	3 285.7	12.5	5 321.0	169.0
	Sep	233.3	5 859.9	25.1	267.8	5 047.7	18.8	5 059.0	147.0
	Oct ²	238.9	4 803.5	20.1	236.6	3 903.8	16.5	6 579.0	173.0
	Nov	239.4	3 655.8	15.3	272.8	5 302.6	19.4	7 189.0	200.0
	Dec	254.7	4 318.5	17.0	297.3	5 898.6	19.8	7 470.0	185.0
2010	Jan	186.1	2 974.7	16.0	258.8	3 590.8	13.9	5 923.0	162.0
	Feb	212.3	3 125.6	14.7	262.7	3 946.6	15.0	5 989.0	177.0
	Mar	268.5	3 966.4	14.8	309.7	5 936.1	19.2	7 870.0	202.0
	Apr	223.9	3 531.8	15.8	288.1	5 650.8	19.6	6 855.0	167.0
	May	216.9	3 381.3	15.6	292.7	4 838.1	16.5	7 059.0	186.0
	Jun	230.8	3 600.6	15.6	298.6	6 274.7	21.0	7 629.0	186.0
	Jul	221.4	3 423.6	15.5	289.3	6 689.9	23.1	7 081.0	211.0
	Aug	240.2	3 750.8	15.6	305.7	6 471.5	21.2	7 572.0	186.0
	Sep	224.8	5 354.2	23.8	300.5	5 624.4	18.7	8 001.0	119.0
	Oct	229.2	3 655.3	15.9	318.3	6 159.2	19.3	7 681.0	185.0
	Nov	238.0	3 780.9	15.9	417.8	6 533.2	15.6	8 749.0	246.0
	Dec	235.2	4 053.2	17.2	338.6	6 664.5	19.7	9 370.0	184.0
2011	Jan	179.0	2 946.5	16.5	300.8	4 994.0	16.6	6 411.0	158.0
	Feb	197.1	3 194.9	16.2	298.2	6 208.4	20.8	7 217.0	210.0
	Mar	240.1	3 829.2	15.9	344.1	8 383.6	24.4	8 585.0	158.0
	Apr	194.6	3 268.2	16.8	303.3	6 015.4	19.8	7 891.0	170.0
	May	204.8	3 420.4	16.7	327.1	6 641.4	20.3	8 748.0	186.0
	Jun	208.3	3 524.6	16.9	317.5	7 056.8	22.2	9 179.0	199.0
	Jul	193.3	3 297.3	17.1	318.9	5 835.3	18.3	8 150.0	175.0
	Aug	231.6	3 840.9	16.6	342.6	6 628.3	19.3	9 989.0	219.0
	Sep	205.2	3 543.6	17.3	333.3	6 211.4	18.6	10 936.0	224.0
	Oct	205.5	3 562.3	17.3	345.8	6 652.9	19.2	8 724.0	206.0
	Nov	211.8	3 509.3	16.6	345.4	6 919.7	20.0	10 109.0	204.0
	Dec	203.8	3 695.2	18.1	320.3	6 841.2	21.4	10 830.0	360.0

2. Effective October 2009, a maximum limit of P500 000 was introduced for cheque payments clearing in Botswana.

3. Annual and quarterly data are cumulated for the period, while the rest are as at end of period.

Source: Electronic Clearing House reports

TABLE 3.28: PAYMENTS SYSTEM: ATM AND ELECTRONIC FUNDS TRANSFER AT POINT OF SALE (EFTPOS)¹

Period		EFTPOS			ATM		
		Number of Outlets ²	Transactions ('000 units)	Value (P million)	Number of Outlets ²	Transactions ('000 units)	Value (P million)
2006	Jan-Mar	1 993	1 066	339	181	2 924	954
	Apr-Jun	2 080	1 198	332	187	2 570	829
	Jul-Sep	1 986	1 438	409	216	3 039	1 079
	Oct-Dec	2 316	2 627	463	152	3 303	1 210
2007	Jan-Mar	2 391	1 394	450	229	3 338	1 353
	Apr-Jun	2 429	1 633	559	275	3 563	1 609
	Jul-Sep	2 481	1 914	591	279	3 033	1 830
	Oct-Dec	2 508	2 238	674	292	3 820	2 182
2008	Jan-Mar	2 696	2 065	564	189	4 989	2 189
	Apr-Jun	2 943	2 146	812	197	4 999	2 299
	Jul-Sep	2 743	1 811	769	145	5 556	2 435
	Oct-Dec	2 797	1 965	780	149	5 972	2 703
2009	Jan-Mar	2 844	2 901	805	260	5 783	2 493
	Apr-Jun	2 881	2 818	821	261	5 682	2 514
	Jul-Sep	2 884	2 906	862	251	5 987	2 657
	Oct-Dec	2 854	2 964	882	255	5 943	2 681
2010	Jan-Mar	2 832	2 249	792	269	4 266	2 372
	Apr-Jun	2 846	2 220	762	280	4 344	2 520
	Jul-Sep	2 931	2 039	790	298	4 563	2 724
	Oct-Dec	2 984	2 150	802	298	4 684	2 938
2011	Jan-Mar	3 680	2 041	587	282	4 456	2 897
	Apr-Jun	3 691	2 425	621	288	4 872	2 978
	Jul-Sep	3 725	2 798	692	291	4 957	3 172
	Oct-Dec	3 718	2 994	717	293	5 156	3 624

1. The data for card payments and EFTPOS include both the domestic and international transactions.

2. Refers to number of machines in Botswana.

Source: Commercial banks

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 3.29: BOTSWANA BUILDING SOCIETY - ASSETS AND LIABILITIES
(P MILLION)

		ASSETS					Total	
As at end of	Cash & deposits	Short term loans	Mortgage loans	Fixed assets	Other assets		Assets	
2002	97.5	16.1	358.7	27.3	0.7		500.3	
2003	74.2	21.2	450.4	27.7	-4.1		569.5	
Liquid Assets								
Bank of								
	Cash & deposits	Botswana Certificates	Total liquid assets	Loans & advances	Fixed assets	Other assets	Total Assets	
2004¹	156.9	57.3	214.2	563.0	36.1	7.8	821.1	
2005	60.0	114.8	174.8	726.1	44.1	8.2	953.3	
2006	309.5	-	309.5	906.7	46.0	8.7	1 270.8	
2007	354.4	-	354.4	1 056.1	45.0	12.6	1 468.1	
2008	392.2	-	392.2	1 223.8	59.7	62.2	1 738.0	
2009	337.3	-	337.3	1 460.1	63.6	12.6	1 873.6	
2010								
Mar	311.0	-	311.0	1 488.8	60.4	15.6	1 875.9	
Jun	267.4	-	267.4	1 535.9	67.1	11.8	1 882.3	
Sep	387.8	-	387.8	1 594.9	71.3	18.5	2 072.5	
Dec	327.6	-	327.6	1 654.4	74.4	17.1	2 073.4	
2011								
Jan	307.3	-	307.3	1 671.5	76.7	17.3	2 072.7	
Feb	256.1	-	256.1	1 701.4	78.1	18.5	2 054.1	
Mar	349.2	-	349.2	1 716.7	81.6	15.7	2 163.1	
Apr	327.9	-	327.9	1 729.7	82.7	17.4	2 157.6	
May	321.2	-	321.2	1 729.3	87.3	17.0	2 154.8	
Jun	343.0	-	343.0	1 745.8	90.7	17.0	2 196.6	
Jul	378.0	-	378.0	1 736.4	90.6	43.4	2 248.3	
Aug	369.4	-	369.4	1 760.5	91.4	43.5	2 264.7	
Sep	343.1	-	343.1	1 788.4	94.0	46.1	2 271.6	
Oct	315.0	-	315.0	1 821.0	94.5	46.3	2 276.8	
Nov	367.9	-	367.9	1 864.6	94.2	46.3	2 372.9	
Dec	358.7	-	358.7	1 910.5	96.9	46.6	2 412.7	
LIABILITIES								
As at end of	Share certificates	Savings accounts	Fixed deposits	Reserves	Other ²		Total Liabilities	
2002	214.2	97.5	1.4	43.3	143.8		500.3	
2003	250.3	130.4	1.6	47.0	140.2		569.5	
Deposits from the public								
	Government deposits	Current & call	Savings	Notice & time	Total deposits from public	Capital and reserves	Other liabilities	Total Liabilities
2004¹	-	-	170.9	2.3	173.2	406.6	241.4	821.1
2005	-	-	185.2	1.3	186.6	541.1	225.6	953.3
2006	-	-	213.6	0.9	214.6	788.0	268.3	1 270.8
2007	-	-	245.3	0.7	246.0	883.9	338.1	1 468.1
2008	-	-	275.4	0.6	276.0	971.9	490.0	1 738.0
2009	-	-	284.9	14.5	299.5	1 092.2	481.9	1 873.6
2010								
Mar	-	-	273.6	15.7	289.3	1 101.4	485.2	1 875.9
Jun	-	-	276.9	16.9	293.7	1 104.9	483.7	1 882.3
Sep	-	-	283.5	8.7	292.3	1 176.0	604.2	2 072.5
Dec	-	-	286.0	9.2	295.2	1 184.8	593.5	2 073.4
2011								
Jan	-	-	278.5	9.5	288.0	1 179.1	605.6	2 072.7
Feb	-	-	276.9	9.6	286.6	1 180.8	586.8	2 054.1
Mar	-	-	281.2	7.5	288.7	1 206.9	667.5	2 163.1
Apr	-	-	279.2	7.6	286.8	1 194.8	675.9	2 157.6
May	-	-	276.8	7.6	284.4	1 199.3	671.2	2 154.8
Jun	-	-	276.5	7.3	283.8	1 200.9	711.9	2 196.6
Jul	-	-	274.1	6.9	281.0	1 196.0	771.4	2 248.4
Aug	-	-	275.9	6.6	282.5	1 199.0	783.2	2 264.7
Sep	-	-	279.8	6.7	286.5	1 226.0	759.2	2 271.6
Oct	-	-	279.7	5.7	285.4	1 228.3	763.1	2 276.8
Nov	-	-	276.7	55.8	332.5	1 222.2	818.2	2 372.9
Dec	-	-	274.1	55.5	329.6	1 223.1	860.0	2 412.7

1. Effective January 2004, the presentation of Botswana Building Society assets and liabilities was changed to conform to the reporting format used by commercial banks in order to standardise the reporting of financial statements submitted to the Bank of Botswana.

2. Including loans by the government through the Public Debt Service Fund.

Source: Botswana Building Society

TABLE 3.30: BOTSWANA SAVINGS BANK - ASSETS AND LIABILITIES
(P MILLION)

As at end of		ASSETS					Total Assets	
		Investments	Cash & deposits	Loans and advances	Fixed assets	Other assets		
2002		63.3	6.4	96.9	18.3	14.8	199.7	
2003		69.8	5.2	122.9	17.5	8.7	224.1	
End of		Liquid Assets			Loans & advances	Fixed assets	Other assets	Total Assets
		Cash & deposits	Bank of Botswana Certificates	Total liquid assets				
2004 ¹		27.8	55.7	83.5	142.0	17.3	11.1	254.0
2005		17.9	68.3	86.2	157.1	16.4	10.1	269.8
2006		104.9	–	104.9	167.8	19.9	11.3	304.0
2007		165.5	–	165.5	205.6	19.6	12.1	402.8
2008		105.9	–	105.9	333.2	35.9	10.5	485.4
2009		172.3	–	172.3	349.1	29.6	12.7	563.8
2010								
	Mar	132.1	–	132.1	349.2	27.6	8.8	517.7
	Jun	192.1	–	192.1	345.2	25.9	11.4	574.5
	Sep	218.5	–	218.5	347.2	25.4	11.4	602.6
	Dec	187.5	–	187.5	381.5	24.2	13.4	606.6
2011								
	Jan	190.9	–	190.9	384.3	24.0	9.9	609.0
	Feb	180.8	–	180.8	390.3	24.0	6.4	601.5
	Mar	167.0	–	167.0	405.1	23.7	9.1	604.9
	Apr	169.2	–	169.2	410.2	23.7	8.2	611.3
	May	221.0	–	221.0	418.0	23.6	11.9	674.5
	Jun	208.0	–	208.0	426.5	23.4	8.4	666.4
	Jul	211.9	–	211.9	432.8	21.1	9.8	675.6
	Aug	205.1	–	205.1	444.0	21.0	11.2	681.3
	Sep	206.2	–	206.2	453.7	20.8	7.7	688.4
	Oct	196.5	–	196.5	461.7	21.2	10.6	690.0
	Nov	197.2	–	197.2	476.1	21.0	11.7	706.0
	Dec	181.2	–	181.2	490.5	20.8	10.1	702.6
As at end of		LIABILITIES					Total Liabilities	
		Deposits	Capital and reserves	Loans & advances	Other liabilities			
2002		134.7	58.9	–	6.2	199.7		
2003		150.3	67.3	–	6.4	224.1		
End of		Balances due to Bank of Botswana	Savings deposits ²	Capital and reserves	Other liabilities	Total Liabilities		
2004 ¹		–	171.9	74.5	7.6	254.0		
2005		–	180.9	81.2	7.6	269.8		
2006		–	192.9	93.8	17.3	304.0		
2007		10.2	271.2	98.2	23.2	402.8		
2008		2.8	341.7	114.2	26.7	485.4		
2009		–	420.3	110.4	33.1	563.8		
2010								
	Mar	–	391.3	108.7	17.8	517.7		
	Jun	–	440.5	112.6	21.4	574.5		
	Sep	–	460.1	112.9	29.6	602.6		
	Dec	–	460.7	115.2	30.7	606.6		
2011								
	Jan	–	463.5	111.8	33.7	609.0		
	Feb	–	458.7	113.4	29.4	601.5		
	Mar	–	459.4	114.3	31.3	604.9		
	Apr	–	472.2	115.4	23.8	611.3		
	May	–	538.2	114.5	21.9	674.5		
	Jun	–	529.8	115.7	20.9	666.4		
	Jul	–	535.9	117.0	22.6	675.6		
	Aug	–	538.3	118.2	24.7	681.3		
	Sep	–	542.8	119.6	26.0	688.4		
	Oct	–	539.7	120.9	29.4	690.0		
	Nov	–	551.7	121.1	33.2	706.0		
	Dec	–	549.1	122.2	31.3	702.6		

1. Effective January 2004, the presentation of Botswana Savings Bank assets and liabilities was changed to conform to the reporting format used by commercial banks in order to standardise the reporting of financial statements submitted to the Bank of Botswana.

2. Includes National Savings Certificates.

Source: Botswana Savings Bank

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 4.1: INTEREST RATES¹
(PERCENT PER ANNUM)

As at end of	2005	2006	2007	2008	2009				2010				2011			
					Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
LENDING RATES																
Bank of Botswana																
Bank Rate	14.50	15.00	14.50	15.00	14.00	11.50	11.00	10.00	10.00	10.00	10.00	9.50	9.50	9.50	9.50	
Monthly Average Overnight Rate	11.50	12.00	11.13	11.64	9.57	8.23	7.32	6.61	5.43	5.38	5.20	5.52	5.06	4.74	4.62	4.54
Repo Rate	15.50	16.00	13.50	14.00	13.00	10.50	10.00	9.00	9.00	9.00	9.00	8.50	8.50	8.50	8.50	
Reverse Repo Rate	11.50	12.00	9.50	10.00	9.00	6.50	6.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50	
Commercial and Merchant Banks																
Prime lending rate	16.00	16.50	16.00	16.50	15.50	13.00	12.50	11.50	11.50	11.50	11.50	11.00	11.00	11.00	11.00	
Average return on advances ²	17.48	17.38	18.12	19.56	18.55	17.43	16.00	15.41	13.59	14.22	13.92	14.39	13.25	13.00	11.87	12.35
Mortgage rate	17.47	17.08	15.81	16.69	15.13	13.13	12.46	11.96	11.68	11.68	11.68	11.33	11.33	11.33	11.14	10.83
Non-Bank Financial Corporations³																
Short-term loans	19.25	19.50	19.25	19.25	19.25	19.25	16.00	15.50	15.50	15.50	15.50	15.25	15.25	15.25	15.25	
Mortgage rate ⁴	16.00	16.25	16.00	15.38	15.38	14.13	11.13	10.63	10.35	10.35	10.35	10.19	10.19	10.19	11.08	10.29
Other Financial Corporations⁵																
All round lending ⁶	15.95	12.90	18.65	19.82	18.84	19.78	19.42	19.58	19.68	19.53	19.78	19.24	18.49	18.55	18.91	18.03
DEPOSIT RATES																
Commercial and Merchant Banks																
Pula Denominated Deposits																
Savings account	6.64	6.36	7.62	7.24	7.52	5.62	4.68	4.10	3.96	3.97	3.97	3.72	3.46	3.41	3.37	3.37
Overnight call	8.57	8.26	8.28	8.09	8.02	5.87	4.80	3.86	3.61	3.61	3.51	3.31	3.03	2.76	2.75	2.53
Notice	8.72	8.48	8.32	8.32	7.91	6.84	5.81	5.02	4.88	4.74	4.98	4.69	4.49	4.44	4.75	4.33
Fixed up to 12 months	9.64	9.20	9.08	8.71	8.50	7.35	6.61	5.98	5.85	6.36	6.19	5.88	5.82	5.82	5.69	5.99
Fixed over 12 months	10.41	9.66	9.34	9.37	8.84	7.81	7.43	6.40	6.24	6.73	6.72	6.12	6.16	6.21	6.11	6.17
Foreign Currency Denominated Deposits⁷																
US dollar	1.04	2.15	2.62	0.92	0.89	0.89	0.53	0.89	0.89	0.89	0.70	0.89	0.89	0.89	0.76	0.47
Euro	0.90	1.12	1.80	1.35	1.35	1.35	1.04	1.04	1.04	1.04	0.67	1.04	1.04	1.04	1.18	2.24
Pound sterling	2.07	2.55	2.68	1.72	1.72	2.14	1.75	1.63	1.63	1.64	1.23	2.01	2.01	1.88	1.71	1.75
South African rand	5.15	5.66	4.93	4.71	4.61	4.61	4.03	3.92	3.76	3.86	3.96	3.83	3.83	3.83	3.60	3.38
Non-Bank Depository Corporations																
Ordinary Savings Account	3.50	2.50	2.25	2.25	2.25	2.25	2.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13
Special Savings Account	8.55	7.80	7.55	7.55	7.55	6.93	5.61	4.34	3.44	3.44	3.44	3.44	3.38	3.38	3.31	3.31
DEBT INSTRUMENTS																
Bank of Botswana Certificates (BoBCs) ⁸	12.31	12.72	11.97	13.13	11.43	10.32	8.16	8.20	7.15	7.15	7.14	7.15	6.64	6.64	6.65	3.45
Long-term Government bond ⁹	9.53	11.60	10.33	10.31	9.50	8.94	7.59	7.53	7.55	7.79	7.80	7.69	7.87	7.88	7.81	5.56

1. Unless indicated otherwise, rates are simple averages of reporting institutions within each class.
 2. The average return on advances is calculated as interest income for the quarter as a percentage of the average of month-end total advances over the quarter on an annualised basis. Effective July 2011, the average return on advances is calculated monthly.
 3. Non-Bank Financial Corporations refer to deposit taking institutions other than commercial and merchant banks.
 4. The rate is a simple average of the mortgage rate of Botswana Building Society and Botswana Savings Bank.
 5. Other Financial Corporations refer to non-deposit taking non-bank financial institutions.
 6. The 'all-round lending' rate is a weighted average rate provided by the National Development Bank.
 7. The reported rate is for call accounts. Notice and fixed foreign currency accounts are also available.
 8. Refers to the 3-month BoBC rate.
 9. This refers to bond BW003, initially issued in April 2003 and maturing in October 2015.
- Sources: Bank of Botswana, other depository corporations and other financial corporations

TABLE 4.2: INTEREST RATES - NOMINAL AND REAL¹

(PERCENT PER ANNUM)

End of		Prime	Nominal 32-88 day deposit	3-month BoBC rate ²	Rate of inflation ³	3-month annualised inflation ⁴	Prime	Real 32-88 day deposit	3-month BoBC
2002		16.75	10.15	14.03	10.6	5.7	5.6	-0.4	3.1
2003		15.75	9.49	12.74	6.4	2.1	8.8	2.9	6.0
2004		15.75	9.13	12.50	7.8	4.9	7.4	1.2	4.4
2005		16.00	8.88	12.31	11.4	10.1	4.1	-2.3	0.8
2006		16.50	8.38	12.72	8.5	2.4	7.4	-0.1	3.9
2007		16.00	8.28	11.97	8.1	7.7	7.3	0.2	3.6
2008	Mar	16.00	7.95	11.97	9.8	12.7	5.6	-1.7	2.0
	Jun	16.93	8.49	12.49	14.5	30.4	2.1	-5.2	-1.8
	Sep	17.00	8.51	13.11	14.0	6.8	2.6	-4.8	-0.8
	Dec	16.50	8.53	13.13	13.7	6.4	2.5	-4.6	-0.5
2009	Jan	16.50	8.53	12.55	12.8	6.0	3.3	-3.8	-0.2
	Feb	16.50	8.53	12.54	11.7	-1.3	4.3	-2.8	0.8
	Mar	15.50	8.28	11.43	11.7	4.9	3.4	-3.1	-0.2
	Apr	14.50	8.46	11.42	10.2	7.3	3.9	-1.6	1.1
	May	14.50	8.52	10.34	8.4	7.6	5.6	0.1	1.8
	Jun	13.00	7.07	10.32	7.0	9.9	5.6	0.1	3.1
	Jul	13.00	6.76	8.71	6.0	11.2	6.6	0.7	2.6
	Aug	12.71	6.47	8.70	6.1	11.9	6.2	0.3	2.5
	Sep	12.50	6.60	8.16	7.0	6.7	5.1	-0.4	1.1
	Oct	12.50	6.31	8.17	6.9	3.1	5.2	-0.6	1.2
	Nov	12.50	6.33	8.20	5.0	2.5	7.1	1.3	3.0
	Dec	11.50	5.79	8.20	5.8	1.9	5.4	0.0	2.3
2010	Jan	11.50	5.67	7.14	6.1	3.1	5.1	-0.4	1.0
	Feb	11.50	5.66	7.14	6.1	2.8	5.1	-0.4	1.0
	Mar	11.50	5.58	7.15	6.0	5.3	5.2	-0.4	1.1
	Apr	11.50	5.60	7.14	7.1	11.4	4.1	-1.4	0.0
	May	11.50	5.61	7.14	7.8	14.7	3.4	-2.0	-0.6
	Jun	11.50	5.42	7.15	7.7	17.7	3.5	-2.1	-0.5
	Jul	11.50	5.61	7.15	7.0	11.1	4.2	-1.3	0.1
	Aug	11.50	5.63	7.14	6.7	7.2	4.5	-1.0	0.4
	Sep	11.50	5.63	7.14	7.0	3.8	4.2	-1.3	0.1
	Oct	11.50	5.63	7.15	7.2	3.2	4.0	-1.5	0.0
	Nov	11.50	5.63	7.14	7.2	4.1	4.0	-1.5	-0.1
	Dec	11.00	5.49	7.15	7.4	3.5	3.4	-1.8	-0.2
2011	Jan	11.00	5.49	6.61	7.9	6.1	2.87	-2.23	-1.20
	Feb	11.00	5.43	6.62	8.5	8.2	2.30	-2.83	-1.73
	Mar	11.00	5.30	6.64	8.5	9.4	2.30	-2.95	-1.71
	Apr	11.00	5.26	6.63	8.2	12.4	2.59	-2.72	-1.45
	May	11.00	5.26	6.65	8.3	13.8	2.49	-2.81	-1.52
	Jun	11.00	5.23	6.64	7.9	15.3	2.87	-2.48	-1.17
	Jul	11.00	5.06	6.64	7.8	9.4	2.97	-2.54	-1.08
	Aug	11.00	5.06	6.64	8.7	9.0	2.12	-3.34	-1.90
	Sep	11.00	5.06	6.65	8.6	6.6	2.21	-3.26	-1.80
	Oct	11.00	5.06	6.62	8.8	7.4	2.02	-3.43	-2.00
	Nov ⁵	11.00	4.86	...	9.2	6.0	1.65	-3.97	...
	Dec	11.00	4.08	3.45	9.2	5.7	1.65	-4.69	-5.27

1. Real rates were calculated from the nominal rates according to the following formula: $i = \{[(1+r)/(1+p)] - 1\} \times 100$, where i = real interest rate, r = nominal interest rate and p = annual inflation.

2. Effective May 1, 2004, the reported rate is the weighted average yield, while prior to that it was a simple average of the offer and bid prices; hence, it was called the '3-month BoBC mid rate'.

3. Percentage change, year-on-year, in cost of living index.

4. The 3-months annualised inflation rate = $\{[(CPI_t / CPI_{t-3})^4] - 1\} * 100$, where CPI_t = current CPI, CPI_{t-3} = CPI 3 months ago.

5. There was no auction for 3-months BoBC in November 2011.

Sources: Bank of Botswana and commercial banks

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 4.3: BANK OF BOTSWANA CERTIFICATES: AUCTIONS SUMMARY

	Auction Month	Maturity range (Days)	Interest rate (% Effective yield) ¹			Stop-out price (Pula) ¹		
			14-day	91-day	364-day	14-day	91-day	364-day
2007	Jan	14 – 364	12.74	12.72	11.89	99.541	97.06	89.400
	Feb	14 – 364	12.71	12.72	11.89	99.542	97.06	89.400
	Mar	14 – 364	12.71	12.71	–	99.542 – 99.543	97.06	–
	Apr	14 – 364	12.71	12.68	11.85	99.542	97.07	89.431
	May	14 – 364	12.68	12.69	11.85	99.542 – 99.543	97.07	89.431
	Jun	14 – 364	12.10 – 12.68	12.14 – 12.64	11.42	99.543 – 99.563	97.08	89.776
	Jul	14 – 364	12.04 – 12.10	12.08	11.40	99.563 – 99.565	97.20	89.792
	Aug	14 – 364	11.98 – 12.01	12.05	11.40	99.566 – 99.567	97.20	89.794
	Sep	14 – 364	11.98 – 12.01	12.01	11.45	99.566 – 99.567	97.21	89.751
	Oct	14 – 364	11.98	11.99	11.45	99.567	97.19	89.751
	Nov	14 – 91	11.98	12.00	–	99.567	97.22	–
	Dec	13 – 91	11.97 – 11.98	12.00	–	99.536 – 99.598	97.21	–
2008	Jan	13 – 90	11.97 – 11.98	12.00	–	99.567 – 99.598	97.24	–
	Feb	14 – 91	11.98	12.00	–	99.567	97.22	–
	Mar	14 – 91	11.98	12.00	–	99.567	97.21	–
	Apr	14 – 91	11.98 – 12.10	11.97	–	99.563 – 99.567	97.22	–
	May	14 – 91	12.10 – 12.54	12.02	–	99.548 – 99.563	97.21	–
	Jun	14 – 91	12.54 – 13.10	12.55	–	99.529 – 99.548	97.10	–
	Jul	14 – 92	13.10 – 13.13	13.10	–	99.528 – 99.529	96.95	–
	Aug	14 – 91	13.13	13.15	–	99.528	96.97	–
	Sep	14 – 91	13.11 – 13.13	13.15	–	99.495 – 99.528	96.97	–
	Oct	13 – 91	13.12 – 13.13	13.15	–	99.528 – 99.562	96.97	–
	Nov	14 – 91	13.13	13.14	–	99.528	96.97	–
	Dec	14 – 91	12.57 – 13.13	13.14	–	99.528 – 99.547	96.97	–
2009	Jan	14 – 91	12.57	12.57	–	99.547	97.09	–
	Feb	14 – 91	12.57	12.56	–	99.547	97.09	–
	Mar	14 – 91	11.45	11.45	–	99.585	97.33	–
	Apr	14 – 91	10.35	11.44	–	99.585 – 99.623	97.34	–
	May	14 – 91	10.35	10.35	–	99.623	97.57	–
	Jun	13 – 91	8.71 – 10.35	10.33	–	99.596 – 99.703	97.58	–
	Jul	14 – 91	8.72	8.73	–	99.680	97.94	–
	Aug	14 – 91	8.72	8.71	–	99.680	97.94	–
	Sep	12 – 91	8.17 – 8.18	8.21	–	99.656 – 99.742	98.05	–
	Oct	14 – 91	8.18	8.21	–	99.699	98.05	–
	Nov	14 – 91	8.18	8.21	–	99.699	98.05	–
	Dec	14 – 91	7.14 – 8.18	8.21	–	99.699 – 99.736	98.05	–
2010	Jan	14 – 91	7.11	7.21	–	99.737	98.28	–
	Feb	14 – 91	7.11	7.16	–	99.737	98.29	–
	Mar	14 – 91	7.11	7.16	–	99.737	98.29	–
	Apr	14 – 91	7.11	7.15	–	99.737	98.29	–
	May	14 – 91	7.11	7.15	–	99.737	98.29	–
	Jun	14 – 91	7.11	7.15	–	99.737	98.29	–
	Jul	14 – 91	7.11	7.15	–	99.737	98.29	–
	Aug	14 – 91	7.11	7.15	–	99.737	98.29	–
	Sep	14 – 91	7.11	7.15	–	99.737	98.29	–
	Oct	14 – 91	7.11	7.15	–	99.737	98.29	–
	Nov	14 – 91	7.11	7.15	–	99.737	98.29	–
	Dec	14 – 91	6.58	7.15	–	99.737 – 99.756	98.29	–
2011	Jan	14 – 91	6.58	6.66	–	99.756	98.41	–
	Feb	14 – 91	6.58	6.66	–	99.756	98.41	–
	Mar	14 – 91	6.58	6.66	–	99.756	98.41	–
	Apr	14 – 91	6.58	6.66	–	99.756	98.41	–
	May	14 – 91	6.58	6.66	–	99.756	98.41	–
	Jun	14 – 91	6.58	6.66	–	99.756	98.41	–
	Jul	14 – 91	6.58	6.66	–	99.756	98.41	–
	Aug	14 – 91	6.58	6.66	–	99.756	98.41	–
	Sep	14 – 91	6.58	6.66	–	99.756	98.41	–
	Oct	14 – 91	6.58	6.66	–	99.756	98.41	–
	Nov	14	2.91	...	–	99.756 – 99.890	...	–
	Dec	14 – 91	4.59	5.87	–	99.818 – 99.828	98.59	–

1. Interest rate, yield and price ranges indicate the range of results from different maturities at a single auction and/or from multiple auctions within a month.

2. Amounts auctioned and allotted are totals from all auctions during a month.

Source: Bank of Botswana

Amount (P Million) ²								
Allotted			Retained at BoB			3-Month BoBC yield	Auction Month	
14-day	91-day	364-day	14-day	91-day	364-day	at auction range		
5 728.38	2 100.00	464.88	571.62	–	35.12	12.72	Jan	2007
4 377.96	2 141.62	178.80	222.04	758.38	421.20	12.72	Feb	
6 981.77	4 100.00	–	918.23	–	–	12.71	Mar	
7 993.81	2 100.00	286.18	406.19	–	113.82	12.68	Apr	
11 378.91	575.68	402.44	1 921.09	24.32	197.56	12.69	May	
8 529.41	5 994.53	404.23	570.59	5.47	595.77	12.14 – 12.64	Jun	
8 922.24	2 700.00	354.88	177.76	–	145.12	12.08	Jul	
6 540.13	1 343.43	628.79	359.87	56.57	71.21	12.05	Aug	
8 175.12	5 500.00	134.63	474.88	–	215.37	12.01	Sep	
8 255.50	2 891.87	400.00	444.50	108.13	–	11.99	Oct	
8 544.42	424.84	–	255.58	875.16	–	12.00	Nov	
11 634.00	4 000.00	–	466.01	–	–	12.00	Dec	
15 325.43	2 990.87	–	774.57	9.14	–	12.00	Jan	2008
10 909.50	1 600.00	–	1 790.50	–	–	12.00	Feb	
12 460.84	2 637.60	–	939.16	362.40	–	12.00	Mar	
16 461.05	2 700.00	–	2 838.95	–	–	11.97	Apr	
13 842.84	3 200.00	–	1 157.16	–	–	12.02	May	
15 114.07	2 165.52	–	985.93	1 134.48	–	12.55	Jun	
20 123.35	2 268.61	–	1 476.65	731.39	–	13.10	Jul	
21 338.38	2 035.80	–	1 361.62	1 064.20	–	13.15	Aug	
23 783.66	1 715.49	–	1 816.34	284.51	–	13.15	Sep	
30 428.91	3 500.00	–	2 571.09	–	–	13.15	Oct	
21 606.60	3 000.00	–	1 393.40	–	–	13.14	Nov	
21 818.48	1 062.22	–	320.36	1 437.78	–	11.87 – 13.14	Dec	
15 877.84	5 400.00	–	2 422.16	–	–	12.57	Jan	2009
13 729.57	3 200.00	–	2 470.43	–	–	12.56	Feb	
12 624.05	1 100.00	–	2 175.95	–	–	11.45	Mar	
12 560.21	6 093.52	–	739.79	606.48	–	11.44	Apr	
13 369.47	2 933.17	–	730.53	466.83	–	10.35	May	
13 945.16	1 800.00	–	1 854.84	–	–	10.33	Jun	
15 990.18	4 289.74	–	1 209.82	510.26	–	8.73	Jul	
13 676.13	4 300.00	–	1 923.87	–	–	8.71	Aug	
16 229.76	1 274.81	–	1 770.25	1 125.19	–	8.21	Sep	
11 941.02	4 814.77	–	1 158.98	385.23	–	8.21	Oct	
13 051.67	4 044.74	–	1 948.33	1 155.26	–	8.21	Nov	
15 884.47	1 598.28	–	1 642.01	101.72	–	8.21	Dec	
16 340.81	3 086.48	–	1 359.19	1 413.52	–	7.21	Jan	2010
14 480.01	5 720.72	–	1 519.99	–	–	7.16	Feb	
14 792.20	1 600.00	–	2 107.80	–	–	7.16	Mar	
12 639.69	3 910.14	–	1 260.31	789.86	–	7.15	Apr	
15 141.46	4 570.73	–	858.54	929.27	–	7.15	May	
17 309.80	2 083.83	–	2 290.20	16.17	–	7.15	Jun	
15 677.93	4 000.00	–	1 522.07	–	–	7.15	Jul	
24 155.37	3 189.66	–	1 944.63	1 310.34	–	7.15	Aug	
17 108.88	2 997.98	–	1 391.12	802.02	–	7.15	Sep	
19 014.91	3 794.15	–	785.09	405.85	–	7.15	Oct	
20 676.33	2 653.95	–	1 623.67	346.05	–	7.15	Nov	
16 024.24	3 056.95	–	2 975.76	443.05	–	7.15	Dec	
15 146.09	4 089.20	–	153.92	410.80	–	6.66	Jan	2011
13 513.38	3 355.92	–	–	544.08	–	6.66	Feb	
19 519.47	885.69	–	1 880.53	714.31	–	6.66	Mar	
15 048.28	4 236.68	–	2 251.72	63.32	–	6.66	Apr	
18 968.69	3 729.68	–	2 431.32	270.32	–	6.66	May	
14 412.17	772.51	–	2 287.83	227.49	–	6.66	Jun	
15 033.88	1 968.21	–	1 266.12	1 031.79	–	6.66	Jul	
17 667.94	3 200.00	–	2 832.07	–	–	6.66	Aug	
13 711.54	1 485.96	–	3 388.46	514.05	–	6.66	Sep	
14 740.99	1 161.28	–	1 959.01	838.72	–	6.66	Oct	
16 216.06	...	–	1 783.94	...	–	...	Nov	
12 400.00	2 598.00	–	1 200.00	1 102.00	–	5.87	Dec	

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 4.4: BANK OF BOTSWANA CERTIFICATES - TOTAL OUTSTANDING
(P MILLION)

As at end of	COMMERCIAL BANKS									OTHER FINANCIAL INSTITUTIONS		
	Own BoBCs			Held on behalf of Customers ²			Total			Market Value	Interest	Total
	Market Value ¹	Interest	Total	Market Value	Interest	Total	Market Value	Interest	Grand Total			
2002	1 743.0	33.1	1 776.1	3 495.7	47.9	3 543.6	5 238.7	81.0	5 319.7	1 819.4	29.2	1 848.6
2003	2 250.0	38.5	2 288.5	3 709.2	49.5	3 758.8	5 959.3	88.0	6 047.3	1 904.8	28.8	1 933.7
2004⁴	2 949.9	34.9	2 984.8	3 676.4	37.4	3 713.8	6 626.3	72.3	6 698.6	1 008.3	7.0	1 015.3
2005	4 010.2	19.4	4 029.6	4 663.4	31.8	4 695.2	8 673.7	51.2	8 724.8	1 408.9	4.6	1 413.4
2006⁵	13 503.8	293.0	13 796.8	...	...	...	13 503.8	293.0	13 796.8	498.9	6.8	505.8
2007	16 249.5	259.9	16 509.4	...	...	...	16 249.5	259.9	16 509.4	366.7	2.7	369.4
2008	Mar	16 127.9	168.8	16 296.7	...	...	16 127.9	168.8	16 296.7	341.9	4.1	346.0
	Jun	17 571.1	128.9	17 700.0	...	...	17 571.1	128.9	17 700.0	280.0	3.1	283.1
	Sep	18 441.6	86.6	18 528.1	...	...	18 441.6	86.6	18 528.1	555.4	5.4	560.8
	Dec	17 209.8	85.1	17 295.0	...	...	17 209.8	85.1	17 295.0	344.1	3.1	347.2
2009	Jan	17 260.7	146.9	17 407.5	...	...	17 260.7	146.9	17 407.5	274.0	3.1	277.2
	Feb	16 044.1	153.3	16 197.5	...	...	16 044.1	153.3	16 197.5	269.3	3.0	272.3
	Mar	14 910.5	70.6	14 981.1	...	...	14 910.5	70.6	14 981.1	442.2	3.7	445.9
	Apr	16 267.4	134.1	16 401.5	...	...	16 267.4	134.1	16 401.5	395.7	3.8	399.5
	May	16 343.3	127.1	16 470.3	...	...	16 343.3	127.1	16 470.3	450.0	3.8	453.8
	Jun	16 725.6	66.3	16 791.9	...	...	16 725.6	66.3	16 791.9	330.6	1.0	331.6
	Jul	16 783.1	89.4	16 872.5	...	...	16 783.1	89.4	16 872.5	408.0	2.6	410.7
	Aug	16 088.2	93.5	16 181.7	...	...	16 088.2	93.5	16 181.7	541.8	4.3	546.2
	Sep ⁶	17 143.2	63.7	17 206.9	...	...	17 143.2	63.7	17 206.9	...	...	...
	Oct	16 127.9	85.5	16 213.4	...	...	16 127.9	85.5	16 213.4	...	...	...
	Nov	16 988.6	98.4	17 087.0	...	...	16 988.6	98.4	17 087.0	...	...	...
	Dec	17 030.3	57.1	17 087.4	...	...	17 030.3	57.1	17 087.4	...	...	...
2010	Jan	17 318.6	61.7	17 380.3	...	...	17 318.6	61.7	17 380.3	...	...	...
	Feb	17 083.4	91.9	17 175.4	...	...	17 083.4	91.9	17 175.4	...	...	...
	Mar	16 621.8	63.6	16 685.4	...	...	16 621.8	63.6	16 685.4	...	...	...
	Apr	17 166.8	68.5	17 235.3	...	...	17 166.8	68.5	17 235.3	...	...	...
	May	17 991.1	85.7	18 076.8	...	...	17 991.1	85.7	18 076.8	...	...	...
	Jun	18 133.1	69.3	18 202.5	...	...	18 133.1	69.3	18 202.5	...	...	...
	Jul	18 438.7	76.4	18 515.1	...	...	18 438.7	76.4	18 515.1	...	...	...
	Aug	19 354.1	71.3	19 425.4	...	...	19 354.1	71.3	19 425.4	...	...	...
	Sep	19 341.8	79.8	19 421.6	...	...	19 341.8	79.8	19 421.6	...	...	...
	Oct	19 852.7	85.8	19 938.5	...	...	19 852.7	85.8	19 938.5	...	...	...
	Nov	19 164.2	68.8	19 233.0	...	...	19 164.2	68.8	19 233.0	...	...	...
	Dec	17 641.6	58.9	17 700.5	...	...	17 641.6	58.9	17 700.5	...	...	...
2011	Jan	17 687.3	66.7	17 753.9	...	...	17 687.3	66.7	17 753.9	...	...	...
	Feb	17 396.0	68.1	17 464.1	...	...	17 396.0	68.1	17 464.1	...	...	...
	Mar	16 999.9	43.3	17 043.2	...	...	16 999.9	43.3	17 043.2	...	...	...
	Apr	16 056.7	63.3	16 120.0	...	...	16 056.7	63.3	16 120.0	...	...	...
	May	16 618.4	69.1	16 687.5	...	...	16 618.4	69.1	16 687.5	...	...	...
	Jun	16 345.7	45.9	16 391.6	...	...	16 345.7	45.9	16 391.6	...	...	...
	Jul	14 268.7	41.9	14 310.6	...	...	14 268.7	41.9	14 310.6	...	...	...
	Aug	14 257.4	58.0	14 315.5	...	...	14 257.4	58.0	14 315.5	...	...	...
	Sep	13 433.0	46.7	13 479.7	...	...	13 433.0	46.7	13 479.7	...	...	...
	Oct	13 312.4	30.9	13 343.2	...	...	13 312.4	30.9	13 343.2	...	...	...
	Nov	9 988.9	7.8	9 996.7	...	...	9 988.9	7.8	9 996.7	...	...	...
	Dec	9 981.8	28.7	10 010.5	...	...	9 981.8	28.7	10 010.5	...	...	...

- The data reported in this column are from the Bank of Botswana records of holdings of BoBCs by commercial banks, whereas those in Table 3.9 are from commercial banks' records. Differences may arise due to secondary market transactions between the banks which are not reported to the Bank of Botswana. These discrepancies also result from the commercial banks' allocation of part of their holdings as pledged securities which form part of other assets.
- BoBCs held on behalf of customers are treated as an off-balance sheet item by commercial banks.
- BoBCs held on behalf of customers by Investec Bank are included under 'other private sector'. Effective August 2000, the private sector holdings of the BoBCs were revised to include those held by customers of securities brokers. Effective September 2009, data for these columns ceased due to ABC (Pty) Ltd receiving a commercial banking licence and subsequently being classified as a commercial bank.
- Effective April 2004, data from commercial banks include Investec Bank, following its takeover by Stanbic Bank.
- From March 2006, holdings of BoBCs were restricted to commercial and merchant banks only. Other holdings subsequently declined to zero as they matured.
- Effective November 2011, BoBC issuance has been capped at P10 billion, hence this includes the reverse repos.

Source: Bank of Botswana

OTHER PRIVATE SECTOR ³			REVERSE REPOS			TOTAL ⁶		GRAND		As at end of
Market Value	Interest	Total	Market Value	Interest	Total	MARKET VALUE	TOTAL INTEREST	TOTAL		
605.4	9.0	614.3	...	...	...	7 663.5	119.2	7 782.6	2002
875.2	14.2	889.5	...	...	...	8 739.3	131.1	8 870.5	2003
2 014.6	26.7	2 041.3	...	...	...	9 649.3	105.9	9 755.2	2004 ⁴
2 333.6	24.8	2 358.5	...	...	...	12 416.1	80.5	12 496.7	2005
...	14 002.7	299.9	14 302.6	2006 ⁵	
...	16 616.2	262.6	16 878.8	2007	
...	16 469.8	172.9	16 642.7	Mar 2008	
...	17 851.1	132.1	17 983.2	Jun	
...	18 996.9	92.0	19 088.9	Sep	
...	17 553.9	88.2	17 642.1	Dec	
...	17 534.7	150.0	17 684.7	Jan 2009	
...	16 313.5	156.3	16 469.8	Feb	
...	15 352.7	74.3	15 427.0	Mar	
...	16 663.1	137.9	16 800.9	Apr	
...	16 793.2	130.9	16 924.1	May	
...	17 056.2	67.3	17 123.5	Jun	
...	17 191.1	92.0	17 283.1	Jul	
...	16 630.0	97.8	16 727.8	Aug	
...	17 143.2	63.7	17 206.9	Sep ⁶	
...	16 127.9	85.5	16 213.4	Oct	
...	16 988.6	98.4	17 087.0	Nov	
...	17 030.3	57.1	17 087.4	Dec	
...	17 318.6	61.7	17 380.3	Jan 2010	
...	17 083.4	91.9	17 175.4	Feb	
...	16 621.8	63.6	16 685.4	Mar	
...	17 166.8	68.5	17 235.3	Apr	
...	17 991.1	85.7	18 076.8	May	
...	18 133.1	69.3	18 202.5	Jun	
...	18 438.7	76.4	18 515.1	Jul	
...	19 354.1	71.3	19 425.4	Aug	
...	19 341.8	79.8	19 421.6	Sep	
...	19 852.7	85.8	19 938.5	Oct	
...	19 164.2	68.8	19 233.0	Nov	
...	17 641.6	58.9	17 700.5	Dec	
...	17 687.3	66.7	17 753.9	Jan 2011	
...	17 396.0	68.1	17 464.1	Feb	
...	16 999.9	43.3	17 043.2	Mar	
...	16 056.7	63.3	16 120.0	Apr	
...	16 618.4	69.1	16 687.5	May	
...	16 345.7	45.9	16 391.6	Jun	
...	14 268.7	41.9	14 310.6	Jul	
...	14 257.4	58.0	14 315.5	Aug	
...	13 433.0	46.7	13 479.7	Sep	
...	13 312.4	30.9	13 343.2	Oct	
...	2 341.8	3.7	2 345.5	12 330.7	11.5	12 342.2	Nov	
...	1 497.4	6.1	1 503.5	11 479.2	34.8	11 514.0	Dec	

TABLE 4.5: BOTSWANA STOCK EXCHANGE

Period	Shares traded ¹			Market Capitalisation (P million)	Dividend Yield ²	Domestic Index (June 1989 = 100)	Foreign Company Index	
	Number of transactions	Volume (million)	Value (P million)					
2002		3 331	71.1	345.1	9 403	6.8	2 496.8	500.0
2003		2 381	77.4	400.3	9 438	7.7	2 498.7	567.3
2004		1 873	69.9	202.8	10 876	6.3	2 888.7	634.7
2005		2 693	44.1	238.4	13 418	5.9	3 559.1	1 129.9
2006		4 171	87.2	414.6	23 777	3.8	6 195.5	1 777.3
2007		6 377	124.1	825.4	32 694	3.1	8 426.7	2 201.0
2008	Jan-Mar	1 473	41.5	226.3	31 138	3.4	8 129.4	2 171.2
	Apr-Jun	1 267	48.8	306.0	27 938	4.0	7 175.2	2 593.8
	Jul-Sep	1 279	64.7	330.2	33 321	3.3	8 453.8	2 555.5
	Oct-Dec	1 252	38.6	299.3	26 866	4.1	7 035.5	1 192.0
2009	Jan	335	24.0	144.6	26 701	4.0	6 801.7	1 168.9
	Feb	258	431.5	215.8	25 496	4.5	6 497.8	1 171.9
	Mar	313	20.9	51.2	25 180	4.2	6 460.4	1 168.5
	Apr	316	10.0	30.0	24 186	4.9	6 220.3	1 170.2
	May	342	7.0	30.6	23 936	5.0	6 089.8	1 117.3
	Jun	319	7.3	48.2	24 466	4.8	6 229.3	1 119.3
	Jul	323	11.0	80.7	25 309	4.8	6 393.4	1 133.0
	Aug	355	14.2	47.7	26 610	4.3	6 748.1	1 133.9
	Sep	380	8.6	41.3	27 266	4.0	6 920.8	1 134.8
	Oct	409	13.7	72.1	27 675	4.2	7 011.2	1 178.3
	Nov	392	6.8	66.7	29 231	4.0	7 472.7	1 343.9
	Dec	342	9.7	22.8	28 456	4.1	7 241.9	1 418.3
2010	Jan	366	8.9	51.5	28 847	4.0	7 331.7	1 416.7
	Feb	408	15.4	162.0	30 274	3.8	7 682.5	1 406.0
	Mar	460	6.1	38.8	29 303	3.7	7 425.5	1 408.5
	Apr	374	8.5	23.4	30 668	3.7	7 546.8	1 409.0
	May	520	30.5	90.0	29 475	3.8	7 269.5	1 406.5
	Jun	399	37.4	100.1	29 798	3.7	7 339.5	1 637.8
	Jul	411	13.4	35.4	30 442	3.7	7 473.9	1 641.5
	Aug	418	5.3	21.3	30 375	3.7	7 437.9	1 640.8
	Sep	438	45.4	119.3	29 998	3.6	7 393.4	1 635.8
	Oct	406	48.5	131.4	29 882	3.6	7 354.4	1 640.3
	Nov	419	28.4	69.9	28 372	3.7	7 161.6	1 643.3
	Dec	357	62.6	119.7	26 414	4.0	6 412.9	1 673.9
2011	Jan	432	34.9	63.4	27 776	3.8	6 820.3	1 753.6
	Feb	447	29.0	75.6	28 297	3.9	6 934.2	1 804.5
	Mar	447	24.4	92.6	28 540	3.6	6 928.9	1 802.0
	Apr	306	97.1	189.4	28 901	3.7	6 967.7	1 802.6
	May	413	30.0	59.7	28 909	3.8	6 959.2	1 800.5
	Jun	493	54.0	107.5	29 353	4.0	6 969.9	1 802.7
	Jul	392	11.9	29.9	30 298	4.8	7 188.8	1 805.4
	Aug	517	11.7	34.8	31 161	4.2	7 407.3	1 803.6
	Sep	374	14.9	38.5	30 774	4.3	7 146.9	1 850.4
	Oct	397	36.0	78.1	30 552	4.3	6 955.7	1 848.6
	Nov	449	26.2	48.6	30 786	4.3	6 937.7	1 821.7
	Dec	355	88.0	189.1	30 659	4.3	6 970.9	1 703.9

1. Annual and quarterly data for traded shares are cumulated for the period, while the rest are as at end of period.

2. Net dividend divided by the stock price multiplied by 100.

Source: Botswana Stock Exchange

TABLE 5.1: DISTRIBUTION OF PENSION FUND ASSETS
(P MILLION)

As at end of	EQUITIES			BONDS		CASH/NEAR CASH		Other Locally ⁴ Listed Securities	Botswana Property Investment	Total Offshore Investment	Percentage Offshore Investment	TOTAL	
	Botswana			Domestic	Offshore	Pula	Offshore						
	Primary Listed	Dual Listed	Offshore Unlisted Equities										
2002	1 839.1	37.7	1.9	2 353.4	1 165.6	1 060.0	1 851.5	718.7	...	158.4	4 132.1	45.0	9 186.3
2003	1 991.7	36.0	193.2	4 502.6	2 966.9	1 371.6	2 193.6	1 158.2	...	98.8	7 032.4	48.5	14 512.5
2004	1 879.3	38.9	100.9	6 358.7	2 732.9	1 955.3	1 886.5	648.1	...	126.3	8 962.1	57.0	15 726.9
2005	2 495.5	99.8	712.8	9 930.2	2 577.6	3 147.7	2 089.4	1 195.3	...	80.7	14 273.2	63.9	22 329.0
2006	4 443.7	212.1	694.3	14 073.0	3 178.7	3 648.8	1 804.7	878.6	...	84.8	18 600.4	64.1	29 018.7
2007	6 514.3	453.9	16.7	16 352.2	4 456.8	3 148.9	2 221.8	946.0	...	181.9	20 447.1	59.6	34 292.6
2008	5 178.8	120.9	-	12 809.9	3 309.8	3 582.9	2 645.0	537.2	...	141.3	16 930.0	59.8	28 325.8
2009	5 318.3	19.7	-	16 177.7	4 870.7	2 666.6	2 453.6	675.6	...	228.4	19 520.0	60.2	32 410.5
2010													
Mar	6 617.9	26.3	-	17 022.2	4 165.3	2 752.3	2 559.9	741.2	...	242.4	20 515.8	60.1	34 127.7
Jun	6 628.6	24.1	-	16 208.2	4 052.3	2 800.9	2 646.7	899.3	...	252.0	19 908.5	59.4	33 512.3
Sep	6 799.5	35.4	-	17 031.2	4 568.5	2 699.1	2 059.9	918.8	...	250.9	20 649.1	60.1	34 363.2
Dec	6 098.6	24.8	-	17 905.5	4 587.3	2 627.6	2 358.1	769.9	...	290.3	21 303.1	61.5	34 662.2
2011													
Jan	6 218.9	18.4	-	18 592.7	4 623.5	2 754.2	2 426.9	1 114.5	95.9	289.5	22 461.4	62.2	36 134.6
Feb	6 439.5	18.1	-	18 777.4	4 318.3	2 631.5	2 291.4	1 360.7	102.8	303.0	22 769.7	62.8	36 242.9
Mar	6 564.9	17.5	-	18 343.1	4 731.7	2 744.0	2 358.5	991.3	97.7	338.5	22 078.5	61.0	36 187.3
Apr	6 636.4	17.2	-	18 852.1	4 746.2	2 679.7	2 284.1	899.9	100.5	342.7	22 431.7	61.4	36 558.8
May	6 680.5	17.0	1 560.2	19 144.4	4 756.1	2 767.1	2 525.0	762.2	103.4	379.2	22 673.6	58.6	38 695.0
Jun	6 692.1	16.3	1 940.3	18 635.3	4 142.8	2 937.2	2 711.4	586.6	68.8	375.4	22 159.2	58.2	38 106.3
Jul	6 559.9	278.5	1 560.2	18 347.9	4 585.1	2 866.4	2 715.7	713.5	71.6	362.4	21 927.8	57.6	38 061.3
Aug	7 062.4	0.3	1 560.2	17 216.7	4 529.2	2 988.1	2 735.3	1 014.4	90.2	373.0	21 219.1	56.5	37 569.7
Sep	7 432.9	0.3	1 560.2	16 623.3	6 280.2	3 135.9	2 842.9	1 301.4	88.3	365.4	21 060.6	53.1	39 630.8
Oct	7 121.6	0.3	1 560.2	18 270.4	5 938.7	3 114.9	3 329.4	1 001.6	93.2	366.7	22 386.9	54.9	40 797.0
Nov	7 078.9	0.3	-	18 223.1	6 480.5	2 972.1	3 214.3	1 626.1	97.0	368.8	22 821.3	57.0	40 061.1
Dec	7 296.2	0.3	91.6	17 151.4	6 496.4	2 913.1	3 456.5	2 583.4	91.6	367.3	22 647.9	56.0	40 447.8

1. Bank of Botswana Certificates (BoBCs) are short-term bills issued by the central bank for monetary policy purposes. Since March 2007, holding of BoBCs have been restricted to commercial banks and merchant banks.
2. Pension funds are limited by law to investing not more than 70 percent offshore.
3. Effective March 2007, total domestic bonds were reported without breakdown to show Government bonds separately.
4. Exchange Traded Funds listed on the Botswana Stock Exchange.

Source: Ministry of Finance and Development Planning and NBFIRA

TABLE 5.2: BOTSWANA MOTOR VEHICLE ACCIDENT FUND¹ - ASSETS AND LIABILITIES
(P MILLION)

As at end of	ASSETS				
	Cash & deposits	Levy due ²	Investments ³	Fixed assets	Total assets
2001	175.6	12.8	388.4	2.0	578.7
2002	228.4	14.1	405.6	2.7	650.8
2003	60.4	13.2	725.5	3.0	802.0
2004	24.0	13.9	900.3	4.8	943.0
2005	31.6	19.0	1 139.5	16.1	1 206.2
2006	35.2	17.9	1 562.5	13.8	1 629.3
2007	47.7	20.9	1 926.9	17.0	2 012.5
2008	78.6	29.0	1 740.0	14.3	1 862.0
2009	54.0	33.0	2 020.9	7.8	2 115.7
2010	12.6	45.6	2 077.9	9.1	2 145.2

As at end of	LIABILITIES				
	Operating surplus/deficit	Reserves	Provision for claims	Other liabilities	Total liabilities
2001	97.5	241.9	225.9	13.4	578.7
2002	120.6	242.2	265.1	23.0	650.8
2003	162.7	499.4	66.6	73.4	802.0
2004	177.1	615.1	36.6	114.1	943.0
2005	311.4	727.8	37.4	129.6	1 206.2
2006	335.0	1 117.7	26.8	149.9	1 629.3
2007	320.4	1 454.0	64.8	173.2	2 012.5
2008	483.4	1 096.7	81.6	200.3	1 862.0
2009	517.8	1 284.0	74.3	239.6	2 115.7
2010	475.5	1 235.8	127.3	306.6	2 145.2

1. The Botswana Motor Vehicle Accident Fund (BMVAF) is a statutory body formed in 1987 and is governed by the Motor Vehicle Accident Fund Act of 1998.
2. Levy due are debts and prepayments on the fuel levy.
3. Investment is the sum of investment in marketable securities, properties and other assets.

Source: Botswana Motor Vehicle Accident Fund

BANK OF BOTSWANA ANNUAL REPORT 2011

**TABLE 5.3: NATIONAL DEVELOPMENT BANK - ASSETS AND LIABILITIES
(P MILLION)**

		ASSETS							
As at end of		Cash & deposits ¹	Loans & investments	Fixed assets	Other assets		Total Assets		
2002		3.3	401.5	41.5	9.6		456.0		
2003		5.4	477.0	43.4	9.2		535.0		
		Liquid Assets							
As at end of		Cash & deposits	Bank of Botswana Certificates	Total liquid assets	Balances due from foreign banks	Loans & advances	Fixed assets	Other assets	Total Assets
2004 ²		25.4	25.1	50.5	–	461.5	45.0	6.1	563.1
2005		35.6	167.6	203.1	–	478.3	43.1	5.8	730.4
2006		85.6	–	85.6	–	618.0	46.9	2.9	753.3
2007		131.9	–	131.9	–	655.4	44.8	3.5	835.5
2008		–12.7	–	–12.7	–	870.2	57.6	4.2	919.3
2009		69.5	–	69.5	–	891.3	56.7	8.2	1 025.7
2010	Mar	82.5	–	82.5	–	900.0	56.7	9.4	1 048.6
	Jun	75.3	–	75.3	–	918.1	57.9	11.8	1 063.0
	Sep	119.2	–	119.2	–	878.3	58.3	9.6	1 065.4
	Dec	107.7	–	107.7	–	904.2	58.5	11.9	1 082.3
2011	Jan	51.1	–	51.1	–	932.3	58.5	11.1	1 053.0
	Feb	48.8	–	48.8	–	933.0	58.5	11.1	1 051.5
	Mar	13.4	–	13.4	–	953.4	58.5	11.4	1 036.8
	Apr	22.8	–	22.8	–	947.3	58.0	11.9	1 039.9
	May	36.8	–	36.8	–	925.8	58.2	11.4	1 032.1
	Jun	213.3	–	213.3	–	900.8	58.2	14.1	1 186.4
	Jul	136.8	–	136.8	–	907.9	58.2	13.4	1 116.4
	Aug	143.2	–	143.2	–	904.1	57.6	17.8	1 122.8
	Sep	129.8	–	129.8	–	933.7	57.7	5.5	1 126.8
	Oct	125.8	–	125.8	–	945.3	57.9	4.8	1 133.8
	Nov	81.6	–	81.6	–	988.0	57.7	3.7	1 131.1
	Dec	52.8	–	52.8	–	1 022.3	57.9	3.5	1 136.4
		LIABILITIES							
As at end of		Loans from government	Loans from commercial banks	Loans from abroad	Capital and reserves	Other		Total Liabilities	
2002		25.9	45.0	1.3	373.4	10.5		456.0	
2003		23.5	65.0	–	432.4	14.1		535.0	
As at end of		Loans			Capital and reserves	Other liabilities		Total Liabilities	
2004 ²		85.0			461.1	17.1		563.1	
2005		219.0			487.9	23.5		730.4	
2006		233.0			498.5	21.8		753.3	
2007		300.8			530.7	4.0		835.5	
2008		364.4			587.9	–32.9		919.3	
2009		418.5			616.9	–9.7		1 025.7	
2010	Mar	398.3			626.8	23.5		1 048.6	
	Jun	394.8			648.6	19.6		1 063.0	
	Sep	400.8			639.3	25.2		1 065.4	
	Dec	402.7			656.6	23.0		1 082.3	
2011	Jan	367.6			660.2	25.2		1 053.0	
	Feb	362.3			665.5	23.7		1 051.5	
	Mar	356.2			671.7	8.9		1 036.8	
	Apr	357.7			672.8	9.5		1 039.9	
	May	346.6			672.4	13.1		1 032.1	
	Jun	433.9			679.2	73.4		1 186.4	
	Jul	426.7			675.7	14.0		1 116.4	
	Aug	430.1			669.3	23.4		1 122.8	
	Sep	425.9			677.1	23.8		1 126.8	
	Oct	431.5			690.9	11.3		1 133.8	
	Nov	423.1			683.2	24.8		1 131.1	
	Dec	425.9			685.5	25.0		1 136.4	

1. Cash in hand plus current deposits at commercial banks.

2. Effective January 2004, the presentation of National Development Bank assets and liabilities was changed to conform to the reporting format used by the commercial banks in order to standardise the presentation of financial statements submitted to the Bank of Botswana.

Source: National Development Bank

TABLE 5.4: BOTSWANA DEVELOPMENT CORPORATION - ASSETS AND LIABILITIES
(P MILLION)

As at end of		ASSETS					Total Assets	
		Deposits ¹	Loans, advances & leasing	Bank of Botswana Certificates	Investments in related companies	Fixed assets		Other assets
2002		28.7	302.2	133.7	557.0	3.6	26.9	1 052.1
2003		11.4	395.1	179.0	549.4	2.7	25.3	1 162.9
2004		–	357.3	367.8	757.9	1.7	19.0	1 503.8
2005		–	215.0	405.5	927.1	1.0	21.3	1 569.9
2006		364.4	183.7	–	1 097.3	1.6	26.6	1 673.6
2007		332.1	161.2	–	1 230.1	1.4	38.5	1 763.3
2008	Mar	296.1	157.0	–	1 289.2	1.3	39.0	1 782.5
	Jun	193.6	158.2	–	1 428.5	1.4	55.9	1 837.6
	Sep	177.0	178.8	–	1 434.4	1.4	74.4	1 866.1
	Dec	121.4	190.0	–	1 493.1	1.4	60.9	1 866.7
2009	Mar	101.6	187.9	–	1 527.4	2.0	59.1	1 878.0
	Jun	51.1	162.8	–	1 431.2	1.8	49.7	1 696.7
	Sep	9.9	125.0	–	1 259.8	1.7	56.9	1 453.1
	Dec	129.3	133.1	–	1 391.7	1.5	62.6	1 718.2
2010	Mar	442.5	101.9	–	1 299.7	1.4	71.4	1 917.0
	Jun	491.1	97.7	–	1 179.1	1.3	167.1	1 936.3
	Sep	512.9	181.5	–	1 164.0	1.5	93.1	1 953.0
	Dec	542.9	178.1	–	1 251.8	1.4	93.2	2 067.4
2011	Mar	478.6	189.1	–	1 315.9	1.8	81.3	2 066.7
	Jun	232.2	210.4	–	1 354.6	1.9	106.7	1 905.8
	Sep	198.0	208.5	–	1 613.8	1.8	179.2	2 201.3
	Dec	177.7	297.3	–	1 670.3	1.5	108.8	2 255.6

As at end of		LIABILITIES				Total Liabilities
		Borrowing	Share capital	Reserves	Other liabilities	
2002		216.7	535.2	283.0	17.3	1 052.1
2003		298.4	535.2	325.0	4.2	1 162.9
2004		438.6	535.2	540.4	–10.4	1 503.8
2005		318.5	535.2	717.0	–0.8	1 569.9
2006		312.8	535.2	836.5	–10.8	1 673.6
2007		307.9	535.2	926.9	–6.7	1 763.3
2008	Mar	305.1	535.2	939.8	2.4	1 782.5
	Jun	307.2	535.2	1 000.4	–5.2	1 837.6
	Sep	304.4	535.2	968.6	57.9	1 866.1
	Dec	302.9	535.2	976.8	51.9	1 866.7
2009	Mar	299.9	535.2	995.0	47.9	1 878.0
	Jun	295.2	585.2	815.5	0.8	1 696.7
	Sep	293.8	585.2	566.7	7.4	1 453.1
	Dec	292.0	864.2	564.3	–2.2	1 718.2
2010	Mar	288.9	864.2	588.3	175.6	1 917.0
	Jun	286.2	864.2	612.3	173.7	1 936.3
	Sep	282.7	864.2	603.0	203.1	1 953.0
	Dec	281.0	864.2	704.2	218.0	2 067.4
2011	Mar	277.5	864.2	718.7	206.3	2 066.7
	Jun	77.8	864.2	786.3	177.6	1 905.8
	Sep	155.1	864.2	786.0	395.9	2 201.3
	Dec	155.0	864.2	791.9	444.5	2 255.6

1. Deposits at commercial banks.

Source: Botswana Development Corporation

**TABLE 6.1: BALANCE OF PAYMENTS
(P MILLION)**

	2002	2003	2004	2005	2006
A. Current Account	1,318	3,046	1,540	7,952	11,045
Merchandise	4,477	4,441	3,904	8,982	11,115
Exports	14,843	14,970	17,345	22,708	26,386
Imports	10,365	10,529	13,440	13,726	15,271
Services ¹	-182	-46	-236	-154	-372
Transportation	-1,054	-887	-977	-1,304	-1,405
Credit	351	342	390	434	474
Debit	1,405	1,228	1,367	1,738	1,879
Travel	856	1,124	1,282	1,428	1,522
Credit	2,019	2,261	2,578	2,871	3,136
Debit	1,163	1,137	1,296	1,444	1,614
Other Services	16	-284	-541	-277	-489
Credit	738	581	544	955	890
Debit	722	865	1,085	1,232	1,379
Income	-4,418	-3,543	-4,503	-4,270	-4,511
Compensation of employees	-244	-273	-287	-284	-361
Credit	121	135	131	182	147
Debit	364	408	418	465	508
Investment Income	-4,174	-3,270	-4,216	-3,986	-4,150
Credit	1,578	1,759	1,074	2,179	2,938
Debit	5,752	5,029	5,290	6,166	7,088
Current transfers	1,441	2,194	2,376	3,394	4,814
Private	-334	-374	330	361	628
Credit	122	136	378	445	686
Debit	456	511	48	84	58
Government	1,776	2,569	2,046	3,033	4,186
Credit	2,524	3,287	3,016	4,040	5,307
Debit	748	718	970	1,007	1,121
B. Capital Account	-37	-42	-39	-44	-48
Private	-37	-42	-39	-44	-48
Credit	51	57	60	67	73
Debit	88	99	100	111	121
Total Group A plus Group B	1,281	3,005	1,501	7,908	10,997
C. Financial Account	-1,329	-1,889	-1,106	-1,877	-32
Direct Investment	2,281	1,049	2,017	1,138	2,548
Equity	2,289	1,048	2,179	811	2,697
Abroad	235	1,021	-234	267	168
In Botswana	2,524	2,069	1,945	1,077	2,865
Other capital	-8	1	-162	327	-149
Abroad	37	-1	52	19	122
In Botswana	29	1	-110	346	-26
Portfolio Investment	-2,614	-2,576	-2,192	-2,160	-3,249
Equity securities	-2,015	-2,185	-1,945	-1,340	-3,250
Assets	2,060	2,235	1,948	1,479	3,461
Liabilities	45	51	3	139	210
Debt securities	-600	-392	-247	-820	1
Assets	600	672	107	588	-
Liabilities	-	280	-140	-232	1
Other Investment	-996	-362	-931	-855	669
General Government	-612	-481	-690	-125	-242
Assets	512	359	573	-	-
Liabilities	-101	-122	-117	-125	-242
Banks	-674	-453	149	-479	192
Assets	722	614	-159	1,214	-130
Liabilities	48	161	-10	735	62
Other sectors	290	573	-390	-251	719
Assets	164	120	121	591	756
Liabilities	455	693	-269	340	1,474
Total Group A through C	-48	1,115	395	6,031	10,965
D. Net errors and omissions	384	-319	-718	1,004	-709
Overall Balance (total Group A through D)	336	797	-324	7,036	10,256
E. Reconciliation/Financing	-336	-797	324	-7,036	-10,256
Change in the level of reserves	11,256	6,209	-483	-10,410	-13,365
Foreign exchange holdings	11,230	6,209	-603	-10,512	-13,376
Special Drawing Rights	6	23	-	-	-
Reserve position at IMF	19	-22	67	101	11
Valuation Adjustments	-11,591	-7,006	807	3,375	3,109

1. There have recently been substantial revisions to the data, notably for the services, current and capital accounts. This is a problematic area and the process of evaluating possible further revisions is on-going. As such, data should be used with caution.

2. Revised figures.

3. Provisional figures.

Source: Bank of Botswana

PART C: STATISTICS: 6: EXTERNAL TRADE AND INTERNATIONAL FINANCE

2007	2008	2009 ¹	2010 ²	2011 ³	
11,776	7,709	-2,140	999	1,853	A. Current Account
10,466	2,982	-5,460	-1,474	1,248	Merchandise
31,695	32,767	24,577	31,473	44,160	Exports
21,229	29,785	30,037	32,947	42,912	Imports
-1,104	544	-4,599	-5,439	-7,292	Services ¹
-1,943	-2,589	-3,042	-2,735	-3,684	Transportation
507	653	158	241	224	Credit
2,449	3,242	3,200	2,976	3,908	Debit
1,627	1,163	90	-61	-445	Travel
3,352	1,510	578	535	215	Credit
1,725	347	488	596	660	Debit
-788	1,970	-1,647	-2,643	-3,164	Other Services
1,352	3,727	1,487	1,153	1,780	Credit
2,140	1,757	3,134	3,796	4,944	Debit
-4,531	-4,315	-290	-1,401	-1,571	Income
-468	20	-32	-114	-173	Compensation of employees
75	139	116	133	103	Credit
543	118	148	247	276	Debit
-4,063	-4,335	-258	-1,287	-1,398	Investment Income
3,142	3,102	1,845	1,591	1,566	Credit
7,205	7,437	2,103	2,878	2,964	Debit
6,945	8,497	8,209	9,312	9,468	Current transfers
535	276	-65	-338	-248	Private
590	704	198	263	387	Credit
55	428	263	601	635	Debit
6,410	8,221	8,274	9,650	9,716	Government
7,969	8,487	8,569	9,948	10,030	Credit
1,559	266	295	297	314	Debit
-51	-	-	24	25	B. Capital Account
-51	-	-	24	25	Private
78	-	-	26	27	Credit
129	-	-	2	2	Debit
11,725	7,708	-2,141	1,022	1,878	Total Group A plus Group B
-951	4,944	7,479	158	868	C. Financial Account
2,725	4,229	6,581	3,775	3,990	Direct Investment
2,885	4,257	6,442	3,952	4,177	Equity
180	-701	362	30	31	Abroad
3,065	3,556	6,804	3,982	4,209	In Botswana
-159	-28	139	-177	-187	Other capital
131	77	-16	-6	-7	Abroad
-28	49	123	-183	-194	In Botswana
-2,536	3,602	-2,362	-2,732	-1,376	Portfolio Investment
-1,946	3,625	-3,140	-2,675	746	Equity securities
2,004	-3,875	3,267	2,751	-779	Assets
58	-251	127	76	-32	Liabilities
-590	-22	778	-57	-2,122	Debt securities
617	25	-778	55	2,099	Assets
27	3	-	-1	-23	Liabilities
-1,141	-2,888	3,259	-885	-1,747	Other Investment
-176	-143	7,674	-303	3,249	General Government
-	-	-899	-	-	Assets
-176	-143	6,775	-303	3,249	Liabilities
-1,077	-2,247	-5,643	-581	-4,994	Banks
886	2,310	4,467	2,088	-315	Assets
-191	63	-1,176	1,508	-5,308	Liabilities
113	-499	1,227	-1	-1	Other sectors
141	100	574	308	326	Assets
254	-399	1,802	307	325	Liabilities
10,774	12,652	5,338	1,180	2,746	Total Group A through C
-80	-5,200	-9,901	-7,691	684	D. Net errors and omissions
10,694	7,452	-4,563	-6,511	3,430	Overall Balance (total Group A through D)
-10,694	-7,452	4,563	6,511	-3,430	E. Reconciliation/Financing
-10,543	-10,093	10,704	7,061	-9,424	Change in the level of reserves
-10,638	-10,045	11,212	7,025	-9,379	Foreign exchange holdings
-	-	509	-37	45	Special Drawing Rights
95	-49	-596	23	59	Reserve position at IMF
-150	2,641	-6,141	-550	5,994	Valuation Adjustments

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 6.2: QUARTERLY BALANCE OF PAYMENTS^{1,2}
(P MILLION)

	2007				2008				2009			
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
A. Current account	3 896	2 730	4 274	876	3 374	2 860	3 645	-2 170	-2 270	-1 041	2 298	-1 125
Balance on goods	4 767	2 533	3 527	-361	2 669	807	2 625	-3 119	-2 772	-568	-515	-1 604
Exports	8 959	7 693	8 923	6 120	9 018	8 261	10 783	4 705	4 205	6 641	7 052	6 678
Imports	4 192	5 160	5 395	6 481	6 349	7 453	8 158	7 825	6 977	7 210	7 568	8 282
Balance on services	-300	-549	-172	-82	-46	42	464	85	-1 287	-1 071	-739	-1 502
Exports of services	1 397	649	1 369	1 502	1 153	1 381	1 847	1 509	318	619	896	389
Imports of services	1 697	1 197	1 542	1 585	1 199	1 339	1 383	1 424	1 605	1 690	1 635	1 891
Balance on income	-1 711	-830	-1 099	-892	-1 171	-701	-1 738	-705	-14	217	-516	24
Compensation of Employees	-146	-90	-151	-82	-7	4	22	2	-12	2	3	-25
Income earned by Botswana residents abroad	12	19	17	27	20	34	48	38	21	20	48	27
Income earned by non-residents in Botswana	157	109	168	109	27	30	26	36	33	18	45	52
Investment Income	-1 565	-740	-948	-810	-1 164	-704	-1760	-707	-2	215	-520	49
Botswana investment abroad	738	838	1 116	450	745	736	661	961	562	435	421	427
Foreign investment in Botswana	2 303	1 578	2 064	1 260	1 909	1 440	2421	1 667	564	220	940	378
Balance on current transfers	1 140	1 575	2 018	2 212	1 923	2 712	2 294	1 569	1 803	382	4 069	1 957
Inflow of current transfers	1 545	2 024	2 496	2 494	2 041	2 867	2 432	1 850	1 922	507	4 248	2 091
Outflow of current transfers	405	449	478	283	119	155	138	282	120	125	180	134
B. Capital account	-12	-18	-8	-12	-	-	-	-	-	-	-	-
Capital account inflows	13	24	24	17	-	-	-	-	-	-	-	-
Capital account outflows	25	42	33	29	-	-	-	-	-	-	-	-
C. Financial account	-1 899	1 099	962	-1 114	-592	1 144	3 396	996	3 698	588	3 690	-496
Direct investment abroad	609	31	-165	-165	-96	-105	-296	-126	142	114	31	59
Direct investment in Botswana	1 098	1 494	150	294	812	990	884	919	2 840	2 286	623	1 178
Portfolio investment abroad	183	262	786	1 389	607	-897	-2 521	-1 039	-466	413	1 641	900
Portfolio investment in Botswana	51	21	17	-5	-5	-238	50	-55	-4	-10	17	123
Other investment abroad	1 997	685	-1 883	228	992	432	64	921	-700	2 293	1 160	1 389
Other investment in Botswana	-258	562	-467	49	104	-180	-290	-113	-163	1 132	5 882	550
Total A+B+C	1 985	3 810	5 228	-250	2 782	4 004	7 041	-1 175	1 427	-454	5 988	-1 622
D. Net errors and omissions	1 697	614	-3167	775	2 516	-3 008	-5 705	997	-5 079	-1 964	-1 596	-1 264
Overall Balance (Total Group A through D)	3 683	4 424	2 061	525	5 298	995	1 336	-177	-3 651	-2 417	4 392	-2 886
Reconciliation/Financing	-3 683	-4 424	-2 061	-525	-5 298	-995	-1 336	177	3 651	2 417	-4 392	2 886
Change in the level of reserves	4 908	3 015	2 548	71	8 873	-2 015	524	2 711	-5 909	-7 638	5 516	-2 673
Vauation Adjustments	1 225	-1409	487	-454	3 576	-3 010	-812	2 888	-2 258	-5 221	1 124	213

- Due to problems with the response rate and coverage of the quarterly survey that provides information on the financial flows into and out of Botswana, some items in the quarterly balance of payments continue to be based on an equal allocation of annual estimates.
- As with the annual estimates, these data continue to be subject to an on-going process of evaluation and possible revision and, as such, the data should continue to be used with caution.

Source: Bank of Botswana

PART C: STATISTICS: 6: EXTERNAL TRADE AND INTERNATIONAL FINANCE

2010				2011				
Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	
14	-1 166	572	1 579	-1 605	2 648	1 022	-211	A. Current account
-543	-482	-150	-299	-566	2 697	1 317	-2 199	Balance on goods
7 240	7 169	8 055	9 009	10 047	12 831	12 473	8 810	Exports
7 783	7 651	8 204	9 308	10 613	10 134	11 156	11 009	Imports
-1 225	-1 478	-907	-1 829	-1 875	-1 747	-1 811	-1 858	Balance on services
336	505	567	521	626	499	563	531	Exports of services
1 561	1 983	1 474	2 350	2 502	2 246	2 374	2 389	Imports of services
-213	-417	-327	-444	-420	-384	-383	-383	Balance on income
-29	-17	-20	-48	-50	-37	-43	-43	Compensation of Employees
30	27	36	39	24	28	26	26	Income earned by Botswana residents abroad
59	44	57	87	73	65	69	69	Income earned by non-residents in Botswana
-184	-400	-307	-396	-370	-347	-340	-340	Investment Income
406	420	398	366	363	401	401	401	Botswana investment abroad
590	820	705	763	734	748	741	741	Foreign investment in Botswana
1 995	1 211	1 956	4 150	1 257	2 082	1 900	4 229	Balance on current transfers
2 199	1 416	2 253	4 342	1 472	2 300	2 214	4 432	Inflow of current transfers
204	205	297	192	215	217	314	203	Outflow of current transfers
-	-	4	19	6	6	6	7	B. Capital account
-	-	6	20	6	7	7	8	Capital account inflows
-	-	2	-	1	-	-	1	Capital account outflows
-1 849	3 244	-71	-1 165	785	2 326	-985	-1 257	C. Financial account
-	13	7	2	-	9	7	8	Direct investment abroad
57	2 176	1 189	376	61	1 443	1 194	1 318	Direct investment in Botswana
2 021	-610	752	643	768	80	-1 115	1 587	Portfolio investment abroad
21	3	29	22	96	1	-129	-22	Portfolio investment in Botswana
1 614	-593	1 060	315	596	-1 090	2 271	-1 764	Other investment abroad
1 708	-125	531	-603	1992	-120	-886	-2 722	Other investment in Botswana
-1 835	2 078	504	433	-815	4 980	42	-1 461	Total A+B+C
-253	-3 303	-525	-3 611	-3 597	4 266	-823	-530	D. Net errors and omissions
-2 088	-1 225	-21	-3 178	2 782	714	865	-931	Overall Balance (Total Goup A through D)
2 088	1 225	21	3 178	-2 782	-714	-865	931	Reconciliation/Financing
-1 664	-800	-134	-4 463	3 886	1 261	4 069	209	Change in the level of reserves
424	424	-113	-1 285	1 104	547	3 204	1 140	Vauation Adjustments

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 6.3: IMPORTS-MAJOR COMMODITY GROUP (C.I.F.)¹
(P MILLION)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Food, beverages and tobacco	2 077	2 031	2 202	2 331	2 468	3 335	4 278	4 436	4 812	5 224
Fuel	768	824	1 783	2 299	2 966	3 881	6 007	4 516	5 521	8 268
Chemical and rubber products	1 366	1 428	1 792	2 079	2 330	3 156	3 739	3 753	4 207	4 554
Wood and paper products	921	1 050	1 463	702	733	943	1 206	1 334	1 315	1 410
Textile and footwear	585	580	732	827	880	1 172	1 413	1 504	1 563	1 786
Metal and metal products	1 015	921	1 257	1 281	1 418	2 025	2 799	2 392	2 855	3 699
Machinery and electric equipment	2 366	2 211	2 634	3 036	3 069	4 647	6 359	5 795	6 764	11 450
Vehicles and transport equipment	2 024	1 476	2 167	2 175	1 791	2 908	3 827	4 222	3 706	4 559
Salt, ores and related products	...	...	...	568	591	578	1 005	1 044	1 119	640
Furniture	...	...	...	311	339	444	495	627	571	582
Diamonds	...	...	...	178	387	786	3 142	2 608	4 471	5 882
Other goods	1 715	1 598	1 756	1 145	872	1 037	1 268	1 335	1 554	1 594
TOTAL	12 837	12 119	15 786	16 932	17 844	24 912	35 538	33 566	38 458	49 648

1. The breakdown of merchandise imports by commodity does not match the total shown in the balance of payments estimates. This is because further adjustments are made to the source data for balance of payments purposes. In particular, the estimated transport cost component is included as imports of services.

Source: Statistics Botswana.

TABLE 6.4: EXPORTS-PRINCIPAL MERCHANDISE¹
(MILLION)

Period ending	Diamonds ²		Copper-nickel		Beef		Soda ash		Textiles		Vehicles		Gold		
	US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula	US\$	Pula	
2002	1 982.8	12 478.5	79.3	482.4	44.4	279.4	42.2	268.0	29.5	183.3	64.7	407.8	...	...
2003	2 387.7	11 707.2	143.9	694.6	53.7	260.2	46.5	229.6	45.9	226.7	88.5	442.8	...	...
2004	2 815.4	13 133.1	340.7	1 578.3	58.8	284.0	53.5	250.8	120.2	560.9	117.7	556.0	...	...
2005	3 325.1	16 981.7	460.7	2 300.9	59.9	309.9	64.8	332.0	214.4	1 117.3	115.7	573.1	35.5	183.0	
2006	3 412.9	19 712.7	650.3	3 822.6	61.0	363.2	79.9	462.8	155.9	916.7	31.9	183.6	34.5	206.2	
2007	3 359.2	20 483.1	904.8	5 521.9	96.3	592.3	77.2	473.4	452.8	2 787.5	35.6	218.7	38.1	239.2	
2008	3 139.2	20 793.3	885.0	5 923.6	79.0	530.3	74.5	505.2	267.3	1 819.3	60.9	413.6	54.5	382.4	
2009	Mar	237.0	1 881.4	94.3	749.8	8.5	67.3	18.0	142.7	63.1	500.4	11.2	89.1	7.1	55.4
	Jun	655.9	4 715.3	105.5	756.7	16.1	113.9	18.0	129.8	36.0	260.3	16.8	121.7	8.5	62.2
	Sep	636.6	4 329.9	164.0	1 115.5	24.3	165.8	18.0	123.9	59.7	406.8	23.4	159.9	7.6	52.4
	Dec	646.6	4 307.6	149.9	998.1	20.0	133.0	19.4	129.6	37.4	249.0	18.1	120.3	14.8	99.6
2010	Jan	260.5	1 748.4	25.8	170.7	9.8	65.7	6.0	40.0	6.5	43.6	8.4	56.6	4.2	28.1
	Feb	217.6	1 499.7	47.9	325.3	7.5	52.1	5.3	36.3	11.8	81.1	4.9	33.6	5.7	39.4
	Mar	282.5	1 920.1	48.2	325.1	9.0	61.0	6.8	46.3	15.9	108.2	6.9	46.6	3.4	22.8
	Apr	255.7	1 735.7	69.0	461.1	10.2	69.2	5.4	37.0	4.3	29.3	5.3	35.7	4.7	31.4
	May	273.9	1 926.4	33.7	229.3	9.9	69.5	5.8	41.1	6.2	43.4	5.0	35.1	4.4	30.9
	Jun	179.8	1 271.8	39.2	272.9	14.3	101.0	6.1	43.2	10.3	72.5	5.3	37.5	6.1	43.4
	Jul	165.7	1 153.2	43.6	303.0	10.9	76.1	6.7	46.7	12.7	88.4	3.4	23.6	6.4	45.2
	Aug	340.7	2 322.3	76.3	522.2	12.3	84.0	6.8	46.4	9.4	64.2	6.7	46.0	6.3	42.7
	Sep	291.6	1 963.8	55.7	376.4	11.9	81.4	6.1	41.3	18.4	123.9	5.6	37.7	7.1	47.6
	Oct	356.2	2 327.8	47.8	312.1	10.5	68.7	6.4	41.6	21.3	139.4	5.1	33.2	4.7	30.6
	Nov	389.1	2 568.5	64.0	421.0	10.4	68.9	6.4	42.4	31.8	209.6	8.1	53.3	8.0	53.3
	Dec	192.9	1 269.1	66.4	433.6	10.8	71.2	6.7	44.2	15.8	104.3	9.2	60.7	6.8	45.0
2011	Jan	370.4	2 451.7	45.8	299.1	10.0	66.3	6.9	45.6	18.3	121.4	6.8	44.8	6.8	45.5
	Feb	244.3	1 651.7	34.4	229.5	6.1	41.6	5.4	36.3	20.7	140.2	7.1	48.3	4.4	30.2
	Mar	510.2	3 365.1	77.2	501.6	9.6	63.5	7.2	47.5	24.4	160.9	8.0	53.0	6.0	39.7
	Apr	265.7	1 719.4	68.6	437.2	8.3	53.7	6.2	40.3	7.1	46.1	11.7	75.7	5.2	33.9
	May	517.6	3 396.5	55.1	353.9	1.4	9.2	7.6	49.9	26.7	175.3	17.6	115.6	5.6	37.0
	Jun	735.3	4 801.2	62.0	402.0	3.8	24.5	6.4	42.1	17.4	113.9	7.3	47.9	7.1	46.2
	Jul	661.1	4 323.8	36.8	238.7	4.9	31.8	6.3	41.2	18.0	117.7	12.4	81.4	7.0	45.9
	Aug	600.6	4 031.1	15.6	101.3	7.5	50.5	6.7	44.8	29.6	198.9	8.9	59.6	6.5	43.6
	Sep	247.0	1 736.0	16.9	114.5	5.4	38.2	6.0	42.4	26.6	186.9	7.9	55.3	7.4	53.5
	Oct	358.9	2 617.7	37.5	274.1	3.6	26.1	6.1	44.4	30.8	224.8	7.9	57.9	6.5	47.3
	Nov	256.3	1 902.6	24.2	178.6	4.6	33.9	5.8	43.0	30.6	227.2	7.7	57.4	6.9	52.4
	Dec	227.9	1 711.3	36.2	267.8	3.1	23.1	6.0	44.8	13.9	104.3	6.9	51.5	6.5	49.5

1. For most categories, this table uses data sourced directly from the major exporters. These may vary somewhat from similar data published in the trade statistics produced by Statistics Botswana, which are based on customs returns and may differ due to issues relating to valuation and timing. The exceptions are textiles and vehicles where this table uses the Statistics Botswana data.

2. There are sometimes substantial differences in diamond exports shown in this table as compared to the monthly trade statistics produced by Statistics Botswana. The estimates used here combine sales data for rough diamonds provided by the Diamond trading Company Botswana (DTCB) with exports of polished diamonds taken from the trade statistics. The DTCB includes supplementary payments due to subsequent price revisions, and which are not in the trade statistics.

Sources: Diamond Trading Company Botswana, BCL, BOTASH, BMC, Teemane Manufacturing Co., Leo Schachter Botswana, Tati Nickel Mining Company, Mupane Gold Mining and Statistics Botswana.

TABLE 6.5: FOREIGN EXCHANGE RESERVES – SELECTED CURRENCIES
(MILLION)

As at end of		Pula	US dollar	SDR
2002		29 926	5 474	4 058
2003		23 717	5 339	3 643
2004		24 200	5 660	3 700
2005		34 610	6 309	4 406
2006		47 976	7 993	5 316
2007	Mar	52 884	8 498	5 616
	Jun	55 899	9 056	5 981
	Sep	58 447	9 696	6 236
	Dec	58 518	9 790	6 191
2008	Jan	62 430	10 033	6 287
	Feb	65 383	10 252	6 368
	Mar	67 392	10 237	6 234
	Apr	65 982	10 346	6 367
	May	65 046	10 167	6 270
	Jun	65 377	10 002	6 132
	Jul	64 813	10 292	6 352
	Aug	67 088	10 197	6 494
	Sep	65 901	9 589	6 214
	Oct	72 802	9 166	6 174
	Nov	72 398	9 100	6 132
	Dec	68 612	9 118	5 942
2009	Jan	69 725	8 653	5 794
	Feb	64 430	8 105	5 515
	Mar	62 703	8 139	5 455
	Apr	59 078	8 165	5 459
	May	57 521	8 364	5 395
	Jun	55 065	8 150	5 270
	Jul	57 614	8 423	5 410
	Aug	56 866	8 359	5 340
	Sep	60 581	9 239	5 840
	Oct	62 700	9 248	5 819
	Nov	60 868	9 240	5 740
	Dec	57 908	8 704	5 565
2010	Jan	60 472	8 889	5 739
	Feb	60 229	8 679	5 650
	Mar	56 244	8 324	5 473
	Apr	56 057	8 257	5 466
	May	56 019	7 927	5 400
	Jun	55 444	7 851	5 312
	Jul	54 947	8 077	5 313
	Aug	55 776	8 099	5 360
	Sep	55 310	8 407	5 409
	Oct	56 046	8 558	5 436
	Nov	54 941	8 126	5 324
	Dec	50 847	7 886	5 085
2011	Jan	53 864	7 999	5 106
	Feb	52 925	7 997	5 086
	Mar	54 733	8 374	5 287
	Apr	55 413	8 744	5 392
	May	56 262	8 608	5 379
	Jun	55 994	8 578	5 359
	Jul	58 000	8 944	5 568
	Aug	57 971	8 684	5 397
	Sep	60 062	8 301	5 328
	Oct	63 575	8 824	5 569
	Nov	61 717	8 338	5 345
	Dec	60 271	8 082	5 250

Source: Bank of Botswana

**TABLE 6.6: INTERNATIONAL INVESTMENT POSITION
(P MILLION)**

As at end of	2002	2003	2004	2005	2006	2007	2008	2009	2010 ¹	2011 ²
NET INTERNATIONAL INVESTMENT	30 871	26 116	29 798	39 676	58 686	65 705	78 928	55 493	53 612	73 659
A. FOREIGN FINANCIAL ASSETS	41 736	39 215	39 163	55 975	76 188	89 433	96 795	84 794	78 167	89 719
1. Direct investment abroad	5 597	6 427	4 067	4 388	4 571	7 944	4 100	2 664	3 177	2 906
1.1 Equity capital	5 547	6 424	4 032	4 282	4 416	6 284	4 093	2 664	2 888	2 919
1.2 Other capital	50	3	35	106	155	1 659	8	–	288	–13
2. Portfolio investment abroad	4 132	7 032	8 962	14 373	18 813	20 901	18 139	19 540	21 328	24 134
2.1 Equity securities	2 353	4 503	6 359	10 030	14 285	16 806	14 019	16 197	17 930	20 682
2.2 Debt securities	1 779	2 530	2 603	4 343	4 527	4 095	4 120	3 342	3 398	3 453
3. Other investment abroad	2 080	2 039	1 934	2 603	4 829	2 070	5 918	4 682	2 815	2 407
3.1 Trade credits	98	202	359	631	833	428	146	28	323	–
3.2 Loans	4	–	7	249	783	67	214	547	66	295
3.3 Currency and deposits	1 979	1 838	1 567	1 724	3 213	1 575	5 558	4 107	2 427	2 112
3.4 Other assets ³	...	...	...	...	...	...	...	...	...	...
4. Reserve Assets	29 926	23 717	24 200	34 610	47 976	58 519	68 638	57 908	50 847	60 271
4.1 Special drawing rights	242	219	226	281	335	365	458	966	930	999
4.2 Reserve position in the IMF	176	197	134	58	56	42	98	118	135	313
4.3 Foreign exchange	29 509	23 300	23 840	34 271	47 584	58 111	68 082	56 824	49 782	58 959
B. FOREIGN LIABILITIES	10 865	13 100	9 365	16 299	17 502	23 728	17 867	29 301	24 555	16 060
1. Direct investment in Botswana	4 670	5 185	4 204	4 445	4 856	6 284	6 651	9 377	4 253	8 190
1.1 Equity capital	4 412	4 797	3 966	3 809	4 416	6 056	6 539	6 352	3 982	8 190
1.2 Other capital	257	388	238	635	440	227	113	3 025	271	–
2. Portfolio investment in Botswana	128	2 915	531	4 644	4 579	4 630	4 406	3 755	3 806	3 880
2.1 Equity securities	128	385	298	301	51	535	286	413	408	484
2.2 Debt securities	–	2 530	232	4 343	4 527	4 095	4 120	3 342	3 398	3 396
3. Other investment in Botswana	6 067	4 999	4 631	7 210	8 067	12 815	6 810	16 169	16 496	3 990
3.1 Trade credits	285	397	777	833	1 664	969	1 434	1 552	834	3 255
3.2 Loans	4 083	2 839	2 386	3 137	3 169	6 282	2 971	10 646	9 944	–
3.3 Currency and deposits	170	–	148	1 175	1 188	222	284	364	1 457	–3 852
3.4 Other liabilities ³	1 529	1 763	1 321	2 065	2 046	5 342	2 121	3 607	4 262	4 587

1. The 2010 figures were revised to include results of the 2010 Balance of Payments Survey. This excludes reserve assets and portfolio investment assets.

2. Preliminary estimates.

3. Other assets and liabilities include all miscellaneous accounts receivable or payable. This will include, among others, interest arrears and loan principal payments arrears.

Source: Bank of Botswana.

TABLE 6.7: EXCHANGE RATES - FOREIGN CURRENCY PER PULA

As at end of		US dollar	Euro	British pound	Japanese yen	SA rand	SDR
2002		0.1829	0.1745	0.1140	21.68	1.5801	0.1356
2003		0.2251	0.1791	0.1265	24.06	1.4875	0.1536
2004		0.2336	0.1714	0.1211	23.96	1.3233	0.1527
2005		0.1814	0.1527	0.1050	21.27	1.1511	0.1267
2006		0.1658	0.1259	0.0844	19.71	1.1565	0.1102
2007		0.1665	0.1129	0.0833	18.63	1.1318	0.1053
2008	Mar	0.1512	0.0958	0.0760	15.08	1.2269	0.0920
	Jun	0.1524	0.0965	0.0764	16.10	1.2039	0.0933
	Sep	0.1462	0.1012	0.0802	15.54	1.1897	0.0936
	Dec	0.1330	0.0944	0.0921	12.00	1.2455	0.0861
2009	Jan	0.1255	0.0972	0.0880	11.22	1.2639	0.0839
	Feb	0.1256	0.0987	0.0879	12.28	1.2455	0.0854
	Mar	0.1281	0.0967	0.0896	12.58	1.2355	0.0859
	Apr	0.1382	0.1037	0.0932	13.46	1.1749	0.0921
	May	0.1446	0.1033	0.0902	13.99	1.1558	0.0939
	Jun	0.1473	0.1041	0.0880	14.10	1.1442	0.0947
	Jul	0.1470	0.1040	0.0888	14.00	1.1404	0.0946
	Aug	0.1463	0.1026	0.0903	13.58	1.1429	0.0937
	Sep	0.1514	0.1036	0.0952	13.63	1.1212	0.0959
	Oct	0.1475	0.0995	0.0892	13.41	1.1423	0.0927
	Nov	0.1523	0.1012	0.0921	13.14	1.1230	0.0945
	Dec	0.1499	0.1043	0.0932	13.85	1.1086	0.0957
2010	Jan	0.1463	0.1050	0.0907	13.15	1.1166	0.0942
	Feb	0.1439	0.1059	0.0941	12.86	1.1148	0.0938
	Mar	0.1472	0.1097	0.0977	13.72	1.0847	0.0971
	Apr	0.1470	0.1108	0.0956	13.82	1.0791	0.0973
	May	0.1419	0.1153	0.0979	12.99	1.0805	0.0966
	Jun	0.1416	0.1158	0.0942	12.54	1.0821	0.0959
	Jul	0.1462	0.1118	0.0936	12.64	1.0773	0.0961
	Aug	0.1453	0.1150	0.0942	12.22	1.0711	0.0963
	Sep	0.1518	0.1117	0.0958	12.70	1.0566	0.0978
	Oct	0.1517	0.1093	0.0952	12.23	1.0630	0.0964
	Nov	0.1480	0.1128	0.0951	12.44	1.0564	0.0968
	Dec	0.1553	0.1162	0.1004	12.64	1.0265	0.1005
2011	Jan	0.1482	0.1089	0.0933	12.15	1.0617	0.0950
	Feb	0.1504	0.1093	0.0934	12.29	1.0516	0.0959
	Mar	0.1532	0.1081	0.0951	12.66	1.0417	0.0967
	Apr	0.1569	0.1058	0.0943	12.80	1.0372	0.0968
	May	0.1518	0.1055	0.0918	12.36	1.0478	0.0948
	Jun	0.1531	0.1057	0.0951	12.31	1.0389	0.0956
	Jul	0.1531	0.1073	0.0938	11.87	1.0351	0.0956
	Aug	0.1491	0.1032	0.0914	11.42	1.0533	0.0926
	Sep	0.1384	0.1015	0.0885	10.59	1.0840	0.0882
	Oct	0.1385	0.0990	0.0866	10.99	1.0855	0.0876
	Nov	0.1317	0.0989	0.0845	10.26	1.1042	0.0849
	Dec	0.1329	0.1027	0.0862	10.31	1.0859	0.0866

Source: Bank of Botswana

TABLE 6.8: EXCHANGE RATES – FOREIGN CURRENCY PER PULA – AVERAGES¹

Period		US dollar	Euro	British pound	Japanese yen	SA rand	SDR
2002		0.1585	0.1678	0.1055	19.82	1.6601	0.1228
2003		0.2028	0.1793	0.1240	23.47	1.5254	0.1462
2004		0.2134	0.1716	0.1164	23.06	1.3746	0.1458
2005		0.1976	0.1583	0.1083	21.68	1.2527	0.1344
2006		0.1722	0.1374	0.0937	20.01	1.1585	0.1171
2007		0.1630	0.1190	0.0814	19.18	1.1481	0.1064
2008		0.1477	0.1004	0.0798	15.32	1.2062	0.0933
2009		0.1405	0.1007	0.0897	13.12	1.1763	0.0910
2010		0.1473	0.1111	0.0953	12.92	1.0778	0.0965
2011		0.1467	0.1053	0.0914	11.71	1.0597	0.0929
2008	Mar	0.1524	0.0982	0.0761	15.37	1.2164	0.0934
	Jun	0.1517	0.0975	0.0772	16.22	1.2024	0.0937
	Sep	0.1474	0.1025	0.0819	15.74	1.1827	0.0947
	Dec	0.1276	0.0949	0.0855	11.64	1.2697	0.0839
2009	Jan	0.1274	0.0960	0.0882	11.51	1.2613	0.0843
	Feb	0.1255	0.0982	0.0872	11.60	1.2559	0.0845
	Mar	0.1254	0.0961	0.0883	12.25	1.2515	0.0845
	Apr	0.1331	0.1009	0.0906	13.12	1.2025	0.0892
	May	0.1400	0.1027	0.0909	13.54	1.1729	0.0921
	Jun	0.1439	0.1026	0.0879	13.90	1.1594	0.0931
	Jul	0.1449	0.1029	0.0885	13.67	1.1528	0.0933
	Aug	0.1449	0.1016	0.0876	13.75	1.1518	0.0929
	Sep	0.1500	0.1031	0.0918	13.73	1.1294	0.0951
	Oct	0.1508	0.1017	0.0932	13.61	1.1270	0.0948
	Nov	0.1501	0.1006	0.0904	13.38	1.1306	0.0938
	Dec	0.1495	0.1023	0.0921	13.41	1.1209	0.0945
2010	Jan	0.1490	0.1043	0.0921	13.59	1.1108	0.0952
	Feb	0.1452	0.1061	0.0928	13.11	1.1126	0.0944
	Mar	0.1471	0.1084	0.0978	13.32	1.0932	0.0963
	Apr	0.1473	0.1098	0.0961	13.76	1.0828	0.0971
	May	0.1422	0.1131	0.0970	13.09	1.0866	0.0961
	Jun	0.1414	0.1157	0.0959	12.85	1.0810	0.0963
	Jul	0.1437	0.1125	0.0940	12.60	1.0826	0.0956
	Aug	0.1467	0.1137	0.0937	12.54	1.0707	0.0967
	Sep	0.1485	0.1140	0.0955	12.54	1.0612	0.0974
	Oct	0.1530	0.1100	0.0965	12.51	1.0574	0.0974
	Nov	0.1515	0.1107	0.0948	12.48	1.0561	0.0971
	Dec	0.1520	0.1149	0.0973	12.66	1.0390	0.0989
2011	Jan	0.1511	0.1132	0.0958	12.48	1.0440	0.0977
	Feb	0.1479	0.1083	0.0917	12.21	1.0629	0.0946
	Mar	0.1516	0.1083	0.0938	12.40	1.0487	0.0960
	Apr	0.1545	0.1070	0.0945	12.89	1.0395	0.0967
	May	0.1524	0.1063	0.0933	12.36	1.0453	0.0954
	Jun	0.1532	0.1064	0.0944	12.33	1.0392	0.0958
	Jul	0.1529	0.1069	0.0947	12.14	1.0357	0.0958
	Aug	0.1490	0.1039	0.0911	11.49	1.0537	0.0928
	Sep	0.1423	0.1032	0.0901	10.93	1.0697	0.0903
	Oct	0.1371	0.1001	0.0871	10.52	1.0903	0.0872
	Nov	0.1347	0.0993	0.0852	10.44	1.0965	0.0860
	Dec	0.1332	0.1010	0.0854	10.37	1.0914	0.0861

1. The monthly average is calculated from daily exchange rates. The annual average is calculated from the monthly averages.

Source: Bank of Botswana

TABLE 6.9: EXCHANGE RATES – SELECTED FOREIGN CURRENCIES PER US DOLLAR

End of		Euro	British pound	Japanese yen	SA rand	SDR
2002		0.9541	0.6236	118.58	8.6400	0.7415
2003		0.7955	0.5619	106.88	6.6088	0.6822
2004		0.7336	0.5183	102.57	5.6650	0.6538
2005		0.8418	0.5787	117.26	6.3450	0.6982
2006		0.7592	0.5089	118.86	6.9750	0.6648
2007		0.6781	0.5005	111.91	6.7976	0.6324
2008	Mar	0.6335	0.5024	99.74	8.1150	0.6085
	Jun	0.6332	0.5016	105.64	7.8990	0.6121
	Sep	0.6923	0.5485	106.25	8.1350	0.6402
	Dec	0.7100	0.6922	90.26	9.3650	0.6478
2009	Jan	0.7751	0.7018	89.41	10.0750	0.6687
	Feb	0.7857	0.7000	97.82	9.9200	0.6798
	Mar	0.7551	0.6991	98.23	9.6440	0.6705
	Apr	0.7506	0.6743	97.37	8.5000	0.6662
	May	0.7146	0.6234	96.73	7.9913	0.6490
	Jun	0.7068	0.5976	95.73	7.7698	0.6429
	Jul	0.7074	0.6038	95.23	7.7555	0.6433
	Aug	0.7012	0.6171	92.79	7.8105	0.6405
	Sep	0.6839	0.6285	90.04	7.4040	0.6331
	Oct	0.6744	0.6047	90.91	7.7438	0.6283
	Nov	0.6641	0.6044	86.23	7.3715	0.6203
	Dec	0.6960	0.6221	92.44	7.3975	0.6388
2010	Jan	0.7175	0.6201	89.88	7.6325	0.6436
	Feb	0.7359	0.6542	89.38	7.7491	0.6523
	Mar	0.7453	0.6634	93.20	7.3688	0.6598
	Apr	0.7539	0.6505	94.04	7.3410	0.6621
	May	0.8122	0.6899	91.50	7.6125	0.6808
	Jun	0.8180	0.6650	88.58	7.6427	0.6772
	Jul	0.7647	0.6405	86.43	7.3685	0.6570
	Aug	0.7913	0.6482	84.12	7.3723	0.6630
	Sep	0.7362	0.6315	83.66	6.9619	0.6444
	Oct	0.7205	0.6279	80.65	7.0098	0.6357
	Nov	0.7625	0.6429	84.06	7.1400	0.6540
	Dec	0.7484	0.6467	81.39	6.6120	0.6470
2011	Jan	0.7346	0.6298	82.01	7.1650	0.6412
	Feb	0.7268	0.6208	81.67	6.9900	0.6374
	Mar	0.7060	0.6209	82.67	6.8013	0.6312
	Apr	0.6741	0.6006	81.54	6.6096	0.6170
	May	0.6953	0.6050	81.45	6.9031	0.6249
	Jun	0.6905	0.6216	80.45	6.7876	0.6244
	Jul	0.7005	0.6126	77.52	6.7588	0.6245
	Aug	0.6924	0.6130	76.62	7.0638	0.6211
	Sep	0.7338	0.6397	76.57	7.8351	0.6378
	Oct	0.7145	0.6254	79.34	7.8356	0.6321
	Nov	0.7511	0.6418	77.95	8.3870	0.6446
	Dec	0.7726	0.6486	77.59	8.1723	0.6516

Source: Bank of Botswana

TABLE 6.10: EXCHANGE RATES – SELECTED FOREIGN CURRENCIES PER US DOLLAR – AVERAGES¹

Period		Euro	British pound	Japanese yen	SA rand	SDR
2002		1.0615	0.6668	125.30	10.5175	0.7757
2003		0.8859	0.6123	115.94	7.5608	0.7215
2004		0.8051	0.5460	108.17	6.4533	0.6834
2005		0.8043	0.5500	110.14	6.3660	0.6807
2006		0.7966	0.5433	116.28	6.7628	0.6796
2007		0.7305	0.4997	117.68	7.0521	0.6532
2008		0.6835	0.5452	103.37	8.2592	0.6333
2009		0.7197	0.6414	93.51	8.4434	0.6491
2010		0.7549	0.6473	87.79	7.3246	0.6556
2011		0.7191	0.6239	79.78	7.2551	0.6336
2008	Mar	0.6443	0.4992	100.82	7.9830	0.6128
	Jun	0.6429	0.5090	106.91	7.9280	0.6175
	Sep	0.6950	0.5556	106.75	8.0238	0.6423
	Dec	0.7445	0.6699	91.26	9.9607	0.6580
2009	Jan	0.7542	0.6923	90.33	9.9076	0.6622
	Feb	0.7819	0.6942	92.39	10.0047	0.6731
	Mar	0.7669	0.7045	97.67	9.9871	0.6741
	Apr	0.7579	0.6806	98.59	9.0364	0.6701
	May	0.7337	0.6495	96.73	8.3821	0.6578
	Jun	0.7131	0.6112	96.57	8.0584	0.6471
	Jul	0.7106	0.6114	94.36	7.9614	0.6444
	Aug	0.7014	0.6046	94.85	7.9486	0.6410
	Sep	0.6870	0.6119	91.52	7.5291	0.6339
	Oct	0.6745	0.6180	90.22	7.4756	0.6289
	Nov	0.6702	0.6022	89.14	7.5319	0.6249
	Dec	0.6846	0.6159	89.71	7.4979	0.6318
2010	Jan	0.7001	0.6184	91.20	7.4571	0.6388
	Feb	0.7305	0.6391	90.26	7.6642	0.6500
	Mar	0.7367	0.6645	90.56	7.4320	0.6546
	Apr	0.7452	0.6520	93.38	7.3499	0.6589
	May	0.7959	0.6824	92.09	7.6460	0.6759
	Jun	0.8184	0.6780	90.89	7.6443	0.6809
	Jul	0.7832	0.6542	87.70	7.5353	0.6652
	Aug	0.7747	0.6384	85.46	7.2972	0.6587
	Sep	0.7678	0.6430	84.44	7.1463	0.6559
	Oct	0.7190	0.6307	81.73	6.9107	0.6367
	Nov	0.7313	0.6262	82.43	6.9738	0.6409
	Dec	0.7561	0.6406	83.31	6.8381	0.6510
2011	Jan	0.7490	0.6341	82.63	6.9115	0.6467
	Feb	0.7322	0.6199	82.59	7.1873	0.6397
	Mar	0.7144	0.6187	81.79	6.9171	0.6331
	Apr	0.6926	0.6117	83.38	6.7263	0.6260
	May	0.6979	0.6124	81.13	6.8612	0.6263
	Jun	0.6949	0.6165	80.48	6.7854	0.6253
	Jul	0.6992	0.6197	79.40	6.7745	0.6263
	Aug	0.6972	0.6111	77.11	7.0721	0.6229
	Sep	0.7257	0.6330	76.77	7.5300	0.6345
	Oct	0.7300	0.6354	76.75	7.9535	0.6362
	Nov	0.7373	0.6326	77.52	8.1472	0.6388
	Dec	0.7586	0.6414	77.83	8.1954	0.6467

1. The monthly average is calculated from the daily exchange rates. The annual average is calculated from the monthly averages.

Source: Bank of Botswana

TABLE 6.11: REAL EXCHANGE RATES INDICES – FOREIGN CURRENCY PER PULA
(SEPTEMBER 2006 = 100)

As at end of	US dollar	Euro	British pound	Japanese ¹ yen	SA ² rand	SA ³ rand	SA ⁴ rand	SDR
2002	95.1	111.5	111.2	85.3	107.8	113.1	...	102.4
2003	122.2	119.4	127.7	101.0	107.7	108.4	109.0	121.3
2004	132.4	120.3	127.3	108.3	99.9	99.3	100.2	126.6
2005	110.7	116.8	120.3	107.2	93.4	92.8	93.4	114.2
2006	107.1	102.5	100.7	107.4	96.2	97.4	96.9	104.7
2007	111.8	96.4	103.1	109.1	93.4	95.7	94.5	104.6
2008								
Mar	103.1	83.3	96.2	90.7	101.5	103.3	102.1	93.1
Jun	108.3	88.3	101.5	103.8	102.0	103.4	103.2	99.1
Sep	105.6	94.6	107.2	100.7	99.6	100.5	100.2	101.0
Dec	101.4	90.2	128.5	79.5	106.8	108.6	107.2	96.6
2009								
Jan	95.4	93.4	123.7	74.7	108.6	...	109.6	94.3
Feb	95.8	94.8	122.8	81.7	106.4	...	107.1	96.0
Mar	98.0	93.4	126.0	84.8	105.2	...	105.2	97.1
Apr	106.0	100.4	131.6	92.8	99.1	...	99.5	104.6
May	110.2	100.3	127.0	96.3	96.8	...	97.8	106.4
Jun	113.6	102.0	125.4	99.1	97.0	...	98.0	108.6
Jul	114.6	104.1	127.7	98.4	95.8	...	96.4	109.9
Aug	114.3	102.7	129.9	96.1	96.2	...	96.5	109.1
Sep	118.5	103.8	137.2	96.6	94.7	...	94.9	111.8
Oct	115.7	99.4	128.5	95.0	96.9	...	97.1	108.0
Nov	119.5	101.1	132.7	92.6	95.1	...	95.6	110.1
Dec	117.7	104.5	133.6	98.9	94.6	...	94.8	111.8
2010								
Jan	115.1	106.0	130.7	94.2	95.9	...	96.5	110.4
Feb	114.1	107.0	135.4	91.8	95.6	...	96.2	110.4
Mar	116.5	110.6	140.7	99.0	93.1	...	93.0	114.3
Apr	118.2	113.2	139.5	103.3	93.0	...	93.4	116.4
May	114.3	118.7	143.9	97.3	93.3	...	94.1	116.1
Jun	116.3	120.6	140.1	95.6	94.8	...	95.6	117.0
Jul	120.6	117.8	139.9	96.0	93.5	...	94.1	117.9
Aug	119.8	120.9	140.2	93.1	92.9	...	93.3	118.1
Sep	125.7	117.7	143.4	96.9	92.5	...	92.8	120.3
Oct	125.9	114.8	142.4	92.6	93.4	...	93.6	118.5
Nov	122.9	118.5	142.1	93.8	92.5	...	93.0	119.0
Dec	129.1	122.4	149.0	96.9	90.9	...	91.1	123.7
2011								
Jan	123.8	116.0	139.5	94.5	94.9	...	95.5	117.9
Feb	126.8	117.1	139.7	95.6	94.4	...	94.9	119.6
Mar	128.1	115.2	142.9	99.6	93.1	...	93.0	120.1
Apr	132.2	113.7	142.4	103.9	92.8	...	93.1	121.5
May	127.8	114.6	139.8	100.7	93.6	...	94.5	119.6
Jun	131.0	115.6	146.5	101.7	93.6	...	94.3	122.0
Jul	131.4	118.8	144.7	97.0	91.9	...	92.4	122.7
Aug	128.8	115.1	141.6	94.4	94.3	...	94.6	119.6
Sep	119.8	112.8	136.7	87.8	97.5	...	97.8	113.9
Oct	120.9	109.9	134.3	90.7	97.9	...	97.9	113.4
Nov	115.5	110.2	131.6	85.0	99.5	...	99.8	110.4
Dec	117.1	115.0	134.0	86.5	99.0	...	98.9	113.2

1. The Japanese consumer price index (CPI) series was rebased, hence the revision of the Japanese yen and SDR real exchange rate series from January 2011.

2. Calculated using South African headline inflation.

3. Calculated using South African core inflation. The publication of the South African core inflation was discontinued effective January 2009.

4. Calculated using South African CPI-X (the consumer price index excluding mortgage interest cost).

Source: Bank of Botswana

BANK OF BOTSWANA ANNUAL REPORT 2011

TABLE 7.1: CENTRAL GOVERNMENT BUDGET SUMMARY
(P MILLION)

Period ¹	Actuals				
	2001/02	2002/03	2003/04	2004/05	2005/06
Total Revenue and Grants	12 708.9	14 318.3	16 197.3	17 956.6	22 266.6
Tax revenue ²	10 582.8	12 259.4	14 146.4	16 245.4	20 130.0
Non-tax revenue	2 066.9	1 974.5	1 989.5	1 363.6	2 023.6
Grants	59.2	84.4	61.4	347.6	113.0
Total Expenditure	13 670.9	15 710.1	16 275.6	17 382.6	17 631.9
Recurrent expenditure ³	10 084.9	11 581.1	12 934.8	13 765.4	14 154.5
Development expenditure	3 698.2	4 200.2	4 256.4	3 910.1	3 783.5
Net lending	-112.2	-81.2	-915.6	-292.9	-306.1
FAP grants	150.0	10.0	...	...	...
Overall Surplus(+)/Deficit(-)	-962.0	-1 391.8	-78.3	574.0	4 634.8
Financing of Surplus/Deficit	962.0	1 391.8	78.3	-574.0	-4 634.8
Foreign (net) ⁴	-183.6	-250.0	-112.7	-143.8	-176.6
Domestic (net)	1 145.6	1 641.8	191.0	-430.1	-4 458.1
Bank ⁵	2 736.1	7 732.6	3 952.4	1 656.1	-3 350.4
Other	-1 590.5	-6 090.8	-3 761.4	-2 086.2	-1 107.7

1. Fiscal year runs from April 1 to March 31.
2. All mineral revenues are included here as part of tax revenue. This differs from Ministry of Finance and Development Planning publications where dividends and royalties are shown separately under non-tax revenue.
3. Recurrent expenditure up to 2002/03 includes FAP grants, which ceased from 2003/04.

TABLE 7.2: GOVERNMENT REVENUE
(P MILLION)

Period ¹	Actuals				
	2001/02	2002/03	2003/04	2004/05	2005/06
Tax revenue²	10 582.8	12 259.4	14 146.4	16 245.4	20 130.0
Customs & excise	1 732.9	1 568.9	2 245.5	3 226.5	3 929.9
Mineral revenue ²	6 995.8	7 502.7	8 162.9	8 681.8	11 045.1
Non-mineral income taxes	1 247.9	1 839.5	2 078.7	2 082.2	3 003.2
Other Taxes	606.3	1 348.5	1 659.3	2 254.9	2 151.8
Export duties	0.1	0.3	0.2	0.2	0.3
Taxes on property	16.3	18.4	11.6	13.1	12.8
Taxes on transport	51.1	55.0	62.3	105.1	122.9
Business & professional licenses	15.7	18.5	9.1	17.2	19.4
General sales tax/VAT	519.7	1 254.6	1 573.2	2 116.2	1 978.9
Airport tax	3.3	1.7	2.9	3.0	17.6
Non-Tax Revenue	2 066.9	1 974.5	1 989.5	1 363.6	2 023.6
Interest	189.1	226.8	208.4	-97.2	97.3
Other property income, of which:	1 170.2	1 063.9	969.3	432.8	912.0
Bank of Botswana revenues	1 142.2	1 028.9	755.0	388.1	741.2
Fees, charges & reimbursements	601.1	605.1	733.1	890.6	957.6
Sale of fixed assets and land	106.6	78.7	78.8	137.5	56.8
Grants	59.2	84.4	61.4	347.6	113.0
Recurrent	-	0.8	0.3	-	0.1
Development	59.2	83.6	61.1	347.6	113.0
TOTAL REVENUE AND GRANTS	12 708.9	14 318.3	16 197.3	17 956.6	22 266.6

1. Fiscal year runs from April 1 to March 31.
2. All mineral revenues are included here as part of tax revenue. This differs from Ministry of Finance and Development Planning publications where dividends and royalties are shown separately under non-tax revenue.

Source: Ministry of Finance and Development Planning

		Actuals			Revised Estimates	Budget Estimates	Period ¹
2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
27 397.7	28 629.5	30 455.1	30 023.1	31 909.4	37 994.2	42 906.2	Total Revenue and Grants
25 230.6	25 831.2	27 184.8	26 773.9	29 615.7	35 099.6	40 273.5	Tax revenue ²
1 718.8	2 220.9	2 647.2	2 480.4	1 964.4	2 584.4	2 284.6	Non-tax revenue
448.4	577.4	623.2	768.8	329.4	310.3	348.2	Grants
19 737.4	24 821.9	35 150.7	39 489.2	38 417.5	41 753.3	41 755.0	Total Expenditure
15 954.0	18 578.7	23 889.3	25 731.8	27 089.3	30 524.7	31 751.2	Recurrent expenditure ³
4 055.0	6 547.8	11 458.4	13 005.7	11 371.7	11 343.2	10 058.2	Development expenditure
-271.6	-304.6	-196.9	751.7	-43.6	-114.5	-54.3	Net lending
...	...	...	...	...	...	...	FAP grants
7 660.3	3 807.6	-4 695.6	-9 466.1	-6 508.0	-3 759.1	1 151.2	Overall Surplus(+)/Deficit(-)
-7 660.3	-3 807.6	4 695.6	9 466.1	6 508.0	3 759.1	-1 151.2	Financing of Surplus/Deficit
-245.3	-93.4	-174.0	6 442.3	3 620.9	871.3	335.0	Foreign (net) ⁴
-7 415.0	-3 714.2	4 869.6	3 023.8	2 887.1	2 887.8	-1 486.3	Domestic (net)
-7 081.6	-4 019.0	4 607.1	4 398.2	2 045.9	2 275.1	-1 474.9	Bank ⁵
-333.4	304.8	262.5	-1 374.4	841.3	612.6	-11.4	Other

4. Includes external loans, external amortization and IMF transactions. In the case of external loans, development loans and grants are recorded when received, rather than when they are paid into the Development Fund. IMF Transactions represent Government's subscriptions to Botswana's reserve tranche position at the IMF.

5. Refers to change in cash balances, which represents the net movement in cash as shown in the Accountant General's books. A minus sign represents an increase in cash balances, while a plus sign represents a decrease.

Source: Ministry of Finance and Development Planning

		Actuals			Revised Estimates	Budget Estimates	Period ¹
2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
25 230.6	25 831.2	27 184.8	26 773.9	29 615.7	35 099.6	40 273.5	Tax revenue²
6 610.5	7 834.8	7 750.1	7 931.0	6 206.6	8 441.0	14 170.0	Customs & excise
13 114.3	12 333.7	10 181.7	9 088.4	12 059.9	12 974.0	12 038.0	Mineral revenue ²
3 072.3	2 572.8	4 608.5	5 560.6	6 413.4	7 138.0	7 764.0	Non-mineral income taxes
2 433.4	3 090.0	4 644.4	4 193.8	4 935.9	6 546.6	6 301.5	Other Taxes
0.4	0.4	1.7	0.7	1.7	0.7	0.6	Export duties
17.1	32.6	25.7	27.3	34.8	60.0	37.0	Taxes on property
138.5	158.7	191.4	188.8	228.7	244.3	218.9	Taxes on transport
21.5	24.4	27.5	33.3	33.0	29.7	50.0	Business & professional licenses
2 247.5	2 852.0	4 376.6	3 943.5	4 637.7	6 212.0	5 995.0	General sales tax/VAT
8.5	21.8	21.5	0.2	-	-	-	Airport tax
1 718.8	2 220.9	2 647.2	2 480.4	1 964.4	2 584.4	2 284.6	Non-Tax Revenue
58.9	67.1	52.3	32.1	36.7	31.3	32.4	Interest
617.5	1 029.7	1 438.8	1 107.7	760.6	605.4	827.5	Other property income, of which:
569.1	906.0	1 302.0	1 000.0	700.0	525.0	780.0	Bank of Botswana revenues
1 009.4	1 029.3	1 049.1	1 237.1	1 096.5	1 870.2	1 345.5	Fees, charges & reimbursements
33.0	94.8	107.0	103.6	70.6	77.4	79.2	Sale of fixed assets and land
448.4	577.4	623.2	768.8	329.4	310.3	348.2	Grants
129.5	82.0	83.8	120.9	210.5	123.4	181.0	Recurrent
318.9	495.4	539.4	647.9	118.9	186.9	167.2	Development
27 397.7	28 629.5	30 455.1	30 023.1	31 909.4	37 994.2	42 906.2	TOTAL REVENUE AND GRANTS

**TABLE 7.3: GOVERNMENT EXPENDITURE
(P MILLION)**

Period ¹	Actuals				
	2001/02	2002/03	2003/04	2004/05	2005/06
General services, including defence	3 704.9	4 263.1	4 983.3	4 676.8	5 268.0
Recurrent expenditure	2 945.1	3 510.7	4 188.7	3 845.7	4 663.7
Development expenditure	759.8	752.4	794.6	831.1	604.3
Social services	5 834.9	6 746.9	7 009.2	7 960.0	8 127.0
Education	3 406.9	3 548.8	3 931.8	4 189.5	4 197.4
Recurrent expenditure	2 856.1	3 075.8	3 357.9	3 624.4	3 801.0
Development expenditure	551.1	473.3	574.2	468.2	396.7
Net lending	-0.4	-0.3	-0.3	-0.3	-0.3
Health	803.0	1 104.2	1 634.4	2 076.0	2 056.4
Recurrent expenditure	673.3	747.5	826.2	1 018.9	959.7
Development expenditure	129.7	356.6	808.2	1 057.1	1 096.8
Net lending	...	...	...	...	...
Food and social welfare programmes	463.3	400.9	383.9	115.7	189.5
Recurrent expenditure	363.6	206.0	217.7	53.3	53.4
Development expenditure	99.7	194.9	166.2	62.4	136.1
Housing, urban and regional development	793.4	1 144.4	498.4	975.7	1 082.8
Recurrent expenditure	467.3	502.8	614.7	826.0	784.5
Development expenditure	359.8	681.0	430.5	167.3	310.0
Net lending	-33.7	-39.3	-546.8	-17.6	-11.7
Other community and social services	368.2	548.7	560.8	603.2	600.9
Recurrent expenditure	250.7	472.7	500.6	511.9	542.5
Development expenditure	122.5	76.0	60.2	91.3	58.4
Net lending	-5.0	-	-	-	-
Economic services	2 678.3	2 973.1	2 335.0	2 648.7	2 347.1
Agriculture, forestry and fishing	563.1	646.7	637.7	536.8	791.8
Recurrent expenditure	473.7	502.4	500.4	492.7	521.5
Development expenditure	96.1	146.0	141.5	47.6	271.2
Net lending	-6.6	-1.7	-4.3	-3.5	-0.9
Mining	394.0	88.7	92.2	116.1	- 134.7
Recurrent expenditure	58.1	66.4	62.0	72.7	81.0
Development expenditure	335.9	22.3	30.2	43.7	34.3
Net lending	-	-	-	-0.3	-250.0
Electricity and water supply	637.9	905.4	795.2	823.7	931.7
Recurrent expenditure	214.8	297.5	318.7	349.0	315.1
Development expenditure	453.6	616.0	564.4	686.3	635.6
Net lending	-30.6	-8.0	-87.9	-211.6	-19.0
Roads	695.1	615.4	510.9	523.8	324.5
Recurrent expenditure	169.1	135.4	174.5	183.7	189.3
Development expenditure	526.0	480.0	336.4	340.1	135.3
Others	388.2	797.0	355.8	648.3	433.8
Recurrent expenditure	166.0	427.7	282.0	593.0	353.0
Development expenditure	258.1	401.2	350.2	115.0	105.0
Net lending	-35.9	-31.9	-276.3	-59.6	-24.2
Transfers	1 452.8	1 646.9	1 891.6	2 097.2	1 889.8
Deficit grants to local authorities	1 208.7	1 555.8	1 698.9	1 782.3	1 571.9
Recurrent expenditure	1 202.9	1 555.2	1 698.9	1 782.3	1 571.9
Development expenditure	5.8	0.6	-	-	-
FAP grants	150.0	10.0	...	...	...
Interest on public debt	94.1	81.1	192.7	314.9	317.9
TOTAL EXPENDITURE	13 670.9	15 710.1	16 275.8	17 382.6	17 631.9
Recurrent expenditure ²	10 084.9	11 591.1	12 934.8	13 765.4	14 154.5
Development expenditure	3 698.2	4 200.2	4 256.6	3 910.1	3 783.5
Net lending	-112.2	-81.2	-915.6	-292.9	-306.1

1. Fiscal year runs from April 1 to March 31.

2. Includes FAP grants and interest on public debt.

Source: Ministry of Finance and Development Planning

2006/07	2007/08	Actuals			Revised Estimates 2011/12	Budget Estimates 2012/13	Period ¹
		2008/09	2009/10	2010/11			
5 754.0	7 041.8	9 139.6	9 737.0	9 685.1	10 561.6	10 823.8	General services, including defence
4 865.3	5 856.0	7 345.4	7 606.4	8 024.0	8 790.8	9 486.9	Recurrent expenditure
888.8	1 185.8	1 794.2	2 130.6	1 661.1	1 770.8	1 336.9	Development expenditure
9 121.1	11 898.9	15 609.4	17 969.2	17 110.2	19 401.0	18 652.2	Social services
4 842.2	6 224.2	7 748.4	9 299.9	9 294.9	9 566.4	8 444.7	Education
4 391.1	5 150.6	6 818.3	7 474.6	7 640.6	8 903.4	7 863.0	Recurrent expenditure
455.0	1 073.6	930.0	1 825.3	1 654.3	663.0	581.8	Development expenditure
-4.0	-	-	-	-	-	-	Net lending
2 226.6	2 639.1	3 039.8	3 372.1	3 384.0	4 848.9	4 512.9	Health
1 302.6	1 512.1	1 886.5	2 021.3	2 475.5	3 744.6	4 237.9	Recurrent expenditure
924.1	1 127.0	1 153.3	1 350.8	842.5	1 104.3	274.9	Development expenditure
...	...	...	...	66.0	...	...	Net lending
387.7	586.7	723.8	727.1	675.1	732.3	1 154.4	Food and social welfare programmes
341.7	340.4	412.4	389.2	384.3	387.3	418.1	Recurrent expenditure
46.0	246.3	311.4	337.9	290.8	345.0	736.4	Development expenditure
1 301.9	1 880.8	3 104.5	3 480.4	2 741.1	3 309.4	3 544.3	Housing, urban and regional development
894.7	1 065.4	1 425.5	1 416.5	1 435.2	1 541.9	1 966.7	Recurrent expenditure
418.7	834.2	1 698.5	2 083.0	1 319.2	1 792.1	1 606.1	Development expenditure
-11.6	-18.8	-19.6	-19.0	-13.3	-24.6	-28.5	Net lending
362.8	568.0	993.0	1 089.8	1 015.1	944.0	995.8	Other community and social services
320.7	468.0	581.9	748.1	778.2	835.1	869.9	Recurrent expenditure
42.1	100.0	411.1	341.6	236.9	108.9	126.0	Development expenditure
-	-	-	-	...	...	...	Net lending
2 852.8	3 671.1	7 438.1	8 388.5	8 330.4	8 684.3	8 094.0	Economic services
721.2	843.4	1 498.9	1 185.0	1 107.1	1 252.8	1 323.4	Agriculture, forestry and fishing
619.3	700.8	810.5	844.0	822.0	856.0	952.1	Recurrent expenditure
103.0	142.6	688.5	347.5	287.0	396.9	371.4	Development expenditure
-1.1	-	-0.1	-6.5	-1.9	-0.1	-0.1	Net lending
-73.1	105.0	179.6	768.6	619.2	683.3	348.3	Mining
89.0	82.9	144.4	151.1	601.2	672.1	172.0	Recurrent expenditure
1.9	22.1	35.2	47.5	18.0	11.2	176.3	Development expenditure
-164.0	-	-	570.0	...	...	...	Net lending
836.2	872.3	2 843.1	1 857.2	2 832.9	2 730.1	2 816.9	Electricity and water supply
323.4	363.0	404.9	402.8	296.8	313.0	193.4	Recurrent expenditure
532.6	526.2	2 456.0	1 465.2	2 565.2	2 436.7	2 645.8	Development expenditure
-19.7	-17.0	-17.7	-10.8	-29.1	-19.7	-22.2	Net lending
644.5	765.7	1 086.9	1 900.5	1 917.9	2 119.2	1 775.2	Roads
197.4	214.5	255.9	269.7	365.8	415.2	664.1	Recurrent expenditure
447.1	551.2	831.0	1 630.8	1 552.2	1 704.1	1 111.1	Development expenditure
724.0	1 084.7	1 829.6	2 677.3	1 853.2	1 898.9	1 830.2	Others
599.4	614.9	840.0	1 013.6	974.0	958.9	742.2	Recurrent expenditure
195.9	738.7	1 149.2	1 445.7	944.6	1 010.2	1 091.5	Development expenditure
-71.3	-268.9	-159.5	218.0	-65.4	-70.2	-3.5	Net lending
2 009.5	2 210.1	2 963.7	3 394.6	3 291.8	3 106.4	4 185.1	Transfers
1 774.0	1 961.7	2 681.6	3 024.8	2 768.2	2 548.9	2 593.2	Deficit grants to local authorities
1 774.0	1 961.7	2 681.6	3 024.8	2 768.2	2 548.9	2 593.2	Recurrent expenditure
-	-	-	-	...	...	...	Development expenditure
...	...	...	...	...	...	...	FAP grants
235.5	248.4	282.1	369.8	523.5	557.5	1 591.9	Interest on public debt
19 737.4	24 821.9	35 150.7	39 489.2	38 417.5	41 753.3	41 755.0	TOTAL EXPENDITURE
15 954.0	18 578.7	23 889.3	25 731.8	27 089.3	30 524.7	31 751.2	Recurrent expenditure ²
4 055.0	6 547.8	11 458.0	13 005.7	11 371.7	11 343.2	10 058.2	Development expenditure
-271.6	-304.6	-196.9	751.7	-43.6	-114.5	-54.4	Net lending

**TABLE 7.4: PUBLIC DEBT OUTSTANDING
(P MILLION)¹**

As at end of March	2002	2003	2004	2005	2006
A: Medium and Long Term External Government Debt					
Loans from Governments	783.5	907.5	613.3	634.4	678.6
United States	108.4	143.0	86.1	62.8	65.7
China	145.5	189.6	138.8	211.2	266.2
Kuwait	52.7	85.6	57.8	71.2	54.9
Saudi Arabia	6.1	2.9	...	...	...
Belgium	5.2	5.7	5.0	4.1	3.7
Japan	465.6	480.7	325.6	285.2	288.2
Loans from Organisations	1 542.9	1 900.6	1 525.8	1 203.0	1 238.2
International Development Association	46.4	77.6	41.6	32.7	36.1
International Bank for Reconstruction and Development (World Bank)	94.1	85.1	29.6	11.8	8.5
African Development Fund/Bank	869.8	959.8	847.0	623.4	651.1
OPEC Special Fund	23.8	25.6	13.4	5.9	4.9
European Investment Bank	341.6	463.8	387.0	351.8	377.5
Arab Bank for Economic Development in Africa	95.7	154.6	103.0	91.5	69.3
Nordic Investment Bank	71.5	134.1	104.2	85.9	90.9
Suppliers Credits and Other Loans	99.8	109.3	55.6	35.3	32.3
Total External Debt	2 426.2	2 917.4	2 194.7	1 872.7	1 949.1
B: Domestic Debt					
Treasury bills	...	...	...	...	...
Bonds	...	500.0	2 500.0	2 500.0	1 750.0
Total Domestic Debt	...	500.0	2 500.0	2 500.0	1 750.0
TOTAL PUBLIC DEBT	2 426.2	3 417.4	4 694.7	4 372.7	3 699.1

1. Pula estimates are derived by converting debt outstanding in foreign exchange terms at the appropriate exchange rate operating as at the end of March each year.

Source: Ministry of Finance and Development Planning and Bank of Botswana

2007	2008	2009	2010	2011	As at end of March
668.0	891.0	849.2	767.4	766.8	A: Medium and Long Term External Government Debt
					Loans from Governments
64.6	57.0	54.7	37.2	25.6	United States
248.8	426.6	360.8	368.4	333.4	China
47.2	54.8	47.9	41.0	96.4	Kuwait
...	...	...	...	...	Saudi Arabia
3.4	3.0	2.7	2.4	2.0	Belgium
304.0	349.5	383.1	318.4	309.5	Japan
1 342.5	1 389.1	1 406.9	8 515.1	11 799.9	Loans from Organisations
38.3	37.3	40.3	31.9	27.5	International Development Association
3.3	0.0	0.0	4.0	324.8	International Bank for Reconstruction and Development (World Bank)
700.0	733.3	763.9	7 399.0	10 477.0	African Development Fund/Bank
3.7	2.0	35.2	150.4	140.2	OPEC Special Fund
444.3	472.1	429.7	207.7	126.7	European Investment Bank
54.2	40.9	38.8	91.3	133.6	Arab Bank for Economic Development in Africa
98.7	103.5	98.9	630.9	570.3	Nordic Investment Bank
27.0	24.9	7.5	6.0	6.0	Suppliers Credits and Other Loans
2 037.6	2 304.9	2 263.5	9 288.6	12 572.7	Total External Debt
					B: Domestic Debt
...	300.0	1 000.0	800.0	1 553.0	Treasury bills
1 750.0	1 900.0	2 600.0	3 687.0	4 505.0	Bonds
1 750.0	2 200.0	3 600.0	4 487.0	6 058.0	Total Domestic Debt
3 787.6	4 504.9	5 863.5	13 775.6	18 630.7	TOTAL PUBLIC DEBT

TABLE 7.5: GOVERNMENT LENDING – OUTSTANDING LOANS (PDSF, RSF AND DF)¹
(P MILLION)

As at end of March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Borrowers										
Air Botswana	39.1	25.5	–	–	–	–	–	–	–	...
BCL	349.1	565.7	565.7	393.3	–	–	–	–	–	...
Botswana Agric. Marketing Board	1.7	–	–	–	–	–	–	–	–	...
Botswana Building Society	114.6	105.2	–	–	–	–	–	–	–	...
Botswana Cooperative Bank	13.8	5.0	4.4	4.4	4.4	4.4	4.4	–	1.0	...
Botswana Development Corporation	162.4	146.0	6.8	–	–	–	88.9	88.3	367.0	...
Botswana Federations Of Trade Unions	...	...	...	...	...	...	...	3.0	–	...
Botswana Housing Corporation	509.5	455.9	42.2	62.4	102.0	94.8	86.9	76.7	116.2	...
Botswana Livestock Dev. Corp.	0.4	...	...	...	...	...	...	...	...	...
Botswana Meat Commission	4.9	1.3	–0.1	2.8	2.0	1.2	0.7	240.5	192.4	...
Botswana National Sports Council	–	–	–	–	–	–	–	–	–	...
Botswana Postal Services	6.5	4.9	4.2	3.5	2.8	2.0	1.3	0.6	0.2	...
Botswana Power Corporation	105.5	120.1	57.2	38.0	3.0	17.0	14.6	12.7	10.7	...
Botswana Railways	124.9	85.8	58.8	140.1	125.9	115.8	94.6	–	–	...
Botswana Technology Centre	4.2	4.0	3.8	3.6	–	–	–	–	–	...
Botswana Telecomms. Authority	...	...	...	...	9.2	–	–	–	–	...
Botswana Telecomms. Corporation	149.4	452.6	452.6	153.2	477.0	426.1	180.0	120.0	60.0	...
Botswana Vaccine Institute	3.2	2.3	–	0.6	–	–	–	–	–	...
Central District Council	...	13.9	34.3	–	–	–	–	–	–	...
Francistown City Council	42.4	37.0	34.2	32.5	30.1	27.1	25.1	3.2	20.6	...
Gaborone City Council	51.6	28.6	24.4	22.5	20.7	20.7	18.7	0.5	13.7	...
Ghanzi District Council	...	0.2	0.2	–	–	–	–	–	–	...
Jwaneng Town Council	7.8	6.5	–2.6	–	–	–	–	–	–	...
Kgalagadi District Council	0.5	2.4	3.0	–	–	–	–	–	–	...
Kgatleg District Council	1.6	5.2	6.0	–	–	–	–	–	–	...
Kweneng District Council	2.3	9.9	12.1	–	–	–	–	–	–	...
Lobatse Town Council	43.5	45.1	43.4	38.0	40.3	38.3	35.2	2.2	29.9	...
National Development Bank	16.6	25.4	24.5	24.6	1.5	1.2	1.0	0.7	0.4	...
North East District Council	1.0	2.6	9.2	–	–	–	–	–	–	...
North West District Council	...	9.3	10.4	–	–	–	–	–	–	...
Private Financial Institutions	122.4	140.4	57.4	–	–	–	–	–	–	...
Selebi–Phikwe Town Council	28.6	27.6	26.5	25.2	23.8	22.5	20.8	–	17.7	...
South East District Council	...	4.9	6.6	–	–	–	–	–	–	...
Southern District Council	...	2.7	5.1	–	–	–	–	–	–	...
Sowa Town Council	5.5	6.6	6.5	6.4	6.2	6.1	5.9	–	5.5	...
University of Botswana	6.7	4.9	4.6	4.3	4.0	–	–	–	–	...
Water Utilities Corporation	252.9	425.9	400.9	186.4	174.7	162.1	148.5	133.7	125.9	...
De Beers	...	...	...	...	...	...	...	...	570.0	...
TOTAL	2 172.5	2 773.4	1 902.4	1 141.8	1 027.6	939.5	726.5	682.1	1 531.2	...

1. The PDSF is the Public Debt Service Fund, RSF the Revenue Stabilisation Fund, and DF the Development Fund. All these funds are administered by the Government. In May 2004, a substantial portion of the PDSF loan portfolio was sold to Debt Participation Capital Funding (DPCF) Limited, specifically created for that purpose and for the subsequent issuance of bonds to the public which would be financed by future principal and interest payments on the outstanding PDSF loans. The bond sale took place on May 31, 2004, involving bonds with a face value of P1 billion.

Source: Ministry of Finance and Development Planning

TABLE 7.6: GOVERNMENT PARTICIPATION IN PARASTATALS AND COMMERCIAL UNDERTAKINGS
(P MILLION)

As at end of March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Equity Participation in:¹										
Air Botswana	35.0	35.0	35.0	35.0	35.0	35.0	35.0	235.0	502.5	...
Bank of Botswana	1 625.0	1 625.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	...
BCL	4 792.9	8 994.2	8 979.3	9 479.0	7 457.3	9 082.9	5 027.7	46.7	43.9	...
Botswana Agricultural Marketing Board	27.5	27.5	26.5	27.5	27.5	27.5	30.5	27.5	1.0	...
Botswana Development Corporation	535.2	535.2	535.2	535.2	535.2	535.2	535.2	535.2	241.0	...
Botswana Housing Corporation	250.2	250.2	250.2	250.2	250.2	250.2	250.2	250.2	250.2	...
Botswana Meat Commission	...	...	0.2	0.2	0.2	0.2	0.2	0.2	0.2	...
Botswana Postal Services	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4	...
Botswana Power Corporation	145.6	145.6	145.6	145.6	145.6	145.6	145.6	1 645.6	1 645.6	...
Botswana Railways	645.9	645.9	696.5	696.5	696.5	696.5	696.5	696.5	791.8	...
Botswana Savings Bank	19.7	19.7	19.2	19.7	19.7	19.7	19.7	19.7	19.7	...
Botswana Telecommunication Corporation	23.3	23.3	23.3	23.3	23.3	23.3	21.0	23.3	21.0	...
Botswana Vaccine Institute	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	...
Debswana	87.2	542.1	542.1	542.1	542.1	542.1	5.6	5.2	5.2	...
Fairground Holdings	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	...
National Development Bank	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	...
Soda Ash Botswana (Pty) Ltd	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	...
Water Utilities Corporation	742.2	742.2	752.7	752.7	752.7	752.7	752.7	752.7	752.7	...
TOTAL	9 128.3	13 784.4	12 229.3	12 730.5	10 708.8	12 334.4	7 743.4	4 461.3	4 498.3	...
Government's share of profits in:										
Bank of Botswana	1 142.2	1 028.9	755.0	388.1	741.2	569.1	906.0	1 302.0	1 000.0	700.0
Botswana Building Society	11.2	11.2	12.8	12.8	12.0	12.4	13.0	13.0	6.5	6.4
Botswana Development Corporation	-	11.3	17.1	17.1	14.6	18.1	-	31.4	10.4	...
Botswana Power Corporation	8.7	8.7	-	-	40.5	-	-	-	-	...
Botswana Telecommunication Corporation	0.2	-	0.5	0.5	29.7	5.2	25.2	12.5	25.4	38.6
Debswana ²	4 540.3	4 786.9	6 173.1	8 681.8	8 149.9	9 311.6	8 564.3	6 730.5	6 728.9	9 111.2
National Development Bank	4.6	-	-	-	-	9.5	10.9	5.6	17.9	12.3
Water Utilities Corporation	0.8	0.3	-	-	60.4	3.2	43.8	44.2	33.6	...
TOTAL	5 708.0	5 847.3	6 958.5	9 100.3	9 048.3	9 929.0	9 563.1	8 139.2	7 822.7	9 868.5

1. The definition of Government equity participation varies widely according to the institution involved. For example, up to 2003, the figure for Bank of Botswana included the value of reserves, as well as share capital. For full details, see 'Annual Statements of Accounts' produced by the Accountant General.

2. Includes all mineral royalties and dividends, the bulk of which is from Debswana.

Source: Ministry of Finance and Development Planning