

PILLAR 3 DISCLOSURES QUARTERLY STATUTORY RETURN

30 June 2018

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1. BACKGROUND AND SCOPE

Purpose of Pillar III disclosures

Section 12 of the Basell II updated in January 2016, states the objectives for the banks to have Pillar III disclosures as outlined below;

Section 12.1

The Primary purpose of Pillar III is to supplement the minimum capital requirements (Pillar II) by introducing a set of disclosure requirements, which allow market participants to influence the level of capital, risk assessment processes, capital adequacy and remuneration practices of a bank

Section 12.2

Improved transparency, underpinned by high quality and timely market disclosures, will enhance market discipline, efficiency and confidence. The key objective is, therefore, to provide a market driven incentive for a bank to conduct business in a safe and sound manner. A bank is, therefore, responsible, beyond the disclosure requirements set out in this Directive, for Conveying adequate information regarding its actual risk profile and how these risks relate to capital.

1.1 Summary and Approach

This document will put its focus on Pillar III disclosures for Standard Chartered Bank of Botswana for the financial Quarter ended **30 June 2018**.

The focus will be disclosures for the capital structure, Capital Adequacy, Risk management Processes and Remuneration practices of **Standard Chartered Bank of Botswana** as per Pillar III scope.

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2. REGULATORY CAPITAL REQUIREMENTS

2.1 Capital Structure

The capital is classified as TIER 1 capital and TIER 2 capital. The Tier 1 consists of directly issued qualifying common share capital plus related stock surplus, retained earnings, accumulated other comprehensive income and Additional Tier 1 (AT1) capital being qualifying shares premiums, preference shares and all other instruments. Tier 2 capital includes subordinated debt and general provisions.

Table 22 (a): Basel III Common Equity Tier I Disclosure Template (With Transitional Adjustments)

Common Equity Tier I capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	179,273
2	Retained earnings	453,637
3	Accumulated other comprehensive income (and other reserves)	47,365
4	<i>Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non-joint stock companies)</i>	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 CAPITAL)	-
6	Common Equity Tier I capital before regulatory adjustments	680,275
Common Equity Tier I capital: regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	29,881
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	564
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	61,814
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	(48,350)
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financials	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments	-
27	Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I and Tier II to cover deductions	-
28	Total regulatory adjustments to Common equity Tier I	(43,909)
29	Common Equity Tier I capital (CET1 CAPITAL)	636,365
Additional Tier I capital: instruments		

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30	Directly issued qualifying Additional Tier I instruments plus related stock surplus	-
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	-
33	Directly issued capital instruments subject to phase out from Additional Tier I	-
34	Additional Tier I instruments (and CET1 CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	Additional Tier I capital before regulatory adjustments	-
Additional Tier I capital: regulatory adjustments		
37	Investments in own Additional Tier I instruments	
38	Reciprocal cross-holdings in Additional Tier I instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments	
42	Regulatory adjustments applied to Additional Tier I due to insufficient Tier II to cover deductions	
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	
47	Directly issued capital instruments subject to phase out from Tier II	
48	Tier II instruments (and CET1 CAPITAL and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier II)	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	
51	Tier II capital before regulatory adjustments	
Tier II capital: regulatory adjustments		
52	Investments in own Tier II instruments	389,000
53	Reciprocal cross-holdings in Tier II instruments	134,356
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold).	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions).	-
56	National specific regulatory adjustments	102,817
57	Total regulatory adjustments to Tier II capital	626,173
58	Tier II capital (T2)	626,173
59	Total capital (TC = T1 + T2)	1,262,539
60	Total risk-weighted assets	7,905,366

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Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	-
62	Tier I (as a percentage of risk-weighted assets)	-
63	Total capital (as a percentage of risk weighted assets)	-
64	Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	-
65	of which: capital conservation buffer requirement	-
66	of which: bank specific countercyclical buffer requirement	-
67	of which: G-SIB buffer requirement	-
68		-
Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)		
69	National Common Equity Tier I minimum ratio (if different from Basel III minimum)	-
70	National Tier I minimum ratio (if different from Basel III minimum)	-
71	National total capital minimum ratio (if different from Basel III minimum)	-
Amounts below the thresholds for deduction (before risk-weighting)		
72	Non-significant investments in the capital of other financials	-
73	Significant investments in the common stock of financials	-
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-
Applicable caps on the inclusion of provisions in Tier II		
76	Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach (prior to application of cap)	-
77	Cap on inclusion of provisions in Tier II under standardised approach	-
78	Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier II under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2015 and 1 Jan 2020)		
80	Current cap on CET1 CAPITAL instruments subject to phase out arrangements	-
81	Amount excluded from CET1 CAPITAL due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

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Table 22 (b): Basel III Common Equity Tier I Disclosure Template (Fully Loaded)

Common Equity Tier I capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	179,273
2	Retained earnings	453,637
3	Accumulated other comprehensive income (and other reserves)	47,365
4	<i>Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non-joint stock companies)</i>	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 CAPITAL)	-
6	Common Equity Tier I capital before regulatory adjustments	680,275
Common Equity Tier I capital: regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	29,881
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	564
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	61,814
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financials	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments	-
27	Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I and Tier II to cover deductions	-
28	Total regulatory adjustments to Common equity Tier I	(92,259)
29	Common Equity Tier I capital (CET1 CAPITAL)	588,016
Additional Tier I capital: instruments		
30	Directly issued qualifying Additional Tier I instruments plus related stock surplus	-
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	-
33	Directly issued capital instruments subject to phase out from Additional Tier I	-
34	Additional Tier I instruments (and CET1 CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-

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35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-
36	Additional Tier I capital before regulatory adjustments	-
Additional Tier I capital: regulatory adjustments		
37	Investments in own Additional Tier I instruments	
38	Reciprocal cross-holdings in Additional Tier I instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments	
42	Regulatory adjustments applied to Additional Tier I due to insufficient Tier II to cover deductions	
43	Total regulatory adjustments to Additional Tier I capital	
44	Additional Tier I capital (AT1)	
45	Tier I capital (T1 = CET1 CAPITAL + AT1)	
Tier II capital: instruments and provisions		
46	Directly issued qualifying Tier II instruments plus related stock surplus	
47	Directly issued capital instruments subject to phase out from Tier II	
48	Tier II instruments (and CET1 CAPITAL and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier II)	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
50	Provisions	
51	Tier II capital before regulatory adjustments	
Tier II capital: regulatory adjustments		
52	Investments in own Tier II instruments	389,000
53	Reciprocal cross-holdings in Tier II instruments	134,356
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold).	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions).	-
56	National specific regulatory adjustments	102,817
57	Total regulatory adjustments to Tier II capital	626,173
58	Tier II capital (T2)	626,173
59	Total capital (TC = T1 + T2)	1,214,189
60	Total risk-weighted assets	7,905,366
Capital ratios and buffers		
61	Common Equity Tier I (as a percentage of risk weighted assets)	-
62	Tier I (as a percentage of risk-weighted assets)	-
63	Total capital (as a percentage of risk weighted assets)	-
64	Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	-
65	<i>of which: capital conservation buffer requirement</i>	-
66	<i>of which: bank specific countercyclical buffer requirement</i>	-
67	<i>of which: G-SIB buffer requirement</i>	-
68		-

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

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Table 22 (c): Transitional Disclosures

		a	b	c	d	e
		June'18	Marc'18	Dec'17	Sept'17	June'17
Available capital (P'000)						
1	Common Equity Tier 1 (CET1)	636,365	637,083	639,011	689,016	805,172
1a	Fully loaded ECL accounting model	588,016	588,733	639,011	689,016	805,172
2	Tier 1	636,365	637,083	639,011	689,016	805,172
2a	Fully loaded ECL accounting model Tier 1	588,016	588,733	639,011	689,016	805,172
3	Total capital	1,262,539	1,304,137	1,246,382	1,318,268	1,493,123
3a	Fully loaded ECL accounting model total capital	1,214,189	1,255,787	1,246,382	1,318,268	1,493,123
Risk-weighted assets (P'000)						
4	Total risk-weighted assets (RWA)	7,905,366	7,792,555	7,806,499	7,890,600	7,912,996
	Risk-based capital ratios as a percentage of RWA (%)					
5	Common Equity Tier 1 ratio	8.0%	8.2%	8.2%	8.7%	10.2%
5a	Fully loaded ECL accounting model Common Equity Tier 1	7.4%	7.6%	8.2%	8.7%	10.2%
6	Tier 1 ratio	8.0%	8.2%	8.2%	8.7%	10.2%
6a	Fully loaded ECL accounting model Common Equity Tier 1	7.4%	7.6%	8.2%	8.7%	10.2%
7	Total capital ratio	16.0%	16.8%	16.0%	16.7%	18.9%
7a	Fully loaded ECL accounting model total capital ratio	15.0%	16.2%	16.0%	16.7%	18.9%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirements (2.5% from 2019) (%)					
9	Countercyclical requirement (%)					
10	Bank G-SIB and/or D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)					
12	CET1 available after meeting the bank's minimum capital requirement (P'000)					

2.2 Capital Adequacy

2.2.1 Qualitative disclosures: capital ratios

For the Quarter ended 31 March 2018, the bank's capital ratios were well above the minimum prudential ratios as outlined below;

Capital	Minimum prudential Ratio(Regulatory)	Reported
Common Equity Tier 1 Capital (CET 1)	4.5%	8.0%
Tier 1 Capital	7.5%	8.0%
Total Unimpaired Capital (CAR)	15%	16.0%

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2.2.2 Qualitative disclosures - Risk weighted Assets

Portfolio	Approach	Amount (P'000)
Credit Risk	Simple Approach	7,027,379
Market Risk	Standardised Approach	47,358
Operational Risk	Basic Indicator Approach	830,629
TOTAL		7,905,366

a) Capital requirements for Credit Risk

SCBB calculates Credit Risk RWA using the simple Approach as per the Basel II framework. The RWA is the addition of the totals of the On-balance Sheet and Off balance subject to various mitigants.

Portfolio Class	Exposure before CRMS	Risk-Weights of Original Counter-parties	RWA
Portfolio I: Claims on Sovereign or Central banks	1,721,768	0%	-
Claims on Domestic Banks	166,596	20%	33,319
Sovereign credit risk assessment rating of AAA to AA-	2,367,728	20%	473,546
Sovereign credit risk assessment rating of A+ to A-	-	50%	-
Sovereign credit risk assessment rating of BB+ to B-	265	100%	265
Sovereign credit risk assessment rating of below B-	410	150%	615
Claims on Corporate			
Claims to corporate assigned a credit assessment of A+ to A-	27,830	20%	5,566
Claims to corporate assigned a credit assessment of BBB+ or BB- or unrated corporate client.	1,321,923	100%	1,321,923
Retail Portfolios			
Performing	4,961,335	75%	3,721,001
Past due exposure where specific provision is more than 50% of the outstanding loan.	160,476	50%	80,238
Residential Mortgage Property			
fully secured by residential mortgage	931,185	35%	325,915
Other non qualifying residential mortgages	27,023	75%	20,267
Non-performing Loans			
Past due (qualifying mortgage loans) for more than 90 days and specific provision is less than 20% of the loan.	6,452	100%	6,452
Past due (qualifying mortgage loans) for more than 90 days and specific provision is more than 20% of the loan.	18,025	50%	9,012
Past due non-qualifying residential mortgages where specific provision is less than 20% of the loan.	-	150%	-
Other Assets			
Cash (Pula), gold, coins, bullion, foreign notes & coins, statutory reserve with Bank of Botswana	1,418,182	0%	-
(including bank premises, plant and equipment, other fixed assets and all other assets)	328,193	100%	328,193

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OFF balance Sheet portfolio			
<i>Certain transaction-related contingent items such as performance bonds, bid bonds, warranties and stand by letters of credit related to particular transactions.</i>	Exposure	Risk Weights	RWA
Other assets	1,402,133	50%	701,066
Total off balance sheet Amount			701,066
TOTAL RISK WEIGHTED ASSETS as at 30 June 2018			7,027,379

b) Capital requirements for market risk

SCBB calculates the market risk using the Standardized Approach. A capital charge is computed for interest rate and foreign exchange risks in the trading book. The resultant is summed up and calibrated by a risk weight factor 6.7.

RISK	Amount	Risk weighted Factor	RWA
Foreign exchange risk	242	6.7	1,621
Interest rate risk			
Specific risk	6,824	6.7	45,721
General risk	2	6.7	13
TOTAL MARKET RISK RWA	26,811		47,358

c) Capital requirement for operational Risk

The bank has adopted the Basic Indicator Approach (BIA) in which the regulatory capital charge risk will be equal to 15% of the average of the previous three years bank's positive annual gross income. The three year average gross income is calculated on the basis of the last three 12 months monthly observations at the end of the financial year. Where audited financials are not available, submitted returns are used.

Period/ Year	Gross income	Operational risk factor -denoted alpha (α)	Risk weight factor
1	839,555	15%	6.7
2	887,891	15%	6.7
3	752,044	15%	6.7
TOTAL	2,479,490		

Operational risk factor -denoted alpha (α)	15%
Aggregate Gross Income multiplied by α	371,924
No. of years with Positive Gross Income (n)	3
Operational Risk Capital Charge: BIA	123,975
Operational risk weight assets	830,629

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2.3 EXPANDED REGULATORY BALANCE SHEET

For the basis of consolidation for accounting purposes, unit 023 SCBB, Unit 779 SC BWA Educational Trust (SCBET) and unit 727 SCB Insurance Agency are fully consolidated. For regulatory purposes only Unit 023, SCBB is considered.

Table 22 (a) –Regulatory Balance Sheet Vs IFRS Balance Sheet.

	Balance sheet as in published financial statements (IFRS)	Under regulatory scope of consolidation
	As at period end 30 June 2018	As at period end 30 June 2018
Assets		
Cash and balances at central banks	1,420,752	1,418,182
Items in the course of collection from other banks	-	-
Trading portfolio assets	-	-
Financial assets designated at fair value	-	-
Derivative financial instruments	-	-
Loans and advances to banks	2,565,653	2,534,106
Loans and advances to customers	7,509,262	7,509,262
Reverse repurchase agreements and other similar secured lending	-	-
Available for sale financial investments	1,721,768	1,721,768
Current and deferred tax assets	82,964	82,964
Prepayments, accrued income and other assets	1,785	-
Investments in associates and joint ventures	-	-
Goodwill and intangible assets	30,445	30,445
Property, plant and equipment	63,478	63,478
Total assets	13,396,107	13,396,107
Liabilities		
Deposits from banks		
Items in the course of collection due to other banks		
Customer accounts	11,114,508	11,114,508
Repurchase agreements and other similar secured Borrowing	-	-
Trading portfolio liabilities	-	-
Financial liabilities designated at fair value	-	-
Derivative financial instruments	-	-
Debt securities in issue	-	-
Accruals, deferred income and other liabilities	552,558	591,294
Current and deferred tax liabilities	-	-
Subordinated liabilities	686,260	686,260
Provisions	-	-
Retirement benefit liabilities	-	-
Total liabilities	12,630,099	12,668,835

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Shareholders' Equity			
Paid-in share capital		179,273	179,273
Retained earnings		586,735	512,097
Accumulated other comprehensive income		-	-
Total shareholders' equity		766,008	691,370

Table 26 Expanded Regulatory Balance Sheet

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end 30 June 2018	As at period end 30 June 2018	
Assets			
Cash and balances at central banks	1,418,182	1,418,182	
Items in the course of collection from other banks	-	-	
Trading portfolio assets	-	-	
Financial assets designated at fair value		-	
Derivative financial instruments		5,538	
Loans and advances to banks	2,534,106	2,524,739	
Loans and advances to customers	7,509,262	7,454,250	
Reverse repurchase agreements and other similar secured lending			
Available for sale financial investments	1,721,768	1,721,768	
Current and deferred tax assets	82,964	82,964	
Prepayments, accrued income and other assets	-	156,029	
Investments in associates and joint ventures	-	-	
Goodwill and intangible assets			
of which goodwill	29,881	29,881	A
of which other intangibles (excluding MSRs)	564	564	B
of which MSRs	-	-	C
Property, plant and equipment	63,477	63,477	
Total assets	13,360,205	13,457,392	
Liabilities			
Deposits from banks	276,773	491,247	
Items in the course of collection due to other banks	-	-	
Customer accounts	11,114,508	10,970,803	
Repurchase agreements and other similar secured borrowing	-	-	
Trading portfolio liabilities	-	-	

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Financial liabilities designated at fair value	-	-	
Derivative financial instruments	-	5,706	
Debt securities in issue	-	-	
Accruals, deferred income and other liabilities	591,294	523,313	
Current and deferred tax liabilities	-	-	
Of which DTLs related to goodwill	-	-	D
Of which DTLs related to intangible assets(excluding MSRs)	-	-	E
Of which DTLs related to MSRs	-	-	F
Subordinated liabilities	686,260	686,260	
Provisions	-	88,693	
Retirement benefit liabilities	-	-	
Total liabilities	12,668,835	12,766,023	
Shareholders' Equity			
Paid-in share capital	179,273	179,273	
of which amount eligible for CET1 CAPITAL	179,273	179,273	H
of which amount eligible for AT1	-	-	I
Retained earnings	512,097	430,422	
Accumulated other comprehensive income	-	81,674	
Total shareholders' equity	766,008	691,369	

Table 27 Extract of Basel III common disclosure template (with added column)

Common Equity Tier I capital: instruments and reserves			
		Component of regulatory capital reported by bank	Source based on Reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2.
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	179,273	H
2	Retained earnings	453,637	
3	Accumulated other comprehensive income (and other reserves)	47,365	
4	Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non- joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties (amount) allowed in group CET1 CAPITAL)		
6	Common Equity Tier I capital before regulatory adjustments	680,275	
7	Prudential valuation adjustments	14,028	
8	Goodwill (net of related tax liability)	29,881	a-d

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2.3.1 Main features of regulatory capital instruments

The bank has issued subordinated debt instruments as outlined in the table below.

1	Issuer	Standard Chartered Bank Botswana Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	BWP BWNCD16JAN17 BW 000 000 0587 BW0000001023 BW 000 000 1106 BW 000 000 1114 900-023.005
3	Governing law(s) of the instrument	Botswana Law, English/EU Law
	Regulatory treatment	Senior and subordinated debt
4	Transitional Basel III rules	Not Applicable
5	Post-transitional Basel III rules	Not Applicable
6	Eligible at solo/group/group and solo	Group and solo
7	Instrument type (types to be specified by each jurisdiction)	Senior debt Subordinated Debt
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	558,808
9	Par value of instrument	703,253
10	Accounting classification	Senior and subordinated debt
11	Original date of issuance	6/30/2015, 12/20/2005, 5/12/2011, 6/27/2012, 6/27/2012, 7/29/2015
12	Perpetual or dated	Dated
13	Original maturity date	1/16/2017, 12/20/2020, 5/12/2021, 6/27/2022, 6/27/2022, 8/29/2025
14	Issuer call subject to prior supervisory approval	Non-callable
15	Optional call date, contingent call dates and redemption amount	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable
	<i>Coupons / dividends</i>	Coupon
17	Fixed or floating dividend/coupon	Fixed and Floating

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18	Coupon rate and any related index	Floating Rate at 91 day BOBC plus a margin of 130 to 150 basis points per annum Fixed rate at 4% above the 91 day BOBC, 18.20% to 10.50%
19	Existence of a dividend stopper	Not Applicable
20	Fully discretionary, partially discretionary or mandatory	Not Applicable
21	Existence of step up or other incentive to redeem	Not Applicable
22	Non-cumulative or cumulative	Not Applicable
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (s)	Not Applicable
25	If convertible, fully or partially	Not Applicable
26	If convertible, conversion rate	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable
30	Write-down feature	Not Applicable
31	If write-down, write-down trigger(s)	Not Applicable
32	If write-down, full or partial	Not Applicable
33	If write-down, permanent or temporary	Not Applicable
34	If temporary write-down, description of write-up mechanism	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not Applicable
36	Non-compliant transitioned features	Not Applicable
37	If yes, specify non-compliant features	Not Applicable