



**Bank of Baroda (Botswana) Limited**  
Summarised Annual financial statements  
for the year ended 31 March 2023

# Bank of Baroda (Botswana) Limited

(Registration number BW00000570268)

Summarised Annual Financial Statements for the year ended

## General Information

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<b>Country of incorporation and domicile</b>	Botswana
<b>Nature of business and principal activities</b>	Commercial Banking
<b>Directors</b>	S Bagopi G Setume S T Nlebgwa A Singh Joydeep Dutta Roy Sanjay Joshi Vishwanath Suresh (Appointed on 22 May 2022) S K Singh (Resigned on 22 May 2022)
<b>Registered office</b>	Plot 50370 Acumen Park Fairgrounds Gaborone Botswana
<b>Business address</b>	Plot 14456 Kamushungo Road G West Industrial Gaborone Botswana
<b>Holding company</b>	Bank of Baroda incorporated in India
<b>Auditors</b>	Grant Thornton
<b>Secretary</b>	R K Accountants (Proprietary) Limited
<b>Bank registration number</b>	BW00000570268
<b>Date of incorporation</b>	17 August 2000
<b>Currency</b>	BWP

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## Director's Report

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The directors have pleasure in submitting their 23 report on the annual financial statements of Bank of Baroda (Botswana) Limited for the year ended 31 March 2023.

In 2022, global economic performance and sentiment were negatively affected mostly by the ripple effects of the Russia-Ukraine war, global monetary policy tightening and the lingering effects of the COVID-19 pandemic, particularly zero-COVID policies and lockdowns in China.

Led by the water and electricity, diamond, and mining sectors, GDP experienced a robust 5.9% annual expansion in Q4 2022. As a result, the economy grew by 5.8% in 2022, approximately half of 2021's growth rate.

Inflation remained above the Central Bank's medium-term objective range(3.0–6.0% ) in 2022, averaging 12.2 percent in 2022. With the increase of the MoPR (Monetary Policy Rate) which became policy in place of earlier Bank Rate by a cumulative 1.51 percentage points to 2.65 percent in 2022, prime lending rate of commercial banks increased from 5.25 percent to 6.76 percent in the same period.

The Central Bank (Bank of Botswana) maintained an accommodative monetary policy stance during 2022 in view of the positive inflation outlook in the medium term.

### 1. Background

Bank of Baroda (Botswana) Limited was incorporated in Botswana on 17th August 2000 as a Company with limited liability under the Companies Act (CAP 42:01) and was licensed as a Commercial Bank on 06th September 2000 under Section 6 of the Banking Act, 1995. The Bank is wholly owned subsidiary of Bank of Baroda, India. It started its operations by opening its first branch at Acumen Park, Plot 50370, Fairgrounds, Gaborone, Botswana on 26 March 2001. The Bank shifted to the existing premises at A.K.D. House, Lot 1108, The Main Mall, Gaborone in January 2005. The second branch of the Bank was opened in Francistown on 5 Dec.2007. The third branch of the Bank was opened in Gaborone Industrial Area (G-West) on 22 Feb 2013. Fourth branch of the Bank was opened in Palapye on 16 Mar 2020.

### 2. Activities

The Bank continues to be engaged in the business of commercial banking and provides a wide array of financial services.

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## Director's Report

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### 3. Business performance

The business of the Bank reported positive growth of about 17.15 % during the year. The growth remains high to previous year due to higher growth in Credit and Term Deposits.

This year net profit of the Bank stood at P 73.42 mn for the year as compared to P 59.41 mn during the previous year showing a positive growth over last year mainly due to increase in interest income in Loans and advances, containment of impairment and controlling cost.

Asset Quality of the bank has improved during the year. The gross NPLs to total advances was 0.45 % as against 0.76 % in March 2022. Bank was able to arrest fresh NPLs and fresh NPLs were P 1.26 mn in the year.

#### Key financials during 2022-23

- The total business of the Bank grew by 17.15% during the year.
- The total deposit grew from P1910.91 mn to P2299.11 mn during FY 2022-23 up by 20.34%.
- The total advances grew from P1585.84 mn to P1803.50 mn during the FY 2022-23 up by 13.73%.
- CD ratio is 81.34 % as on 31 March 2023.
- Capital Adequacy ratio stood at 22.89 % against regulatory requirement of 12.50%
- The cost of deposits stood at 3.14% in March 23 as compared to 2.28% during the year.
- The yield on advances was at 8.83% as against 7.55 % last year.
- Net worth of the Bank as on 31 March 2023 is P506.63 mn.
- Business per employee has increased to P63.86 mn as on 31.03.2023 from P55.36 mn on 31.03.2022.
- Gross profits of the Bank reported a growth of 30.40% and reached P98.36mn as against last years figure of P75.43 mn.
- Net profit of the Bank has increased to P73.42 mn in 2022-23 from P59.41 Mn in last year i.e. a growth of 23.58 %
- Net Interest Margin was 4.31 % in the year as against 4.22% in 2022.
- The cost to income ratio has decreased to 29.78 % against 30.49 % last year.
- Gross NPLs decreased from P12.56 mn to P08.42 mn, whereas the Net NPLs is NIL.
- Banks NPL provisions coverage ratio is 100%.

#### New Initiatives during the Year:

- New version of Internet Banking i.e. FEBA- I-Banking
- Bank has introduced Green PIN for Debit card through ATM and for Internet banking applications through SMS and Email on registrar mobile number and registered email address
- Registration and de-registration and Mobile Banking PIN change through ATM.
- Biometric Authentication by staff members while login in core banking System in order to enhance the security.
- Implementation of New Alert Monitoring System

Full details of the financial position, results of operations and cash flows of the bank are set out in these annual financial statements.

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## Director's Report

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### 4. Regulatory Compliances

#### Capital Adequacy

Given a capital adequacy ratio of 22.89 % as at 31 March 2023 as against the regulatory requirement of 12.50%, the Bank is in a comfortable position and has the requisite risk-bearing capacity. It is keen on improving it further to expand its assets base.

#### Liquidity:

Bank has been monitoring maintenance of liquidity ratio on a daily basis and has been in compliance of the mandatory requirement of 10%. Bank has also complied with the maintenance of CRR stipulated by Bank of Botswana from time to time.

#### Reporting to FIA

Bank has complied with the reporting requirements of Financial Intelligence Agency (FIA) and is reporting cash transactions and IFTs, EFTs to FIA as per the Agency's requirements.

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Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Position as at 31 March 2023

Figures in Pula thousand	2023	2022
<b>Assets</b>		
Cash and cash equivalents	62 462	93 827
Balances with other banks	777 812	392 440
Financial assets - Investments	454 896	281 204
Loans and advances	1 803 591	1 585 846
Other assets	7 845	2 542
Right of use assets	13 245	7 641
Deferred tax	10	10
Property, plant and equipment	3 584	4 602
<b>Total Assets</b>	<b>3 123 445</b>	<b>2 368 112</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated capital	181 000	181 000
Retained income	325 630	261 258
	<b>506 630</b>	<b>442 258</b>
<b>Liabilities</b>		
Balances due to other banks	291 513	-
Deposit due to customers	2 299 670	1 910 914
Payables and accruals	11 210	7 376
Lease liabilities	14 422	7 564
	<b>2 616 815</b>	<b>1 925 854</b>
<b>Total Equity and Liabilities</b>	<b>3 123 445</b>	<b>2 368 112</b>

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Annual Financial Statements for the year ended 31 March 2023

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula thousand	2023	2022
Effective interest and similar income	172 950	124 014
Effective interest and similar expenditure	(63 161)	(41 472)
<b>Net interest income</b>	<b>109 789</b>	<b>82 542</b>
Non-interest income	30 278	22 985
Other operating gains	-	245
Movement in credit loss allowances	(6 012)	709
Other operating expenses	(39 324)	(30 345)
<b>Profit before taxation</b>	<b>94 731</b>	<b>76 136</b>
Income tax expenses	(21 309)	(16 730)
<b>Profit for the year</b>	<b>73 422</b>	<b>59 406</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>73 422</b>	<b>59 406</b>

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Annual Financial Statements for the year ended 31 March 2023

## Statement of Changes in Equity

<b>Figures in Pula thousand</b>	<b>Stated capital</b>	<b>Retained income</b>	<b>Total equity</b>
<b>Balance at 01 April 2021</b>	<b>181 000</b>	<b>210 902</b>	<b>391 902</b>
Profit for the year	-	59 406	59 406
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>59 406</b>	<b>59 406</b>
Dividends	-	(9 050)	(9 050)
<b>Total distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>(9 050)</b>	<b>(9 050)</b>
<b>Balance at 01 April 2022</b>	<b>181 000</b>	<b>261 258</b>	<b>442 258</b>
Profit for the year	-	73 422	73 422
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>73 422</b>	<b>73 422</b>
Dividends	-	(9 050)	(9 050)
<b>Total distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>(9 050)</b>	<b>(9 050)</b>
<b>Balance at 31 March 2023</b>	<b>181 000</b>	<b>325 630</b>	<b>506 630</b>

# Bank of Baroda (Botswana) Limited

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## Statement of Cash Flows

Figures in Pula thousand	2023	2022
<b>Cash flows from operating activities</b>		
Cash generated from operations	274 209	47 505
Interest and similar income	(172 950)	(124 014)
Interest and similar expenditure	63 161	41 472
Interest received	174 890	123 050
Interest paid	(71 464)	(38 823)
Interest charges on lease liabilities	(1 965)	(732)
Income tax received/(paid)	(21 309)	(16 730)
<b>Net cash from operating activities</b>	<b>244 572</b>	<b>31 728</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(507)	(530)
Sale of property, plant and equipment	-	245
Purchase of investments	(246 729)	-
<b>Net cash from investing activities</b>	<b>(247 236)</b>	<b>(285)</b>
<b>Cash flows from financing activities</b>		
Lease payments	(1 150)	(2 801)
Dividends paid	(9 050)	(9 050)
<b>Net cash from financing activities</b>	<b>(10 200)</b>	<b>(11 851)</b>
<b>Total cash movement for the year</b>	<b>(12 864)</b>	<b>19 592</b>
Cash at the beginning of the year	706 223	691 612
Effect of exchange rate movement on cash balances	2 321	(4 981)
<b>Total cash at end of the year</b>	<b>695 680</b>	<b>706 223</b>