

# CONDENSED CONSOLIDATED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



## Consolidated Statement of profit or loss and other comprehensive income

for the year ended 31 December 2019

	2019 P'000	2018 P'000
Effective interest and similar income	744,306	748,923
Effective interest expense and similar charges	(332,381)	(330,931)
<b>Net interest income</b>	<b>411,925</b>	<b>417,992</b>
Expected Credit Losses	15,658	18,906
<b>Net interest income after expected credit losses</b>	<b>427,583</b>	<b>436,898</b>
Net trading income	12,860	14,865
Net fee and commission income	114,214	118,138
<b>Total net revenue</b>	<b>554,657</b>	<b>569,901</b>
Personnel expenses	(156,351)	(144,979)
General and administrative expenses	(128,202)	(159,391)
Depreciation and amortisation expenses	(38,116)	(26,422)
Other operating expenses	(79,692)	(73,693)
<b>Total operating expenses</b>	<b>(402,361)</b>	<b>(404,485)</b>
<b>Profit before tax</b>	<b>152,296</b>	<b>165,416</b>
Income taxation expense	(30,499)	(37,234)
<b>Profit for the year</b>	<b>121,797</b>	<b>128,182</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Gain on revaluation of land and buildings	1,090	4,440
Deferred tax on revaluation of land and buildings	(240)	(977)
<b>Other comprehensive income for the year</b>	<b>850</b>	<b>3,463</b>
<b>Total comprehensive income for the year</b>	<b>122,647</b>	<b>131,645</b>
<b>Earnings per share</b>		
Basic and diluted earnings per share (thebe)	17	204
<b>Headline Earnings per share</b>		
Basic and diluted earnings per share (thebe)	17	204

## Consolidated statement of cash flows

for the year ended 31 December 2019

	2019 P'000	2018 P'000
<b>Cash flows from operating activities</b>		
Profit before tax	152,296	165,416
<b>Adjusted for:</b>		
Depreciation	19,079	12,216
Amortisation of intangible assets	19,037	14,206
Expected credit losses	(15,658)	(18,906)
Fair value adjustment on derivatives	2,712	(1,192)
Prior year over/under provision	3,013	-
Movement in deferred lease liability	-	451
Taxation Paid	(13,986)	(34,715)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>166,493</b>	<b>137,476</b>
<b>Movement in operating assets/liabilities:</b>		
Loans and advances to customers	(618,774)	(276,093)
Balances due from related parties	(104,338)	99,508
Other assets	397,108	(118,481)
Deposits from customers and banks	(168,037)	1,018,135
Other liabilities	(6,575)	7,894
Balances due to related parties	(36,539)	21,515
<b>Net cash from operating activities</b>	<b>(370,662)</b>	<b>889,954</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(11,242)	(9,448)
Purchase of intangibles assets	(11,167)	(34,698)
Work in progress	(1,384)	-
<b>Net cash used in investing activities</b>	<b>(23,793)</b>	<b>(44,146)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(20,526)	-
Proceeds from borrowed funds	99,922	150,000
Repayments on borrowed funds	(79,630)	(91,026)
Payment of lease liabilities	(3,783)	-
<b>Net cash from financing activities</b>	<b>(4,017)</b>	<b>58,974</b>
Net (decrease) increase in cash and cash equivalents	(398,472)	904,782
Cash and cash equivalents at beginning of year	1,778,817	874,035
<b>Cash and cash equivalents at end of year</b>	<b>1,380,345</b>	<b>1,778,817</b>
<b>Cash and cash equivalents comprised of:</b>		
Balances with other banks	904,537	845,788
Debt instruments	398,813	815,440
Cash and balances with the Central Bank	76,995	117,589
	<b>1,380,345</b>	<b>1,778,817</b>

## Consolidated statement of financial position

as at 31 December 2019

	2019 P'000	2018 P'000
<b>Assets</b>		
Cash and balances with the Central Bank	77,138	424,734
Balances with other banks	904,537	845,788
Balances due from related parties	633,118	528,780
Derivative financial assets	60,487	62,755
Debt instruments	642,818	1,162,700
Loans and advances to customers	6,443,556	5,809,123
Other assets	62,359	53,100
Current tax assets	18,124	12,544
Deferred tax asset	28,220	50,553
Intangible assets	104,347	110,833
Property and equipment	129,860	69,705
<b>Total assets</b>	<b>9,104,564</b>	<b>9,130,615</b>
<b>Liabilities</b>		
Deposits from banks	66,844	16,321
Deposits from customers	6,973,892	7,192,452
Derivative financial liabilities	59,618	59,173
Balances due to related parties	17,662	54,201
Other liabilities	147,014	92,787
Borrowed funds	763,172	742,880
<b>Total liabilities</b>	<b>8,028,202</b>	<b>8,157,814</b>
<b>Equity</b>		
Stated capital	222,479	222,479
Retained earnings	838,497	735,786
Revaluation reserve	9,295	8,445
Other reserves	6,091	6,091
<b>Total equity</b>	<b>1,076,362</b>	<b>972,801</b>
<b>Total equity and liabilities</b>	<b>9,104,564</b>	<b>9,130,615</b>

## Consolidated statement of changes in equity

as at 31 December 2019

	Stated capital P'000	Other reserves P'000	Revaluation reserve P'000	Retained earnings P'000	Total P'000
<b>At 1 January 2018</b>	222,479	6,091	4,982	607,604	841,156
Profit for the year	-	-	-	128,182	128,182
Revaluation of land and buildings	-	-	4,440	-	4,440
Deferred tax on revaluation of land and buildings	-	-	(977)	-	(977)
<b>Total comprehensive income</b>	-	-	3,463	128,182	131,645
<b>At 31 December 2018</b>	222,479	6,091	8,445	735,786	972,801
<b>At 1 January 2019</b>	222,479	6,091	8,445	735,786	972,801
<b>Adjusted balance 1 January 2019</b>	222,479	6,091	8,445	735,786	972,801
Profit for the year	-	-	-	121,797	121,797
Dividend declared and paid	-	-	-	(20,526)	(20,526)
Adjustment on initial application of IFRS 16, net of tax	-	-	-	1,440	1,440
Revaluation of land and buildings	-	-	1,090	-	1,090
Deferred tax on revaluation of land and buildings	-	-	(240)	-	(240)
<b>Total comprehensive income</b>	-	-	850	102,711	103,561
<b>At 31 December 2019</b>	222,479	6,091	9,295	838,497	1,076,362

Mrs. Lorato Nthando Mosethanyane  
Chairperson

Mr. Kgotso Bannalothle  
Managing Director