

Bank SBI Botswana Limited

Abridged Statement of Financial Position as at 31 March 2017

Figures in Pula	2017	2016
Assets		
Cash and balances with Bank of Botswana	18 708 528	18 849 796
Balances with other banks	12 798 463	6 801 539
Other financial assets	152 554 330	160 146 164
Loans and advances to customers	185 822 523	201 737 154
Other asset	1 607 855	1 219 466
Deferred tax	2 931 292	2 931 292
Property and equipment	2 534 314	3 278 627
Total Assets	376 957 305	394 964 038
Equity and Liabilities		
Equity		
Stated capital	124 851 651	69 603 033
General Risk Reserve	744 063	-
Accumulated loss	(16 943 187)	(16 258 898)
	108 652 527	53 344 135
Liabilities		
Deposits due to customers	241 022 627	340 219 920
Balances Due to other banks	26 033 778	-
Operating lease liability	377 050	577 452
Creditors and accruals	601 323	822 531
Total Liabilities	268 304 778	341 619 903
Total Equity and Liabilities	376 957 305	399 964 038

Bank SBI Botswana Limited

Statement of Profit or Loss and other Comprehensive Income for the year ended 31 March 2017

Figures in Pula	2017	2016
Interest and similar income	17 507 604	12 788 642
Interest expenditure	(9 408 214)	(7 226 873)
Net interest income	8 099 390	5 561 769
Non-interest income	5 375 250	3 614 103
Net Income	13 474 640	9 175 872
Operating expenses	(13 404 441)	(14 222 251)
Provision for impairment losses against loans and advances	(10 425)	(804 063)
Profit (Loss) before taxation	59 774	(5 850 442)
Income tax expenses	-	-
Loss for the year	59 774	(5 850 442)
Other comprehensive income	-	-
Total comprehensive income (Loss)	59 774	(5 850 442)

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STATEMENT OF CHANGES IN EQUITY

Figures in Pula	Stated Capital	General Risk Reserve	Accumulated Loss	Total Equity
Balance at 1 st 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 1 st April 2016	69 603 033	-	(16 258 898)	53 344 135
Total Comprehensive Income for the year			59 774	59 774
Issue of Shares	55 248 618	-	-	55 248 618
Transfer to General Risk Reserve		744 063	(744 063)	-
Total Contribution by owners recognised directly in equity	55 248 618	744 063	(744 063)	55 248 618
Balance at 31 st March 2017	124 851 651	744 063	(16 943 187)	108 652 527

Bank SBI Botswana Limited

Abridged Statement of Cash Flows for the year ended 31 March 2017

Figures in Pula	2017	2016
Cash flows from operating activities		
Cash generated from operations	(82 902 312)	26 216 054
Income taxes paid	-	45 563
Net cash from operating activities	(82 902 312)	26 261 617
Cash flows from investing activities		
Purchase of property and equipment	(386 262)	(863 509)
Cash flows from financing activities		
Proceeds on share issue	55 248 618	-
Total cash movement for the year	(28 039 956)	25 398 108
Cash at the beginning of the year	185 797 499	160 399 391
Total cash at end of the year	157 757 543	185 797 499

Background

Bank SBI Botswana Ltd 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.

Activities and Operations

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 demand from mining sector. These factors resulted in a substantial increase in cost of funding, causing considerable margin compression.

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 eventuality.

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. The credit rating assessment CRA model for rating is disclosed in bank website (www.sbibotswana.co.bw).

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BASIS OF PREPARATION

The abridged financial information has been prepared in accordance with the framework concepts and measurements and recognition requirements of International Financial Reporting Standards. In preparing the underlying financial statements from which these summarized financial results were extracted, all International Financial Reporting Standards and International Reporting Interpretations Committee interpretations issued and effective for annual periods ended 31 March 2017 have been applied. The principal accounting policies are consistent in all material aspects with those adopted in the previous year, except for the adoption of the revisions in the standards which have not had a material impact on the financial statements. In the preparation of the summarized financial results, the Bank has applied key assumptions concerning the future and other inherent uncertainties in recording various assets and liabilities. These assumptions were applied consistently to the financial results for the year ended 31 March 2017. These assumptions are subject to ongoing review and possible amendments.

For and behalf of the board

Mr Pramod Pal
Managing Director
Bank SBI Botswana Ltd

Bank SBI Botswana Ltd
2nd Floor, Exponential, Plot No. 54351, CBD
P.O. Box 505243, Gaborone Station Post Office, Gaborone email:vpops.botswana@statebank.com
[Tel: 3919778](tel:3919778) Fax: 3919858 website: www.sbibotswana.co.bw