Unaudited Financial Results for the half year ended 30 June 2017

The Directors have presented in pleasing the unaudited financial results of Standard Chartered Bank Botswana Limited and its subsidiaries (the Group) for the six months ended 30 June 2017 together with comparable figures for 2016.

### Standard Chartered Bank Botswana Limited

#### Unaudited Financial Results - Half Year Ended 30 June 2017

#### Key Financial Highlights

- **Profit for the period**: R92,639 million for the half year ended June 2017 compared to R13,384 million in the corresponding period of the previous year.
- **Revenue from operations**: R270,810 million for the six months to June 2017 compared to R227,806 million in the comparable period of the previous year.
- **Operating income**: R18,102 million for the six months to June 2017 compared to R11,344 million in the comparable period of the previous year.
- **Basic and diluted earnings per share**: 15.88 thebe for the six months to June 2017 compared to 106.98 thebe in the comparable period of the previous year.

#### Profit for the Period

<table>
<thead>
<tr>
<th>Description</th>
<th>H1 2016</th>
<th>H2 2016</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period</td>
<td>R13,384 million</td>
<td>R8,995 million</td>
<td>R22,379 million</td>
</tr>
<tr>
<td>Less: Taxation</td>
<td>R2,040 million</td>
<td>R1,561 million</td>
<td>R3,581 million</td>
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<tr>
<td>Profit before tax</td>
<td>R11,344 million</td>
<td>R7,434 million</td>
<td>R18,798 million</td>
</tr>
<tr>
<td>Less: Other expenses</td>
<td>R15,992 million</td>
<td>R11,003 million</td>
<td>R21,757 million</td>
</tr>
<tr>
<td>Total comprehensive income and profit for the period</td>
<td>R(4,648) million</td>
<td>R(3,569) million</td>
<td>R(2,959) million</td>
</tr>
</tbody>
</table>

#### Profit and Loss

<table>
<thead>
<tr>
<th>Description</th>
<th>H1 2016</th>
<th>H2 2016</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>R18,102 million</td>
<td>R14,629 million</td>
<td>R32,731 million</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>R705,994 million</td>
<td>R665,498 million</td>
<td>R1,371,492 million</td>
</tr>
<tr>
<td>Profit before impairment losses</td>
<td>R30,267 million</td>
<td>R1,000 million</td>
<td>R(8,000) million</td>
</tr>
<tr>
<td>Net income before tax</td>
<td>R29,267 million</td>
<td>R(9,000) million</td>
<td>R(8,000) million</td>
</tr>
</tbody>
</table>

#### Balance at 31 December 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Pre-tax</th>
<th>Post-tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>R1,100,999 million</td>
<td>R92,639 million</td>
<td>R82,199 million</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>R12,088,722 million</td>
<td>R11,600,673 million</td>
<td>R10,929,271 million</td>
</tr>
<tr>
<td>Shareholders equity</td>
<td>R1,010,273 million</td>
<td>R92,639 million</td>
<td>R82,199 million</td>
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</tbody>
</table>

#### Commercial Banking Segment Performance

- The Commercial Banking segment registered a 9% increase in total income despite the challenges in the during the period.
- A key part of the group's sustainability agenda is financial education through activities to promote financial literacy. May was declared Financial Education Month, during which education activities to promote financial literacy.
- A modest recovery is expected in 2016 and 2017, mainly on account of the slowdown in economic activity.

#### STP2020

- The STP2020 programme, which aims to transform the bank into a customer-centric organisation, is progressing well.
- The bank is focusing on digital transformation, with increased focus on Trade, Cash and other traditional and online services.

#### Financial Results for the Half Year Ended 30 June 2017

- **Income from operating activities**: R270,367 million for the six months to June 2017 compared to R229,153 million in the comparable period of the previous year.
- **Net interest income**: R15,228 million for the six months to June 2017 compared to R13,583 million in the comparable period of the previous year.

#### Dividend Declaration

The Board of Directors has declared a dividend to equity holders of R60,000 million for the six months to June 2017.

The Directors have recommended to the shareholders that the dividend be paid on 11 August 2017.

### Notes

- The financial statements as at 31 December 2015.
- The Group has received a significant share of the Department of Child Protection’s revenue from child protection.
- The Group has the right to protect children from violence and abuse.
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