

# TRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

The Listing Requirements of the Botswana Stock Exchange requires the Board of Directors of Access Bank Botswana Limited ("Access Bank" or the "Company") to announce any events or circumstances that may have a material impact or deviation in the soon to be reported company's performance from the prior applicable financial period. The Board hereby informs shareholders and stakeholders that the Company's profit before tax for the period ended 30 June 2022 is expected to reduce by about 30% to 40% (P 21 million to P28 million) compared to the corresponding period. This translates to an expected Profit Before Tax for the period ended 30 June 2022 of about P41 million to P48 million, compared to the P69 million for the corresponding prior period.

## BACKGROUND

The Company has previously shared its plan to invest in expansion capacity for the business as part of its strategic intent to become a leading bank in Botswana. This has necessitated leveraging Group assets, accelerated investments into upgrades of technology and digital platforms, expansion of the retail networks as well as people capacity, which have been successfully executed at pace. These have, expectedly, impacted operating expenses relative to the prior year.

The Company has upgraded its Core Banking Software systems, launched 55 new ATMs, and opened 5 new Sales and Service Centres to bring banking closer to its current and future customers, rolled out 700 point of sales (PoS) terminals, launched refreshed products aimed at customer acquisition as well as adding critical value proposition enhancements to its digital channels. New products, further enhancements, and new services such as Agency Banking are expected to be rolled out in the second half of the year. The company considers transformation achievements to date to be satisfactory progress towards creating value for all stakeholders in the period ahead.

The Company's underlying business performance is consistent, which is reflected in increases in lending, deposits and total income compared to the prior period. Additionally, the fees and commission revenue performance for the reporting period indicates that the underlying business continues to maintain satisfactory progress. Net Interest Income has been impacted by higher interest expenses which will be addressed in the medium term through the expansion of the business.

Shareholders should note that the financial information on which this trading statement is based has not been reviewed or reported on by the external auditors. The full details will be provided to shareholders at the announcement of the half-year financial results for the period ended 30 June 2022, due to be released on or before 30 September 2022. Accordingly, shareholders are advised to exercise caution when trading in the Company's securities until a full announcement is made.

**By Order of the Board of Directors**

