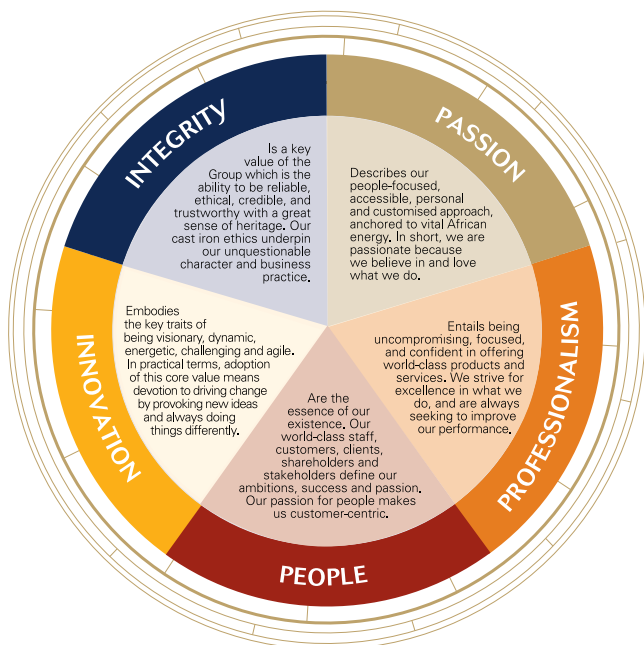




**ABC HOLDINGS LIMITED
AUDITED GROUP RESULTS
FOR THE YEAR ENDED**

31 December 2012



OUR VALUES

Our core values centre on five distinct areas. They remain the guiding principles by which we operate and form the basis of our corporate personality.

ABOUT BancABC

ABC Holdings Limited is the parent company of a number of banks operating under the BancABC brand in Sub-Saharan Africa, with operations in Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. A group services office is located in South Africa.

Our vision is to be Africa's preferred banking partner by offering world class financial solutions. We will realise this by building profitable, lifelong customer relationships through the provision of a wide range of innovative financial products and services – to the benefit of all our stakeholders.

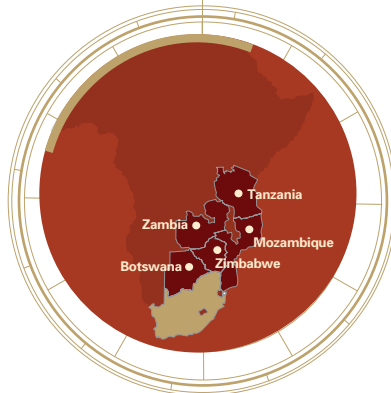
The Group offers a diverse range of services including but not limited to the following: Corporate Banking, treasury services, Retail & SME Banking, asset management and stockbroking. ABC Holdings Limited is registered in Botswana. Its primary listing is on the Botswana Stock Exchange, with a secondary listing on the Zimbabwe Stock Exchange.



highlights

-  Total income up by 65% from BWP659 million to **BWP1,087 million**
-  Operating expenses up 59% from BWP546 million to **BWP869 million** from continued expansion into the Retail and SME banking market segment
-  Cost to income ratio decreased to **71%** (2011: 74%)
-  Net operating income up 93% from BWP113 million to **BWP218 million**
-  Pre-tax profit 97% up from BWP108 million to **BWP212 million**
-  Attributable profit to shareholders increased by 60% from BWP83 million to **BWP133 million**

-  Basic EPS of **72.1 thebe** (2011: 56.6 thebe) and diluted EPS of **66.5 thebe** (2011: 56.6 thebe)
-  Deposits increased by 45% from BWP7.4 billion to **BWP10.7 billion**
-  Loans and advances increased by 50% from BWP6.1 billion to **BWP9.1 billion**
-  Total assets increased by 46% from BWP9.2 billion to **BWP13.4 billion**
-  Average return on equity at **15%** (2011: 16%)
-  Retail branches have increased to **61** from 49 in 2011
-  Staff numbers increased to **1,310** from 1,008



CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT



The Group posted an impressive set of results for the year ended 31 December 2012, which is pleasing. The Group continued on a growth path in all its businesses, improved profitability and balance sheet size, expanded its network, increased staff numbers and improved its composite market share. We are gratified with the solid growth experienced in the retail banking business which reached critical mass in Botswana, Zambia and Zimbabwe. Whilst we have experienced limited growth in Mozambique and Tanzania we are optimistic that over time, we would be able to gain traction in these markets.

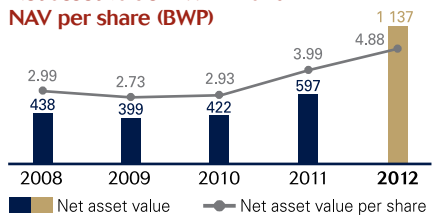
All banking subsidiaries, with the exception of BancABC Tanzania and to a lesser extent BancABC Mozambique reported an excellent set of results. Attributable profit at BWP133 million is 60% higher than BWP83 million achieved in prior year. Pre-tax profit at BWP212 million is 97% higher than BWP108 million achieved in 2011. We have increased both physical and electronic product distribution channels. The number of branches increased to 61 from 49 in the prior year and the number of employees increased to 1,310 from 1,008 in December 2011. Business growth in Botswana, Zambia and Zimbabwe was on the back of consumer loans with deductions for loan repayments predominantly being made at source. The growth has not been without its challenges and hence risk management will become the focus point for the Group going forward. In order to ensure that this growth is sustained, management has identified credit,

liquidity and operational risks as the key risks the Group has to closely manage.

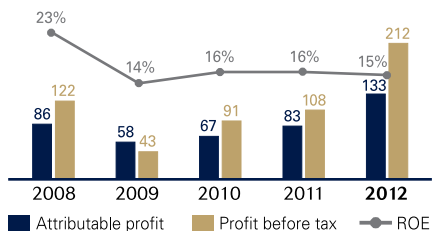
The Group balance sheet increased by 46% from BWP9.2 billion to BWP13.4 billion. Loans and advances were up 50% from BWP6.1 billion to BWP9.1 billion. This was largely funded by deposits that increased by 45% from BWP7.4 billion to BWP10.7 billion. There was significant growth recorded in all other major lines of business during the period under review.

Overview

Net asset value (BWP m) and NAV per share (BWP)



Profit (BWP m) and ROE (%)



Financial performance

Net interest income

Net interest income of BWP673 million was 63% ahead of BWP412 million achieved in 2011. All the banking operations with the exception of BancABC Tanzania recorded an increase in net interest income on the back of significant growth in balance sheet sizes. Net interest margin increased marginally from 6.5% to 6.7%. Margins are expected to increase as the Group continues to make inroads in the retail banking space. As at 31 December 2012 the retail banking loan book constituted 40% of the total loan book compared to 20% in 2011, whereas retail deposits only constituted 9% (2011: 8%) of the total deposit book.

Impairment losses on loans and advances

Net impairments increased by 74% from BWP80 million in 2011 to BWP138 million. The increase was due to a combination of a higher loan book which increased by 50% from BWP6.1 billion to BWP9.1 billion as well as increased specific impairments mostly in Tanzania and Zimbabwe. The slow legal process in Tanzania has meant that we have to continuously review the value of security downwards thereby resulting in higher impairments. In Zimbabwe, the liquidity crunch is putting significant strain on a number of corporates and hence their ability to service their facilities as they fall due.

As a consequence of the above, the non-performing loans (NPL) ratio deteriorated to 9.2% from 6.6% in the prior year. The net NPL ratio also deteriorated to 6.1% from 3.3% in 2011.

Non-interest income

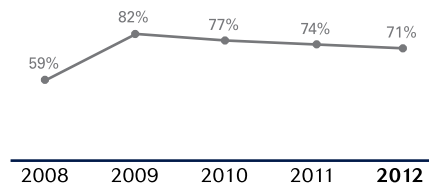
Non-interest income of BWP552 million was ahead of prior year by 69%. The increased reach of the Group, through increased retail outlets and other distribution channels, has seen the Group record significant growth in transaction volumes thereby resulting in higher non-interest income. The growth in volumes was largely from retail banking customers in Botswana,

Zambia and Zimbabwe. BancABC Mozambique and BancABC Tanzania had higher foreign exchange trading volumes and money market trading income respectively which led to increased non-interest income in those subsidiaries when compared to prior year.

Operating expenditure

Operating expenses at BWP869 million were 59% ahead of BWP546 million recorded in 2011. The continued rollout of the Retail Banking products and increased footprint resulted in higher costs across the network. Cost to income ratio, however, reduced from 74% to 71% owing to higher contribution to income from retail banking. Now that most of the investments in retail banking have been concluded, we expect costs to stabilise and increase at a much lower rate going forward. At the same time, revenue growth is expected to accelerate thereby resulting in a reduction in cost to income ratio.

Cost to income ratio



Taxation

In the current period, the Group had a net tax charge of BWP77 million compared to BWP20 million in the prior year. The effective tax rate is 36% compared to 19% in prior year when the Group was able to utilise tax losses in BancABC Zambia to lower the overall tax expense. The deferred tax in BancABC Zambia was recognised in 2011 as it became clear that the tax losses existing at the time and not yet recognised in the financial statements would be utilised within a relatively short period of time. BancABC Zambia utilised the tax losses in full in 2012 resulting in a tax charge of BWP19 million compared to a profit and loss tax credit of BWP10 million in 2011.

Balance sheet

The Group balance sheet increased by 46% from BWP9.2 billion (US\$1.2 billion) in 2011 to BWP13.4 billion (US\$1.7 billion) as at 31 December 2012. Loans and advances increased to BWP9.1 billion from BWP6.1 billion in December 2011. BancABC Botswana's loan book at BWP3.4 billion constitutes the largest contribution of 37% followed by BancABC Zimbabwe at BWP3.1 billion with a contribution of 33%. Deposits increased by 45% to BWP10.7 billion from BWP7.4 billion in December 2011. The growth in the balance sheet has translated into higher interest income for the period under review. This growth sets a solid platform for further increases in interest income going forward.

Attributable profit

Banking subsidiaries achieved attributable profits of BWP213 million compared to BWP141 million registered in the prior year, a 51% year-on-year growth. BancABC Botswana, BancABC Zambia and BancABC Zimbabwe produced substantial double-digit growth in attributable profit. This good performance was negated by a reduction in profits in BancABC Mozambique and a substantial loss in BancABC Tanzania.

BancABC Botswana's net profit after tax of BWP94 million was 237% higher than BWP28 million recorded in 2011. This was largely due to an increase in business volumes mostly in the retail banking division. Whilst the balance sheet of BancABC Botswana is not expected to grow anywhere near the 2012 level, we expect profitability to grow quite substantially in 2013 on the back of the 2012 balance sheet.

BancABC Mozambique's growth in income was weighed down by the increased growth in operating expenses and higher impairments. This led to a 39% reduction in profitability from BWP29 million recorded in 2011 to BWP18 million in the current year. BancABC Tanzania posted an increased attributable loss of BWP39 million compared to an attributable loss of BWP3 million in prior year. Higher impairments coupled with a reduction in net

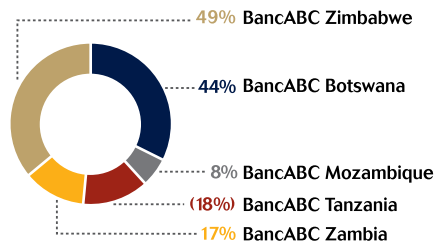
interest income together with higher costs resulted in a disappointing set of results. The high cost of funds was largely due to high market interest rates that were experienced from late 2011 onwards and this put pressure on interest margins as rates offered to borrowing customers could not be increased by the same magnitude.

BancABC Zambia's attributable profit increased by 13% to BWP36 million from BWP32 million in the prior year. It is interesting to note that profit before tax increased by 159% to BWP55 million from BWP21 million in 2011 largely due to an increase in business volumes. The growth in profit after tax was lower on account of the operation being in a tax paying position in the current year.

BancABC Zimbabwe's attributable profit of BWP103 million was 88% up on BWP55 million recorded in 2011. The growth in profitability could have been higher were it not for the liquidity challenges prevailing in that market. The liquidity crunch has exacerbated the NPL position thereby resulting in higher impairments.

The loss in head office entities together with consolidation adjustments increased by 51% from BWP57 million in the prior year to BWP80 million for the period under review. This was largely due to a reduction in income at head office as excess liquidity previously held was used to further capitalise subsidiaries to cater for growth.

Attributable profit contribution by entity





Operational performance

Botswana

BancABC Botswana's attributable profit of BWP94 million was 237% ahead of BWP28 million achieved in prior year. Total income improved by 146% from BWP116 million to BWP285 million on the back of an increase in both volumes and margins. Net interest income improved by 218% to BWP252 million mainly due to improved margins as well as a substantial increase in the balance sheet size. The loan portfolio increased by 107% from BWP1.7 billion to BWP3.4 billion in the current year. Growth was predominantly from the consumer lending space as payroll deduction and group scheme loans increased during the year. The growth in the loan book led to an increase in impairments from BWP9 million to BWP38 million in the current year. However, gross non-performing loans declined to 1.2% from 2.2% in prior year. Non-interest income increased by 57% to BWP72 million as a result of higher volumes.

Operating expenses increased by 97% as the entity continued to expand its retail banking business. This led to an increase in the level of activity as the entity made inroads in the retail banking market. The expansion yielded immediate results from the growth experienced in income as well as profitability. Cost to income ratio therefore improved from 67% in 2011 to 51% in the period under review.

The bank is well positioned for further significant growth with critical mass having been attained in both the wholesale and retail banking space. The bank has become a significant player in the market and this bodes well for future growth.

Mozambique

Attributable profit of BWP18 million was 39% lower than BWP29 million recorded in 2011. The growth in total income of 17% was off-set by an increase in operating expenses of 43%.

Net interest income increased by 52% to BWP92 million following improvements in margins as well as growth in the interest earning assets. Loans and advances increased by 15% to BWP877 million (2011: BWP762 million) and deposits increased by 11% to BWP1.4 billion (2011: BWP1.2 billion). Interest margins improved during the year as market interest rates steadily declined. This reduced the overall cost of funds. However, non-interest income only grew by 3% to BWP67 million due to a reduction in foreign exchange trading margins as central bank intervention continued during the year, notwithstanding the increase in trading volumes.

Net impairments increased from BWP5 million to BWP18 million largely due to increased non-performing loans. Gross NPLs increased from 4.5% in prior year to 8.4% in December 2012. Operating expenses increased by 43% to BWP115 million as a result of increased activity levels in line with the current strategy to expand the retail banking footprint.

BancABC Mozambique is highly liquid which banking. Despite the increased impairments during the year, the wholesale loan book remains relatively clean with strong security for most of the facilities.



Tanzania

BancABC Tanzania experienced a tough trading period as impairments increased whilst net interest income declined. The attributable loss for the year increased to BWP39 million compared to an attributable loss of BWP3 million recorded in prior year. Net interest income declined by 42% on account of higher non-performing loans and cost of funds which remained high for most of the year under review. Gross NPLs increased from 15% in the prior year to 33%. Total impairments therefore remained high and increased by 17% to BWP38 million from BWP33 million recorded in prior year. The expansion into the retail banking space resulted in higher operating costs which increased by 59% to BWP98 million. The combination of the above factors led to a reduction in the entity's overall profitability as the loss recorded in the current year increased.

Clearly BancABC Tanzania has some major challenges but management is determined to turnaround the operation without further delay.

Zambia

BancABC Zambia's attributable profit grew by 13% to BWP36 million in the current year. Profit before tax increased phenomenally by

159% from BWP21 million in 2011 to BWP55 million in the current year on the back of increased volume of transactions in consumer lending. There was growth in profitability despite the entity returning into a tax paying position in the current year, where a tax expense of BWP19 million was incurred compared to a tax credit of BWP10 million in the prior year.

Net interest income grew by 6% to BWP72 million when compared to 2011. This was despite the reduction in interest rates during the year as a result of new central bank regulations which put a cap on interest rates for all financial institutions in the market. The growth in net interest income emanated largely from the increased loan book that grew by 79% from BWP0.6 billion in 2011 to BWP1 billion in 2012. Gross NPLs continued trending downwards from 4.5% in prior year to 3.3% as at 31 December 2012.

Non-interest income increased by 224% to BWP110 million from increased transaction volumes in both the wholesale and retail banking divisions. Operating expenses increased by 58% to BWP126 million on the back of the expansion in retail banking. Notwithstanding the above, cost to income ratio declined to 69% from 78% in the prior year.

The subsidiary is on a strong footing for growth going into the future. Transaction volumes in the wholesale division have improved significantly during the year and growth in retail banking continued unabated. The operation has also made significant inroads in diversifying the funding of the balance sheet and this should result in a markedly reduced cost of funds going forward.

Zimbabwe

BancABC Zimbabwe’s attributable profit of BWP103 million was 88% higher than BWP55 million recorded in the prior year. This was largely due to continued business growth as the bank made inroads in group loan schemes. Net interest income at BWP227 million is 87% up on BWP122 million posted in prior year. Net impairment charges increased by 32% to BWP41 million as gross NPLs increased from 5.8% to 14.2% in the current period. Non-interest income increased by 65% to BWP212 million owing to an increase in retail banking volumes. Operating expenses went up by 82% to BWP270 million from the increased activity as the number of branches grew.

The liquidity situation in Zimbabwe continues to be a source of concern for the Group. We expect the liquidity situation to remain tight into the foreseeable future as there is effectively no lender of last resort and imports are higher than exports. We have now taken a deliberate strategy to improve liquidity which could lead to modest growth in loans in 2013.

Rights offer

During the year, the bank concluded the rights offer where an additional 83,333,333 shares were issued to existing shareholders and the underwriter ADC Financial Services and Corporate Development. This increased the number of shares in issue to 232,805,464. The proceeds of the rights issue were deployed immediately into the subsidiaries to strengthen their capital bases in line with anticipated growth in business volumes going forward.

Governance

Mr Johannes Wasmus (“Hans”) retired as a non-executive director at the annual general

meeting on 30 May 2012. Hans had been with the Board since 2003 and had served as chairman of the Loans Review Committee and as a member of the Risk and Audit Committee. We would like to thank him for his invaluable contribution and dedication to the Group over many years of service. We wish him success in all his future endeavours.

The Board was further strengthened with the appointment of Mr Jyrki Koskelo, the former Vice President of the International Finance Corporation (IFC), the private sector arm of the World Bank Group. We would like to welcome Mr Koskelo to the Board as he brings new insights and a wealth of experience obtained over many years in the financial services industry across the globe.

Dividend

In line with the Group dividend policy, a final dividend of 8 thebe (about 0.96 US cents) in respect of the year ended 31 December 2012 is being proposed by the Board. This will bring the full year dividend to about 16 thebe per share. The final dividend will be paid on 3 May 2013 to shareholders on the register at the close of business on 12 April 2013.

Outlook

Over the last couple of years, we have made significant investments in retail banking. This investment is beginning to bear fruit and the Group is now evolving into a universal bank. The balance sheet is very strong and we have no doubt that 2013 results will be significantly better than 2012.

Acknowledgements

We would like to thank our fellow directors, management and staff for the strong results posted by the Group in 2012.



H J Buttery
Group Chairman



D T Munatsi
Group Chief Executive Officer

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2012

| BWP'000s | Notes | 2012 | 2011 |
|--|-------|------------------|----------------|
| Interest and similar income | | 1,383,015 | 821,900 |
| Interest expense and similar charges | | (709,981) | (409,538) |
| Net interest income before impairment of advances | | 673,034 | 412,362 |
| Impairment of loans and advances | | (138,172) | (79,537) |
| Net interest income after impairment of advances | | 534,862 | 332,825 |
| Non-interest income | 3 | 551,700 | 325,984 |
| Total income | | 1,086,562 | 658,809 |
| Operating expenditure | 4 | (868,659) | (545,948) |
| Net income from operations | | 217,903 | 112,861 |
| Share of results of associates | | (5,630) | (5,177) |
| Profit before tax | | 212,273 | 107,684 |
| Tax | | (77,108) | (19,986) |
| Profit for the year | | 135,165 | 87,698 |
| Attributable to: | | | |
| Ordinary shareholders | | 132,774 | 83,002 |
| Non-controlling interests | | 2,391 | 4,696 |
| Profit for the year | | 135,165 | 87,698 |
| Basic earnings per share (thebe) | | 72.1 | 56.6 |
| Diluted earnings per share (thebe) | | 66.5 | 56.6 |
| Dividend per share (thebe) | | 16.0 | 17.5 |
| Weighted average number of shares (000's) | | 184,194 | 146,760 |

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2012

| USD'000s – (Convenience conversion) | 2012 | 2011 |
|--|----------------|---------------|
| Interest and similar income | 182,004 | 120,244 |
| Interest expense and similar charges | (93,433) | (59,915) |
| Net interest income before impairment of advances | 88,571 | 60,329 |
| Impairment losses on loans advances | (18,183) | (11,637) |
| Net interest income after impairment of advances | 70,388 | 48,692 |
| Non-interest income | 72,604 | 47,692 |
| Total income | 142,992 | 96,384 |
| Operating expenditure | (114,316) | (79,873) |
| Net income from operations | 28,676 | 16,511 |
| Share of results of associates | (741) | (757) |
| Profit before tax | 27,935 | 15,754 |
| Tax | (10,147) | (2,924) |
| Profit for the year | 17,788 | 12,830 |
| Attributable to: | | |
| Ordinary shareholders | 17,473 | 12,143 |
| Non-controlling interests | 315 | 687 |
| Profit for the year | 17,788 | 12,830 |
| Basic earnings per share (cents) | 9.5 | 8.3 |
| Diluted earnings per share (cents) | 8.7 | 8.3 |
| Dividend per share (cents) | 2.1 | 2.4 |
| Weighted average number of shares (000's) | 184,194 | 146,760 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

| BWP'000s | 2012 | 2011 |
|---|----------------|----------------|
| Profit for the year | 135,165 | 87,698 |
| Other comprehensive income | 51,753 | 101,846 |
| Exchange differences on translating foreign operations | 6,127 | 102,415 |
| Revaluation of property | 51,705 | 1,833 |
| Share of reserves in associate companies | 456 | (1,901) |
| Movement in available-for-sale reserves | 2,410 | (132) |
| Income tax relating to components of other comprehensive income | (8,945) | (369) |
| Total comprehensive income for the year | 186,918 | 189,544 |
| Total comprehensive income attributable to: | | |
| Ordinary shareholders | 183,634 | 183,775 |
| Non-controlling interests | 3,284 | 5,769 |
| | 186,918 | 189,544 |

| USD'000s | 2012 | 2011 |
|---|---------------|---------------|
| Profit for the year | 17,788 | 12,830 |
| Other comprehensive income | 6,811 | 14,900 |
| Exchange differences on translating foreign operations | 806 | 14,983 |
| Revaluation of property | 6,805 | 268 |
| Share of reserves in associate companies | 60 | (278) |
| Movement in available for sale reserves | 317 | (19) |
| Income tax relating to components of other comprehensive income | (1,177) | (54) |
| Total comprehensive income for the year | 24,599 | 27,730 |
| Total comprehensive income attributable to: | | |
| Ordinary shareholders | 24,166 | 26,886 |
| Non-controlling interests | 433 | 844 |
| | 24,599 | 27,730 |

CONSOLIDATED BALANCE SHEET

as at 31 December 2012

| BWP'000s | Notes | 2012 | 2011 ¹ |
|---|-------|-------------------|-------------------|
| ASSETS | | | |
| Cash and short-term funds | | 1,859,269 | 1,243,431 |
| Financial assets held for trading | | 1,022,864 | 651,049 |
| Financial assets designated at fair value | | 189,698 | 221,283 |
| Derivative financial assets | | 33,769 | 32,337 |
| Loans and advances | | 9,144,042 | 6,077,399 |
| Investment securities | | 54,500 | 50,303 |
| Prepayments and other receivables | | 194,042 | 172,000 |
| Current tax assets | | 31,657 | 8,458 |
| Investment in associates | | 11,201 | 17,539 |
| Property and equipment | | 658,838 | 514,880 |
| Investment property | | – | 2,021 |
| Intangible assets | | 139,145 | 130,362 |
| Deferred tax assets | | 68,740 | 62,826 |
| TOTAL ASSETS | | 13,407,765 | 9,183,888 |
| EQUITIES AND LIABILITIES | | | |
| Deposits | | 10,675,111 | 7,374,700 |
| Derivative financial liabilities | | 22,621 | 47,069 |
| Creditors and accruals | | 303,365 | 130,427 |
| Current tax liabilities | | 20,183 | 27,617 |
| Deferred tax liabilities | | 17,670 | 9,720 |
| Borrowed funds | 5 | 1,212,731 | 981,788 |
| Total liabilities | | 12,251,681 | 8,571,321 |
| Equity | | | |
| Stated capital | | 663,401 | 316,592 |
| Foreign currency translation reserve | | (240,812) | (246,046) |
| Non distributable reserves | | 337,691 | 182,593 |
| Distributable reserves | | 376,764 | 343,672 |
| Equity attributable to ordinary shareholders | | 1,137,044 | 596,811 |
| Non-controlling interests | | 19,040 | 15,756 |
| Total equity | | 1,156,084 | 612,567 |
| TOTAL EQUITY AND LIABILITIES | | 13,407,765 | 9,183,888 |
| Guarantees and other credit commitments | 6 | 796,599 | 432,903 |

¹ Comparatives have been reclassified. Refer to reclassification note 8.

CONSOLIDATED BALANCE SHEET

as at 31 December 2012

| USD'000s – (Convenience conversion) | 2012 | 2011¹ |
|---|------------------|-------------------------|
| ASSETS | | |
| Cash and short-term funds | 239,288 | 166,122 |
| Financial assets held for trading | 131,643 | 86,980 |
| Financial assets designated at fair value | 24,414 | 29,563 |
| Derivative financial assets | 4,346 | 4,320 |
| Loans and advances | 1,176,838 | 811,940 |
| Investment securities | 7,014 | 6,721 |
| Prepayments and other receivables | 24,973 | 22,980 |
| Current tax | 4,074 | 1,130 |
| Investment in associates | 1,442 | 2,343 |
| Property and equipment | 84,792 | 68,788 |
| Investment properties | – | 270 |
| Intangible assets | 17,908 | 17,417 |
| Deferred tax assets | 8,847 | 8,394 |
| TOTAL ASSETS | 1,725,579 | 1,226,968 |
| EQUITY AND LIABILITIES | | |
| Liabilities | | |
| Deposits | 1,373,887 | 985,260 |
| Derivative financial liabilities | 2,911 | 6,288 |
| Creditors and accruals | 39,043 | 17,425 |
| Current tax liabilities | 2,597 | 3,690 |
| Deferred tax liabilities | 2,274 | 1,299 |
| Borrowed funds | 156,079 | 131,167 |
| Total liabilities | 1,576,791 | 1,145,129 |
| Equity attributable to ordinary shareholders | 146,338 | 79,734 |
| Non-controlling interests | 2,450 | 2,105 |
| Total equity | 148,788 | 81,839 |
| TOTAL EQUITY AND LIABILITIES | 1,725,579 | 1,226,968 |
| Guarantees and other credit commitments | 102,522 | 57,836 |

¹ Comparatives have been reclassified. Refer to reclassification note 8.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2012

| BWP'000s | 2012 | 2011 |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 56,562 | (175,580) |
| Cash generated from operating activities | 452,273 | 263,802 |
| Net profit before tax | 212,273 | 107,684 |
| Adjusted for: | | |
| Impairment of loans and advances | 138,172 | 79,537 |
| Depreciation and amortisation | 84,205 | 47,899 |
| Net unrealised losses on derivative financial instruments | 11,875 | 17,122 |
| Loss/(profit) on disposal of investment property | 176 | (395) |
| Loss from associates | 5,630 | 5,177 |
| Discount on new shares issued to staff | – | 2,379 |
| Impairment of investment in associates | – | 4,292 |
| (Profit)/loss on disposal of property and equipment | (58) | 107 |
| Tax paid | (116,004) | (53,328) |
| Net cash inflow from operating activities before changes in operating funds | 336,269 | 210,474 |
| Net decrease in operating funds | (279,707) | (386,054) |
| Increase in operating assets | (3,863,473) | (3,460,992) |
| Increase in operating liabilities | 3,583,766 | 3,074,938 |
| CASH FLOWS FROM INVESTING ACTIVITIES | (169,054) | (244,185) |
| Purchase of property and equipment | (138,110) | (174,441) |
| Purchase of intangible assets | (34,537) | (80,575) |
| Additions to investment property | – | (38) |
| Purchase of associates | – | (1,665) |
| Proceeds on disposal of property and equipment | 1,748 | 206 |
| Proceeds on disposal of investment property | 1,845 | 2,709 |
| Proceeds on disposal of associate | – | 9,619 |
| CASH FLOWS FROM FINANCING ACTIVITIES | 552,590 | 392,795 |
| Increase in borrowed funds | 240,100 | 410,009 |
| Dividend paid | (34,319) | (25,161) |
| Dividends paid by subsidiaries to non-controlling interests | – | (5,535) |
| Disposal of treasury shares | – | 5,827 |
| Proceeds from issue of shares | 364,253 | 7,655 |
| Share issue expenses | (17,444) | – |
| Increase/(decrease) in cash and cash equivalents | 440,098 | (26,970) |
| Cash and cash equivalents at the beginning of the year | 864,734 | 788,026 |
| Exchange adjustment on opening balance | 10,063 | 103,678 |
| Cash and cash equivalents at the end of the year | 1,314,895 | 864,734 |
| Cash and cash equivalents | 1,314,895 | 864,734 |
| Statutory reserves | 544,374 | 378,697 |
| Cash and short-term funds | 1,859,269 | 1,243,431 |

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2012

| | ATTRIBUTABLE TO OWNERS OF THE PARENT | | | |
|---|--------------------------------------|--------------------------------------|---------------------------------------|------------------------------|
| BWP'000s | Stated capital | Foreign currency translation reserve | Regulator general credit risk reserve | Property revaluation reserve |
| Balance as at 1 January 2011 | 307,586 | (347,388) | 5,059 | 119,143 |
| Comprehensive income: | – | – | – | – |
| Profit for the year | – | – | – | – |
| Other comprehensive income: | – | 101,342 | 8,832 | (860) |
| Exchange differences on translating foreign operations | – | 101,342 | – | – |
| Revaluation of property net of deferred tax | – | – | – | 1,464 |
| Movement in general credit risk reserve | – | – | 8,832 | – |
| Share of reserves in associate companies | – | – | – | (2,324) |
| Movement in statutory reserves | – | – | – | – |
| Movement in available for sale reserves: | – | – | – | – |
| – Realised through profit and loss | – | – | – | – |
| TOTAL COMPREHENSIVE INCOME | – | 101,342 | 8,832 | (860) |
| Transactions with owners | – | – | – | – |
| Dividends paid | – | – | – | – |
| Dividends paid by subsidiaries to non-controlling interests | – | – | – | – |
| Disposal of treasury shares | – | – | – | – |
| Discount on new shares issued to staff | – | – | – | – |
| Proceeds from shares issued | 9,006 | – | – | – |
| Total transaction with owners | 9,006 | – | – | – |
| Balance as at 31 December 2011 | 316,592 | (246,046) | 13,891 | 118,283 |
| Comprehensive income: | – | – | – | – |
| Profit for the year | – | – | – | – |
| Other comprehensive income: | – | 5,234 | 24,668 | 42,931 |
| Exchange differences on translating foreign operations | – | 5,234 | – | – |
| Revaluation of property net of deferred tax | – | – | – | 42,760 |
| Movement in general credit risk reserve | – | – | 24,668 | – |
| Share of reserves in associate companies | – | – | – | 171 |
| Movement in statutory reserves | – | – | – | – |
| Movement in available for sale reserves: | – | – | – | – |
| – Arising in current year | – | – | – | – |
| – Realised through profit and loss | – | – | – | – |
| TOTAL COMPREHENSIVE INCOME | – | 5,234 | 24,668 | 42,931 |
| Transactions with owners | – | – | – | – |
| Dividends paid | – | – | – | – |
| Convertible bond – equity component | – | – | – | – |
| Net proceeds from shares issued | 346,809 | – | – | – |
| Total transaction with owners | 346,809 | – | – | – |
| Balance as at 31 December 2012 | 663,401 | (240,812) | 38,559 | 161,214 |

ATTRIBUTABLE TO OWNERS OF THE PARENT

| Available for sale reserve | Statutory reserve | Convertible bond | Share based payments reserve | Treasury share reserve | Distributable reserves | Total | Non-controlling interest | Total equity |
|----------------------------|-------------------|------------------|------------------------------|------------------------|------------------------|------------------|--------------------------|------------------|
| 752 | 39,952 | - | - | (2,371) | 299,603 | 422,336 | 15,522 | 437,858 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 83,002 | 83,002 | 4,696 | 87,698 |
| (132) | 9,847 | - | - | - | (18,256) | 100,773 | 1,073 | 101,846 |
| - | - | - | - | - | - | 101,342 | 1,073 | 102,415 |
| - | - | - | - | - | - | 1,464 | - | 1,464 |
| - | - | - | - | - | (8,832) | - | - | - |
| - | 255 | - | - | - | 168 | (1,901) | - | (1,901) |
| - | 9,592 | - | - | - | (9,592) | - | - | - |
| (132) | - | - | - | - | - | (132) | - | (132) |
| (132) | - | - | - | - | - | (132) | - | (132) |
| (132) | 9,847 | - | - | - | 64,746 | 183,775 | 5,769 | 189,544 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | (25,161) | (25,161) | - | (25,161) |
| - | - | - | - | - | - | - | (5,535) | (5,535) |
| - | - | - | (1,028) | 2,371 | 4,484 | 5,827 | - | 5,827 |
| - | - | - | 2,379 | - | - | 2,379 | - | 2,379 |
| - | - | - | (1,351) | - | - | 7,655 | - | 7,655 |
| - | - | - | - | 2,371 | (20,677) | (9,300) | (5,535) | (14,835) |
| 620 | 49,799 | - | - | - | 343,672 | 596,811 | 15,756 | 612,567 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 132,774 | 132,774 | 2,391 | 135,165 |
| 2,410 | 40,980 | - | - | - | (65,363) | 50,860 | 893 | 51,753 |
| - | - | - | - | - | - | 5,234 | 893 | 6,127 |
| - | - | - | - | - | - | 42,760 | - | 42,760 |
| - | - | - | - | - | (24,668) | - | - | - |
| - | 285 | - | - | - | - | 456 | - | 456 |
| - | 40,695 | - | - | - | (40,695) | - | - | - |
| 2,410 | - | - | - | - | - | 2,410 | - | 2,410 |
| 2,285 | - | - | - | - | - | 2,285 | - | 2,285 |
| 125 | - | - | - | - | - | 125 | - | 125 |
| 2,410 | 40,980 | - | - | - | 67,411 | 183,634 | 3,284 | 186,918 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | (34,319) | (34,319) | - | (34,319) |
| - | - | 44,109 | - | - | - | 44,109 | - | 44,109 |
| - | - | - | - | - | - | 346,809 | - | 346,809 |
| - | - | 44,109 | - | - | (34,319) | 356,599 | - | 356,599 |
| 3,030 | 90,779 | 44,109 | - | - | 376,764 | 1,137,044 | 19,040 | 1,156,084 |

NOTES TO THE INCOME STATEMENT AND BALANCE SHEET

1. Basis of presentation

1.1 Statement of compliance

This condensed consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the requirements of the Botswana Companies Act (Chapter 42:01). Significant accounting policies have been applied consistently from the prior year.

1.2 Functional and presentation currency

The financial statements are presented in Botswana Pula (BWP), which is the Company's functional currency and the Group's presentation currency. Except as indicated, financial information presented in BWP has been rounded off to the nearest thousand.

2. Stated capital

During the year, the Group undertook a rights issue in terms of which one ordinary share was issued for every 1.79 issued ordinary shares held by existing shareholders. This increased the number of shares in issue to 232,805,464 ordinary shares.

3. Non-interest income

| BWP'000s | 2012 | 2011 |
|---|----------------|----------------|
| Gains on financial assets at fair value through profit and loss | 39,349 | 48,399 |
| Net losses on derivative financial instruments | (11,875) | (17,122) |
| Dividends received | 6,598 | 131 |
| Fees and commission income | 330,119 | 162,148 |
| Forex trading income and currency revaluation | 147,046 | 116,153 |
| Profit/(loss) on disposal of property and equipment | 58 | (107) |
| (Loss)/profit on disposal of investment properties | (176) | 395 |
| Rental and other income | 40,581 | 15,987 |
| | 551,700 | 325,984 |

4. Operating expenditure

| BWP'000s | 2012 | 2011 |
|---------------------------------------|----------------|----------------|
| Administrative expenses | 348,169 | 186,579 |
| Property lease rentals | 29,553 | 20,234 |
| Staff costs | 377,605 | 264,560 |
| Auditor's remuneration | 8,938 | 6,479 |
| Impairment of investment in associate | – | 4,292 |
| Depreciation | 53,973 | 32,015 |
| Amortisation of software | 30,232 | 15,884 |
| Directors' remuneration | 20,189 | 15,905 |
| | 868,659 | 545,948 |

5. Borrowed funds

| BWP'000s | 2012 | 2011 |
|--------------------------------------|------------------|----------------|
| Convertible bond | 97,950 | 84,619 |
| Other borrowed funds | 1,114,781 | 897,169 |
| | 1,212,731 | 981,788 |
| (a) Convertible bond | | |
| Balance at the beginning of the year | 84,619 | – |
| Additions* | – | 69,420 |
| Interest expense | 15,368 | 7,209 |
| Upfront loan arrangement fees | – | (728) |
| Interest paid | (5,414) | (1,368) |
| Exchange rate movement | 3,377 | 10,086 |
| | 97,950 | 84,619 |
| * Face value of convertible bond | | 88,787 |
| Derivative component (note 21.2) | | (19,367) |
| | | 69,420 |

During 2011, the Group issued a US Dollar denominated convertible loan to International Finance Corporation (IFC) for US\$13.5 million. The loan attracted interest of 6 months LIBOR + 3.75% per annum, payable semi-annually and it was convertible at IFC's option as follows:

- BWP3.15 per share at any time during the period from 13 May 2011 to 12 May 2012;
- BWP3.24 per share at any time during the period from 13 May 2012 to 12 May 2013;

or

- If at any time during the conversion period, the Group raised additional capital, a price equal to the price of the shares issued as part of such a capital raising exercise.

The redemption dates for the principal amount were originally as follows:

| | |
|-------------------------------|-----------------------------------|
| 15 March 2013 – US\$3,500,000 | 15 September 2013 – US\$3,500,000 |
| 15 March 2014 – S\$3,500,000 | 15 September 2014 – US\$3,048,969 |

On 22nd August 2012, the Group modified the loan into a Botswana Pula denominated loan. The present value of the new cash flows discounted at the previous effective interest rate were not materially different from those of the old loan and therefore the loan was not de-recognised but the effective interest rate was adjusted for this difference in cash flows. The equity component of the loan, derived as the difference between the fair value of the combined instrument and the fair value of the loan, was transferred to equity. The revised loan attracts interest at the 91-day Bank of Botswana Certificate yield rate + 4.10% per annum, payable quarterly with the premium resetting quarterly and it is convertible at IFC's option at BWP3.24 per share at any time up to 12 May 2013.

The redemption dates for the principal amount are as follows:

| | |
|-------------------------------|-----------------------------------|
| 15 March 2013 – BWP27,173,913 | 15 September 2013 – BWP27,173,913 |
| 15 March 2014 – BWP27,173,913 | 15 September 2014 – BWP23,672,120 |

The fair value of this convertible loan is BWP106.5 million (2011: BWP84.6 million).

5. Borrowed funds continued

| | 2012 | 2011 |
|---|------------------|----------------|
| (b) Other borrowed funds | | |
| National Development Bank of Botswana Limited | 94,785 | 125,212 |
| BIFM Capital Investment Fund One (Pty) Ltd | 256,067 | 255,862 |
| Afrexim Bank | 314,029 | 209,262 |
| Standard Chartered Bank Botswana Limited | 116,814 | 113,325 |
| Other | 333,086 | 193,508 |
| | 1,114,781 | 897,169 |
| Fair value | | |
| National Development Bank of Botswana Limited | 97,499 | 152,466 |
| BIFM Capital Investment Fund One (Pty) Ltd | 318,137 | 315,169 |
| Afrexim Bank | 319,175 | 209,262 |
| Standard Chartered Bank Botswana Limited | 116,814 | 113,325 |
| Other | 333,086 | 193,508 |
| | 1,184,711 | 983,730 |

National Development Bank of Botswana Limited (NDB)

The loan from National Development Bank of Botswana is denominated in Japanese Yen and attracts interest at 3.53%. Principal and interest is payable semi-annually on 15 June and 15 December. The loan matures on 15 December 2016.

BIFM Capital Investment Fund One (Pty) Ltd

The loan from BIFM Capital Investment Fund One (Pty) Ltd is denominated in Botswana Pula and attracts interest at 11.63% per annum, payable semi-annually.

The redemption dates for the principal amount are as follows:

| | |
|-----------------------------------|-----------------------------------|
| 30 September 2017 – BWP62,500,000 | 30 September 2018 – BWP62,500,000 |
| 30 September 2019 – BWP62,500,000 | 30 September 2020 – BWP62,500,000 |

Afrexim Bank Limited

This is a US\$40 million trade finance facility availed to the Group on a one year renewable basis by Afrexim Bank Limited from October 2012. It attracts interest at LIBOR + 4% and it is repayable on the earlier of when the underlying customers funded repay their respective loans or within one year, but with a provision to extend it for another one-year period.

Standard Chartered Bank Botswana Limited

This is a US\$15 million one year facility issued to BancABC Botswana by Standard Chartered Bank Botswana Limited. The loan was initially granted on 22 June 2006 and has been renewed annually ever since. The current loan matures on 29th June 2013. It attracts interest of LIBOR + 2.85% and it is secured by Bank of Botswana Certificates to amounting BWP128 million (2011: BWP130 million).

Other borrowings

Other borrowings relate to medium to long-term funding from international financial institutions for onward lending to BancABC clients. Fair value is equivalent to carrying amounts as these borrowings have variable interest rates.

5. Borrowed funds continued

| | 2012 | 2011 |
|--------------------------|------------------|----------------|
| Maturity analysis | | |
| On demand to one month | 2,324 | 4,458 |
| One to three months | 41,089 | 14,909 |
| Three months to one year | 713,524 | 380,122 |
| Over one year | 455,794 | 582,299 |
| | 1,212,731 | 981,788 |

6. Guarantees and other credit commitments

| BWP'000s | 2012 | 2011 |
|--|----------------|----------------|
| Guarantees | 613,547 | 337,516 |
| Letters of credit, loan commitments and similar contingent liabilities | 183,052 | 95,387 |
| | 796,599 | 432,903 |
| Maturity analysis | | |
| Less than one year | 729,207 | 351,253 |
| Between one and five years | 67,392 | 81,650 |
| | 796,599 | 432,903 |

6.1 Other contingent liabilities

BancABC Zimbabwe is a defendant in a lawsuit by a third party alleging that the Bank inappropriately applied set-off of approximately BWP81 million against a defaulted advance. The Bank has appealed a High Court Judgement in the Supreme Court of Zimbabwe. Judgement has been reserved.

7. Exchange rates

| | Closing Dec 12 | Average Dec 12 | Closing Dec 11 | Average Dec 11 |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| United States Dollar | 0.1287 | 0.1316 | 0.1336 | 0.1463 |
| Tanzanian Shilling | 203.9110 | 208.5917 | 212.3453 | 231.8286 |
| Zambian Kwacha | 668.3383 | 680.8011 | 682.4420 | 711.4275 |
| Mozambican Metical | 3.8273 | 3.7542 | 3.6473 | 4.1942 |
| South African Rand | 1.0897 | 1.0758 | 1.0827 | 1.0590 |

8. Reclassification

Some items within the balance sheet as at 31 December 2011 were reclassified during the reporting period.

| BWP'000s | 2011 | | |
|---|------------------------|------------------|--------------|
| | As previously reported | Reclassification | Reclassified |
| ASSETS | | | |
| Financial assets designated at fair value | 185,412 | 35,871 | 221,283 |
| Investment securities | 86,174 | (35,871) | 50,303 |
| BWP'000s | 2010 | | |
| ASSETS | | | |
| Financial assets designated at fair value | 79,139 | 13,710 | 92,849 |
| Investment securities | 53,023 | (13,710) | 39,313 |

SEGMENTAL ANALYSIS

for the year ended 31 December 2012

| BWP'000s | Total income | Contribution to banking operations | Attributable profit | Contribution to banking operations | Total assets | Contribution to banking operations |
|---|------------------|------------------------------------|---------------------|------------------------------------|-------------------|------------------------------------|
| BancABC Botswana BancABC | 286,611 | 27% | 94,434 | 44% | 4,795,247 | 37% |
| Mozambique | 141,385 | 14% | 17,562 | 8% | 1,323,679 | 10% |
| BancABC Tanzania | 44,802 | 4% | (38,579) | (18%) | 1,101,274 | 9% |
| BancABC Zambia | 181,314 | 17% | 36,004 | 17% | 1,401,377 | 11% |
| BancABC Zimbabwe | 397,678 | 38% | 103,351 | 49% | 4,236,710 | 33% |
| Banking operations | 1,051,790 | 100% | 212,772 | 100% | 12,858,287 | 100% |
| Head office and consolidation entries** | 34,772 | | (79,998) | | 549,478 | |
| Total* | 1,086,562 | | 132,774 | | 13,407,765 | |

for the year ended 31 December 2011

| BWP'000s | Total income | Contribution to banking operations | Attributable profit | Contribution to banking operations | Total assets | Contribution to banking operations |
|---|----------------|------------------------------------|---------------------|------------------------------------|------------------|------------------------------------|
| BancABC Botswana BancABC | 116,482 | 19% | 28,005 | 20% | 2,564,270 | 31% |
| Mozambique | 120,660 | 20% | 28,863 | 20% | 1,220,893 | 15% |
| BancABC Tanzania | 55,639 | 9% | (3,326) | (2%) | 918,312 | 11% |
| BancABC Zambia | 100,902 | 16% | 31,872 | 23% | 883,887 | 11% |
| BancABC Zimbabwe | 218,943 | 36% | 55,090 | 39% | 2,622,802 | 32% |
| Banking operations | 612,626 | 100% | 140,504 | 100% | 8,210,164 | 100% |
| Head office and consolidation entries** | 46,183 | | (57,502) | | 973,724 | |
| Total* | 658,809 | | 83,002 | | 9,183,888 | |

* After eliminations.

** Reflects non-banking operations in various geographical sectors, as well as elimination entries.

Registration number 99/4865)
(Incorporated in the Republic of Botswana)
(ABC Holdings Limited or “the Company”)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of the Company will be held at the Boardroom, ABC House, BancABC Botswana, Plot 62433, Fairground Office Park, Gaborone, Botswana, on Tuesday 28 May 2013 at 09h30 for the purpose of transacting the following business and further if deemed fit, passing, with or without modification, the following resolutions:

ORDINARY BUSINESS:

1. To read the notice convening the meeting.
2. To receive, consider, and adopt the annual financial statements for the year ended 31 December 2012, including the Chairman’s statement, CEO’s statement, Directors’ report and Auditors’ report.
3. To approve the remuneration of the Directors for the year ended 31 December 2012.
4. To note that Directors, Mr Buttery, Mr Dzanya and Mr Moyo retire by rotation in terms of Clause 30.1 of the Company’s Constitution and to re-elect Mr Buttery, Mr Dzanya and Mr Moyo who, being eligible, offer themselves for re-election.
5. To ratify the appointment of Mr Jyrki Ilmari Koskelo as a director of the Company.
6. To ratify the appointment of KPMG as auditors for the ensuing year and to fix their remuneration.

Biographies of directors standing for re-election and whose appointments are to be ratified at the Annual General Meeting.

Howard Buttery

Howard Buttery was born in South Africa in 1946. He has served as a director since 2003 and on the Remuneration and Nominations Committee. Mr Buttery was appointed non-executive Chairman of ABC Holdings Limited (BancABC) in June 2010. This was after he retired from the position of Executive Chairman of Bell Equipment Ltd, a listed South African company. His current focus is on developing a strategic alliance of three international companies: John Deer (United States), Liebherr (Germany) and Hitachi (Japan).

Mr Buttery has extensive knowledge of business across the African continent offering key in-sight to the organisation. He holds a certificate in theory of accounting from the University of Natal.

Francis M Dzanya

Francis Dzanya was born in Zimbabwe in 1960. Mr Dzanya has been Chief Operating Officer since April 2008 and Chief Banking Officer before that. He has also been a member of the Executive Committee since 2006.

Mr Dzanya joined Heritage Investment Bank at its formation in 1995 having spent over ten years with other banking institutions in the region.

Mr Dzanya holds a Bachelor of Arts (Honours) degree in Banking, Insurance and Finance from Sheffield Hallam University in the United Kingdom (UK) and a Higher National Diploma in Banking and Finance from John Moores University, also in the UK and is an Associate of the Chartered Institute of Bankers, UK.

Bekithemba Moyo

Beki Moyo was born in Zimbabwe in 1967. Mr Moyo has been the Chief Financial Officer since 2005. In the course of his banking career spanning over fifteen years, Mr Moyo has held various senior positions within ABC Holdings.

Mr Moyo trained and qualified as a Chartered Accountant with Deloitte and Touché and quickly rose to Audit Manager. He then joined the banking world in 1994 as Chief Accountant at Stanbic Zimbabwe.

He holds a Bachelor of Accountancy (Honours) degree from the University of Zimbabwe, a Master of Business Administration degree in Banking and Finance from Manchester University and completed the Harvard Business School's Advanced Management Programme.

Jyrki Ilmari Koskelo

Jyrki Koskelo was born in Finland in 1952. He joined the IFC in 1987, worked for several years as Investment Officer in Africa and in Eastern and Central Europe, was appointed director of IFC's work out department in 2000, director of global financial markets in 2004, and vice president (a direct report to the CEO) and a member of IFC's Management Committee in 2007.

Mr Koskelo, at the time VP Global Industries, retired from IFC end of November 2011. His most notable achievements include initiating, developing and executing a plan to provide liquidity to systemic banks in Eastern Europe in the aftermath of the Lehman collapse; a task he initiated in bringing together the EU commission, the World Bank Group, EIB and EBRD to pledge Euro24 billion of liquidity for private sector banks in a process called the "Vienna Initiative". Mr Koskelo was also instrumental in leading IFC to new products (such as the \$50 billion trade initiative to support global trade after Lehman) and was the early adopter and leader in IFC's decentralization efforts.

Mr Koskelo was appointed as a non-executive director of ABC Holdings Limited on 6 December 2012 and also serves on the Risk & Audit committee. He holds an M.Sc. in Civil Engineering, Technical University, Helsinki and an MBA in International Finance, MIT, Sloan School of Management, Boston.

Ordinary Resolution 1:

To approve the annual financial statements for the year ended 31st December 2012, including the Chairman's statement, CEO's statement, Directors' report and Auditor's report.

Ordinary Resolution 2:

To approve the remuneration of Directors for the year ended 31 December 2012.

Ordinary Resolution 3:

To re-elect Directors retiring by rotation in accordance with the provisions of clause 30.1 of the Company's Constitution. In this regard Mr Buttery retires by rotation and being available and eligible, offers himself for re-election.

Ordinary Resolution 4:

To re-elect Directors retiring by rotation in accordance with the provisions of clause 30.1 of the Company's Constitution. In this regard Mr Dzanya retires by rotation and being available and eligible, offers himself for re-election.

Ordinary Resolution 5:

To re-elect Directors retiring by rotation in accordance with the provisions of clause 30.1 of the Company's Constitution. In this regard Mr Moyo retires by rotation and being available and eligible, offers himself for re-election.

Ordinary Resolution 6:

To ratify the appointment of Mr Jyrki Ilmari Koskelo as a director of the Company.

Ordinary Resolution 7:

To approve the remuneration of the auditors for the year ended 31 December 2012.

Ordinary Resolution 8:

To ratify the appointment of KPMG as the auditors for the Company for the ensuing year.

Ordinary Resolution 9:

The Directors be and are hereby authorized to take such steps and sign all such other documents as are necessary to give effect to the resolutions passed at this meeting.

VOTING AND PROXIES

All holders of ordinary shares entitled to vote will be entitled to attend and vote at the Annual General Meeting.

A holder of ordinary shares who is present in person, by authorised representative or by proxy, shall have one vote on a show of hands and have one vote for every ordinary share held on a poll.

Each shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (none of whom need be a Shareholder of the Company) to attend, speak and subject to the Constitution of the Company, vote in his/her/its stead.

The form of proxy for the Annual General Meeting, which sets out the relevant instructions for its completion, is annexed hereto.

In order to be effective, a duly completed form of proxy must be received at the Registered Office of the Company, Rhoss (Pty) Ltd, Plot 54358 Prime Plaza, First Floor Acacia House, Cnr. Khama Crescent & PG Matane Road, Gaborone, Botswana by not later than 09h30 on Monday 27 May 2013.

By Order of the Board

M Vogt

Secretary to the Board of Directors

(Registration number 99/4865)
 (Incorporated in the Republic of Botswana)
 (ABC Holdings Limited or "the Company")

FORM OF PROXY

For completion by holders of Ordinary Shares

PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS FORM.

EXPRESSIONS USED IN THIS FORM SHALL, UNLESS THE CONTEXT REQUIRES OTHERWISE, BEAR THE SAME MEANINGS AS IN THE CIRCULAR TO SHAREHOLDERS OF ABC HOLDINGS LIMITED ISSUED ON 6 MAY 2013

For use at the Annual General Meeting of Shareholders of the Company to be held at the Boardroom, ABC House, BancABC Botswana, Plot 62433, Fairground Office Park, Gaborone, Botswana on 28 May 2013 at 09h30.

I/We

(Name/s in block letters)

Of

(Address)

Appoint (see note 2):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. _____ the Chairman of the Meeting,

as my/our proxy to act for me/us at the General Meeting which will be held, in addition to considering the ordinary business, for the purpose of considering and if deemed fit, passing with or without modification, the resolutions to be proposed under the special business vote thereat and at each adjournment thereof, and to vote for or against the resolutions and/or abstain from voting in respect of the Ordinary Shares registered in my/our name in accordance with the following instructions (see note 2):

| | Number of Ordinary Shares | | |
|--------------------------|---------------------------|---------|---------|
| | For | Against | Abstain |
| 1. Ordinary Resolution 1 | | | |
| 2. Ordinary Resolution 2 | | | |
| 3. Ordinary Resolution 3 | | | |
| 4. Ordinary Resolution 4 | | | |
| 5. Ordinary Resolution 5 | | | |
| 6. Ordinary Resolution 6 | | | |
| 7. Ordinary Resolution 7 | | | |
| 8. Ordinary Resolution 8 | | | |
| 9. Ordinary Resolution 9 | | | |

Signed at _____ on _____ day of _____ 2013

Signature _____ assisted by (where applicable)

Each Shareholder is entitled to appoint one or more proxies (who need not be Member/s of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.

Please read the notes on the reverse side hereof.

NOTES

1. A Shareholder must insert the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy, and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholder's votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.
3. Forms of proxy must be lodged at or posted to the Registered Office of the Company, Rhoss (Pty) Ltd, Plot 54358 Prime Plaza, First Floor Acacia House, Cnr. Khama Crescent & PG Matane Road, Gaborone, Botswana, or P O Box 1882, Gaborone, Botswana, to be received not less than 24 hours before the Annual General Meeting to be held on 28 May 2012 at 09h30.
4. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.
5. The Chairman of the General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he is satisfied as to the manner in which the Shareholder concerned wishes to vote.
6. An instrument of proxy shall be valid for the General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.
7. A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or insanity of the Shareholder, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the Ordinary Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company not less than one hour before the commencement of the General Meeting or adjourned General Meeting at which the proxy is to be used.
8. The authority of a person signing the form of proxy under a power of attorney or on behalf of a company must be attached to the form of proxy, unless the authority or full power of attorney has already been registered by the Company or the Transfer Secretaries.
9. Where Ordinary Shares are held jointly, all joint Shareholders must sign.
10. A minor must be assisted by his/her guardian, unless relevant documents establishing his/her legal capacity are produced or have been registered by the Company.

DIRECTORS CONTACT INFORMATION 2013

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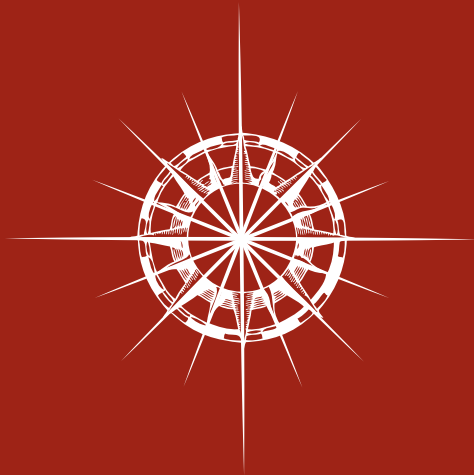
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