Key Financial Highlights

- Profit before tax increased 26% year on year driven by excellent growth in loan portfolio and increased asset quality.
- Total income is 11% above 2012 with strong growth across both its commercial and retail banking segments.
- Operating expenses increased by 9% largely due to continued investment in staff and infrastructure.
- Credit impairment charges reduced by 22% to P57m (2012: P72m) as write-offs more than offset higher provisions.
- Impairment was well managed, decreasing by 53% year on year.
- Profit for the year amounted to P321m (2012: P278m) and is P31m (57%) lower than last year.
- The Bank remained well capitalised and liquid.

Business and Financial Position Review

The Bank has posted a strong set of results despite the challenging and uncertain economic environment. This, once again, demonstrates the resilience of the Bank's balance sheet and income streams.

- Revenue passed the P1bn mark to deliver double-digit profit after tax growth (15%) over 2012. Loans and advances to customers grew by 28% and corporate lending has grown 35%, year on year. Corporate lending grew by 12% year on year.
- Operating expenses increased by 9% largely due to continued investment in staff and infrastructure. The Bank continued to manage its impairment charges well, decreasing by 53% year on year.
- Proprietary lending remains consistent with its strategy of focusing on core business segments.
- The Bank continued to focus on the improvement of various branch and agency infrastructure and incurred some additional costs.
- Operating expenses increased by 9% largely due to continued investment in staff and infrastructure.

Statement of Profit and Loss and Other Comprehensive Income

The Bank has initiated and launched an entrepreneurial competition in conjunction with Botswana Accountancy College. The successful contest was geared at giving participating students the opportunity to gain unique and essential Business experience through simulation of real-life business simulations.

The Bank has undertaken a commendable step to provide its employees with 3 days of paid leave of which they are welcome to select a cause to support and volunteer for any activity of their choice. For the month of February 2014, the initiative was well supported by the Bank's employees and volunteer for any activity of their choice.

In the area of financial literacy and youth empowerment, the Bank initiated a global community programme aimed at prevention of blindness.

The Board has recommended the declaration and payment of a FINAL dividend of 44.58 thebe per ordinary share, amounting to P132.2 million. An interim dividend of P90 million (2012: P76 million) per ordinary share was declared in February 2014.

Dividend Payment

The dividend will be payable on or about the 23rd May 2014 to those shareholders registered at the close of business on 11th April 2014.

Independent Auditor's Opinion

The Bank has been audited by KPMG, independent auditors to Standard Chartered Bank Botswana Limited from which the summarised financial results have been derived, and have examined the consolidated financial statements.

The Board has recommended the declaration and payment of a FINAL dividend of 44.58 thebe per ordinary share, amounting to P132.2 million (compared to P200 million for 2012).

In 2013, the Pula further appreciated against the Rand (9.8%) and depreciated against the US Dollar (23.5%) as the economy remained consistent with its strategy of focusing on core business segments.

The Bank has posted a strong set of results despite the challenging and uncertain economic environment. This, once again, demonstrates the resilience of the Bank's balance sheet and income streams.

The Bank continued to leverage its position as a leading universal bank in Botswana, being well positioned for further growth.

The Board has recommended the declaration and payment of a FINAL dividend of 44.58 thebe per ordinary share, amounting to P132.2 million (compared to P200 million for 2012).

The auditors report is available for inspection at Standard Chartered Bank Botswana Limited's registered office.

For a better understanding of the Group’s financial position and the results of its operations for the year and the scope of the audit, the summarised financial results should be read in conjunction with the audited financial results, which will be available for review after the annual general meeting, and the audit report therein. The audit was conducted in accordance with the International Auditing and Assurance Standards.