

Summary

The group is pleased to announce a significant turn-around in operational performance, recording an attributable loss of US\$0.6 million; a significant improvement from the reported loss of US\$48.6 million in 2014.

Statement of financial position

The statement of financial position remained stable at US\$1.8 billion, compared with December 2014. Loans and deposits declined marginally to US\$1.18 billion and US\$1.39 billion respectively, with currency depreciation across the markets BancABC operates in, contributing to this marginal decline.

Net interest income

Net interest income of US\$95.8 million is lower than the US\$102.1 million in 2014, due to marginal decline in loans and advances as well as currency depreciation.

Non-interest income

Non-interest income of US\$76.6 million was up 10.5% compared to 2014, largely driven by strong forex trading revenue, as well as growth in fee and commission revenues that has largely resulted from retail asset growth.

Credit impairments

The impairment charge of US\$11.4 million in 2015 was substantially lower than the US\$72.2 million in 2014, mainly due to significant asset recoveries in Zimbabwe and Tanzania.

Asset quality

The group remains focused on improving the quality of the loan book. Total non-performing loans declined marginally to US\$198 million in 2015 (2014: US\$202 million). The adequacy of provisioning for all risks within the loan book is considered sufficient given the assessment of risk in the asset book.

Capitalisation

As at December 2015, all individual subsidiaries reported a capitalised position compliant with regulatory requirements.

Change in functional currency

Owing to the change in the underlying business following the acquisition of ABC Holdings Limited by Atlas Mara Limited, with effect from 1 July 2015 the group changed its functional currency from Botswana pula, to United States dollar.

The group will continue to present some financial information in dual presentation currencies (the other currency being Botswana Pula).

Outlook

While challenging, the first year of the acquisition has been met with considered success, and the group continues its focus on the execution of key initiatives that will continue to support improved performance.

Acknowledgment

We express our appreciation for the continued support of our customers, investors, the Board, management and staff, and regulators in the markets in which we operate.

J A Claassen
Group Chairman
29 March 2016

B Mudavanhu (Dr)
Group Chief Executive Officer (Acting)
29 March 2016

Consolidated statement of profit or loss

for the year ended 31 December

USD'000s	Notes	2015	2014
Interest and similar income		218 513	233 122
Interest and similar expense		(122 700)	(131 043)
Net interest income		95 813	102 079
Provision for credit losses		(11 422)	(72 237)
Net interest income after provision for credit losses		84 391	29 842
Non-interest income	3	76 581	69 314
Total operating income		160 972	99 156
Operating expenses	4	(151 252)	(148 065)
Net income from operations		9 720	(48 909)
Net income from associates		106	(62)
Result before tax		9 826	(48 971)
Income tax expense		(9 289)	(4 510)
Result for the year		537	(53 481)
Attributable to:			
Ordinary shareholders		(572)	(48 648)
Non-controlling interests		1 109	(4 833)
Result for the year		537	(53 481)

Consolidated statement of profit or loss

for the year ended 31 December

USD'000s	2015	2014
Interest and similar income	2 213 542	2 098 307
Interest and similar expense	(1 242 946)	(1 179 504)
Net interest income	970 596	918 803
Provision for credit losses	(115 701)	(650 196)
Net interest income after provision for credit losses	854 895	268 607
Non-interest income	775 570	623 890
Total operating income	1 630 665	892 497
Operating expenses	(1 532 186)	(1 332 716)
Net income from operations	98 479	(440 219)
Net income from associates	1 074	(559)
Result before tax	99 553	(440 778)
Income tax expense	(94 095)	(40 590)
Result for the year	5 458	(481 368)
Attributable to:		
Ordinary shareholders	(5 790)	(437 880)
Non-controlling interests	11 248	(43 488)
Result for the year	5 458	(481 368)

Consolidated statement of cash flows

for the year ended 31 December

USD'000s	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES	(67 851)	54 664
Cash generated from operating activities	30 693	37 103
Result before tax	9 826	(48 971)
Adjusted for:		
Provision for credit losses	11 422	72 237
Depreciation and amortisation	11 358	13 479
Dividends receivable	-	(1 082)
Net unrealised (gains)/losses on derivative financial instruments	(51)	902
Re-measurement of investment property	(3 036)	619
Net gains on financial instruments at FV through profit or loss	(447)	-
Loss from associates	-	62
Loss on held to maturity instruments	1 621	-
Profit on disposal of property and equipment	-	(143)
Tax paid	(6 667)	(13 664)
Net cash inflow from operating activities before changes in operating funds	24 026	23 439
Net (decrease)/increase in operating funds	(91 877)	31 225
Decrease in operating assets	(279 734)	(156 290)
Increase in operating liabilities	187 857	187 515
CASH FLOWS FROM INVESTING ACTIVITIES	(10 922)	(6 630)
Purchase of property and equipment	(6 271)	(6 316)
Purchase of intangible assets	(6 548)	(1 547)
Dividends received	53	1 082
Proceeds on disposal of property and equipment	1 844	151
CASH FLOWS FROM FINANCING ACTIVITIES	83 971	28 185
Increase in borrowed funds	83 971	29 469
Dividend paid	-	(1 284)
Increase in cash and cash equivalents	5 198	76 219
Cash and cash equivalents at the beginning of the year	340 415	274 944
Exchange adjustment on opening balance	(77 650)	(10 748)
Cash and cash equivalents at the end of the year	267 963	340 415
Cash and cash equivalents	192 732	247 525
Statutory reserves	75 231	92 890
Cash and short term funds	267 963	340 415

Consolidated statement of financial position

as at 31 December

USD'000s	Notes	2015	2014
ASSETS			
Cash and short term funds		267 963	340 415
Financial assets held for trading		190 231	145 031
Financial assets designated at fair value		20 600	21 760
Derivative financial assets		1 893	63
Loans and advances	5	1 176 954	1 180 987
Investment securities		5 814	7 578
Prepayments and other receivables		38 395	28 087
Current tax assets		4 615	8 202
Investment in associates		2 475	1 590
Property and equipment		62 142	80 162
Investment property		11 979	2 701
Other intangible assets		12 963	10 877
Deferred tax assets		14 145	16 214
TOTAL ASSETS		1 810 189	1 843 667
EQUITY AND LIABILITIES			
Liabilities			
Deposits		1 387 624	1 487 750
Derivative financial liabilities		5 191	6 292
Creditors and accruals		52 791	28 001
Current tax liabilities		319	684
Deferred tax liability		2 865	2 886
Borrowed funds	6	245 651	217 794
Total liabilities		1 694 441	1 743 407
Stated capital		129 118	82 164
Foreign currency translation reserve		(50 577)	(15 326)
Non-distributable reserves		49 314	30 573
Distributable reserves		(7 423)	7 700
Equity attributable to ordinary shareholders		120 432	105 111
Non-controlling interests		(4 684)	(4 851)
Total equity		115 748	100 260
TOTAL EQUITY AND LIABILITIES		1 810 189	1 843 667
Loan commitments and other financial facilities	7	103 329	131 685

Consolidated statement of financial position

as at 31 December

USD'000s	2015	2014
ASSETS		
Cash and short term funds	3 006 546	3 235 887
Financial assets held for trading	2 134 397	1 378 618
Financial assets designated at fair value	231 129	206 849
Derivative financial assets	21 236	595
Loans and advances	13 205 421	11 226 116
Investment securities	65 235	72 032
Prepayments and other receivables	430 796	266 988
Current tax assets	51 799	77 967
Investment in associates	27 772	15 110
Property and equipment	697 236	761 995
Investment property	134 403	25 678
Other intangible assets	145 664	103 393
Deferred tax assets	158 703	154 124
TOTAL ASSETS	20 310 337	17 525 352
EQUITY AND LIABILITIES		
Liabilities		
Deposits	15 569 139	14 142 110
Derivative financial liabilities	58 248	59 804
Creditors and accruals	592 327	266 170
Current tax liabilities	3 578	6 505
Deferred tax liability	32 150	27 435
Borrowed funds	2 756 202	2 070 282
Total liabilities	19 011 644	16 572 306
Stated capital	1 448 704	781 025
Foreign currency translation reserve	(567 474)	(145 358)
Non-distributable reserves	549 657	290 325
Distributable reserves	(79 640)	73 195
Equity attributable to ordinary shareholders	1 351 247	999 187
Non-controlling interests	(52 554)	(46 141)
Total equity	1 298 693	953 046
TOTAL EQUITY AND LIABILITIES	20 310 337	17 525 352
Loan commitments and other financial facilities	1 159 355	1 477 501

Consolidated statement of comprehensive income

for the year ended 31 December

USD'000s	2015	2014
Result for the year	537	(53 481)
Other comprehensive income, net of tax		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	(38 446)	(188)
Exchange differences on translating foreign operations	(35 890)	2 833
Net loss on hedge of net investment in foreign operations	(3 496)	(3 080)
Share of reserves in associate companies	459	(16)
Movement in available-for-sale reserves	481	75
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	3 397	-
Revaluation of property (net of tax)	3 397	-
Total comprehensive income for the year	(34 512)	(53 669)
Total comprehensive income attributable to:		
Ordinary shareholders	(34 679)	(48 751)
Non-controlling interest	167	(4 918)
	(34 512)	(53 669)

Consolidated statement of comprehensive income

for the year ended 31 December

USD'000s	2015	2014
Result for the year	5 458	(481 368)
Other comprehensive income, net of tax		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	(389 463)	(1 691)
Exchange differences on translating foreign operations	(363 570)	25 504
Net loss on hedge of net investment in foreign operations	(35 416)	(27 724)
Share of reserves in associate companies	4 650	(143)
Movement in available-for-sale reserves	4 873	672
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	34 415	-
Revaluation of property (net of tax)	34 415	-
Total comprehensive income for the year	(349 590)	(483 059)
Total comprehensive income attributable to:		
Ordinary shareholders	(351 287)	(438 810)
Non-controlling interest	1 697	(44 249)
	(349 590)	(483 059)

Notes to the statement of profit or loss and statement of financial position

1. Audit opinion

These financial results have been extracted from the audited group financial statements, which have received an unqualified audit opinion.

2. Stated capital

During the year, Atlas Mara Ltd converted part of its loan to ABC Holdings Limited, worth \$50 million into equity. This increased stated capital to \$129.1 million and the number of issued shares to 419,229,374. The shares rank pari passu with all other issued ordinary shares.

3. Non-interest income

USD'000s	2015	2014
Net gains/(losses) on financial instruments designated at fair value through profit or loss	447	(6 010)
Gains/(losses) on derivatives	51	(902)
Dividends received	53	1 082
Net fee and commission income	56 173	57 303
Forex trading income and currency revaluation	15 475	11 964
Gains on disposal of investment property	-	143
Re-measurement of investment properties	3 036	(619)
Rental and other income	1 346	6 353
	76 581	69 314

Consolidated statement of changes in equity

for the year ended 31 December

USD '000s	Stated capital	Foreign currency translation reserve	Capital reserves	Available for sale reserve	Distributable reserves	Total	Non-controlling interest	Total equity
Balance as at 1 January 2014	82 164	(15 164)	25 287	(62)	62 921	155 146	67	155 213
Loss for the year	-	-	-	-	(48 648)	(48 648)	(4 833)	(53 481)
Other comprehensive income:								
Exchange differences on translating foreign operations	-	2 918	-	-	-	2 918	(85)	2 833
Net loss on hedge of net investment in foreign operations	-	(3 080)	-	-	-	(3 080)	-	(3 080)
Share of reserves in associate companies	-	-	(16)	-	-	(16)	-	(16)
Movement in available for sale reserves:								
- Arising in current year	-	-	-	75	-	75	-	75
- Realised through profit and loss	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	(162)	(16)	<				