The Group continues to ensure that “Here for good” remains a core value to action for each and every member of staff not only in their day-to-day responsibilities but in extending to the communities across our global footprint, including in Botswana.

Champion of the current is the continued reach of our Employee Volunteering (EV) programme. In 2016, EV initiatives were supported from Jaweng through to Maun and made meaningful impact to deserving families, youth-centred initiatives, financial literacy engagements and the Bank’s contribution to the ‘Adopt-a-school’ drive which included a donation to Mosewalele CSJS towards the construction of their boundary wall.

2016 also saw the Group host the inaugural W Summit in partnership with De Beers. This event demonstrated the commitment to the women’s agenda as it provided a platform to engage women leaders, diplomats, captains of industry and thought leadership champions to share insights and interact.

Following the successful conclusion of the Proxi Lelito’s programme, the Bank through its e-Kapitso e-commerce programme, Sehlopo is Beleking (SIB), launched PEXK Botswana in 2016. PEXK/PeQa’s Elevation Exam (PXE) programme is a group of initiatives including Sehlopo in Beleking (Standard Chartered Bank Botswana), PEXK, Vision, Ministry of Health, Ministry of Education, Botswana Olympian Association and Botswana Premier Partnerships. PEXK Botswana implemented PEXK Vision School Screening in the Good Health sub-district as Phase 2 of the National Implementation of PEXK Vision in Botswana.

The P1 million utilises innovative mobile app technology to screen school children for visual impairment with the aim to offer treatment and/or spectacles where needed. The project reached over 12 800 pupils across 49 schools in the selected district.

The project is a key component of the MoH Health National Strategy and aligns with the MoH National Health Strategy. It also builds upon the UNICEF 2030 LINK between Botswana and Adolescent’s Africa and the Proxi Lelito eye health programme.

As with the rest of the country, an important focus in 2016 was the BIST 50 celebration of the country’s 50 years of independence. As we endeavoured to continuously support government, we partnered with the Botswana Society in hosting a series of public forums to celebrate the commitment and excellence of key figures who have contributed to Botswana’s development over the past 50 years, under the theme “Founding Ideas and Modern Principles”. As the oldest bank in the country, Standard Chartered pledged a donation towards these forums.

We have paid a dividend of P0.09/ordinary share to SC Trust in 2016 to support charitable and educational activities within Botswana. Our support to Tsheong Baozi towards financial inclusion is ongoing and in April our efforts culminated in the launch of a branch in Sefarare. This centre is the third to be opened since the partnership began, taking the number of low-income business women accessing finance over 11 000.

As we look towards the celebration of the Bank’s 130 year anniversary in 2017, we will seek innovative opportunities for broad-based community engagement that will document the 130 year journey with a particular emphasis on involving our stakeholders past and present in the planning and story-telling.

Auditor’s report

KPMG has audited the consolidated financial statements of Standard Chartered Bank Botswana and has expressed an unqualified opinion on these financial statements. The consolidated financial statements comprise the financial position at 31 December 2016 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended and supporting explanatory notes. The audit report on the consolidated financial statements is available for inspection at the registered offices of Standard Chartered Bank Botswana.

Events after the reporting period

There were no material events that occurred after the reporting date that require adjustments to, or disclosure in, the financial statements as at 31 December 2016.

Dividend Declaration

The Board has recommended the declaration and payment of a final dividend of 10.00 thebe per ordinary share, amounting to P10.0 million to be paid on or about the 10th of May 2017 to those shareholders registered at the close of business on the 7th of April 2017 subject to regulatory approval. An interim dividend of P0.08 (10.08 thebe) per ordinary share was declared and paid during the year out of the 2015 profits. A further P0.09 million (10.09 thebe) per gross share was paid out in 2016 out of the 2016 profits.

Approved by the Board of Directors on 03 May 2017:

By order of the Board

Shafik Tshabalala
Managing Director

Gaborone

CONSOLIDATED STATEMENT OF CASH FLOWS

31-Dec-16 (P’000s) 31-Dec-15 (P’000s)

Cash flows from operating activities
Profit for the year 319,184 319,184
Adjustments for: -
- Taxation 23,683 21,260
- Depreciation 1,057 734
- Amortisation 18,225 15,896
- Impairment charge on loans and advances 117,528 103,348
- Movement in lease receivable (9,769) (3,129)
Total 27,596 25,147

Cash flows from investing activities:
Purchase of intangibles - 8,609
Proceeds from subordinated debt 219,866 (213,086)
Acquisition of intangibles (23) (8,609)
Net cash generated from investing activities 219,843 (221,797)

Cash flows from financing activities:
Dividends paid (169,134) (213,086)
Proceeds from an issue of subordinated debt 242,437 240,021
Net cash provided by financing activities 73,303 17,235

Net increase in cash and cash equivalents 27,596 25,147

Cash and cash equivalents at beginning of year 298,350 273,203
Cash and cash equivalents at end of year 325,946 300,349

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31-Dec-16 (P’000s) 31-Dec-15 (P’000s)

Assets
Loans and advances -
- Loans and advances to customers 2,138,496 1,740,411
- Domestic 1,656,268 1,369,260
- External 482,228 371,151
- Non-mining sectors 482,228 371,151
- Mining sectors 1,656,268 1,369,260
- Government 0.0 0.0
- Government related assets 0.0 0.0
- Projected income tax assets 0.0 0.0
- Other loans and investments 160,666 126,160
- Treasury bills 0.0 0.0
- ESF 0.0 0.0
- Cash and cash equivalents other than cash at bank 0.0 0.0
- Cash at bank 0.0 0.0
- Cash held with Central Bank 0.0 0.0
Cash and cash equivalents held with Central Bank 0.0 0.0
Total loans and advances 2,138,496 1,740,411

Property and equipment
Land at historical cost 0.0 0.0
Less accumulated depreciation 0.0 0.0
Property and equipment net of depreciation 0.0 0.0

Other assets
Goodwill 0.0 0.0

Liabilities
Deposits from banks 0.0 0.0
Deposits from customers 1,178,732 1,230,490
Other liabilities 164,919 258,174
Deferral liabilities 0.0 0.0
Other provisions and related debt 0.0 0.0
Total liabilities 1,343,651 1,538,664

Equity
Issued capital 179,273 179,273
Share premium 0.0 0.0
Retained earnings 517,207 517,207
$67,082 37,082
Total equity 1,041,281 1,199,596

Total liabilities and equity 2,384,932 2,738,258

CONSOLIDATED ABRIDGED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

31-Dec-16 (P’000s) 31-Dec-15 (P’000s)

Profit for the year 319,184 319,184
Profit before taxation 316,906 316,906
Adjustments for: -
- Taxation 23,683 21,260
- Depreciation 1,057 734
- Amortisation 18,225 15,896
- Impairment charge on loans and advances 117,528 103,348
- Movement in lease receivable (9,769) (3,129)
Total 27,596 25,147

Other comprehensive income:
Other income 156,494 207,183
Other expenses (486,039) (416,398)
Net comprehensive income (329,545) (209,215)

Capital Stated credit Statutory credit Retained Dividend Capital Treasury Available for Total
31-Dec-16 (P’000s) 31-Dec-15 (P’000s)
Stated credit 179,273 179,273
Other comprehensive income (329,545) (209,215)
Retained credit (179,273) (329,545)
Total equity 1,041,281 1,199,596

Chairman Managing Director

Gaborone

Gaborone

sc.com/bw

For here good
Standard Chartered Bank Botswana Limited
Audited Financial Results for the year ended 31 December 2016
The Directors have pleasure in presenting the audited financial results of Standard Chartered Bank Botswana Limited and its subsidiaries for the full year ended 31 December 2016.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<table>
<thead>
<tr>
<th>Stated capital (P'000)</th>
<th>Reservoiur reserve (P'000)</th>
<th>Statutory credit risk reserve (P'000)</th>
<th>Retained earnings (P'000)</th>
<th>Capital contribution (P'000)</th>
<th>Treasury share reserve (P'000)</th>
<th>Available for sale reserve (P'000)</th>
<th>Total (P'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>173 273</td>
<td>6 397</td>
<td>9 225</td>
<td>854 784</td>
<td>28 213</td>
<td>32 242</td>
<td>11 041</td>
<td>1 199 396</td>
</tr>
</tbody>
</table>

Balance at 31 January 2015

Total comprehensive income

Profit for the year

Other comprehensive income, net of tax

Fair value adjustment: Available for sale securities

Purchases of treasury shares

Balance at 31 December 2015

Total comprehensive income

Profit for the year

Transfer to statutory credit risk reserve

Dividends to equity holders - paid

Balance at 31 December 2016

CONSOLIDATED SEGMENTAL REPORTING

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>2016</td>
</tr>
</tbody>
</table>

2016

Profit or loss

Net interest income

Non-interest income

Revenue - external sources

Impairment movement

Net interest income after impairment

Operating expenses

Profit/(loss) before taxation

Statement of financial position

Investment securities

 Loans and advances to customers

Other assets for reportable segments

Total assets for reportable segments

Deposits from non-bank customers

Other liabilities for reportable segments

Total liabilities for reportable segments

Revenue

Operating expenses

Impairment

Profit after taxation

CONSOLIDATED BANK

<table>
<thead>
<tr>
<th>P' Millions</th>
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<tbody>
<tr>
<td>2015</td>
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</table>

Revenue

Operating expenses

Impairment

Profit after taxation

CORPORATE AND INSTITUTIONAL BANKING

<table>
<thead>
<tr>
<th>P' Millions</th>
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<tbody>
<tr>
<td>2015</td>
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</table>

Total income

Total costs

Profit before taxation

RETAIL BANKING

<table>
<thead>
<tr>
<th>P' Millions</th>
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<tbody>
<tr>
<td>2015</td>
</tr>
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</table>

Total income

Total costs

Net income

COMMERCIAL BANKING

<table>
<thead>
<tr>
<th>P' Millions</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
</tr>
</tbody>
</table>

Total income

Total costs

Net income

TOTAL EQUITY vs CAPITAL ADEQUACY RATIO

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
</table>

2016

Total equity

Capital adequacy ratio

2015

Total equity

Capital adequacy ratio