

**SUMMARISED ANNUAL FINANCIAL STATEMENTS**  
For the year ENDED 31 DECEMBER 2012

**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2012

(In Botswana Pula)	2012	2011
<b>Assets</b>		
Cash and cash equivalents	222,811,638	166,220,568
Investment securities	384,597,118	319,696,179
Loans and advances to customers	519,446,769	413,284,177
Property and equipment	28,735,015	29,076,457
Other assets	2,812,812	948,250
Current tax asset	89,376	-
Deferred tax asset	381,194	-
<b>Total assets</b>	<u>1,158,873,922</u>	<u>929,225,631</u>
<b>Liabilities</b>		
Deposits from customers	997,384,428	844,425,060
Other liabilities	11,669,713	8,265,360
Current tax liability	-	449,725
Deferred tax liability	-	620,801
Subordinated debt	29,546,400	-
<b>Total liabilities</b>	<u>1,038,600,541</u>	<u>853,760,946</u>
<b>Equity</b>		
Stated capital	90,000,000	58,500,000
Loan loss reserve	3,047,126	3,047,126
Retained earnings	27,226,255	13,917,559
<b>Total equity attributable to equity holders of the Bank</b>	<u>120,273,381</u>	<u>75,464,685</u>
<b>Total liabilities and equity</b>	<u>1,158,873,922</u>	<u>929,225,631</u>

**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2012

(In Botswana Pula)	2012	2011
Interest income	83,437,653	71,512,732
Interest expense	(37,821,670)	(38,986,909)
<b>Net interest income</b>	<u>45,615,983</u>	<u>32,525,823</u>
Fee income	1,966,974	2,521,067
Commission income	5,649,770	6,101,257
Net trading income	4,524,565	2,129,691
Other operating income	4,882,129	3,482,302
<b>Operating income</b>	<u>62,639,421</u>	<u>46,760,140</u>
Staff costs	(16,812,373)	(10,827,730)
Premises and equipment costs	(2,927,469)	(2,349,251)
Depreciation	(4,915,705)	(4,069,565)
Other operating costs	(11,169,368)	(8,362,178)
<b>Total expenses</b>	<u>(35,824,915)</u>	<u>(25,608,724)</u>
<b>Profit before loan impairment losses</b>	<u>26,814,506</u>	<u>21,151,417</u>
Allowance for loan impairment losses	(10,527,181)	(1,927,945)
<b>Profit before income tax</b>	<u>16,287,325</u>	<u>19,223,471</u>
Taxation	(2,978,629)	(4,024,545)
<b>Profit for the period</b>	<u>13,308,696</u>	<u>15,198,926</u>
<b>Total comprehensive income for the period</b>	<u>13,308,696</u>	<u>15,198,926</u>
Basic and diluted earnings per share in Pula	<u>0.1687</u>	<u>0.2598</u>

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2012

(In Botswana Pula)	Attributable to equity holders of the bank			
	Stated capital	Loan loss reserve	Retained earnings	Total equity
<b>Balance at 1 January 2012</b>	58,500,000	3,047,126	13,917,559	75,464,685
Issue of ordinary shares	31,500,000	-	-	31,500,000
Comprehensive income for the period	-	-	13,308,696	13,308,696
<b>Balance at 31 December 2012</b>	<u>90,000,000</u>	<u>3,047,126</u>	<u>27,226,255</u>	<u>120,273,381</u>
<b>Balance at 1 January 2011</b>	58,500,000	-	1,765,759	60,265,759
Comprehensive income for the period	-	-	15,198,926	15,198,926
Transfer to loan loss reserve	-	3,047,126	(3,047,126)	-
<b>Balance at 31 December 2011</b>	<u>58,500,000</u>	<u>3,047,126</u>	<u>13,917,559</u>	<u>75,464,685</u>

**STATEMENT OF CASHFLOWS**  
For the year ended 31 December 2012

(In Botswana Pula)	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest and fee received	100,528,500	85,026,086
Interest paid	(35,560,379)	(36,990,127)
Cash paid to suppliers and employees	(29,369,421)	(17,381,696)
Tax paid	(4,519,725)	(3,531,000)
	<u>31,078,975</u>	<u>27,123,263</u>
Net movement in loan balances	(116,757,180)	(124,668,498)
Net movement in deposit balances	150,698,077	78,730,591
<b>Net cash generated from/(used in) operating activities</b>	<u>65,019,872</u>	<u>(18,814,644)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net movement in money market investments	(64,900,939)	69,971,897
Acquisition of property and equipment	(4,574,263)	(2,781,734)
<b>Net cash used in/(generated from) investing activities</b>	<u>(69,475,202)</u>	<u>67,190,163</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	31,500,000	-
Proceeds from issue of subordinated debt	29,546,400	-
<b>Net cash generated from financing activities</b>	<u>61,046,400</u>	<u>-</u>
<b>Net movement in cash and cash equivalents</b>	<u>56,591,070</u>	<u>48,375,519</u>
Cash and cash equivalents at beginning of the period	166,220,568	117,845,049
<b>Cash and cash equivalents at end of the period</b>	<u>222,811,638</u>	<u>166,220,568</u>

**PERFORMANCE HIGHLIGHTS FOR 2012**

- Deposits increased by 18%
- Loans increased by 26%
- Assets increased by 25%
- Profit after tax was at P13.3 million
- Return on average equity was at 14%
- Net interest income increased by 40%
- Non interest income increased by 20%
- Capital increased by 54%
- Number of branches increased from 2 to 4