

AFRICAN BANKING CORPORATION OF BOTSWANA LIMITED

Unaudited Summarised Consolidated Financial Statements

FOR THE PERIOD ENDING 30 JUNE 2021

BancABC
part of



Non Interest Revenue

↑ **P75m**
2020: P42m

Revenue

↓ **P262m**
2020: P269m

Expenses

↓ **P193m**
2020: P201m

Profit Before Tax

↑ **P68.9m**
2020: P68.5m

OUR ECONOMY AND ENVIRONMENT

The COVID-19 pandemic continues to have a strong impact on economic conditions and financial performance. The economy continued to open during the year amidst the increase in infections and deaths throughout the second quarter of the year largely due to the third wave caused by the Delta variant. The Government of Botswana intervened by banning the sale of alcohol and keeping nightly curfews in place to contain the spread of the pandemic. The heightened infections and deaths coupled with delayed arrival of vaccines pose significant risk to the recovery of the economy.

In nominal terms GDP for the first quarter 2021 was P47.7 billion compared to P45.6 billion from the closing quarter of 2020, showing an encouraging 4.6% increase. Major positive contributors were public administration and defence (18.4%) and wholesale and retail (11.4%). Real GDP for the first quarter was up 0.7% compared to contraction of 4.6% in the previous quarter. The improving growth is in response to more business activity pick up due to the continuous opening of the economy. A much better rate of recovery and vaccine uptake in the developed world has boosted diamond sales and demand – prompting possibilities of further upward revisions on growth for the local economy fueled by this recovery in mining GDP. The economy is expected to grow by 8.3% according to IMF projections. The recovery is expected to vary across different sectors, depending on improvement in both domestic and external environment. Disease trajectory, local and international vaccination drives remain the singular greatest hope for economic growth going forward.

The banking sector and, indeed, BancABC continues to operate under these difficult times, where there is a surge of COVID-19 cases. The bank observes all set rules and regulations and ensures that the impact to both customers and employees is contained.

SUMMARY OF FINANCIAL PERFORMANCE

The Bank has managed to achieve resilience in this period with growth in non funded income being largely enough to contain pressure on interest income margins from subdued interest rates and loan uptake volumes consistent with the tough market landscape. Overall, whilst most of the first half saw recovery from difficult trading conditions in 2020, some good traction has been made on our strategy and have seen diversification of income efforts made from prior years cushioning the impact of decreasing interest margins on total income.

OUR INCOME STATEMENT

Interest income has been impacted by the cumulative 1% bank rate cuts made in 2020. Interest income reduced by 15% compared to H1'2020. The growth of the asset book was subdued for the first half with a slight reduction; however, it is expected that asset momentum will improve in all segments as we progress through the year. Subdued income levels for retail has curtailed personal loan activity somewhat, with increased access and expansion efforts for the retail business being enough to generate stability in the loan book portfolio.

Interest expense is lower than the previous year given the impact of the 2020 rate reduction by the Central Bank. It is evident that in the current year the growth in the customer deposits has been substantial however impact to interest expense from this growth has been smaller. The bank has managed to rebuild stronger liquidity position from the end of the first half 2020 where market conditions were much tighter.

Non-interest revenue performed very well in the first half of the year. The good performance is largely driven by trading income on the back of good margins and volumes. The digital income has also boosted this line. However due to the slow growth in the book from the beginning of the year the lending linked fees and commission have reduced year on year. Overall transactional fees have started picking up as business momentum improves.

Impairments, the negative variance on loan impairments is as a result of marginal increases in non performances in the retail portfolio due to financial strain of COVID-19 and ECL model enhancements adopted in the latter part of 2020. Whilst the increase is marginal, significant effort is being expended in ensuring roll back of deterioration in some pockets of retail credit portfolio. There were no new COVID-19 related restructured loans extended to customers this year across all the segments.

Overall our total expenses are slightly higher than the 2020 first half of the year. The major lines under operating expenses are mostly performing in line with expectation. In 2020 the Bank had initiatives to contain costs given the prevailing economic environment. The Bank continues to exercise caution when it comes to spending, with key investment spend for improvement of the customer value proposition that should deliver value through the economic cycle being prioritised. In the current year there had been some positive savings on areas such as information technology. However, despite all this there have been deliberate cost increases in areas such as the marketing spend to support some of the growth initiatives and getting closer to our customers through a brand campaign 'We understand you'. The Bank expects to ramp up the final part of the investment spend in the second half of 2021 – bring to market a number of projects that have been incubated over the last two years.

OUR BALANCE SHEET

Loans and advances show a slight reduction in the loan book from P6.2 billion to P 6.1 billion. The book growth reflects caution on credit as well appreciation of the existing environment, however we remain optimistic that as the economy opens, credit appetite will increase.

Our long-term borrowings are reducing year on year as we continue to repay the offshore liabilities as we restructure our balance sheet to become more dependant on local currency funding and we expect to continue seeing these reduce over the foreseeable period.

Correction of Prior Period Errors

Included in our performance are adjustments relating to previous years VAT related transactions that had not been accounted for appropriately. This in accordance with the International Financial Reporting Standards (IFRS) required the prior periods to be restated. The nature of this restatement is further explained in the notes further in this publication.

SEGMENTS

Retail Banking

The retail loan book reduced slightly by about 1% on subdued retail incomes however, the segment customer deposits increased by a notable 15% in comparison to the same period in 2020 improved the funding mix. The products launched to advance the digital strategy for this segment are bearing some positive fruit. These products include the mobile app Sarumoney and the Fast Cash voucher product. The focus of our retail segment on digital product offering and secondly on increasing customer deposits is showing some very positive results.

Commercial Banking

The slow economic recovery had delayed the anticipated asset growth in this segment, thereby commercial banking has experienced reduction in the lending book – however asset momentum based on approved but not drawn pipeline suggests recovery in the portfolio. The segment has seen success in managing the cost of funding downwards. Included in the performance for overall Commercial banking is the Treasury and Global Markets performance which almost doubled from the previous year performance.

Overall our segments show that indeed our income lines continue to be resilient.

CAPITAL ADEQUACY AND DIVIDENDS

Our capital adequacy is at 22% as at 30 June 2021, which is well above the 12.5% minimum requirement. Although we continue to maintain above average capital within the business, we continue to be cautious going forward to ensure we have adequate capital to meet our future growth requirements.

UPDATE ON THE ATLAS MARA, ABCH AND ACCESS BANK PLC TRANSACTION

On 19 April 2021, Access Bank Plc and Atlas Mara and ABCH announced an agreement for Access Bank Plc to acquire the full 78.15% shareholding of ABCH in BancABC Botswana. Since the announcement, all parties are working to close the transaction fully and BancABC to start trading as a subsidiary of Access Bank Plc. Good progress has been made and all required full regulatory approvals are in place for the transaction, with the transaction expected to close by September 30 subject to closure of conditions precedent between ABCH and Access Bank PLC.

OUTLOOK

With the anticipated acquisition by Access Bank Group, we are expecting to be a meaningful partner to our customers and stakeholders in Botswana. Access Bank brings strong financial backing for BancABC Botswana and is expected to significantly fast track the strategic execution for the Bank. Indeed, we are currently running a transition and integration management project which is geared towards ensuring we can capture the value from the merged entity as soon as possible. We expect that as the economy continues to open up, growth opportunities will also become available. The next six months to the end of the year we will continue focus on both our strategy and the merger into Access Bank Group. We fully expect these will be our last set of financials published under the BancABC Botswana name and brand. The Board, staff and management at BancABC are looking forward to an exciting chapter as Access Bank Botswana.

ACKNOWLEDGEMENT

We extend our sincere gratitude to our customers, the Board, management and the entire BancABC team for all their support during 2020.

Mrs. Lorato Nthando Mosethanyane
Chairperson

Mr. Kgotso Bannalotlhe
Managing Director

Unaudited Summarised Consolidated Financial Statements

FOR THE PERIOD ENDING 30 JUNE 2021

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

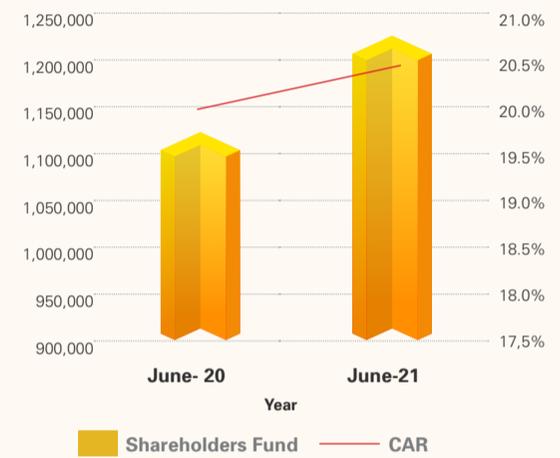
for the period ended 30 June 2021

| | 30 June 2021 | 30 June 2020 | |
|---|------------------|------------------|--------------|
| | P'000 | Restated* P'000 | % Change |
| Effective interest and similar income | 334,617 | 377,035 | (11%) |
| Effective interest expense and similar charges | (140,573) | (147,651) | 5% |
| Net interest income | 194,044 | 229,384 | (15%) |
| Changes in expected credit losses and other credit impairment | (7,036) | (2,001) | 252% |
| Net Interest Income after expected credit losses | 187,008 | 227,383 | (18%) |
| Net trading income | 23,900 | 8,773 | 172% |
| Net fee and commission income | 50,931 | 33,105 | 54% |
| Total net revenue | 261,839 | 269,261 | (3%) |
| Personnel expenses | (74,821) | (72,069) | (4%) |
| General and administrative expenses | (57,705) | (50,233) | (15%) |
| Depreciation and amortisation expenses | (23,012) | (22,492) | (2%) |
| Absorbed value added tax expense | (8,036) | (17,320) | 49% |
| Other operating expenses | (29,395) | (38,602) | 24% |
| Total operating expenses | (192,969) | (200,716) | 4% |
| Profit before tax | 68,870 | 68,545 | 1% |
| Income tax expense | (17,449) | (16,182) | (8%) |
| Profit for the year | 51,421 | 52,363 | (2%) |
| Other comprehensive income for the year | - | - | |
| Total comprehensive income for the year | 51,421 | 52,363 | (2%) |
| Earnings per share | | | |
| Basic and diluted earnings per share (thebe) | 12.09 | 12.09 | |
| Headline earnings per share | | | |
| Basic and diluted headline earnings per share (thebe) | 12.09 | 12.09 | |

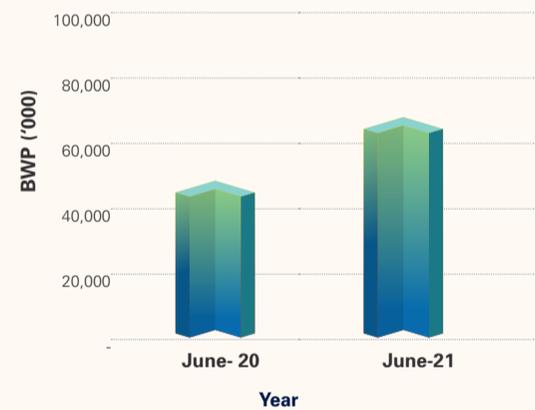
PROFIT BEFORE TAX VS COST TO INCOME



SHAREHOLDERS FUNDS VS CAPITAL ADEQUACY RATIO



NON INTEREST INCOME



BancABC Botswana Wins Duo of Awards

It's more than the awards, it's how we show our commitment to our customers.

- Best Payment Solution Provider in Botswana 2021
- Decade of Excellence Retail Banking Botswana 2021

Global Banking & Finance Review's 11th Annual Awards Program, 2021



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Unaudited Summarised Consolidated Financial Statements

FOR THE PERIOD ENDING 30 JUNE 2021

Deposits with customer

P6,515m
2020: P5,972m

Loans to customers

P6,087m
2020: P6,156m

Loans to deposit ratio

93%
2020: 103%

Capital Adequacy Ratio

22%
2020: 21%

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

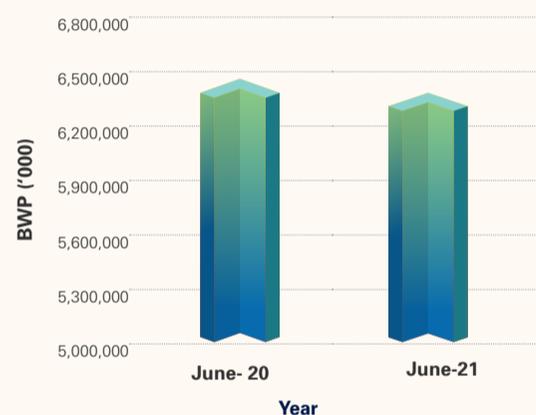
as at 30 June 2021

| | 30 June 2021 P'000 | 30 June 2020 Restated P'000 | 31 December 2020 Restated P'000 |
|---|--------------------------|--------------------------------------|--|
| ASSETS | | | |
| Cash and balances with the central bank | 98,667 | 367,618 | 384,004 |
| Balances with other banks | 595,202 | 904,985 | 895,789 |
| Balances due from related parties | 594,255 | 536,390 | 488,185 |
| Derivative financial assets | 64,367 | 57,019 | 60,569 |
| Financial assets held at amortised cost | 994,821 | 343,378 | 680,142 |
| Loans and advances to customers | 6,086,717 | 6,155,962 | 6,000,970 |
| Other assets | 83,290 | 120,927 | 104,167 |
| Current tax assets | 7,639 | 19,886 | 2,278 |
| Deferred tax asset | 26,519 | 21,435 | 25,127 |
| Intangible assets | 94,981 | 107,325 | 102,442 |
| Property and equipment | 111,341 | 121,261 | 119,718 |
| Total assets | 8,757,799 | 8,756,186 | 8,863,391 |
| LIABILITIES | | | |
| Deposits from banks | 103,064 | 526,315 | 68,713 |
| Deposits from customers | 6,514,832 | 5,971,840 | 6,566,048 |
| Derivative financial liabilities | 62,791 | 56,489 | 59,667 |
| Balances due to related parties | 14,290 | 16,397 | 14,226 |
| Other liabilities | 133,013 | 179,578 | 222,039 |
| Current tax liabilities | - | - | 3,348 |
| Borrowed funds | 708,156 | 871,369 | 759,118 |
| Total liabilities | 7,536,146 | 7,621,988 | 7,693,159 |
| EQUITY | | | |
| Stated capital | 222,479 | 222,479 | 222,479 |
| Retained earnings | 983,788 | 896,333 | 932,367 |
| Revaluation reserve | 9,295 | 9,295 | 9,295 |
| Other reserves | 6,091 | 6,091 | 6,091 |
| Total equity | 1,221,653 | 1,134,198 | 1,170,232 |
| Total equity and liabilities | 8,757,799 | 8,756,186 | 8,863,391 |

DEPOSITS



GROWTH IN GROSS LOANS AND ADVANCES



SHAREHOLDERS FUNDS



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  T's and C's apply

Unaudited Summarised Consolidated Financial Statements

FOR THE PERIOD ENDING 30 JUNE 2021

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the period ended 30 June 2021

| | Stated capital P'000 | Other reserves P'000 | Revaluation reserve P'000 | Retained earnings Restated* P'000 | Total P'000 |
|-----------------------------------|-------------------------|-------------------------|------------------------------|---|----------------|
| At 1 January 2020 | 222,479 | 6,091 | 9,295 | 838,497 | 1,076,362 |
| Correction of errors | - | - | - | 5,473 | 5,473 |
| Transactions with owners | | | | | |
| Revaluation of land and buildings | - | - | - | - | - |
| Deferred tax on revaluation | - | - | - | - | - |
| Comprehensive income | | | | | |
| Profit for the period | - | - | - | 52,363 | 52,363 |
| Total Comprehensive income | - | - | - | 52,363 | 52,363 |
| At 30 June 2020 | 222,479 | 6,091 | 9,295 | 896,333 | 1,134,198 |
| At 1 July 2020 | 222,479 | 6,091 | 9,295 | 896,333 | 1,134,198 |
| Comprehensive income | | | | | |
| Profit for the period | - | - | - | 36,034 | 36,034 |
| Total Comprehensive income | - | - | - | 36,034 | 36,034 |
| At 31 December 2020 | 222,479 | 6,091 | 9,295 | 932,367 | 1,170,232 |
| At 1 January 2021 | 222,479 | 6,091 | 9,295 | 932,367 | 1,170,232 |
| Profit for the period | - | - | - | 51,421 | 51,421 |
| Total Comprehensive income | - | - | - | 51,421 | 51,421 |
| At 30 June 2021 | 222,479 | 6,091 | 9,295 | 983,788 | 1,221,653 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the period ended 30 June 2021

| | 30 June 2021 P'000 | 30 June 2020 Restated* P'000 | 31 December 2020 Restated* P'000 |
|--|--------------------------|---------------------------------------|---|
| Cash flows from operating activities | | | |
| Profit before tax | 68,870 | 68,545 | 118,863 |
| Adjusted for: | | | |
| Depreciation | 8,909 | 9,671 | 19,173 |
| Amortisation of intangible assets | 14,104 | 12,821 | 27,205 |
| Expected credit losses | 7,036 | 2,001 | 3,725 |
| Unrealised exchange losses (gains) | (5,645) | - | 4,441 |
| Fair value adjustment on derivatives | - | 339 | (43) |
| Tax paid | (21,721) | (6,206) | (3,226) |
| Cash flows from operating activities before changes in operating assets and liabilities | 71,553 | 87,171 | 170,138 |
| Movement in operating assets / liabilities: | | | |
| Loans and advances to customers | (96,633) | 278,101 | 456,933 |
| Balances due from related parties | (106,070) | 96,728 | 142,146 |
| Other assets | 19,484 | (51,322) | (18,786) |
| Deposits from customers and banks | (13,783) | (542,581) | (415,976) |
| Other liabilities | (78,680) | 15,918 | 63,836 |
| Balances due to related parties | 64 | (1,265) | (3,436) |
| Net cash from operating activities | (204,065) | (117,250) | 394,855 |
| Cash flows from investing activities | | | |
| Disposal/(purchase) of property and equipment | (531) | 5,427 | (6,962) |
| Purchase of intangibles assets | (6,643) | (15,800) | (25,300) |
| Additions to debt instruments | (151,993) | - | (37,919) |
| Net cash (used in)/generated investing activities | (159,167) | (10,373) | (70,181) |
| Cash flows from financing activities | | | |
| Proceeds from borrowed funds | - | 106,157 | 121,360 |
| Repayments on borrowed funds | (55,761) | 2,040 | (128,948) |
| Payment of interest on lease liabilities | (2,353) | - | (4,544) |
| Payment of lease liabilities | (2,909) | (4,864) | (5,683) |
| Net cash generated from financing activities | (61,023) | 103,333 | (17,815) |
| Net (decrease) / increase in cash and cash equivalents | (424,255) | (24,290) | 306,859 |
| Cash and cash equivalents at beginning of the period | 1,709,414 | 1,380,345 | 1,380,345 |
| Effect of exchange rate fluctuations on cash and cash equivalents held | 1,037 | - | 22,210 |
| Cash and cash equivalents for the period | 1,286,196 | 1,356,055 | 1,709,414 |
| Cash and cash equivalents comprised of: | | | |
| Balances with other banks | 595,202 | 904,985 | 895,789 |
| Financial assets | 592,327 | 203,452 | 429,621 |
| Cash and balances with the Central Bank | 98,667 | 247,618 | 384,004 |
| | 1,286,196 | 1,356,055 | 1,709,414 |

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Unaudited Summarised Consolidated Financial Statements

FOR THE PERIOD ENDING 30 JUNE 2021

SIGNIFICANT ACCOUNTING POLICIES

for the period ended 30 June 2021

General information

African Banking Corporation of Botswana Limited trading as BancABC Botswana provides corporate banking, retail and investment banking services. The Bank is a limited liability company and is incorporated and domiciled in Botswana (registration number C086/384).

The summarised financial statements for the period ended 30 June 2021 have been approved for issue by the members of the Board on the 05th August 2020. Neither the members of the Board nor others have the power to amend financial statements after issue.

1. Basis of presentation

1.1 Statement of compliance

Accounting policies

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis, except for revaluation of property, plant and equipment and certain financial instruments which are disclosed at fair value. The Bank has consistently applied the accounting policies, where necessary, the Bank adjusts comparative figures to conform to changes in presentation in the current year. The principal accounting policies applied are disclosed in the annual financial statements.

New Accounting Standards and Changes in Accounting policies

Effective 1 January 2021, the voluntarily changed its accounting policy regarding the presentation of absorbed value added tax expense. Absorbed value added tax expense are now recognised and disclosed as a separate operating expenses whereas previously they were recognised and presented as part of the underlying/triggering expense. As this is a voluntary change in accounting policy, the comparative results have been restated accordingly together with the prior period error described in note 3.

1 January 2021 Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 have now been issued to address uncertainties related to the ongoing reform of interbank offered rates (IBOR). The amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform. The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform.

This does not have a material impact on the Group's reported results.

The financial statements comprise the statement of profit or loss and other comprehensive income showing as one statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed, in the annual financial statements.

The critical accounting estimates and areas of judgement relate to the following elements of the interim financial results:

- ▶ Impairment of financial assets
- ▶ Application and interpretation of tax regulation
- ▶ Fair value of financial instruments
- ▶ Useful lives of property and equipment

Going concern

The directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy at any time the profit or loss and other comprehensive income, financial position, changes in equity and cash flows of the Group which enable them to ensure that the financial statements comply with the Botswana Companies Act, 2003, the Banking Act (Cap 46:04) and International Financial Reporting Standards (IFRS).

The directors have no reason to believe that the group will not be a going concern in the year ahead, based on the forecasts and available cash resources. These financial statements have accordingly been prepared on that basis.

2. Stated Capital

The issued share capital of the Bank comprises of 725 000 000 ordinary shares which are 78.15% owned by ABC Holdings Limited. There has been no change in the Bank's stated capital during the period.

3. Prior period error and accounting for transaction and other acquisition costs

Absorbed value added tax expense (Indirect tax), represents non-recoverable value added tax (VAT), skills development levies and other duties for banking activities, are now recognised in the absorbed value added tax expense line in the income statement. Previously, indirect taxes were added to and recognised as part of the underlying expense or asset. The Bank has elected to present indirect taxes separately from other operating and administrative expenses as these are regulatory implemented costs, incurred in order to comply with the value added tax act of Botswana.

In computing the amounts of transaction and other costs, management identified errors where VAT on imported services was incorrectly calculated due to misinterpretation of the relevant legislation. This resulted in the VAT on imported services expense and amount payable to the Tax Authorities being understated in prior periods.

This constitutes a prior year error in terms of International Accounting Standards 8: Accounting policies, Changes in Accounting Estimates and Errors (IAS 8). The impact of this error has materially misstated statement of financial position for the year 2020 and 2019.

The cumulative mistatement on retained earnings as at 31 December 2020, net of tax, amounted to P 10,343,452.51

(i) Effect on statement of comprehensive income

| For the period ended 30 June 2020 | Previously reported | Adjustment | As restated |
|------------------------------------|---------------------|----------------|---------------|
| | P'000 | P'000 | P'000 |
| General and administrative expense | (63,240) | 13,007 | (50,233) |
| Absorbed value added tax expense | - | (17,320) | (17,320) |
| Income tax expenses | (17,131) | 949 | (16,182) |
| Profit | 55,727 | (3,364) | 52,363 |
| Total comprehensive income | 55,727 | (3,364) | 52,363 |

(ii) Effect on statement of cashflows

| For the period ended 30 June 2020 | Previously reported | Adjustment | As restated |
|---|---------------------|------------|------------------|
| | P'000 | P'000 | P'000 |
| Profit before tax | 72,858 | (4,313) | 68,545 |
| Movement in other assets | - | - | - |
| Movement in other liabilities | 11,605 | 4,313 | 15,918 |
| Cash and cash equivalents at the end of the period | 1,356,055 | - | 1,356,055 |

(iii) Effect on statement of financial position

| For the period ended 30 June 2020 | Previously reported | Adjustment | As restated |
|-------------------------------------|---------------------|---------------|------------------|
| | P'000 | P'000 | P'000 |
| Other liabilities | 160,256 | 19,322 | 179,578 |
| Current tax assets+ | 15,633 | 4,251 | 19,884 |
| Deferred tax assets* | 19,786 | 1,649 | 21,435 |
| Other assets* | 97,906 | 23,021 | 120,927 |
| Loans and advances* | 6,163,454 | (7,492) | 6,155,962 |
| Retained earnings | 894,224 | (15,071) | 896,333 |
| Total equity and liabilities | 8,734,755 | 25,680 | 8,734,755 |

*These are prior period errors restated in 31 December 2020 financial statements. Refer to the full set financial statements as published on our website.

+Included in the adjustment for current tax asset is P2,353k in respect of correction of the VISA transaction prior period error as disclosed in the 31 December 2020 financial statements. Refer to the full set financial statements as published on our website.

(iv) Effect on statement of financial position

| For the year ended 31 December 2020 | Previously reported | Adjustment | As restated |
|-------------------------------------|---------------------|--------------|------------------|
| | P'000 | P'000 | P'000 |
| Other liabilities | 211,695 | 10,344 | 222,039 |
| Retained earnings | 940,433 | (8,068) | 932,365 |
| Total equity and liabilities | 1,178,298 | 2,276 | 1,180,574 |

Unaudited Summarised Consolidated Financial Statements

FOR THE PERIOD ENDING 30 JUNE 2021

4) Acquisition of ABCH Holdings 78.15% Majority Stake by Access Bank PLC

On 19 April 2021, ABCH entered into definitive agreements with Access Bank Plc for the sale of its 78.15% shareholding in African Banking Corporation Botswana. The transaction, which has already been approved by Bank of Botswana, is now near completion. The Group expects the change of ownership and control to be completed by end of the third quarter.

5) Event after reporting date

There are no material events to report after the reporting period.

SUMMARISED SEGMENTAL REPORTING FOR THE FULL YEAR ENDED 30 JUNE 2021

Basis of segmenting

The Managing Director, supported by the rest of the Management Committee (MANCO), is considered the Chief Operating Decision Marker ('CODM') for the purposes of identifying the Group's reportable segments. The Group's business results are assessed by the CODM on the basis of adjusted performance that removes the effects of significant items from reported results. The Group has three reportable segments being Retail, Commercial Banking and Global Markets. All operating segments used by the group meet the definition of reportable segments and the results presented are in line with internal reports used internally to assess each reportable segment.

SEGMENTAL REPORTING 30 JUNE 2021

Statement of comprehensive income

| | Retail Banking P'000 | Global Markets P'000 | Commercial Banking P'000 | Total P'000 |
|--|-------------------------|-------------------------|-----------------------------|------------------|
| Net interest income | 133,619 | 29,468 | 30,957 | 194,044 |
| Non-interest income | 47,434 | 23,900 | 3,497 | 74,831 |
| Total income | 181,053 | 53,368 | 34,454 | 268,875 |
| Movement in impairment | (7,523) | - | 487 | (7,036) |
| Net income | 173,530 | 53,368 | 34,941 | 261,839 |
| Operating expenditure | (152,293) | (19,153) | (21,524) | (192,969) |
| Profit before taxation | 21,237 | 34,216 | 13,417 | 68,870 |
| Taxation | (5,381) | (8,669) | (3,399) | (17,449) |
| Profit after tax | 15,856 | 25,547 | 10,018 | 51,421 |
| Statement of financial position | | | | |
| Financial assets held at amortised cost | - | 994,821 | - | 994,821 |
| Loans and advances to customers | 5,853,452 | - | 233,265 | 6,086,717 |
| Total assets for reportable segments | 6,114,476 | 2,338,300 | 305,111 | 8,757,799 |
| Deposits from customers | 1,341,589 | - | 5,173,243 | 6,514,832 |
| Deposits from banks | - | 103,064 | - | 103,064 |
| Total liabilities for reportable segments | 1,687,292 | 649,009 | 5,199,846 | 7,536,146 |

SEGMENTAL REPORTING JUNE 2020

Statement of comprehensive income

| | Retail Banking P'000 | Global Markets P'000 | Commercial Banking P'000 | Total P'000 |
|--|-------------------------|-------------------------|-----------------------------|------------------|
| Net interest income | 164,771 | 26,065 | 38,548 | 229,384 |
| Non-interest income | 28,040 | 8,275 | 5,563 | 41,878 |
| Total income | 192,811 | 34,340 | 44,111 | 271,262 |
| Movement in impairment | (3,189) | - | 1,188 | (2,001) |
| Net income | 189,622 | 34,339 | 45,299 | 269,261 |
| Operating expenditure | (158,395) | (19,927) | (22,394) | (200,716) |
| Profit before taxation | 31,227 | 14,413 | 22,905 | 68,545 |
| Taxation | (7,371) | (3,403) | (5,408) | (16,182) |
| Profit after tax | 23,856 | 11,010 | 17,497 | 52,363 |
| Statement of financial position | | | | |
| Financial assets held at amortised cost | - | 343,378 | - | 343,378 |
| Loans and advances to customers | 5,804,051 | - | 351,911 | 6,155,962 |
| Total assets for reportable segments | 6,082,270 | 2,248,881 | 425,033 | 8,756,184 |
| Deposits from customers | 1,170,608 | - | 4,801,232 | 5,971,840 |
| Deposits from banks | - | 526,315 | - | 526,315 |
| Total liabilities for reportable segments | 1,717,145 | 1,071,277 | 4,833,566 | 7,621,988 |

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