

## Statement of Financial Position

Figures in Pula

	2016	2015
<b>Assets</b>		
Cash and balances with Bank of Botswana	18 849 796	2 851 761
Balances with other banks	6 801 539	3 762 086
Other financial assets	160 146 164	169 035 243
Loans and advances to customers	201 737 154	20 877 719
Current tax receivable	-	45 563
Other asset	1 219 466	356 447
Deferred tax	2 931 292	2 931 292
Property, plant and equipment	3 278 627	3 609 927
<b>Total Assets</b>	<b>394 964 038</b>	<b>203 470 038</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated capital	69 603 033	69 603 033
Accumulated loss	(16 258 898)	(10 408 456)
	<b>53 344 135</b>	<b>59 194 577</b>
<b>Liabilities</b>		
Deposits due to customers	340 219 920	128 572 096
Due to other banks	-	15 249 699
Operating lease liability	577 452	377 050
Creditors and accruals	822 531	76 616
<b>Total Liabilities</b>	<b>341 619 903</b>	<b>144 275 461</b>
<b>Total Equity and Liabilities</b>	<b>394 964 038</b>	<b>203 470 038</b>

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula

	2016	2015
Interest and similar income	12 788 642	4 157 599
Interest expenditure	(7 226 873)	(904 115)
Net interest income	5 561 769	3 253 484
Non-interest income	3 614 103	1 204 596
Net Income	9 175 872	4 458 080
Operating expenses	(14 222 251)	(9 716 117)
Provision for impairment losses against loans and advances	(804 063)	-
Loss before taxation	(5 850 442)	(5 258 037)
Income tax expenses	-	1 153 315
Loss for the year	(5 850 442)	(4 104 722)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(5 850 442)</b>	<b>(4 104 722)</b>

## Statement of Changes in Equity

Figures in Pula	Stated capital	Accumulated loss	Total
equity			
Balance as at 1 April 2014	69 603 033	(6 303 734)	63 299 299
Total comprehensive Loss for the year	-	(4 104 722)	(4 104 722)
Balance as at 1 April 2015	69 603 033	(10 408 456)	59 194 577
Total comprehensive Loss for the year	-	(5 850 442)	(5 850 442)
Balance at 31 Mar 2016	69 603 033	(16 258 898)	53 344 135

## Statement of Cash Flows for the year ended 31 Mar 2016

Figures in Pula	2016	2015
Cash flows from operating activities	26 216 054	94 910 858
Cash generated from operations		
Income tax received/(paid)	45 563	(951)
Net cash from operating activities	26 261 617	94 909 907
Cash flows from investing activities		
Purchase of property, plant and equipment	(863 509)	(1 362 222)
Cash flows from financing activities		
Total cash movement for the year	25 398 108	93 547 685
Cash at the beginning of the year	160 399 391	66 851 705
<b>Total cash at end of the year</b>	<b>185 797 499</b>	<b>160 399 390</b>

### Background

State Bank of India Botswana Limited was incorporated in Botswana on 27 January 2006 as a Company with limited liability under the Companies Act (CAP 42:01) and was licensed as a Commercial Bank on 29 July 2013 under Section 6 of the Banking Act, 1995. The Bank is wholly owned subsidiary of State Bank of India, India. It started its operations by opening its first branch at CBD Gaborone on 26 November 2013. The name of Bank was changed from State Bank of India Botswana Ltd to Bank SBI Botswana Ltd on 30 June 2015.

### Activities and Operations

During the period under review, the Bank's loan increased by 862 % over last year and Deposits increased by 163 % with loans level over P 200 million and deposits base over P 340 million. During the period under review the bank has introduced innovative loan products like Assets Backed Loan, Car Loans, Personal Loans and Housing Loans. To facilitate alternate channel for banking, the Bank has introduced Internet Banking and has started treasury operations actively. The Bank is also actively engaged in providing non fund based credit facilities to the customers. It is adhering all norms for disclosure of Bank charges and interest.

The performance in current year was impacted by the challenging trading environment, characterized by slow / subdued macro-economic conditions, low interest rates and significant decline in market liquidity. These factors resulted in a substantial increase in cost of funding, causing considerable margin compression, which ultimately reduced income.

### Technology Enabled Business Programme

The Bank uses Finacle Core Banking Solutions for its operations. Internet banking facility for viewing statements and transactions has now been rolled out. The bank's Board approved policy for Business Continuity is in place and the bank is maintaining Disaster Recovery Site working concurrently to meet any contingency and eventually.

### Disclosures

The Bank's Board approved Disclosures policy for Pillar -3 disclosures is in place and all Disclosures statements as per guidelines of the Bank of Botswana, are uploaded in the Bank website ([www.sbibotswana.co.bw](http://www.sbibotswana.co.bw))

### For and behalf of the board

Mr Pramod Pal-Managing Director