DEAR BBS LIMITED SHAREHOLDER,

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION

Action required:

If you are in any doubt as to the action you should take in relation to this Information Memorandum please consult your stockbroker, banker, accountant, attorney or other professional advisor immediately.

BBS Limited Incorporated in Botswana on 26th April, 2018
Company Registration Number: CO2018/8208
ISIN: BW0000001965

INFORMATION MEMORANDUM

Relating to:

THE REGISTRATION by way of Introduction of up to 487 014 002 ordinary shares being all the issued shares of the Company on the Serala OTC Board of the BSE

This Information Memorandum is neither an invitation to the public to subscribe for, nor an offer to purchase ordinary shares in BBS. This Information Memorandum is issued in terms of the BSE Serala OTC Board Conditions for Registration for the purpose of providing information to the public in regard to the registration of the ordinary shares of BBS on the Serala OTC Board of the BSE.

This document contains forward-looking statements. All forward-looking statements involve risks and uncertainties and are based on current expectations regarding important factors. Statements contained herein are subject to known or unknown risks, uncertainties and contingencies, many of which are beyond the control of the Company, which may cause the actual results, financial condition, performance or achievements to differ materially from anticipated results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause forward-looking statements to differ materially from actual results include, among other things, requirements imposed by regulatory authorities, unpredictable events or circumstances, competitive factors in the industry in which the Company operates. These forward-looking statements speak only as at the date of this document. Investors are urged to seek independent financial advice on these matters. Investment is not advised for any person or entity dependent upon a guaranteed fixed return.

The Directors, whose names are given in paragraph 1 on part III of this document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that the Information Memorandum contains all information required by law. The directors confirm that the registration particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the registration particulars relate.

WARNING: BBS WILL BE REGISTERED ON THE BOTSWANA STOCK EXCHANGE SERALA OTC BOARD AND AS SUCH, THE SHARES SHOULD BE CONSIDERED AS SPECULATIVE

Date of issue: 28th August 2018

REGISTRATION DETAILS

Particulars of the securities being registered
Class of security  Ordinary shares
Total number of securities to be registered  487 014 002

Details of registration
The BSE has granted BBS a registration of 487 014 002 ordinary shares on the OTC Serala Board of the BSE as follows:
Abbreviated name:   BBS
Share code:               BBS
ISIN:                BW0000001965

Sponsoring Brokers Reporting Accountants and Auditors
Imara Capital Securities
Legal Advisors
KPMG
Securities
Imara Capital Securities
Transfer Secretaries
Corpsure Botswana

Disclaimer

The contents of this Information Memorandum do not constitute and should not be construed as investment, tax, legal, accounting or other advice. For advice on these matters you should consult your own investment, tax, legal, accounting or other advisers about any material or information discussed in this Information Memorandum. Prospective investors in the equity of BBS Limited should ensure that they fully understand the nature of the Company’s operations, its valuation and the extent of their exposure to risks, and should carefully consider the suitability of the Company’s Shares as an investment in light of their own circumstances and financial position. The BSE’s approval of the registration of BBS Limited on the Serala OTC Board should not be taken as an indication of the merits of the Company. The BSE has not verified the accuracy and truth of the contents of the documentation submitted to it and the BSE accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the equity of BBS Limited.
CORPORATE INFORMATION AND ADVISORS TO THE COMPANY

Registered Office: BBS
4th Floor, BBS Head Office
Plot 13108-12
Broadhurst Mall
PO Box 40029
Gaborone, Botswana

Legal Advisors: Armstrongs Attorneys
Acacia House, Plot 74538
Prime Plaza, New CBD
P O Box 1388
Gaborone, Botswana

Reporting Accountants and Auditors: KPMG Chartered Accountants (Botswana)
PLOT 57977, OFF TLOKWENG ROAD
Fairgrounds Office Park
P O Box 1519
Gaborone, Botswana

Sponsoring Brokers: Imara Capital Securities
2nd Floor, Morogwa Mews, Unit 6, Plot 74770
Westerns Commercial Road, CBD,
Gaborone, Botswana

Transfer Secretaries: Corpserve Botswana
Unit 206, Second Floor, Plot 64516
Showgrounds Close, Fairgrounds
P.O. Box 1583, AAD,
Gaborone, Botswana

The legal advisors, reporting accountants and auditors, sponsoring brokers and transfer secretaries of the company whose names are included in this information memorandum, have given and have not, at the date of this information memorandum, withdrawn their written consents to the inclusion of their names in the capacities as stated.

FORWARD LOOKING STATEMENTS

Certain statements contained in this information memorandum, other than historical facts constitute forward-looking statements. Forward-looking statements are preceded by, followed by or include the words believe, expects, estimates, anticipates, may, should, could, intends, plans, seeks, or words of similar import. Such forward-looking statements involve risks, uncertainties, and other factors which may cause the actual results, performance or achievement of BBS or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors, include among others, technical analysis, general economic and business conditions, industry trends, competition, changes in Government regulations, interest rate fluctuations, technical analysis, general economic and business conditions, industry trends, expansion of banking services offered will only increase its presence and market share in the economy. As a building society, the company already had a strong business presence and the provision of affordable property finance and attractive investment returns is suitable to the unique needs and requirements of Botswana and Batswana. As a competitive advantage to be able to craft and create bespoke tailored products that are competitive and can be offered at attractive rates, BBS has embarked on a journey to register as a bank.

BBS Limited shares are not currently listed or registered on any other stock exchange.

4. Opening of CSDB Accounts

All shareholders will be required to have CSDB accounts. Shares in the company will only be traded on the BSE through the CSDB. Shareholders who do not have CSDB accounts will not be able to trade their shares. The BSE Share Trust as a custodian of those shares until such a time such shareholders have opened a CSDB account, whereupon they will be transferred from the BBS Share Trust to their individual accounts.

5. Important Dates and Events

Attention is drawn to the important events and dates of occurrence stated below.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date (2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submit formal application</td>
<td>Tuesday 21st August</td>
</tr>
<tr>
<td>Approval received from BSE</td>
<td>Monday 27th August</td>
</tr>
<tr>
<td>Shares allocated to CSDB</td>
<td>Monday 27th August</td>
</tr>
<tr>
<td>Press announcement publication</td>
<td>Monday 3rd September</td>
</tr>
<tr>
<td>Trading of BBS Shares on the BSE OTC</td>
<td>Monday 3rd September</td>
</tr>
</tbody>
</table>

6. Documents Available for Inspection

The following documents, or copies thereof, will be available for inspection at the registered company’s offices, during normal business hours, on weekdays, until Friday 28th September 2018:

- this information memorandum;
- the constitution of BBS Limited;
- the conversion statement; and
- the written consents of the experts referred to in this information memorandum.

PART II - THE COMPANY

1. Introduction

On the 24th August 2017 BBS Shareholders resolved to approve a demutualization process, which converted a building society into a public company incorporated in terms of the Companies Act. The details of the conversion are set out in the conversion statement.

On the 26th April 2018, Botswana Building Society was converted into a company limited by shares, under the name BBS Limited.

The company intends to apply for a banking licence in terms of section 6 of the banking act. If the licence is granted, the company will be the first bank in Botswana to be majority owned and controlled by citizens of Botswana giving it a competitive advantage to be able to craft and create bespoke tailored products suitable to the unique needs and requirements of Botswana and Batswana. As a building society, the company already had a strong business presence and the expansion of banking services offered will only increase its presence and market share in the economy.

2. Incorporation and History of BBS Limited

BBS, domiciled in Botswana, was established as a building society under the building society act, during December 1976 primarily to be involved in property finance and the provision of services in connection therewith. Its philosophy is the provision of affordable property finance and attractive investment returns through the efficient utilisation of resources in the spirit of teamwork for the benefit of all stakeholders.

BBS’s initial business commenced with an asset base of some P4 million comprised of P0,2 million Botswana government stock, advances of P2,5 million and retained earnings of P1,900. Savings and fixed deposits accounted for P1,39 million, with creditors and provisions making up the balance.

Advances comprised of 488 mortgages assumed by BBS from the then United Building Society of South Africa, which society had until then operated as a branch. During the first three months of operation, only nine new home loans were advanced. Liabilities consisted of P2,6 million in capital, mostly subscribed by the Botswana government in shares, a statutory reserve of a mere P0,2 million, and retained earnings of P1,900. Savings and fixed deposits accounted for P1,39 million, with creditors and provisions making up the balance.

3. Other Listings

BBS Limited shares are not currently listed or registered on any other stock exchange.

BBS, domiciled in Botswana, was established as a building society under the building society act, during December 1976 primarily to be involved in property finance and the provision of services in connection therewith. Its philosophy is the provision of affordable property finance and attractive investment returns through the efficient utilisation of resources in the spirit of teamwork for the benefit of all stakeholders.

BBS’s initial business commenced with an asset base of some P4 million comprised of P0,2 million Botswana government stock, advances of P2,5 million and retained earnings of P1,900. Savings and fixed deposits accounted for P1,39 million, with creditors and provisions making up the balance.

Advances comprised of 488 mortgages assumed by BBS from the then United Building Society of South Africa, which society had until then operated as a branch. During the first three months of operation, only nine new home loans were advanced. Liabilities consisted of P2,6 million in capital, mostly subscribed to by the Botswana government in shares, a statutory reserve of a mere P0,2 million, and retained earnings of P1,900. Savings and fixed deposits accounted for P1,39 million, with creditors and provisions making up the balance.
During its first ten years of operation, BBS was restricted by law to lend only against the security of immoveable urban property. The Building Societies Act was amended in April 1986 to permit lending in rural areas. Since then, the number of mortgages in respect of rural properties has grown to 517, representing 5% of BBS’s mortgage book, compared with 5,115 advances in urban areas, as at 31st March 2018.

Up until 1986, BBS restricted its lending only to residential properties, as a matter of policy. It was only during 1986 that BBS ventured into commercial lending for the first time. These represent 8.5% of BBS’s mortgage book in terms of value.

The exceptional growth of BBS over the past 40 years can best be measured by the phenomenal increase in reserves from inception to the present P220 million in March 2017. The Statutory reserve alone increased from a mere P200 to almost P119 million over this period. BBS has consistently met its dividend obligations to its shareholders every year over the past 40 years of its existence, and occasionally, has paid bonus dividends.

Presently, BBS continues to operate in a niche market of mortgage lending in Botswana where it has a substantial presence. It has nine branches in Botswana, namely, three branches in Gaborone, and one in each of Lobatse, Serowe, Selebi-Phikwe, Francistown, Maun and Kasane.

3. Business Strategy and Execution

Being a building society, BBS has been restricted in terms of the products and services it can offer. The principal strategy is therefore to apply for a banking license and operate as a full-fledged mid-tier commercial retail bank. This will enable it to offer all the services and products of a commercial bank and will therefore be in an ideal position to respond effectively to competition as well as to the specific needs of the country.

While the banking sector is becoming increasingly competitive, new entrants have shown that it is possible (through product and service innovation and competitive pricing) to successfully challenge incumbents. The history of the Botswana banking sector over the past 25 shows that this has been integral to improving the competitiveness and efficiency of the banking sector. BBS intends to continue this process as a bank, building on its particular strengths including the following:

- An established customer base: An attractive range of pre-existing mortgage, savings and investment products that will be leveraged under the banking licence.
- Developing new products and services: BBS as a bank intends to build upon its existing product range to provide other products and services that are in demand from customers. These include personal loans, as well as payments products such as internet and mobile banking; debit and credit cards; transfers, payments, remittances etc. It will also cautiously develop low-value products for under-served and unbanked segments of society such as small, medium and microenterprises (SMMFs) and informal sector entrepreneurs.
- Building on its Botswana base: As the only bank with majority local ownership, BBS will leverage its detailed understanding of the Botswana market and respond to the needs of customers. Local ownership will also be an important marketing tool. BBS will further promote financial literacy in order to promote the financial well-being and creditworthiness of its customers.

One of the consequences of the demutualisation process is a widely dispersed shareholding of BBS Limited. Indeed, this is a specific requirement of the demutualisation legislation, which specifies a cap of 15% on the holdings of any single shareholder in the successor company. An advantage of this is that the majority of BBS’s customers will also be shareholders, which will inculcate loyalty to the institution.

Upon achievement of a banking license, BBS Limited will apply stringent and concerted change, programmes and portfolio management to the roll-out and implementation of the required banking systems, processes and people changes to maintain stability in the business and market. The business and operating models of the BBS Limited have also been articulated in the strategy document of the company.

4. Details of the Registration

The Company has listed a total number of 487 014 002 ordinary shares on the Serala OTC Board of the BSE. The total number of Shareholders is 25 862. Material Shareholders

The following are the material shareholders in the Company:

<table>
<thead>
<tr>
<th>ACCOUNT NAME</th>
<th>PERCENTAGE SHAREHOLDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOTSWANA PRIVATISATION</td>
<td>14.86%</td>
</tr>
<tr>
<td>ASSET HOLDING</td>
<td>9.21%</td>
</tr>
<tr>
<td>BOTSWANA POLICE SAVINGS AND LOANS</td>
<td>7.80%</td>
</tr>
<tr>
<td>GUARANTEE SCHEME</td>
<td>7.56%</td>
</tr>
<tr>
<td>DEREK BRINK</td>
<td>7.26%</td>
</tr>
<tr>
<td>SIMON HIRSCHFELD</td>
<td>2.71%</td>
</tr>
<tr>
<td>ESTATE OF LATE ABDUL JOSEPH</td>
<td>2.50%</td>
</tr>
<tr>
<td>BOTHALE INVESTMENTS</td>
<td>2.46%</td>
</tr>
<tr>
<td>LERIE BRINK</td>
<td>2.27%</td>
</tr>
<tr>
<td>TSIE TSIETSI MOTSOELE</td>
<td>1.30%</td>
</tr>
</tbody>
</table>

PART III - DIRECTORS AND MANAGEMENT

1. BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th>Name and Nationality</th>
<th>Address</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taolelo Mosethi</td>
<td>P O Box 3389 Gaborone</td>
<td>Chairperson</td>
</tr>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Piuss Komane B Molafe</td>
<td>P O Box 40029 Gaborone</td>
<td>Managing Director</td>
</tr>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richard Morosiwa</td>
<td>PO Box 405745 Gaborone</td>
<td>Director</td>
</tr>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kgalailelo Nneiseng Monthe</td>
<td>P.O Box 1991 Gaborone</td>
<td>Director</td>
</tr>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pelani Daphne</td>
<td>PO Box 552, Gaborone</td>
<td>Director</td>
</tr>
<tr>
<td>Siwawa-Ndai Botswana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>James M. Kamunya</td>
<td>P O Box 60035 Gaborone</td>
<td>Director</td>
</tr>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael M Tlhagwane</td>
<td>Private Bag 00438 Gaborone</td>
<td>Director</td>
</tr>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Term of Appointment

In terms of the Constitution, the Board shall be appointed for a tenure of up to maximum three (3) years, renewable for another maximum period of two three (3) years periods. The rotation of Directors shall be limited to three terms. The number of terms of a director may however be extended beyond the 3 terms for an additional one three (3) year period where it is in the best interest of the company. Provided that this clause shall not apply executive directors.

3. Corporate Governance

The Company has a Board that comprises executive and non-executive Directors. All the Directors bring to the Board a wide range of expertise as well as significant professional and commercial experience.

The Board of Directors currently consists of a non-executive chairman, one executive director and five non-executive directors. The Chairmen of the various committees are all non-executive directors. The Board meets regularly to review results, dictate policy, formulate overall strategy and approve the budgets. They have introduced structures of corporate governance, certain functions and responsibilities have been delegated to the below committees. Their terms of reference and composition are regularly reviewed.

- Human Resources and Remuneration
- Finance and Audit Committee
- Tender Committee
- Demutualisation Committee
4. SENIOR MANAGEMENT

Pius K. Molefe – Managing Director (Botswana)
Date of First Appointment: 03 April 2000
Professional/Academic Qualifications: Post Graduate Diploma (Economics)
Interest in shares options: 116,027 shares

Sipho H. Showa – Company Secretary & Head of Corporate Communication & Marketing (Botswana)
Date of First Appointment: 01 November 2011
Professional/Academic Qualifications: Master of Business Administration, Post Graduate Diploma (Education), Bachelor of Arts, Bachelor of Laws
Interest in shares options: 17,419 shares

Thelma O’Reilly – Head of Banking (Botswana)
Date of First Appointment: 26 July 2004
Professional/Academic Qualifications: Master of Science (Real Estate), Bachelor of Arts (Environmental Science)
Interest in shares options: Diploma in Banking 272,736 shares

Palesa A. Semele – Botswana – Head of Internal Audit (Botswana)
Date of First Appointment: 27 August 2012
Professional/Academic Qualifications: Association of Chartered Certified Accountants (ACCA), Association of Accounting Technicians
Interest in shares options: 102,584 shares

4. SENIOR MANAGEMENT

PART IV – RISK FACTORS

Before making an investment decision with respect to the subscription in BBS Limited Shares, prospective investors should carefully review the risk factors described below together with other information contained in this Information Memorandum. BBS Limited’s financial condition and results of operations could be materially affected by the occurrence of one or more of the risks discussed below. The market value of the Shares could fall as a result of any of these risks, and investors may lose the value of their investment in whole or in part. The risks described below may, in retrospect, turn out to be incomplete and therefore may not be the only risks to which BBS Limited is exposed. Additional risks and uncertainties of which BBS Limited is not currently aware could have a material adverse effect on BBS Limited’s financial condition, and results of operations. The order of presentation of the risk factors below does not indicate the likelihood of their occurrence or the magnitude or the significance of the individual risks. The risks specified below could occur individually or cumulatively.

1. Risks Relating to the Operating and Regulatory Environment in which BBS Limited Operates

Strategic Risk

Strategic risk is the risk of suffering potential losses due to decisions or radical changes in the business environment, improper implementation of decisions, lack of responsiveness to changes in the business environment, with negative or impact on the risk profile and consequently on capital, earnings as well as the overall direction and scope of the Company in the long run.

2. Business Risk

Business risk is defined as a measurement of the variance between unanticipated un-favourable changes in future profit margins of the Company and those forecasted.

3. Capital management

To monitor the adequacy of its capital, the Company uses ratio set by the Bank of Botswana. These ratios measure capital adequacy by comparing the Company’s eligible capital with its reported assets and commitments at weighted amounts to reflect their relative risk. The regulator has advised all financial institutions to ensure capital requirements to be based on the Basel II framework.

4. Risks related to the Distribution of Dividends

The capacity of the Company to distribute dividends depends on the compliance of the minimum applicable capital requirements based on the regulations in force, specifically the overall capital requirements, where failure to comply involves the need to calculate the Maximum Distributable Amount. Therefore, albeit the Company may have distributable profits pursuant to its statutory financial statements, the Company would not be able to pay dividends in the case of failure to comply with these prudential regulatory provisions. The distribution of dividends could, also, in future, be excluded or limited by the need to comply with capital requirements laid down by legal and/or regulatory rules applicable.

5. Credit Risk and Risk of Credit Quality Deterioration

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company’s loans and advances to customers, balances with Companies and investments in debt securities.

6. Collateral

The Company holds collateral against loans and advances to customers in the form of mortgage interests over property, cash and guarantees. Estimates of collateral fair values are assessed at the time of borrowing and are updated every three years or when a loan is individually assessed as impaired or when the customer requests further facilities against the same bond.

7. Concentration Risk

Concentration risk arises due to a high level of exposure by the Company to individual companies or counterparties (single name concentration) or a group of connected clients or a high level of exposure within industry sectors and geographical regions (sectoral concentration). Given the size and nature of the domestic financial sector and the local economy, the Company is exposed to concentration risk in its credit business. The Company’s investment portfolio may also be exposed to concentration risk derived from excessive reliance on the same country, counterparty, sector or currency. In addition, the deposit base of the Company primarily consists of customers located in Botswana. As a result, the Company is highly exposed to any economic trends affecting country specifically and the region generally, which if negative may have an adverse effect on the Company, its business and results of operations and financial condition.
8. Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company’s processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company’s operations and are faced by all business entities. The Company’s objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company’s reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

9. Risks relating to Information Technology

The Company depends on its information technology systems to process a large number of transactions on an accurate and timely basis, and to store and process substantially all of the Company’s business and operating data. The Company’s business activities would be materially disrupted if there were a partial or complete failure of any of these information technology systems or communication networks. In addition, any failure or delay in recording or processing the Company’s transaction data could subject the Company to claims for loss in the value of its fixed and intangible assets. Information Security Risk Loss or leakage of confidential information could have a material adverse effect on the operations and performance of the Company.

10. Reputational Risk

Reputational risk is the current or future risk of a loss or decline in profits or share value as a result of a negative perception of the Company’s image by customers, counterparties, shareholders, investors or regulators.

11. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities.

12. Management of liquidity risk

The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

13. Market Risk

Market risk involves the risk that the Company’s earnings or capital will be adversely affected by the volatility of market rates or prices such as interest rates, credit spreads and foreign exchange rates. In the event that any of the foregoing market risks were to occur, the Company may experience significant losses in the value of its fixed and intangible assets. Information Security Risk Loss or leakage of confidential information could have a material adverse effect on the operations and performance of the Company as well as the value of its assets.

14. Interest rate risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the cash flows or fair values of financial instruments because of a change in market interest rates.

PART V – HISTORICAL FINANCIALS

STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual P’000 31 Mar-17</th>
<th>Actual P’000 31 Mar-16</th>
<th>Actual P’000 31 Mar-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash equivalents</td>
<td>70,308</td>
<td>130,027</td>
<td>66,714</td>
</tr>
<tr>
<td>Fixed deposits with banks</td>
<td>232,251</td>
<td>656,347</td>
<td>286,579</td>
</tr>
<tr>
<td>Other assets</td>
<td>19,529</td>
<td>20,308</td>
<td>19,006</td>
</tr>
<tr>
<td>Short term loans and advances</td>
<td>81,600</td>
<td>79,385</td>
<td>76,528</td>
</tr>
<tr>
<td>Properties In possession</td>
<td>11,792</td>
<td>11,414</td>
<td>10,015</td>
</tr>
<tr>
<td>Long term loans and advances</td>
<td>3,117,664</td>
<td>3,072,640</td>
<td>2,933,904</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>9,282</td>
<td>7,766</td>
<td>7,694</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>110,204</td>
<td>109,554</td>
<td>96,011</td>
</tr>
<tr>
<td>Total Assets</td>
<td>3,652,630</td>
<td>3,687,441</td>
<td>3,496,451</td>
</tr>
</tbody>
</table>

LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Outstanding amount 31 Mar 2018</th>
<th>Interest rate</th>
<th>Interest type</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers’ Savings and fixed deposits accounts</td>
<td>1,130,984</td>
<td>6.53%</td>
<td>Variable (linked to 91 day Bobc)</td>
<td>11-Apr-19</td>
</tr>
<tr>
<td>Paid up and subscription shares</td>
<td>508,619</td>
<td>5.93%</td>
<td>Variable (linked to 91 day Bobc)</td>
<td>13-Mar-19</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>3,140</td>
<td>5.50%</td>
<td>Variable (linked to prime)</td>
<td>30-Nov-19</td>
</tr>
<tr>
<td>Borrowings</td>
<td>846,915</td>
<td>7.10%</td>
<td>Variable (linked to prime)</td>
<td>15-May-22</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>70,525</td>
<td>6.50%</td>
<td>Variable (linked to bank rate)</td>
<td>28-Feb-23</td>
</tr>
<tr>
<td></td>
<td>2,560,183</td>
<td>5.50%</td>
<td>Variable (linked to 91 day Bobc)</td>
<td>15-Sep-24</td>
</tr>
<tr>
<td></td>
<td>3,009,242</td>
<td>7.10%</td>
<td>Fixed</td>
<td>04-Aug-18</td>
</tr>
<tr>
<td>SHAREHOLDERS’ EQUITY</td>
<td>1,092,447</td>
<td>5.50%</td>
<td>Fixed</td>
<td>03-Mar-22</td>
</tr>
<tr>
<td></td>
<td>1,078,199</td>
<td>7.10%</td>
<td>Fixed</td>
<td>03-Dec-22</td>
</tr>
</tbody>
</table>

STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual P’000 31 Mar-17</th>
<th>Actual P’000 31 Mar-16</th>
<th>Actual P’000 31 Mar-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>299,384</td>
<td>307,018</td>
<td>303,058</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(137,914)</td>
<td>(156,511)</td>
<td>(139,511)</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>161,470</td>
<td>150,507</td>
<td>164,447</td>
</tr>
<tr>
<td>Fee and Commission Income</td>
<td>22,465</td>
<td>25,099</td>
<td>25,989</td>
</tr>
<tr>
<td>Fee and Commission Expense</td>
<td>(1,117)</td>
<td>(1,116)</td>
<td>(1,050)</td>
</tr>
<tr>
<td>Net Fee and Commission Income</td>
<td>21,348</td>
<td>23,983</td>
<td>24,939</td>
</tr>
<tr>
<td>Other operating income</td>
<td>5,271</td>
<td>7,498</td>
<td>11,671</td>
</tr>
<tr>
<td>Reversal of impairment loss</td>
<td>-</td>
<td>3,293</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>188,089</td>
<td>185,531</td>
<td>189,386</td>
</tr>
<tr>
<td>Losses on financial assets</td>
<td>11,480</td>
<td>11,083</td>
<td>4,818</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>11,220</td>
<td>7,957</td>
<td>7,291</td>
</tr>
<tr>
<td>Operating Lease Expenses</td>
<td>2,548</td>
<td>2,612</td>
<td>2,843</td>
</tr>
<tr>
<td>Demutualisation expenses</td>
<td>1,118</td>
<td>67</td>
<td>9,001</td>
</tr>
<tr>
<td>Other expenses</td>
<td>48,352</td>
<td>46,671</td>
<td>49,547</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>140,204</td>
<td>130,625</td>
<td>129,108</td>
</tr>
<tr>
<td>Profit of the year</td>
<td>47,885</td>
<td>54,906</td>
<td>71,949</td>
</tr>
<tr>
<td>Total comprehensive income of the year</td>
<td>47,885</td>
<td>54,906</td>
<td>71,949</td>
</tr>
</tbody>
</table>

PART VI – GENERAL DISCLOSURES

1. Dividend Policy Principle

The Company is focused on investing in income generating projects that will ensure that there is a regular level of dividends that are paid out to Shareholders. The Board, shall, annually, determine an appropriate level of dividends based on the Company’s strategy and financial performance.

2. Statement of Indebtedness

2.1. Borrowing Powers of the Company (excerpt from Constitution)

73.1.1. give a guarantee on behalf of the Company to secure performance of an obligation of the Company; and

73.1.2. issue, reissue, sell, pledge or hypothecate debt obligations of the Company; and

73.1.3. give a guarantee on behalf of the Company to secure performance of an obligation of the Company.

2.2. Borrowings

The Company currently has the following borrowings;
2.3 Solvency, Liquidity and Working Capital Statement

The Directors are of the opinion that, post the Registration Date, both the issued share capital and working capital of BBS will be adequate to finance operations on a sustainable basis going forward.

3. Litigation Statement

BBS is involved in the following litigation: Southern African Furniture Company ("SAFCO") v BBS, involving a claim of P40,550,000.00.

Other than this matter BBS is not involved in any other material litigation, dispute, or arbitration proceedings which may have or have had in the past twelve months preceding the date of this Information Memorandum, a significant effect on the financial position of the Company, nor is BBS aware of such material litigation, dispute or arbitration proceedings pending or threatened.

4. Material Changes

Since the last date of historical published financial information being 31 March 2017 BBS has undergone major changes as a result of the demutualisation process. On the 26th April 2018 BBS was successfully registered as a company and this had a huge impact on the capital structure of the organisation. The change in capital structure meant that now the new company had proper ordinary shares which formed part of the organisation's equity. Previously the equity was made up of indefinite period paid up shares and reserves. Some funds which made part of the indefinite period paid up shares were used to buy ordinary shares, some were invested in debentures while the remaining funds were converted to deposits. The Society also had other types of shares being Fixed periods paid up shares and Subscription shares. Holders of these shares also had voting rights just like holders of indefinite period paid up shares. But because of their nature these shares did not qualify as equity, however qualifying members holding these types of shares were also given an opportunity to buy ordinary shares in the new entity. All remaining amounts were then converted to deposits.

5. Significant or Material Contracts

The Company does not have any material contracts other than those reflected at Part VI paragraph 2.2.

6. Related Party (ies) Transactions

Other than Directors and Senior Management who are referred to under Paragraph 1 of Part III above, there are no other related parties on this registration.

7. Directors' Responsibility Statement

7.1 The Directors, whose names are given in Paragraph 1 of Part III of this Information Memorandum, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts, and that the Information Memorandum contains all information required by law.

7.2 The Directors confirm that the Information Memorandum includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the securities to which the Information Memorandum relates.

___________________________
Pius Komane Bashwa Molefe
MANAGING DIRECTOR
BBS LIMITED
(duly authorised)