Absa Bank Botswana Limited

Condensed results of the audited consolidated financial statements For the year ended 31 December 2023

Operating environment

Global and Sub-Saharan Africa outlook

- Economic activity across the global economy was highly divergent in the past year with stronger than expected resilience in the United States and many emerging-market economies. However, this was offset by a slowdown in most European countries. The International Monetary Fund (MVP) estimates global growth to be 3.1% in 2023 and projects it to remain at 3.1% in 2024, before rising modestly to 3.2% in 2025. Global headline and core inflation have continued to decline from 2022 peaks as global headline inflation is expected to fall to 5.8% in 2024 and to 4.4% in 2025 (IMF). Near-term inflation expectations have fallen in major
- pmies, with long-term expectations remaining anchored. The medium-term outlook for African economies appears more upbeat, but headwinds could still derail the recovery. The latest IMF projections show that growth in Sub Saharan Africa will rise from an estimated 3.3% in 2023 to 3.8% in 2024 and 4.1% in 2025.
- Local economic outlook

ffective interest income

ffective interest expense

Fee and commission income

ee and commission expense

Net fee and commission income

Net trading and investing income

Administration and general expenses

Other comprehensive income (OCI)

Items that are or may be reclassified

FVOCI/ Available for sale financial assets

Net gain/(loss) on FVOCI / Available for sale nancial assets during the year

subsequently to profit or loss:

Other income

Staff costs nfrastructure cost:

Net operation income

Operating expenses

Profit before tax

Profit for the year

Deferred tax

Net interest income

The momentum of Botswana's growth recovery has slowed against heightened uncertainty about the health of the global economy. Against this backdrop, the domestic economy grew by 11.9% in 2021 and 5.5% in 2022 but slowed down in 2023 due to difficult trading conditions in partner countries. After strong demand in 2021 and

2,034,539

1,400,434

576,603

476,866

216,633

2,115,496

2,038,936

(633.862)

(183,133)

(1,208,295)

830,641

25.578

19,950

19,950

644,520

73.29

(99.737)

Restated' 31 December 2022

1,628,059

(441,302)

1,186,757

513,978

(63.767)

450,211

213,580

1,858,033

(10.422)

1,847,611

(485.974)

(163,210)

(984,918)

862,693

658,879

(5.728)

(4,468)

(4,468)

654,411

77.32

-54

-5%

P'000

% Cha

Condensed Consolidated Statement of Comprehensive Income

For the year 31 December 2023

On a positive note, economic activity was supported by government interventions to facilitate productive capacity, accelerate structural transformation and an expansive Transitional National Development Plan (TND/ in 2023.
Based on the overall economic performance and key indicators, we have lowered our projected economic growth rate for 2023 to 3.2%

2022, global rough diamond demand fell significantly in 2023. The United States of America's retail sales of polished diamonds remained under severe pressure as consumers struggled with tight monetary policy while China's sluggish economic recovery further depressed demand. India's diamond sector called for a voluntary import freeze of rough diamonds from 15 October to 15 December 2023.

Inflation and monetary policy

Consumer inflation decelerated to 3.5% by December 2023 from 12.4% a year earlier. The low inflation was as a result of base effects associated with upward adjustment of administered prices in 2022, subdued domestic demand, reduction in domestic fuel prices, the decrease in trading partner countries' inflation, higher appreciation of the Pula against the South African rand and the restrained growth in food prices. Overall, inflation averaged 5.2% in 2023, significantly lower than 12.1% in 2022. On the monetary policy front, the Central Bank cut the policy rate by 25 basis points to 2.4% in December 2023. For the move, the authorities cited well-anchored inflation expectations, a weak domestic and global economic backdrop and expectations of inflation remaining within target over the medium term.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	31 December 2023 P'000	Restated* 31 December 2022 P'000	Restated* 31 December 2021 P'000	% Change
Assets				
Cash	753,276	668,813	640,880	13%
Balances at the Central Bank	1,147,632	70,604	515,501	1525%
Trading portfolio assets	191,177	80,791	84,361	137%
Derivative financial instruments	103,452	129,992	27,981	-20%
Financial assets at fair value through OCI	2,464,895	2,491,369	1,968,408	-1%
Loans and advances to banks	763,847	1,519,124	1,183,466	-50%
Due from related companies	2,025,897	896,035	1,698,453	126%
Loans and advances to customers	16,568,060	16,345,752	14,923,414	1%
Other receivables	280,715	185,244	102,256	52%
Property, plant and equipment	188,763	209,497	246,142	-10%
Intangible assets	485	1,161	2,273	-58%
Deferred tax assets	106,779	104,132	100,055	3%
Taxation refundable	9,766	14,900	1,445	1009
Total assets	24,604,744	22,717,414	21,494,634	89
Equity and liabilities				
Deposits from banks	427,521	902,902	793,730	-53%
Due to related companies	503,487	197,642	317,530	1559
Customer deposits	18,699,798	17,004,832	16,399,553	109
Derivative financial instruments	96,040	115,113	43,151	-179
Other payables	473,656	422,785	425,139	129
Provisions	112,974	23,930	32,128	3729
Current tax payable	4,051	0	16,585	-1009
Debt securities in issue	625,567	585,827	341,078	79
Subordinated debt	625,487	612,976	593,443	29
Total liabilities	21,568,581	19,866,007	18,962,337	9%
Shareholders' equity				
Stated capital	17,108	17,108	17,108	09
General risk reserves	126,989	126.864	133.842	09
General risk reserves Fair value reserves	(7,404)	(27,354)	(22,887)	-739
	(7,404)	(27,354) 7.327	3,629	-73%
		1,327		
Share-based payment reserve	1	2000		
Share-based payment reserve Share capital reserve	2,060	2,060	2,060	÷.
Share-based payment reserve	1	2,060 2,725,402 2,851,407	2,060 2,398,545 2,532,297	0% 6% 6%

Financial performance

sive income for the

The Bank's financial performance has remained resolute and recorded a double-digit growth on its top line. Cost as a slight upward movement, driven by investment in various areas of the business including human capital and infrastructure required for enabling efficient business operations. This included the enhancement of the employee value proposition to retain top talent and critical skills. Additionally, in 2023 the Bank identified certain items value proposition to realm top tareful and circula skins. Auditionally, in 2023 the barn indentified behaviored stemming from prior period years that required correcting. These errors have been corrected by restating financial statements for both 2022 and 2021 as per the requirements of International Financial Reporting Standards (IFRS). The details of these corrections have been fully disclosed in our annual financial statements.

Statement of Comprehensive Income

Our top line performance remained solid with improved production momentum and thus our total income for 2023 grossed P2,1 billion pula which is a 14% growth year on year. Net interest income increased 15% year on year which is an aggregate of a rebounding 25% growth on gross interest income powered by improved portfolio performance and an increase in interest expense of 44% which is also a factor of growth in the book as well as increased market

Net fee and commission income posted solid performance with an aggregate growth of 6% year on year. This growth trajectory was propelled by concerted digitalization and innovative efforts which drove volumes and enhanced our

Expected credit losses registered an overall net charge of P76.5million in the current year which was borne out of stable portfolio performance in the Retail and Business Banking (RBB) book momentum as wells as an improvement of collection and recoveries performance. The increase compared to the prior year emanated from the absence of ECL releases due to COVID – Significant Increase in Credit Risk Adjustments (SICR's) thus now reflecting a normalized

Costs for the current year closed at P1.2billion with a 23% growth relative to the prior period. In the current year, verall costs were impacted by the once-off restructuring cost inchnology platforms to achieve operation efficiencies and ex-us customers. These investments will continue to beleter the nue to bolster the future long-term performance of the Bank in line with

our strategic agenda of building long term sustainable operational efficiencies. Profit before tax, excluding the once-off restructuring costs of BWP 91 million, has demonstrated robust growth wit an increase of 7% while cost to income ratio for the reporting period stands at 58% compared to 53% in the prior period. Pre provision profit has improved by 4% compared to prior period, which continues to signify the positive trajectory of the business momentum despite the heightened costs in the current year. ust growth with

Statement of financial position

he Bank continues to fortify its position as a pillar of financial stability and resilience, with a steadfast cor to fostering sustainable growth and value creation. Our balance sheet remains robust and dynamic, characterized by prudent capital alloca tion and strategic asset deployment. Despite prevailing market uncertainties, we have achieved a commendable 8% growth in our total statement of financial positio

Customer deposits surpassed the P18billion mark in 2023 which is a 10% growth year on year. This growth emanated largely from the rebounding performance of customer deposits within our Corporate and Investment Banking (CIB) franchise driven by the leading client penetration and deepening strategies as well as portfolio diversity. This performance propelled the performance of CIB franchise in the current year.

In 2023, we made a deliberate strategic decision to optimise our loan book portfolio and protect our net interest margins by growing in pre-determined products and sectors. This led to customer loans and advances growth of 1%. This growth trajectory underscores our relentless pursuit of opportunities to support the financial aspirations of our clients while prudently managing credit risk exposures. Our RBB portfolio grew loans and advances by 4% in line with strategic agenda to support economic growth in that segment. Our Corporate and investment fra posted a stable and resilient asset momentum year on year in line with our dedicated ambition to provide bespoke ustomer solutions.

Capital and liquidity management

The Bank maintained strong liquidity levels with a liquid asset ratio of 18% for 2023, well above the regulatory

Corporate and Investment Banking (CIB)

orporate and Investment Banking's strategic focus on growth and emerging sectors has led to a 25% year on year owth performance for full year 2023. This emanates from the strong commitment to drive new revenue streams, hance client value propositions, and the culture transformation that we are undertaking.

The business was actively involved in mining, energy and infrastructure development sectors which led to an increase in client base and an improvement in transactional activities. We remained committed to supporting national initiatives, especially in ensuring energy elf-sufficiency. This commitment led the Bank to offer lending facilities to key clients and actively fund the sector's ecosystems through collaborative value chain financing.

Active participation in emerging commodifies such as copper remains an area of key focus, to that end we brought industry players to share ideas and explore opportunities through a mining thought leadership event that we hosted. As part of our ESG strategy, we are consistently devoted to innovation in structured solutions with a focus on long term positive societal outcomes. One such outcome is the role that we played in facilitating the delivery of housing units under a collaborative project that will be completed in 2025.

Revenue diversification and meeting the needs of our clients are key areas of focus. During the year under review, we launched unsecured bid bonds which enables Business Banking and Corporate Banking clients to participate in projects of national projects particularly those in the Infrastructural space. We also further deepened our participation in Muslim community following our launch of Islamic Banking in the prior year.

We continue to foster digital adoption through the embedment of our online platform, Absa Access online. The roadm of our channel strategy had 2023 largely reserved for onboarding our clients on the platform with 2024 slated for building scale and enhancing its competitive digital capability which is guided by our understanding of clients' needs. Our relevance to clients continues to be pivotal and is reflected in the multiple accolades that we received in 2023 through the Euromoney Cash Management Survey, these being: Market Leader Botswana, Market Leader Financial Services in Botswana, and Best Service Small companies in Botswana. From a Group perspective Absa was awarded best Transactional Bank at The Asian Banker Global, Middle East and Africa Awards 2023 demonstrating positive client disposition towards our overall Digital Channel offering. The Global Markets business delivered strong revenue growth year-on-year due to resilient and impressive performance

from the sales and trading businesses, respectively. New client onboarding, reactivations, prudent risk-taking and execution of new and innovative products drove revenue growth. Our priority remains to drive thought leadership by leveraging the Absa Africa Financial Markets Index (AFMI) insights and to provide our clients with tailor-made risk nanagement solutions to help them manage their foreign exchange risks, Interest rate and Commodity risks more effectively.

Going forward, our dedication to serve our clients and deliver relevant solutions in key strategic sectors is resolute. We remain focused on sustainable financing as evidenced by a structure that we have participated in with a potential to impact over 100 million lives by 2030.

itment Retail Banking

The Retail Bank's performance was resilient, with retail revenue playing a significant role in driving overall Bank performance. Our total revenue experienced a year-on-year growth of 4%, supported by a 3% increase in interest income and a 6% growth in non-interest income. Notably, customer deposits expanded by 11%, while loans and ances saw a 6% increase, reflecting the success of strategic initiatives aimed at fostering a sa pusehold income pressures. Our strategy to drive customer primacy has led to an 8% year on year growth in customer numbers.

These results are reflective of our customer centred approach and placing the needs of our These results are results are results are consistent concerning the results are results ar Our intent and commitment to ensure that our customers and clients enjoy a banking experience that makes things seamless is clear. We continued to invest in the digitization of key customer journeys. Our current and prospective customers have access to a digital onboarding platform which allows for quick and seamless account opening experience for both current and savings accounts.

We digitised our credit card offering enabling clients to activate their card, view their card details, freeze (or unfreeze) The bank manually solved a buy solved access with a solved access with a

For the year 31 December 2023

Prior	period error
	ated* Balance at 01 January 2022*
Profit	for the period
Other	comprehensive loss for the year
Total	comprehensive income for the period
	ends paid
	gnition of share based payments
	fers from/(to) retained earnings
	transactions with owners
	ated Balance at 31 December 2022*
Resta	
Resta Balar	ated Balance at 31 December 2022*
Resta Balar Profit	ated Balance at 31 December 2022*
Resta Balar Profit Other	ted Balance at 31 December 2022* ice at 1 January 2023 for the year comprehensive income
Resta Balar Profit Other Total	ted Balance at 31 December 2022* tee at 1 January 2023 for the year comprehensive income comprehensive income
Resta Balar Profit Other Total Paym	ted Balance at 31 December 2022* Ce at 1 January 2023 For the year comprehensive income comprehensive income ent of dividends
Resta Balar Profit Other Total Paym Recos	ted Balance at 31 December 2022* Ce at 1 January 2023 for the year comprehensive income comprehensive income ent of dividends gnition of share based payments
Resta Balar Profit Other Total Paym Recos	ted Balance at 31 December 2022* Ce at 1 January 2023 For the year comprehensive income comprehensive income ent of dividends
Resta Balar Profit Other Total Paym Recos	ted Balance at 31 December 2022* Ce at 1 January 2023 for the year comprehensive income comprehensive income ent of dividends gnition of share based payments

Notes to the condensed consolidated financial statements For the year 31 December 2023

Accounting policies

1. Reporting entity and basis of accounting Absa Bank Botswana Limited is a public limited company incorporated and domicilee in Botswana. The consolidated and separate financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on the 20th of March 2024. The consolidated and separate financial statements include those of the group comprising of Absa Bank Botswana Limited, Absa Insurance Services Proprietary Limited and Absa Securities Botswana Proprieta Limited.

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern and in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards).

- 2. Use of judgements and estimates In the preparation of the consolidated financial statements management is required to make judgements estimates and assumptions that affect reported income expenses assets liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements within the next financial year.
- 3. Contingent liabilities and commitments This committed expenditure relates to property and will be financed by available bank facilities, retained profits, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Segment performance For the year ended 31 December 2023

Statement of comprehensive income	Retail and Business Banking P'000	Corporate and Investment Banking P'000	Islamic Banking P'000	Non- Segmented Items P'000	Consolidated P'000
Net interest income	1,014,672	384,897	865	-	1,400,434
Net fee and commission income/ (expense)	436,528	40,638	-300	-	476,866
Net trading income and other income	62,052	176,144	-	-	238,196
Total income	1,513,252	601,679	565	-	2,115,495
Expected Credit Losses	(82,621)	6,061	-		(76,560)
Net operating income	1,430,631	607,740	565	-	2,038,936
Operating expenses	(861,965)	(273,762)	-	-	(1,135,727)
Depreciation PPE and right of use assets	(71,874)	(5)	-	-	(71,879)
Amortisation of intangible assets	(689)	-	-	-	(689)
Profit before tax	496,103	333,973	565	-	830,641
Taxation	(123,077)	(82,854)	(140)	-	(206,071)
Profit for the year	373,026	251,119	425	-	624,570

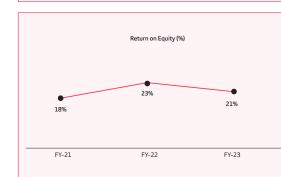
ment of financial position Derivative financial instruments

Fair Value through OCI Loans and advances to customers Trading portfolio assets Other assets

Liabilities Customer accounts Derivative financial instruments Debt securities in issue Subordinated debt Other liabilites

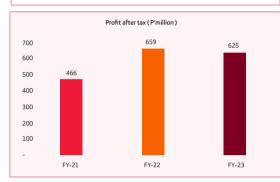
Dividend payout (P'million) 498 FY-21 FY-22 FY-23

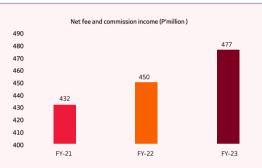


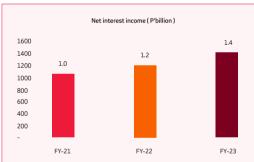


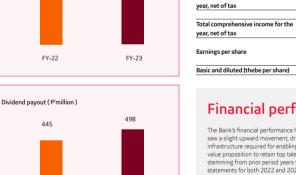


() 4%









Your story matters (aDSa)

Business Banking Our business growth was largely driven by corporate value chain in support of the Citizen Economi (SMMEs), Furthermore, in driving a digitally powered business more than 1000 customers were onboarded onto the digital channels, and this increased the utilisation to 73% compared to 50% in the previous year.

securely.

continued digitization of our key processes.

enable our customers to send and receive money locally and internationally from other visa card holders with enabled banking partners.

Through these enhancements we recorded an 6% year on year growth in the number of customers utilizing our digital channels. Being mindful of the importance of safeguarding our clients' money, we introduced mobile in-app authentication, a major security update to digital platforms, which enables clients to bank more resume the same the same security update to digital platforms, which enables clients to bank more same the same security and the same security update to digital platforms.

Looking ahead our focus will remain on being the primary partner for our clients through continued relentless execution on our customer centred strategy seeking to deliver client led innovative solutions. We will continue our journey of contributing to the growth and development of the communities that we serve and offering inclusive banking solutions at the back of the launched Absa Mobi Tap, Spark by Absa digital wallet and the

Business Banking delivered a strong revenue performance posting a 23% growth due to the asset momentum in current year. Loans and advances to customers grew moderately by 2.9% mainly on the Trade portfolio while the deposits growth increased marginally by 0.5% on a year on year basis.

Can balances growing and gap your of periporte and chain make the minimum of the periport of the periport of the encoding temporter metric periport of the per Authority (CIPA) and Tokafala to deliver a total of 1617 trainings to the Small, Micro and Medium Enterprise

We signed two Memoranda of Understanding (MOUs): one with the Ministry of Entrepreneurship to collaborat on developing and enhancing the capacity of SMMEs customers, and another with Botswana Oil to engage in their Citizen Economic Empowerment Program.

In our continued efforts to support the country to achieve food security and become self-reliant we engaged in various activities by sponsoring and participating in the major agricultural events across the country notably the Charzi Show, Mookane Agric field day, Sandweld farmers association field day, Pandamatenga Agric Show, Voorslag, Trifecta Small stock Auction sale and being the main sponsor for National Agricultural Show.

We actively delivered enhanced experience to our customers as evidenced by improvement in the customer experience score, which underscores our commitment to address the key themes raised by customers.

Looking ahead our focus will remain on being the primary partner for our clients, driving digital adoption and delivering seamless experience across all points of contact. Our contribution to the Government's effort of achieving food security and self-sufficiency through supporting the agricultural sector will continue to feature prominently on our strategy. Our drive in developing and funding entrepreneurs in line with Government blueprint on citizens economic participation will continue.

Active force for good in everything that we do

As a bank committed to making a positive impact, our active force for good efforts drive meaningful change for a sustainable and responsible future. Our sustainability strategy is underpinned by four pillars, being: Advancing Inclusive Financing. Promoting Environmental Sustainability, Education and Skills Development, promoting a just society. We continue to integrate environmental, social, and governance (ESG) considerations seamlessly into our operations.

In our dedication to sustainability, the Bank stands as a champion for the adoption of sustainable financing which is integral to shaping our financing strategy to support sustainable balance sheet growth. We are the first commercial bank to list a programme memorandum which encompasses green, social, and sustainable bonds on the Botswana Stock Exchange. In addition, we are the first commercial bank to issue a sustainable financing framework leading to another first listing of our sustainable bond in our market in December 2023. This bond listing underscores our unwavering commitment to operating responsibly and creating shared, sustainable value for all the internal and external stakeholders we serve.

Recognising the escalating issue of climate change and its negative impact on our environment, the Bank ramped up its efforts to plant trees across Botswana. In 2023, we planted 3110 trees at various locations across Botswana to offset carbon emissions and contribute to environmental conservation.

Beyond providing finance to empower our customers to achieve their goals and aspirations, the Bank also prioritized capacity building of SMMEs through the Enterprise Supply Chain and Development (ESD). Through this program, over 1000 jobs were created in 2023. Additionally, we have seen a 36% growth of number of SMEs trained through the program in 2023.

Providing financial literacy. To a concrustomers and the communities that we operate in is a key component of our inclusive financing goal as it enables them to improve their decision making relating to money matters, enabling them to make sound financial decisions. In 2023, we provided training to over 20,000 individuals through strategic partners and our employee volunteering program.

We remain committed to advancing the nation's goal of becoming a knowledge-based economy through our education and skills development programme. The programme is designed to support Botswana build strong and dynamic skills and knowledge base that underpins our nation's economic growth and global competitiveness by funding access to quality treating veducation and promoting entrepreneurship. Through the FG Mogae Scholarship Fund, the Bank continued to support young Batswana to pursue their master's degree programmes.

Looking ahead

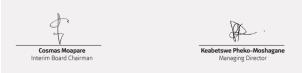
We expect economic growth of 3.6% in 2024, but caution that the near- to medium-term growth outlook remains uncertain. The Government's focus on infrastructure spending, coupled with lower inflation and lending rates, and investment into the diamond sector will support the economy. Global fuel and food prices, exchange rates and domestic weather conditions remain key risks to the inflation outlook. We however anticipate that inflation will continue to remain within the central bank's target band in the short to the medium term, averaging 3.3% in 2024. Given the positive inflation outlook, we do not expect a change in the policy rate, although there could be further cuts should economic growth weaken beyond the Central Bank's expectations and inflation moderates further.

While uncertainties may loom large, our focus remains resolute on achieving sustainable growth and resilience. We will therefore continue to relentlessly execute on our medium-term strategy. Central to this strategy is revenue growth and diversifying our offerings, thereby driving customer primacy. We will continue to invest in innovative technologies, pioneening innovative schologies, pioneening in order to explore a colutions, and enhancing our digital capabilities. By doing so, we will be living to our purpose of "Empowering Africa's tomorrow, together…one story at a time."

Furthermore, we will continue to build a winning, talented, and diverse workforce by equipping our employee with future-fit skills and creating a working environment that fosters diversity, equity, and inclusion. Embedding ESG principles in our decision making and business operations remains imperative and will enable us to create long-term value for our customers, employees, communities, shareholder, and future generations.

Dividend

On 20 March 2024, the Bank's Board approved a final dividend of 44 thebe per share, amounting to circa P375 million (full year total dividend at P498 million). Subject to regulatory approval, this will be payable on 21 May 2024 to those shareholders registered at the close of business on 09 May 2023, with an ex-clividend date of 07 May 2024. In accordance with the Republic of Botswana Income Tax (Cap 52:01) as amended, applicable withholding tax will be deducted by the Bank from the gross dividend by the Bank.



Condensed Consolidated Statement of Cash Flows For the year 31 December 2023

	31 December 2023 P'000	Restated* 31 December 2022 P'000
Cash flows from operating activities		
Cash used in operations	(19,880)	(367,130)
Net increase in loans and advances to customers	(287,573)	(1,466,178)
Interest received	2,024,119	1,632,480
Interest paid	(622,844)	(437,960)
Income taxes paid	(213,768)	(240,537
(Decrease)/increase in deposits due to customers	1,694,966	621,470
Decrease/(increase) in long term loans due from related parties	(32,785)	138,221
(Decrease)/increase in long term deposits due to other banks	(475,381)	109,172
(Decrease)/Increase in amounts due to related parties	(475,561)	(45,491
Purchase of trading portfolio assets	(586,519)	(617,500
Proceeds from disposal of trading portfolio assets	476,283	625,134
(Increase)/decrease in derivative financial instruments	7,467	(30,049
Net cash generated from operating activities	1,964,085	
Net cash generated from operating activities		(78,368
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment	1,964,085	(78,368
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment	1,964,085 (54,674)	(78,368 (16,888 568
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI	1,964,085 (54,674) 7,697	(78,368 (16,888 568 (29,498
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities	1,964,085 (54,674) 7,697 (99,944)	(78,368 (16,888 568 (29,498
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities	1,964,085 (54,674) 7,697 (99,944)	(78,368 (16,888 568 (29,498 (45,818
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities Dividends paid to shareholders	1,964,085 (54,674) 7,697 (99,944) (146,921)	(78,368 (16,888 566 (29,498 (45,818 (339,000
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities Dividends paid to shareholders Issuance of debt securities	1,964,085 (54,674) 7,697 (99,944) (146,921) (465,000)	(78,368 (16,888 566 (29,498 (45,818 (339,000 423,400
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities Dividends paid to shareholders Issuance of debt securities Redemption of debt securities	1,964,085 (54,674) 7,697 (99,944) (146,921) (465,000) 364,800	(76,368 (16,888 566 (29,498 (45,818 (45,818 (339,000 423,400 (178,651
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities Dividends paid to shareholders Issuance of debt securities Redemption of debt securities Capital payment of Jease liabilities Net cash generated in financing activities	1,964,085 (54,674) 7,697 (99,944) (146,921) (465,000) 364,800 (323,810)	(78,368 (16,888 566 (29,498 (45,818 (339,000 423,400 (178,651 (30,281
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities Dividends paid to shareholders Issuance of debt securities Redemption of debt securities Capital payment of lease liabilities Net cash generated in financing activities	1,964,085 (54,674) 7,697 (9,944) (146,921) (465,000) 364,800 (32,3810) (36,056)	(78,368 568 (29,498 (45,818 (339,000 423,400 (178,651 (30,281 (124,532
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities Dividends paid to shareholders Issuance of debt securities Redemption of debt securities Capital payment of lease liabilities	1,964,085 (54,674) 7,697 (99,944) (146,921) (465,000) 364,800 (323,810) (36,056) (460,066)	(78,368 568 (29,498 (45,818 (339,000 423,400 (178,651 (30,281 (124,532
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities Dividends paid to shareholders Issuance of debt securities Redemption of debt securities Capital payment of lease liabilities Net cash generated in financing activities	1,964,085 (54,674) 7,697 (99,944) (146,921) (465,000) 364,800 (323,810) (36,056) (460,066)	(78,368 (16,888 566 (29,498 (45,818 (339,000 423,400 (178,651 (30,281 (124,532 (124,532 (248,718
Net cash generated from operating activities Cash flows from investing activities Purchase of property, plant and equipment Purchase of financial instruments held at FVOCI Net cash used in investing activities Cash flows from financing activities Dividends paid to shareholders Issuance of debt securities Redemption of debt securities Capital payment of lease liabilities Net cash generated in financing activities Total cash movement for the year	1,964,085 (54,574) 7,697 (99,944) (146,921) (465,000) 364,800 (323,810) (364,800 (323,810) (365,65) (460,066) 1,357,098	(78,368) (16,888 568 (29,498) (45,818) (339,000 423,400 (178,651) (30,281) (30,281) (124,532) (248,718) (248,718) (4,595,272 (78)

* Please refer to the correction of the prior period error disclosure page.

7. Events occurring after reporting date

A final dividend of 44 thebe per share amounting to circa P375million was declared on the 20th of March 2024 subject regulatory approval. The directors are not aware of any other events (as defined per IAS 10 events after the Reporting iod) after the reporting date of 31 December 2023, and the date of authorization of these condensed conse financial results.

Condensed Consolidated Statement of Changes In Equity

		FVOCI	Share-			
	General	investment	based		Share	Total equity
Stated	risk	revaluation	payment	Retained	capital	attributable to
capital	reserve	reserve	reserve	earnings	reserve	shareholders
P'000	P'000	P'000	P'000	P'000	P'000	P'000
		(22.224)				
17,108	133,842	(22,306)	3,629	2,435,073	2,060	2,569,406
		(581)		(36,528)		(37,109)
17,108	133,842	(22,887)	3,629	2,398,545	2,060	2,532,297
-	-	-	-	658,879	-	658,879
 -	-	(4,467)	-	-	-	(4,467)
-	-	(4,467)	-	658,879	-	654,412
-	-	-	-	(339,000)	-	(339,000)
-	-	-	3,698	-	-	3,698
-	(6,978)	-	-	6,978	-	-
-	(6,978)	-	3,698	(332,022)	-	(335,302)
17,108	126,864	(27,354)	7,327	2,725,402	2,060	2,851,407
17,108	126,864	(27,354)	7,327	2,725,402	2,060	2,851,407
-		-		624,570	-	624,570
-	-	19,950	-		-	19,950
-	-	19,950	-	624,570	-	644,520
-	-	-	-	(465,000)	-	(465,000)
-	-	-	5,236	-	-	5,236
-	125	-		(125)	-	-
-	125	-	5,236	(465,125)	-	(459,764)
17,108	126,989	(7,404)	12,563	2,884,847	2,060	3,036,163
			,			

Off balance sheet liabilities

Undrawn commitments to customers

Gross off balance sheet liabilities

Letters of credit

4. Capital commitments

5. Related party transactions

6. Independent auditor's report

Our independent auditor's KMPG have audited the consolidated financial statements of Absa Ba Botswana Limited and their audit report on the consolidated financial statements is available fo inspection at the Bank's address. 5th Floor Building 4 Prime Plaza Plot 74358 Central Business District Gaborone

At 31 December 2023 the commitments for capital expenditure authorised and contracted for amounted to P5 million (31 December 2022: P6 million) and there were commitments for capital expenditure authorised but not yet contracted for amounted to P12 million (31 December 2022: 2.1111)

There has been no significant change in the nature of related party transactions from those reported in the financial statements for the year ended 31 December 2023.

Consolidated P'000	Non- Segmented Items P'000	Islamic Banking P'000	Corporate and Investment Banking P'000	Retail and Business Banking P'000	
103,452	-	-	103,452	-	
2,464,895	-	-	-	2,464,895	
16,568,060	-	-	3,950,715	12,617,345	
191,177	-	-	191,177	-	
5,277,160	5,276,873	287	-	-	
24,604,744	5,276,873		4,245,344	15,082,240	
18,699,798	-	310,320	7,668,732	10,720,746	
96,040	-	-	96,040	-	
625,567	-	-	-	625,567	
625,487	-	-	-	625,487	
1,521,692	1,521,692	-	-	-	
21,568,584	1,521,692		7,764,772	11,971,800	

Segment performance

For the year ended 31 December 2022

Statement of comprehensive income	Retail and Business Banking P'000	Corporate and Investment Banking P'000	Islamic Banking P'000	Non- Segmented Items P'000	Consolidated P'000
Net interest income	864,967	321,504	286	-	1,186,757
Net fee and commission income	409,806	40,405	-	-	450,211
Net trading and other income	42,968	178,638	(541)	-	221,065
Total income	1,317,741	540,547	(255)	-	1,858,033
Expected credit losses	(37,025)	26,603	-	-	(10,422)
Net operating income	1,280,716	567,150	(255)	-	1,847,611
Operating expenses	(704,088)	(209,085)	-	-	(913,173)
Depreciation of PPE and right of use asset	(70,061)	(565)	-	-	(70,626)
Amortisation of intangible assets	(1,119)	-	-	-	(1,119)
Total expenses	(775,268)	(209,650)	-		(984,918)
Profit before tax	505,448	357,500	(255)	-	862,693
Taxation	(128,541)	(75,273)	-	-	(203,814)
Profit for the year	376,907	282,227	(255)	-	658,879

	Retail and	Corporate and		Non-	
	Business	Investment	Islamic	Segmented	
Statement of financial position	Banking	Banking	Banking	Items	Consolidated
	P'000	P'000	P'000	P'000	P'000
Assets					
Derivative financial instruments	-	129,992	-	-	129,992
Fair value through OCI	2,491,369	-	-	-	2,491,369
Loans and advances to customers	12,113,142	4,132,624	99,986	-	16,345,752
Trading portfolio assets	-	80,791	-	-	80,791
Other assets	-	-	-	3,669,510	3,669,510
Total Assets	14,604,511	4,343,407	-	-	22,717,414
Liabilities					
Customer accounts	10,411,822	6,492,769	100,241	-	17,004,832
Derivative financial instruments	-	115,113	-	-	115,113
Debt securities in issue	585,827	-	-	-	585,827
Subordinated debt	612,976	-	-	-	612,976
Other liabilities	-	-	-	1,547,259	1,547,259
Total Liabilities	11,610,625	6,607,882	-	-	19,866,007

2,612,009 2,825,864

292,470

3,339,473

210,204

3,353,385

Absa Bank Botswana Limited

Condensed results of the audited consolidated financial statements

For the year ended 31 December 2023

Correction of prior period errors

- During the year, the Bank identified certain items stemming from prior years requiring correction, as detailed below. The errors have been corrected by restating each of the affected financial statement line items for prior periods
- A. Certain fee and commission expenses have been reclassified as fee and commission income in accordance with the holding company's accounting policy to correct misalignment to the policy in prior years. This reclassification has had no impact on the net fee and commission income. It also had no impact on the profit after tax or any line item in the statement of financial position. The amount in question reclassified between fee and commission income and fee and commission expense amounts to P76,294 thousand.
- B. Upon reviewing identified prior years balances, the Bank has addressed the recoverability of these items by writing off the balances in the periods in which they relate to. Following this evaluation these balances were written off as irrecoverable. The net impact of these adjustments amounted to P3,472 thousand (A portion of the balance being P1,110 thousand relating to accrued interest write off and P3,479 thousand relating to foreign exchange debit balances accumulated on balance sheet and the (P1,347 thousand) retained earnings alignment). The balances also affected the balance sheet movements as below (2021: (P135 thousand) on loans and advances to banks, (P907 thousand) on loans and advances as impact on deferred tax asset stemming from the adjustments, P1,445 thousand) on other receivables, (P7,732 thousand) payables and (P4,393 thousand) current tax payable, P1558 thousand) fair value reserve and (P36,528 thousand) retained earnings) ;(2022: (P1,109 thousand) loans and advances with customers, P1,027 thousand tax refundable, P15,63 thousand) on other reavables, P15,63 thousand) on other payables and (P13,202 thousand) thousand on retained income.
- C. The additional short term incentive provision relating to the 2022 financial year was approved after that reporting period, but prior to the authorisation of the related financial statements. Consequently, it should have been recognised in that financial year as an adjusting post balance sheet event. The total short term incentive amount that was regarded as a prior year adjusting event amounted to P14,087 thousand with an impact of P3,099 thousand to deferred tax.
- D. As previously disclosed in the June 2023 interim results, the primary reserve balance of P150,000 thousand is included as part of cash and cash equivalents since it represents readily available funds utilised by the Bank in its day-to-day operations. This followed the IFRIC Agenda decision on Demand Deposits with Restrictions on Use arising from a Contract with a Third Party and should have been applied as a change in accounting policy for the year ended 31 December 2022. This restatement had no impact on the profit after tax or any line item in the statement of financial position.
- E. Purchase of trading portfolio assets (P617,500 thousand) and Proceeds from disposal of trading portfolio assets (625,134 thousand) were previously classified under net cash used in investing activities. These have now been classified under Net cash generated from operating activities. Movement in loans and advances to customers (P1,109 thousand) in-line with restatement note (B) above. Additionally interest on lease liabilities (P5,495 thousand) previously classified under financing activities is now classified under operating activities, therefore balance also affected interest paid line. Loans and advances to banks also moved as a result (P 135 thousand). The above indicated ultimately affected the cash flows from investing activities total and cash flow from financing activities.

Statement of Comprehensive Income

Group - 2022

	Previously reported P '000	Adjustment P '000	Restated P '000
Fee and commission income (A)	590,272	(76,294)	513,978
Fee and commission expense (A)	(140,061)	76,294	(63,767)
Staff costs (C)	(471,887)	(14,087)	(485,974)
Administration and general expenses (B) & (C)	(332,492)	(3,242)	(335,734)
Profit before tax	880,022	(17,329)	862,693
Taxation (B) & (C)	(207,942)	4,128	(203,814)
Profit for the year	672,080	(13,201)	658,879
Profit before tax	672,080	(13,201)	658,879
Weighted average number of shares	852.161	-	852.161

78.87

(1.55)

77.32

Company - 2022

Earnings per share (thebe)

	Previously reported P '000	Adjustment P '000	Restated P '000
Fee and commission income (A)	539,896	(76,294)	463,602
Fee and commission expense (A)	(138,542)	76,294	(62,248)
Staff costs (C)	(471,887)	(14,087)	(485,974)
Administration and general expenses (B) & (C)	(330,060)	(3,242)	(333,302)
Profit before tax	862,120	(17,329)	844,791
Taxation (B) & (C)	(205,942)	4,128	(201,814)
Profit for the year	656,178	(13,201)	642,977

Statement of Cash Flows

Group - 2022

	Previously reported P '000	Adjustment P '000	Restated P '000
Cash flows from operating activities (subtotal)	69,628	(147,996)	(78,368)
Cash used in operations (D) & (E)	(365,886)	(1,244)	(367,130)
Net increase in loans and advances to customers (E)	(1,467,287)	1,109	(1,466,178)
Interest paid (E)	(432,465)	(5,495)	(437,960)
Decrease in statutory reserve with central bank (D)	150,000	(150,000)	-
Purchase of trading portfolio assets (E)	-	(617,500)	(617,500)
Proceeds from disposal of trading portfolio assets (E)	-	625,134	625,134
Cash flows from investing activities (subtotal)	(38,184)	(7,634)	(45,818)
Purchase of trading portfolio assets (E)	(617,500)	617,500	-
Proceeds from disposal of trading portfolio assets (E)	625,134	(625,134)	-
Cash flows from financing activities (subtotal)	(130,027)	5,495	(124,532)
	(=		

Statement of Cash Flows (continued)

Company - 2022

	Previously		
	reported	Adjustment	Restated
	P '000	P '000	P '000
Cash flows from operating activities (subtotal)	69,628	(147,996)	(78,368)
Cash used in operations (D) & (E)	(380,769)	(1,244)	(382,013)
Net increase in loans and advances to customers (E)	(1,467,287)	1,109	(1,466,178)
Interest paid (E)	(432,465)	(5,495)	(437,960)
Decrease in statutory reserve with central bank (D)	150,000	(150,000)	-
Purchase of trading portfolio assets (E)	-	(617,500)	(617,500)
Proceeds from disposal of trading portfolio assets (E)	-	625,134	625,134
Cash flows from investing activities (subtotal) Purchase of trading portfolio assets (E) Proceeds from disposal of trading portfolio assets (E)	(38,184) (617,500) 625,134	(7,634) 617,500 (625,134)	(45,818) - -
Cash flows from financing activities (subtotal)	(130,027)	5,495	(124,532)
Interest payment of lease liabilities (E)	(5,495)	5,495	-
	(0)	(150.105)	(240 730)
Net increase/decrease in cash and cash equivalents	(98,583)	(150,135)	(248,718)
Cash and cash equivalents at beginning of period (D)	4,445,272	150,000	4,595,272
Cash and cash equivalents at end of period (B)	4,346,611	(135)	4,346,476

Statement of Financial Position

Group - 2022

	Previously reported P ′000	Adjustment P '000	Restated P '000
Loans and advances to banks (B)	1,519,259	(135)	1,519,124
Loans and advances to customers (B)	16,347,768	(2,016)	16,345,752
Other receivables (B)	204,333	(19,089)	185,244
Deferred tax assets (B) & (C)	101,033	3,099	104,132
Taxation refundable (B) & (C)	13,873	1,027	14,900
Other payables (B) & (C)	389,592	33,193	422,785
Fair value reserve (B)	(26.774)	(580)	(27,354)
Retained income (B) & (C)	2,775,132	(49,730)	2,725,402

Company - 2022

Cash flows from financing activities (subtotal) Interest payment of lease liabilities (E)	(130,027) (5,495)	5,495 5,495	(124,532) -	Loans and advances to banks (B)	Previously reported P '000 1,519,259	Adjustment P '000 (135)	Restated P '000 1,519,124
Net increase/decrease in cash and cash equivalents Cash and cash equivalents at beginning of period (D)	(98,583) 4,445,272	(150,135) 150,000	(248,718) 4,595,272	Loans and advances to customers (B) Other receivables (B) Deferred tax assets (B) & (C) Taxation refundable (B) & (C)	16,347,768 199,964 99,229 9,999	(2,016) (19,089) 3,099 1,027	16,345,752 180,875 102,328 11,026
Cash and cash equivalents at end of period (B)	4,346,611	(135)	4,346,476	Other payables (B) & (C)	385,327	33,194	418,521
Ratios				Fair value reserve (B) Retained income (B) & (C)	(26,774) 2,708,383	(580) (49,729)	(27,354) 2,658,654

2022

53%

23.29%

2.90% 445,938

21.68%

Restated

2022

reviously restated

52%

23.16%

2.96%

455,805

21.95%

Group

Prof Cost

Retu

Retu

Hea

Сарі

Capi

fitability ratios:	
t to income ratio	
urn on Equity (ROE)	
urn on Assets (ROA)	
dline earnings	
ital Adequacy ratio:	
ital Adequacy Ratio	



Absa Bank Botswana Limited (registered number BW00001237900) is regulated by the Bank of Botswana. Member of the Deposit Insurance Scheme of Botswana.