# Standard Chartered Bank Botswana Limited

## Audited Financial Results for the Year ended 31st December 2020

**The directors have pleasure in announcing the Group (Standard Chartered Bank Botswana and its subsidiaries*) audited financial results of the Bank for the year ended 31 December 2020 together with comparative figures for 2019.**

### Key Financial highlights

**4%** **Operating income** up 4% to P753 million , growth is broad based; FM Income, Retail and Corporate client assets up.

**14%** **Interest expense** down 14%, driven by focused liability management.

**2%** **Loans and advances** up 2% to P8 billion.

**47%** **Profit before tax** P102 million; up 47%, underlying profits (net- off once off item) are 11% up.

## Economic Environment

### Global Economy

The COVID shock has been unprecedented in modern times. In addition to the impact on lives, the economic damage is expected to last for years to come. Governments and corporates alike have suffered profound negative effects to their fiscus and Balance Sheets; repairing them is likely to be a multi-year process. However, the economic shock in 2020 could have been much more severe without the quick and dramatic response from Central Banks and Governments globally.

Global GDP is expected to grow by around 5.4 per cent in 2021, well above the average of 3.7 per cent for the ten years between 2010 to 2019. However, this follows a contraction of about 3.4 per cent in 2020, the worst performance since the Great Depression of 1929-31. Recovery could strengthen in the second half of 2021 as investment picks up around the world. With the global recovery under way, many countries will then be expected to be close to their forward-looking long-term – or future potential – growth levels by the end of the next two years. The outlook remains highly uncertain, with key zones like Euro area and important markets like India very unlikely to return to 2019 GDP levels until 2022. A wide availability and speedy distribution of Covid-19 vaccines, and efficacy thereof will likely support a stronger economic growth, while disruptions in distribution will hold it back. The current (and any future) resurgence of the virus with potentially disruptive mutations in many countries could also force governments to tighten restrictions on economic activity for longer than anticipated.

### Regional Economy

2021 could potentially be a year of technical recovery for Sub-Saharan Africa (SSA) economies, which are collectively forecast to experience a modest recovery of 3.2%. This is following an estimated degrowth of 2.6% in 2020, comparing unfavourably with a 3.9% growth in 2019. Supply chains, trade and investments were severely disrupted for the better part of 2020 leading to pronounced current account deficits amongst exporting nations, Botswana included. Most of the economies in the region will be unlikely to return to pre-COVID GDP levels within the near term given the disruption the pandemic brought, with attendant reduced per capita income, increased poverty levels and a suffocated informal sector.

There remains some hope though, oil producers such as Nigeria and Angola should benefit from higher oil prices in 2021, but output levels will be subject to OPEC driven quotas. However, future potential of hydrocarbon led production faces uncertain investment fortunes. The region will surely benefit from a successful Covid-19 vaccine roll-out, particularly if this leads to a consistent lifting of cross boarder travel and successful resumption of regional trade. Unfortunately, there are muted concerns around funding and logistical issues surrounding anticipated rollout, suggesting that the mere existence of vaccines may not make uniform positive impact on domestic economic recovery prospects across SSA economies, at least in the near term.

### Local Economy

A rebound is widely anticipated for the local economy, with the 2021 growth rate pegged at 8.8% up from a forecast 7.7% contraction in 2020. Much of this recovery is dependent on the world economy itself rebounding, a wide availability and efficacy of Covid-19 vaccines, recovery in diamond markets (demand and prices) as well as opening up of international travel, among others. The Government has in place a comprehensive Economic Recovery and Transformation Plan to capture all possibilities and propel a re-bound. There are high expectations that vaccine roll out will progress well into 2021 across the country and reach the majority of the target population by the end of the year. The Central Bank maintained the Bank Rate at a record low of 3.75% at its February 2021 Monetary Policy Committee meeting. Inflation rose to 2.4% in February, the seventeenth consecutive month for which it has been below the Central Bank's 3-6% objective range. While recent revenue measures announced in the 2021 budget would likely add to inflationary pressures, an accommodative monetary policy is still to be expected until risks to the economic recovery have subsided significantly.

## Business Performance

### Statement for Profit or Loss

| | 2020 P'000 | 2019 P'000 |
|---|---|---|
| Net Interest Income | 464,263 | 435,659 |
| Other Income | 289,004 | 287,941 |
| **Operating income** | 753,267 | 723,600 |
| Operating Expenses | (657,891) | (621,834) |
| Profit Before Impairment and Tax | 95,376 | 101,766 |
| Impairment Charges | (41,305) | (32,187) |
| Liability written off | 48,049 | - |
| Profit Before Tax | 102,120 | 69,579 |
| Tax for the year | (52,397) | (14,734) |
| **Net Profit for the Year** | 49,723 | 54,845 |

Despite a good start of the year, the Business was not spared from the negative impacts of COVID-19 which set in, in earnest at the beginning of the second Quarter. In particular, the national lockdown, which ran from April into early May of 2020 resulted in a substantial reduction in transaction volumes thereby impacting our non-funded income. This was also compounded by a temporary 25% fee discount we offered to clients on our digital platforms partly in a bid to drive movement of people away from our physical branches. Our margin business was also impacted from two perspectives, firstly, sales activity was severely curtailed during the lockdown period, and as expected, recovering with a pronounced lag throughout the rest of the year although never reaching pre-COVID-19 levels. Secondly, we saw successive policy rate cuts by the Monetary Policy Committee of the Central Bank in a bid to assist in promoting the much-desired economic activity, the rate cuts accumulated to a full 100 bps thereby affecting our gross interest earnings significantly.

Despite the severely challenging business environment, decisive steps were taken by management to defend business gains from the last 3 years. Appropriate liability management strategies were deployed, resulting in a double-digit reduction in interest expense, leading to an overall increase in Net interest income. Our Financial Markets business fully exploited the volatility we saw across all our major currencies, resulting in an overall growth in our trading income, which was at 24% on gross basis. Underlying costs were broadly flat with a 1% increase over prior levels, although a once off restructuring provision of P23 million drove an overall 6% increase in reported costs.

The 1% growth is attributable, mainly, to expenditures incurred in protecting our staff and clients against COVID-19, as well as contributing to efforts by Government and communities in responding to the same.

Against a corresponding increase in digitisation costs is a 16% decrease in administrative expenditures as training and business meetings have been substantially virtualised, thereby obviating a bigger portion of travelling and accommodation needs. Underlying credit provisions went up 28%, reflecting a credit market impacted by COVID-19. Provisions for Expected Credit Losses (ECL) were higher in particular for our corporate segments as our clients were either directly or indirectly affected by the COVID-19 misfortunes in the mining, tourism and real estate sectors, being among the hardest hit areas of the economy. However, the increase in credit provisions was entirely off set by a once-off transaction in which a P48 million liability of a consolidated entity, being a loan owed by the Standard Chartered Botswana Education Trust to Standard Chartered UK was written off.

Our underlying profits, net of the two once off items mentioned above grew 11% YoY with statutory profits recording a 47% growth to P102 million. Tax charges for the year is higher due to a P37 million deferred tax asset write-off.

### Segment Performance

| | 2020 P'000 | 2019 P'000 |
|---|---|---|
| **Statement for Profit or Loss** | | |
| Consumer, Private and Business Banking | 507,395 | 493,941 |
| Corporate, Commercial and Institutional Banking | 252,616 | 197,471 |
| **Total Net Operating income** | 760,011 | 691,412 |
| Consumer, Private and Business Banking | (462,628) | (417,695) |
| Corporate, Commercial and Institutional Banking | (195,263) | (204,138) |
| **Total Operating Expenses** | (657,891) | (621,833) |
| Consumer, Private and Business Banking | 44,767 | 76,246 |
| Corporate, Commercial and Institutional Banking | 57,353 | (6,667) |
| **Operating Profit Before tax** | 102,120 | 69,579 |

## Consumer, Private and Business Banking Segment

In redefining our client channels and product constructs, we have, during the year, transformed our Retail business, and consequently renamed it the Consumer, Private and Business Banking, CPBB. The segment registered a 3% growth in income, driven by a 6% growth in client assets. The growth was however slowed down by successive policy rate cuts. Non-interest income was also 4% down on account of substantially reduced transaction volumes during lockdown periods. However, the non-funded income base was expanded during the year with a successful rollout of Cash Depositing ATMs across the country, a main feature of the Bank's reconfigured client interface centres (Express Banking Centres). These centres come with increased convenience for clients, but a lower cost to serve to the Bank. Overall profitability was down on account of once off provisions in 2020.

## Corporate, Commercial and Institutional Banking Segment

The segment saw a 28% y-o-y growth in income as the commercial sub segment finally transformed into profitability. A strong run in client transactions, including Corporate Finance delivered a 10% growth on non-funded income, with another 4% growth in trade income coming from currency trades. There was also a strong conversion rate on the lending business including trade facilities resulting in a 7% growth in margin income. Costs were contained closely to a 4% reduction, although credit impairments grew 2.9 times to P20 million mainly driven by COVID-19 impacts on clients. However, there were no significant write offs. The segment emerged from a marginal loss in the prior year to record a profit before tax of P57 million.

### Net Interest Income and margin

| | 2020 P'000 | 2019 P'000 |
|---|---|---|
| Net Interest Income | 464,263 | 435,659 |
| Average Interest-earning Assets | 13,624,225 | 13,364,632 |
| Average Interest-bearing Liabilities | 10,472,800 | 10,802,096 |
| Avg. Gross Rate Earned | 5.47% | 5.70% |
| Avg. Net Interest Margin (%) | 4.21% | 3.84% |
| Avg. Net Interest Spread (%) | 3.93% | 3.69% |
| Avg. Rate paid (%) | 2.55% | 2.80% |

Net Interest Income went up 7% as liability management strategies paid off, resulting in a 25-bps reduction in the average interest rate paid. A 2% increase in average interest earning assets marginally offset the overall effects of successive policy rate cuts that led to a 23-bps point reduction in gross yield.

Average Net Interest margins and spreads were also up 37-bps and 24 bps respectively, reflecting a laser focus approach to balance sheet management.

### Credit Quality

| | 2020 P'000 | 2019 P'000 |
|---|---|---|
| **Gross loans and Advances to customers** | 8,324,388 | 8,107,844 |
| Of which Stage 1 and 2 | 8,109,709 | 7,922,452 |
| Of which Stage 3 | 214,679 | 182,487 |
| **Expected Credit loss provisions** | 208,708 | 188,617 |
| Of which Stage 1 and 2 | 86,073 | 91,114 |
| Of which Stage 3 | 122,635 | 97,503 |
| **Net loans and Advances to customers** | 8,115,680 | 7,919,227 |
| Of which Stage 1 and 2 | 8,023,636 | 7,831,338 |
| Of which Stage 3 | 92,044 | 87,890 |
| **Collateral** | 3,901,826 | 4,732,901 |
| Stage 1 and stage 2 exposures | 3,656,509 | 4,099,782 |
| Stage 3 exposures | 245,317 | 633,119 |

Our approach to credit risk management was promptly adjusted at the onset of COVID-19; the frequency and scope of stress tests were increased; our credit appetite was also adjusted across product groups and client engagements were elevated. This was to ensure protection of the asset book, while at the same timing enhancing origination discipline. Deterioration in asset quality was broadly contained to a bare minimum as the NPL ratio edged up only 30-bps to 2.6%, thus remaining well below industry averages. Migration of exposures to Stage 3 (from 1 & 2) represented 0.72% of Gross loans (or 28% of total ECL provisions held). Relief to clients due to COVID-19 impact was offered based on good performance pre-CODID-19, and a total of P735 million was offered to deserving clients, who have since resumed normal debt servicing schedules.

### Balance Sheet and Liquidity

| | 2020 P'000 | 2019 P'000 |
|---|---|---|
| **Assets** | | |
| Loans and advances to banks | 2,501,471 | 3,458,459 |
| Loans and advances to customers | 8,115,680 | 7,919,227 |
| Other Assets | 3,447,553 | 4,352,641 |
| **Total assets** | 14,064,704 | 15,730,327 |
| **Liabilities** | | |
| Deposits from other banks | 436,471 | 1,020,928 |
| Deposits from customers | 11,849,610 | 12,875,805 |
| Other Liabilities | 718,636 | 725,747 |
| **Total liabilities** | 13,004,717 | 14,622,480 |
| **Equity** | 1,059,987 | 1,107,847 |
| Advances-to-deposits Ratio (%) | 68 | 61 |
| Liquid Assets Ratio (%) | 17.2 | 24.5 |

Overall Balance sheet size went down 11% driven mainly by a combined P852 million reduction in low yield assets, with a corresponding reduction in pricier client deposits and inter bank borrowings. Senior debt instruments (SCB 003) that matured during the year were also not rolled over as part of a broader capital management plan. However, our higher margin assets, particularly driven by household credit went up 2%. Assets to deposit Ratio climbed 7% up as a direct result of controlled liability reduction. All in all, the Balance Sheet remained fairly stable and resilient, delivering increased margins.

### Risk Weighted Assets

| | 2020 P'000 | 2019 P'000 |
|---|---|---|
| **By Risk Type** | | |
| Credit | 6,921,071 | 7,118,133 |
| Market | 33,959 | 49,952 |
| Operational | 722,185 | 761,215 |
| **Total RWAs** | **7,677,215** | **7,929,300** |

Risk Weighted Assets (RWAs) were 3% down y-o-y despite a pronounced pressure on credit quality. Strategies that included closer limit reviews and a more selective approach to credit extension on the face of COVID-19 led to the decline in RWA, which conversely delivered increased returns. The composition and/or mix of RWA remained broadly unchanged from what it was in 2019.

### Capital Base and ratios

| | 2020 P'000 | 2019 P'000 |
|---|---|---|
| **CET1 Capital** | 552,611 | 646,214 |
| Additional Tier 1 Capital (AT1) | 400,000 | 400,000 |
| **Tier 1 Capital** | 952,611 | 1,046,214 |
| Tier 2 Capital | 397,273 | 477,977 |
| **Total Capital** | 1,349,884 | 1,524,191 |
| Capital Adequacy Ratio (%) | 17.6 | 19.2 |
| Regulatory Threshold (%) | 12.5 | 15* |

* In April 2020 the central Bank revised the minimum regulatory CAR from 15% to 12.5% as part of the broader COVID-19 relief measures offered to local regulated Banks.

The Bank's capital position remained strong throughout the year, sources diversified and quality optimal.

### Outlook

Given the somewhat renewed optimism on economic recovery prospects, informed mainly by COVID-19 vaccine availability and early signs of recovery in some sectors, 2021 could turn out a better year than 2020, but unlikely to deliver better than pre-COVID 19 business momentum. We will lean more on enhancing client experience through improved internal productivity, expanded product offering and a faster pace in delivering our digital agenda. The immediate future does look uncertain, but our focus on delivering best possible risk adjusted returns to investors remain, while we will not compromise on quality of service to our clients.

We will continue to prioritise health and safety for our staff and clients in the face of COVID-19 pandemic, and work with our communities in mitigating impacts of the scourge.

### Dividend Declaration

A final dividend of 16 thebe per ordinary share has been proposed. Subject to final regulatory approvals, this dividend will be payable on or about 19th May 2021 to those shareholders registered at close of business on 7th May 2021 with an ex-dividend date of 5th May 2021.

### Independent Auditors Report

Our independent auditors Ernst & Young have audited the consolidated financial statements for the year ended 31 December 2020 and expressed an unqualified audit opinion.

By order of the Board

Doreen Khama
**Chairperson**

Mpho Masupe
**Managing Director**

Gaborone

10 March 2021

### Key Financial highlights

**6%** **Operating expenses** increased by 6% driven by a once-off provision, underlying expenses relatively flat YoY.

**17.6%** **CAR** stable at 17.6%, CET1 at 7.2%

**4.7%** Consistent positive **Return on equity** at 4.7%

**28%** **Expected Credit Losses** up 28%, reflective of uncertainties across credit market segments.

## CONSOLIDATED STATEMENT FOR PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 31 Dec 20 P'000 | 31 Dec 19 P'000 |
|---|---|---|
| Interest revenue calculated using the effective interest method | 745,154 | 762,047 |
| Interest expense calculated using the effective interest method | (280,891) | (326,388) |
| **Net interest income** | 464,263 | 435,659 |
| Fee and commission income | 229,779 | 238,387 |
| Fee and commission expense | (29,151) | (35,459) |
| **Net fee and commission income** | 200,628 | 202,928 |
| Net trading income | 88,376 | 85,013 |
| Credit loss expense on financial assets | (41,305) | (32,187) |
| Liability written off | 48,049 | - |
| **Net operating income** | **760,011** | **691,413** |
| **Operating expenses** | | |
| Staff expenses | (252,344) | (225,119) |
| Other expenses | (405,547) | (396,715) |
| **Total operating expenses** | **(657,891)** | **(621,834)** |
| **Profit before income tax** | **102,120** | **69,579** |
| Income tax expense | (52,397) | (14,734) |
| **Total comprehensive income for the year** | **49,723** | **54,845** |
| Number of ordinary shares in issue during the year | 298,350,611 | 298,350,611 |
| Treasury Shares | 2,506,145 | 2,506,145 |
| | 295,844,466 | 295,844,466 |
| Basic and diluted earnings per share (thebe) | 16.67 | 18.38 |
| Dividend per share (thebe) - declared in the year | 16.00 | 7.99 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 31 Dec 20 P'000 | 31 Dec 19 P'000 |
|---|---|---|
| **Assets** | | |
| Cash and balances with central bank | 975,991 | 870,350 |
| Loans and advances to banks | 2,501,471 | 3,458,459 |
| Investment securities | 2,113,719 | 3,073,599 |
| Loans and advances to customers | 8,115,680 | 7,919,227 |
| Other assets | 168,809 | 182,514 |
| Tax refundable | - | 1,665 |
| Property and equipment and right-of-use assets | 112,720 | 131,883 |
| Intangible assets and goodwill | 38,781 | 31,327 |
| Deferred taxation | 37,534 | 61,305 |
| **Total assets** | **14,064,704** | **15,730,327** |
| **Liabilities** | | |
| Deposits from other banks | 436,471 | 1,020,928 |
| Deposits from customers | 11,849,610 | 12,875,805 |
| Unsettled Treasury bills | 29,878 | - |
| Other liabilities | 268,503 | 286,251 |
| Restructuring provision | 23,158 | - |
| Taxation payable | 8,097 | 496 |
| Senior and subordinated debt | 389,000 | 439,000 |
| **Total liabilities** | **13,004,717** | **14,622,480** |
| **Equity** | | |
| Stated capital | 179,273 | 179,273 |
| Additional Capital Contribution | 428,213 | 428,213 |
| Reserves | 452,501 | 500,361 |
| **Total equity** | **1,059,987** | **1,107,847** |
| **Total liabilities and equity** | **14,064,704** | **15,730,327** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| | 31 Dec 20 P'000 | 31 Dec 19 P'000 |
|---|---|---|
| **Net cash (utilised) / generated from operating activities:** | | |
| Profit for the year | 49,723 | 54,845 |
| **Adjustments for:** | | |
| Interest income | (745,154) | (762,047) |
| Interest expense | 280,891 | 323,747 |
| - Taxation | 52,397 | 14,734 |
| - Depreciation | 30,243 | 23,792 |
| - Amortisation on intangibles | 14,403 | 14,912 |
| Profit on disposal of assets | - | (140) |
| - Net impairment loss on loans and advances | 25,058 | 26,168 |
| - Movement in operating lease accrual | - | (5,908) |
| - Unrealised foreign exchange (gains)/losses | (1,614) | 243 |
| - Liability written off | (48,049) | - |
| Movement in provisions | 23,158 | (30,674) |
| | **(318,945)** | **(340,328)** |
| Change in investment securities | 978,246 | 974,490 |
| Change in loans and advances to customers | (221,511) | (460,160) |
| Change in other assets | 12,319 | 61,626 |
| Change in deposits from other banks | (584,458) | 266,499 |
| Change in amounts due from customers | (1,026,195) | 535,144 |
| Payment of unsettled Treasury bills | - | (1,348,939) |
| Change in other liabilities | 47,206 | (25,752) |
| | **(1,113,338)** | **(337,419)** |
| Taxation refunded | - | 13,150 |
| Taxation paid | (17,081) | (5,883) |
| Interest received | 742,975 | 762,047 |
| Interest paid | (255,886) | (291,454) |
| **Net cash generated from operating activities** | **(643,330)** | **140,441** |
| **Cash flow from investing activities** | | |
| Acquisition of property and equipment | (11,308) | (111,299) |
| Acquisition of intangibles | (21,857) | (16,873) |
| Proceeds from sale of assets | - | 140 |
| **Net cash used in investing activities** | **(33,165)** | **(128,032)** |
| **Cash flow from financing activities** | | |
| Redemption of senior debt | (50,000) | (247,260) |
| Interest paid on senior and subordinated debt | (25,005) | (32,293) |
| Lease liability interest payments | (2,184) | - |
| Lease liability capital payments | (13,210) | - |
| Dividends paid | (54,419) | (23,844) |
| Distribution payment to holders of subordinated capital securities | (30,035) | (30,889) |
| **Net cash generated from / (used in) financing activities** | **(174,852)** | **(334,286)** |
| **(Decrease) / increase in cash and cash equivalents** | **(851,347)** | **(321,878)** |
| **Cash and cash equivalents:** | | |
| Cash and cash equivalents at 1 January 2020 | 4,264,337 | 4,687,481 |
| Net foreign exchange differences | 64,472 | (36,795) |
| **Cash and cash equivalents at 31 Dec 2020** | **3,477,462** | **4,328,809** |

* The financial statements of SCB Insurance Agency and Botswana Education Trust have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

** Cash and cash equivalent are cash balances and balances held with Central Bank and other financial institutions with maturity of 0-3 months.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| Group | Stated Capital P'000 | Revaluation reserve P'000 | Statutory credit risk reserve P'000 | Retained earnings P'000 | Capital Contribution P'000 | Treasury Share reserve P'000 | Fair value reserve P'000 | Total P'000 |
|---|---|---|---|---|---|---|---|---|
| **Balances 1 January 2019** | **179,273** | **23,691** | **19,152** | **483,734** | **428,213** | **(31,566)** | **6,282** | **1,108,779** |
| **Total comprehensive income** | | | | | | | | |
| Profit for the year | - | - | - | 54,845 | - | - | - | 54,845 |
| Other movements | - | - | - | (1,675) | - | - | - | (1,675) |
| **Other comprehensive income** | | | | | | | | |
| Fair value adjustment: items measured at fair value through other comprehensive income | - | 2,005 | - | - | - | - | (1,374) | 631 |
| **Transactions with owners of the bank** | | | | | | | | |
| Dividends to equity holders - paid | - | - | - | (23,844) | - | - | - | (23,844) |
| Issue of share capital | | | | | | | | |
| Distributions to holders of subordinated capital securities | - | - | - | (30,889) | - | - | - | (30,889) |
| **Balance at 31 December 2019** | **179,273** | **25,696** | **19,152** | **482,171** | **428,213** | **(31,566)** | **4,908** | **1,107,847** |
| **Balances 1 January 2020** | **179,273** | **25,696** | **19,152** | **482,171** | **428,213** | **(31,566)** | **4,908** | **1,107,847** |
| **Total comprehensive income** | | | | | | | | |
| Profit for the year | - | - | - | 49,723 | - | - | - | 49,723 |
| Other movements | - | - | - | (244) | - | - | - | (244) |
| **Other comprehensive income** | | | | | | | | |
| Fair value adjustment: items measured at fair value through other comprehensive income | - | - | - | - | - | - | (12,886) | (12,886) |
| **Transactions with owners of the bank** | | | | | | | | |
| Dividends to equity holders - paid | - | - | - | (54,419) | - | - | - | (54,419) |
| Distributions to holders of subordinated capital securities | - | - | - | (30,035) | - | - | - | (30,035) |
| **Balance at 31 December 2020** | **179,273** | **25,696** | **19,152** | **447,197** | **428,213** | **(31,566)** | **(7,978)** | **1,059,987** |

## CONSOLIDATED SEGMENTAL REPORTING

| | Retail Banking | Corporate, Commercial and Institutional Banking | Total |
|---|---|---|---|
| **2020 Profit or Loss** | | | |
| Net interest revenue calculated using the effective interest method | 348,652 | 115,611 | 464,263 |
| Net fee and commission income | 149,320 | 51,308 | 200,628 |
| Net trading income | 30,796 | 57,580 | 88,376 |
| Credit loss expense on financial | (21,373) | (19,932) | (41,305) |
| Liability written off | - | 48,049 | 48,049 |
| Net operating income | **507,395** | **252,616** | **760,011** |
| Operating expenses | (462,628) | (195,263) | (657,891) |
| **Segment profit (loss) before taxation** | **44,767** | **57,353** | **102,120** |
| Income tax expense | - | - | (52,397) |
| Profit for the year | | | **49,723** |
| **Statement of financial Position** | | | |
| Investment securities | - | 2,113,719 | 2,113,719 |
| Loans and advances to customers | 7,071,323 | 1,044,357 | 8,115,680 |
| Other assets for reportable segments | 160,116 | 3,675,189 | 3,835,305 |
| **Total assets for reportable segments** | **7,231,439** | **6,833,265** | **14,064,704** |
| Deposits from non bank customers | 4,149,434 | 7,700,176 | 11,849,610 |
| Other liabilities for reportable segments | (53,027) | 1,218,279 | 1,165,251 |
| **Total liabilities for reportable segments** | **4,096,407** | **8,918,455** | **13,014,861** |

| | Retail Banking | Corporate, and Institutional Banking | Commercial Banking | Total |
|---|---|---|---|---|
| **2019 Profit or Loss** | | | | |
| Net interest revenue calculated using the effective interest method | 328,598 | 84,823 | 22,238 | 435,659 |
| Net fee and commission income | 156,671 | 36,731 | 9,526 | 202,928 |
| Net trading income | 33,750 | 35,891 | 15,372 | 85,013 |
| Credit loss expense on financial | (25,078) | (8,337) | 1,228 | (32,187) |
| Net operating income | **493,941** | **149,108** | **48,364** | **691,413** |
| Operating expenses | (417,695) | (131,660) | (72,479) | (621,834) |
| **Segment profit (loss) before taxation** | **76,246** | **17,448** | **(24,115)** | **69,579** |
| Income tax expense | | | | (14,734) |
| | | | | **54,845** |
| **Statement of financial Position** | | | | |
| Investment securities | - | 3,073,599 | - | 3,073,599 |
| Loans and advances to customers | 6,674,082 | 1,027,225 | 217,920 | 7,919,227 |
| Other assets for reportable segments | 115,622 | 4,628,545 | 3,509 | 4,747,676 |
| **Total assets for reportable segments** | **6,789,704** | **8,729,369** | **221,429** | **15,740,501** |
| Deposits from non bank customers | 3,851,931 | 8,022,577 | 1,001,297 | 12,875,805 |
| Other liabilities for reportable segments | 14,352 | 1,789,892 | (49,546) | 1,754,698 |
| **Total liabilities for reportable segments** | **3,866,283** | **9,812,469** | **951,751** | **14,630,503** |