



BancABC 

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BancABC



ABC Holdings Limited

Audited Group Results
for the year ended 31 December 2009

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.

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

Historically, BancABC offered a diverse range

of financial services in wholesale and merchant banking, leasing finance, asset management, stockbroking and treasury services. The Bank's long-standing success in these areas prompted its expansion into retail banking in 2009.

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.



Our values

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

Integrity is a key value of the Group which is the ability to be reliable, ethical, credible, and trustworthy with a great sense of heritage. Our cast iron ethics form our unquestionable character and business practice.

Passion describes the people focused, accessible, personal and customised approach, anchored on vital African energy. In short, we are passionate because we believe in and love what we do.

Innovation embodies the key traits of being visionary, dynamic, energetic, challenging and agile. In practical terms, adoption of this core value means devotion to driving change by provoking new ideas and always doing things differently.

Professionalism entails being uncompromising, focused, and confident in offering world-class products and services. We strive for excellence in what we do, and are always seeking to improve on our performance.

People is the essence of our existence. Our world class staff, customers, clients, shareholders and stakeholders define our ambitions, success and passion. Our passion for people makes us customer-centric.

Contact information

Botswana

ABC Botswana Limited

Directors: D Khama, L Makwinja, T Mothibatsela, B Moyo, DT Munatsi, J Kurian
ABC House, Tholo Office Park, Plot 50669, Fairground Office Park, Gaborone, Botswana
Tel: +267 3905455 Fax: +267 3902131
abcbw@africanbankingcorp.com

Mozambique

ABC Mozambique SA

Directors: B Alfredo, H Chambisse, DT Munatsi, LS Simao, TET Venichand, J Sibanda, F Mucave
999 Avenida Julius Nyerere, Polana Cimento, Maputo, Mozambique
Tel: +258 (21) 482100 Fax: +258 (21) 486808
abcmoz@africanbankingcorp.com

Tanzania

ABC Tanzania Limited

Directors: JP Kipokola, R Dave, J Doriye, W Nyachia, DT Munatsi, L Sondo, I Chasosa
1st Floor Barclays House, Ohio Street, Dar Es Salaam, Tanzania
Tel: +255 (22) 2111990 Fax: +255 (22) 2112402
abctz@africanbankingcorp.com

Tanzania Development Company Limited

Directors: JP Kipokola, J Doriye, W Nyachia, DT Munatsi, I Chasosa
1st Floor Barclays House, Ohio Street, Dar Es Salaam, Tanzania
PO Box 2478, Dar es Salaam, Tanzania
Tel: +255 (22) 2111990 Fax: +255 (22) 2112402
abctz@africanbankingcorp.com

South Africa

ABC Holdings (Pty) Ltd

Directors: OM Chidawu, DT Munatsi, B Moyo, F Dzanya
205 Rivonia Road, Morningside, 2196, Johannesburg, South Africa
Tel: +27 (11) 722 5300 Fax: +27 (11) 722 5360
abcsa@africanbankingcorp.com

Zambia

ABC Zambia Limited

Directors: C Chileshe, DT Munatsi, B Moyo, D Botha, JW Thomas
Pyramid Plaza Building, Plot 746B, Corner Nasser Road/Church Road, Ridgeway, Lusaka
Tel: +260 (211) 257970-6 Fax: +260 (211) 257980
abczm@africanbankingcorp.com

Zimbabwe

ABC Zimbabwe Limited

Directors: N Kudenga, R Chigumira, P Sithole, FE Ziumbe, FM Dzanya, N Matimba, Z Shaba, T Mudangwe
Endeavour Crescent, Mount Pleasant Business, Park, Mount Pleasant, Harare, Zimbabwe
Tel: +263 (4) 369260-99 Fax: +263 (4) 338064
abczw@africanbankingcorp.com

Salient points



- › Total income increased 10% to **BWP 392 million**
- › Solid income growth across all operations except BancABC Zambia
- › Significant investment in Retail Banking and Zimbabwe dollarisation increased operating expenses 54% to BWP 366 million
- › Impairment charges increased 15% to BWP 51 million
- › Basic EPS down 33% to 40.4 thebe
- › Balance sheet grew 11% to **BWP 4.4 billion**
- › Customer deposits grew 19% to **BWP 3.4 billion**
- › Microfinance operation successfully integrated into BancABC Zambia and customer base expanded
- › Retail Banking commenced business with **first branches opened** in Harare

Chairman and Chief Executive Officer's report



Financial performance in 2009 was sound across all BancABC's operations, with the exception of BancABC Zambia. Despite challenging economic conditions, the Group's balance sheet grew by 11% positioning the bank well to bolster earnings in 2010 and beyond.

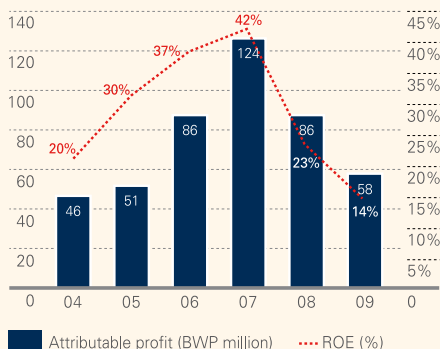
Solid operational progress was achieved in all territories and the Group continues to commit significant resources to the development of its Retail Banking business. The systems, people and capital are now in place for this division to become fully operational.

BancABC Zambia's performance was a notable disappointment with banking operations recording a further loss of BWP 27 million in the second half of the year. This contributed to the Group's overall decline in earnings to BWP 58 million. However considerable growth was achieved in Mozambique and Botswana where profits posted were 82% and 32% higher than in 2008 respectively.

In February 2009, Zimbabwe adopted a multicurrency system resulting in the Zimbabwe dollar being discontinued as legal tender and ending an era of hyperinflation. The Zimbabwean operation recorded costs of some BWP 62 million, whereas virtually no costs were recorded during 2008 as these were effectively eliminated by inflation. This, coupled with costs incurred due to the retail banking rollout, resulted in operating expenses increasing by 54%.

The past year was characterised by challenging conditions in most of the markets the Group operates in, as a result of the fallout from the worst financial and economic crisis the world has faced in several decades. However, the return to normalcy for most world markets appears to be gathering momentum, with key developed economies officially coming out of recession during the year. Debate remains as to the shape and extent of the recovery.

Attributable profit (BWPm) and ROE (%)



Consequently, a deliberate policy to curtail lending was put in place during 2009; hence the decline in the size of the loan portfolio. Customer deposits, however, grew substantially and this extra liquidity was invested in lower yielding short-term money market instruments, resulting in the net interest margin being slightly lower than in 2008.

Quantitative easing undertaken by most governments in the developed world has helped arrest the recession by boosting expenditure and driving up commodity prices. This is to the benefit of most sub-Saharan African (SSA) economies that are heavily commodity-dependent. It is likely, however, that full recovery on a more sustainable basis will not occur in the

short to medium term. Uncertainty prevails in the financial services sector, particularly in terms of more demanding regulatory requirements. This has in some instances unnerved investors, as governments voice concern over executive remuneration, proprietary trading and exposure to derivative instruments. Downgrades in some sovereign ratings have further contributed to investors' caution regarding speculative or other alternative investments.

Financial performance

Net interest income

Net interest income for the year declined by 3% to BWP 178 million. This was largely due to a deliberate policy put in place to curtail lending in the wake of global financial weakness. In addition, operations in Zambia, and to a lesser extent Tanzania, were unable to lend due to tight liquidity conditions in those markets particularly in the first half of the year. The cost of wholesale funding in relation to market rates also increased across all the Group's operating markets. Consequently, the net interest margin declined as the asset mix is skewed towards low risk low-yielding government paper and other liquid assets.

Notwithstanding the above, BancABC Tanzania and BancABC Mozambique recorded an increase in net interest income due to increased balance sheet sizes, despite the lack of growth in the loan portfolio.

Impairment losses on loans and advances

Impairments increased by 15% to BWP 51 million. About 50% of the impairments (BWP 24 million) emanated from BancABC Zambia where the quality of the loans in the market declined rapidly as a fallout from the world economic and financial crisis. The drop in commodity prices in late 2008 affected the Zambian economy which is highly dependent on copper exports.

BancABC Mozambique and BancABC Tanzania also recorded sharp increases in impairments as some larger customers became non-performing during the year. However, impairments in BancABC Botswana reduced significantly due to a concerted effort to collect funds from most defaulting clients. Management is strengthening the credit function across the Group to ensure that perennial bad debt problems are dealt with.

Non-interest income

Non-interest income increased by 23% from BWP 216 million in 2008 to BWP 265 million in 2009. Mozambique recorded an increase of 120% on the back of increased margins and volumes in foreign exchange trading. The return of stability in the Zimbabwean economy, together with the resumption of trading on the stock exchange boosted non-interest income from this operation. BancABC Tanzania successfully introduced bond trading, contributing positively to its non-interest income.

Challenges in Zambia stifled activity, impacting this operation's ability to generate anticipated trading, advisory, fee and commission income. Accordingly non-interest income for Zambia declined by 19% in 2009. In addition, the asset management business in Zambia had a significant reduction in income because of a once-off charge of BWP 30 million relating to a property construction project, in which BancABC Zambia Asset Management was an advisor. The project experienced huge cost overruns and delays in its completion. This led to a decline in the reputation of the bank in the market, and to correct this, the Board took the decision to pay out all the investors in the project and take control of the property. The total write-off over the past two years arising from this action is some BWP 36 million.

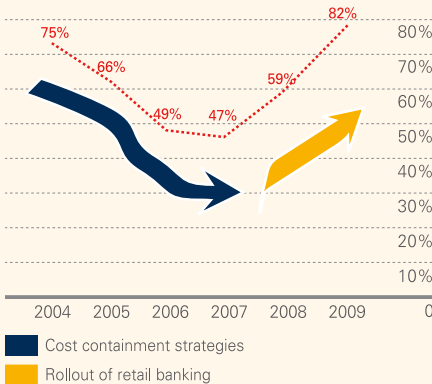
Operating expenses

Operating expenses at BWP 366 million were BWP 129 million higher than in 2008. Operating expenses have increased significantly, mainly due to increased staff costs and dollarisation in Zimbabwe. To bolster the Group's operations, a number of employees were recruited into the Human Capital, Credit, Marketing and the Legal and Compliance departments. The Group now also employs 89 people in retail banking. In addition, total costs for BancABC Zimbabwe were BWP 62 million whereas nothing was recorded in the prior year due to that country's hyper-inflationary environment in 2008.

Management is cognisant of the need to aggressively manage costs by improving productivity through technology and shared resources. The Group is committed to a long-term cost to income ratio of 50%, but

accepts that in the interim retail banking will push this number significantly above the 50% target.

Cost to Income Ratio



Tax

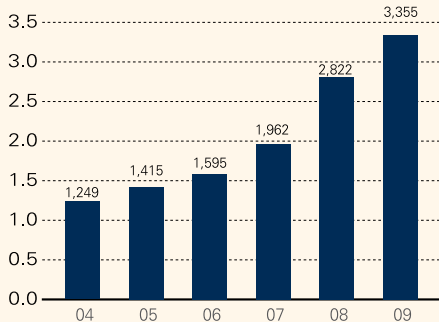
Changes to the taxation rules in Zimbabwe resulted in a tax credit for the Group from reduced provisions for deferred tax on non-taxable unrealised gains from previous reporting periods.

Balance sheet

The Group's total assets increased by 11% to BWP 4,418 million. This is largely due to increased customer deposits which were predominantly invested in short-term money market instruments and government paper.

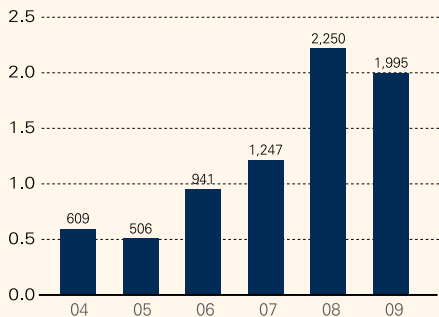
Deposit levels improved significantly, growing by 19% to BWP 3,355 million. This growth is mainly attributable to the Group's operations in Mozambique (increased BWP 198 million), Zimbabwe (BWP 157 million), Tanzania (BWP 132 million) and Botswana (BWP 78 million). BancABC Zambia recorded a decline in the deposit book owing to the challenges this subsidiary faced during the period under review.

Deposits (BWPm)



Loans and advances decreased by 11% as a result of the proactive risk management decision to curtail lending in light of deteriorating market conditions. However, BancABC Zimbabwe recorded significant growth from a very low base, following an improvement in the economy in general and the banking sector in particular.

Net Loans and Advances (BWPm)



BancABC Mozambique recorded minor growth largely due to reduced demand for credit by corporates with a good track record of repayments.

BancABC Botswana did not grow its book significantly as a result of the deterioration in market conditions since late 2008. This trend continued for much of 2009, with the operation suspending active lending to focus on collections

and reduce impairments. The subsequent improvement in the local economy was offset by a lag in demand for credit as many corporates worked to manage their financing and other operating costs while facing subdued demand for products and services.

The Zambian market faced similar challenges, with defaults among borrowing customers affecting the quality of the loan book. This operation, together with BancABC Tanzania, also faced severe liquidity challenges which constrained lending activities.

The quality of the loan books in all country operations other than Zambia stabilised and remained within manageable levels. BancABC Zambia faced a rapid deterioration in the quality of its loan book due to the decline in the activity in the Copperbelt region, impacting all related industries to which the operation was highly exposed. The situation in Zambia has somewhat stabilised following the recovery of copper prices and increased production from new producers.

Operational performance

Botswana

BancABC Botswana performed well despite sharply declining economic activity, exacerbated by plummeting diamond prices and markedly-reduced household expenditure. Profit after tax of BWP 17 million was 32% higher than the BWP 13 million achieved in 2008. The balance sheet grew by 17% mainly due to increased customer deposits which grew by 6% to BWP 1,403 million and an injection of BWP 35 million in tier II capital by ABC Holdings during the year. This additional liquidity was invested in money market instruments including Bank of Botswana certificates.

Management deliberately curtailed lending in light of unfavourable market conditions. This move paid off in the form of a reduced impairment charge of BWP 9 million compared to BWP 22 million in 2008. However, this came at the cost of the loan book which reduced by 16% to BWP 618 million and net interest income which reduced by 16%, due to the asset mix being skewed towards low-yielding money market instruments and government paper. Net interest income which reduced by 16%, due to the asset mix being skewed towards

low-yielding money market instruments and government paper.

Operating expenses were tightly managed, increasing by 10% to BWP 47 million as a result of expenditure related to the rollout of the retail programme.

Mozambique

BancABC Mozambique performed remarkably well, growing its profit after tax by 82% to BWP 30 million and its balance sheet by 30% to BWP 844 million, with a corresponding increase in customer deposits which increased 32% to BWP 812 million. This excess liquidity was invested in short-term money market instruments and government paper due to reduced demand for credit by corporates in the market.

Most corporates improved the management of their working capital positions, with commitment to new long-term projects waning due to uncertainties concerning the global economic and financial outlook. Impairments increased with the bank incurring a BWP 10 million charge up from BWP 1 million in 2008. Notwithstanding these issues, loans and advances increased marginally by 6% to BWP 384 million and the quality of the loan book remains good.

Operating expenses increased by 30% to BWP 54 million, largely due to the need to bolster key departments in line with increased activity resulting from the rollout of the retail programme.

Tanzania

BancABC Tanzania recorded a decline in profit after tax of 49% to BWP 5 million, due to an increase in impairments of loans and advances resulting from few but significant customers. Impairment of loans and advances were BWP 13 million.

Lending in the first half of the year was constrained as the operation had reached the limit of its loans to deposit ratio, leading to a 19% reduction in the loan book from BWP 599 million to BWP 486 million. However, concerted management effort ensured a 24% growth in the deposit book to BWP 677 million.

All major income streams increased when compared to 2008, with net interest income increasing by 14% to BWP 35 million and non-interest income growing by 29% from



BWP 21 million to BWP 27 million following the introduction of bond trading. Operating expenses increased by 17% to BWP 40 million owing to costs incurred in the rollout of the retail banking programme.

Zambia

BancABC Zambia recorded a loss of BWP 45 million, significantly higher than the loss of BWP 12 million recorded in 2008.

The loss for 2009 came on the back of unprecedented impairments of BWP 24 million (2008: BWP 10 million) and reduced income from lower activity levels. The operation suffered directly from the deterioration in market conditions when copper prices plummeted in 2008 which had a ripple effect on the industries that depend on the mining sector, which the bank was heavily exposed to.

The loan book declined by 45% to BWP 196 million, customer deposits also declined by 10% to BWP 176 million, non-interest income declined by 19% to BWP 11 million and the total balance sheet shrunk by 37% to BWP 286 million. An increase in the wholesale cost of funding negatively impacted the bank's net interest income, declining from BWP 23 million in 2008 to BWP 12 million in 2009.

In light of these circumstances, the Group took the decision to merge Microfin, the Group's microfinance division, with the Zambian operations to rationalise costs and develop synergies. The merger was effected on 30 June 2009. Existing Microfin branches will be leveraged to market Retail Banking products.

The microfinance division continued its robust performance driven by a reduction in impairments of loans and advances. The division recorded a profit after tax of BWP 11 million from BWP 5 million in 2008. This brought the combined performance of the Zambian operations for the year to a loss of BWP 34 million. Loans and advances increased by BWP 14 million to BWP 104 million despite major constraints in the Zambian market.

Net interest income was on par with the prior year at BWP 50 million. Impairment charges for loans and advances significantly reduced from

BWP 9 million in 2008 to BWP 3 million in 2009. Operating expenses were also contained at the same level as in 2008 and the tax expense declined following utilisation of some tax losses in BancABC Zambia post the merger. The Group intends to continue growing this line of business by introducing more products to existing and new customers under the Retail Banking division.

Zimbabwe

The business environment in Zimbabwe improved substantially during the year. The elimination of the hyperinflationary environment greatly assisted business and increased the level of predictability. However, the banking sector still suffered under the effects of the lack of liquidity as a result of weak economic activity, insufficient foreign direct investments and a lack of external lines of credit, lack of capacity of the lender of last resort and an inactive inter-bank market.

Despite these challenges, BancABC Zimbabwean posted BWP 19 million in profit after tax.

The decrease in profitability is mainly because of operating expenses of BWP 62 million in 2009 from virtually nothing in 2008 when there was hyper-inflation. Normal banking income, including share of associates profits, increased significantly with net interest income increasing to BWP 14 million from nil in 2008. Non-interest income increased to BWP 58 million from BWP 38 million in 2008 from increased fees and commissions.

The balance sheet increased by 100% from BWP 241 million to BWP 483 million. Customer deposits increased by 163% to BWP 254 million and loans and advances increased by 376% to BWP 98 million.

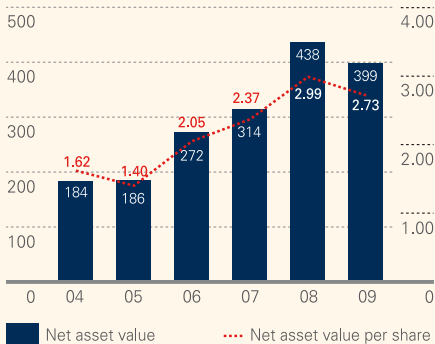
Outlook

The economic environment will continue to be challenging at least in the near term. The Group will continue to grow the Wholesale Banking business and exert further effort on rolling out the Retail Banking business across all territories. We are confident that the Group now has a solid platform from which it can continue to grow.

Cost containment will remain a key focus area. With the introduction of the Balanced Scorecard as the Group's primary performance management strategy implementation tool, setting and reviewing the performance targets



Net Asset Value (BWPm) and NAV per share (BWP)



necessary to achieve this should become a more transparent process. That said, much hard work remains to turn the Zambian operation around, increase profitability in Botswana and Tanzania and continue the Retail Banking roll out.

Acknowledgements

After nine years of service to the Group and many more to its predecessor companies, the Group's Chairman has elected to retire from his position as a non-executive director and Chairman to focus his efforts in other areas of his business. The Board is deeply grateful to him for his guidance and leadership over the years and wishes him all the best for his continued success.

The Board would like to extend its sincere thanks to the management and staff across the Group for all their effort under difficult circumstances in 2009.

OM Chidawu
Group Chairman

DT Munatsi
Group Chief
Executive Officer

Consolidated income statement

for the year ended 31 December 2009

BWP'000s – presentation currency	Notes	2009	2008
Interest and similar income		502,311	456,474
Interest expense and similar charges		(323,917)	(272,079)
Net interest income before impairment of advances		178,394	184,395
Impairment of loans and advances		(51,218)	(44,365)
Net interest income after impairment of advances		127 176	140,030
Non interest income	3	265,017	216,126
Total income		392,193	356,156
Operating expenditure	4	(365,694)	(236,941)
Gain on net monetary position		–	58
Net income from operations		26,499	119,273
Share of results of associates		16,164	2,300
Profit before tax		42,663	121,573
Tax		15,768	(33,642)
Profit for the year		58,431	87,931
Attributable to:			
Ordinary shareholders		58,117	85,818
Minorities		314	2,113
Profit for the year		58,431	87,931
Earnings per share (thebe)		40.4	60.2
Dividend per share (thebe)		–	8.0
Weighted average number of shares (000's)		143,846	142,635

Consolidated income statement

for the year ended 31 December 2009

USD'000s – convenience conversion	2009	2008
Interest and similar income	70,890	66,813
Interest expense and similar charges	(45,714)	(39,824)
Net interest income before impairment of advances	25,176	26,989
Impairment of loans and advances	(7,228)	(6,494)
Net interest income after impairment of advances	17,948	20,495
Non interest income	37,402	31,634
Total income	55,350	52,129
Operating expenditure	(51,610)	(34,681)
Gain on net monetary position	–	8
Net income from operations	3,740	17,456
Share of results of associates	2,281	337
Profit before tax	6,021	17,793
Tax	2,225	(4,924)
Profit for the year	8,246	12,869
Attributable to:		
Ordinary shareholders	8,202	12,560
Minorities	44	309
Profit for the year	8,246	12,869
Earnings per share (cents)	5.7	8.8
Dividend per share (cents)	–	1.2
Weighted average number of shares (000's)	143,846	142,635

Consolidated statement of comprehensive income

for the year ended 31 December 2009

BWP'000s – presentation currency	2009	2008
Profit for the year	58,431	87,931
Other comprehensive income	(99,160)	12,802
Exchange differences on translating foreign operations	(78,090)	(97,173)
Revaluation of property	(38,277)	134,483
Net investment hedge	–	(13)
Share of reserves in associate companies	112	–
Movement in available for sale reserves	1,051	(30)
Income tax relating to components of other comprehensive income	16,044	(24,465)
Total comprehensive income for the year	(40,729)	100,733
Total comprehensive income attributable to:		
Ordinary shareholders	(38,585)	92,552
Minorities	(2,144)	8,181
	(40,729)	100,733

USD'000s – convenience conversion	2009	2008
Profit for the year	8,246	12,869
Other comprehensive income	(13,995)	1,875
Exchange differences on translating foreign operations	(11,021)	(14,226)
Revaluation of property	(5,402)	19,688
Net investment hedge	–	(2)
Share of reserves in associate companies	16	–
Movement in available for sale reserves	148	(4)
Income tax relating to components of other comprehensive income	2,264	(3,581)
Total comprehensive income for the year	(5,749)	14,744
Total comprehensive income attributable to:		
Ordinary shareholders	(5,447)	13,547
Minorities	(302)	1,197
	(5,749)	14,744

Consolidated balance sheet

as at 31 December 2009

BWP'000s – presentation currency	Notes	2009	2008
ASSETS			
Cash and short term funds		881,884	513,050
Financial assets held for trading		880,740	659,587
Financial assets designated at fair value		17,905	26,100
Derivative financial assets		7,970	44,411
Loans and advances		1,995,325	2,249,903
Investment securities		49,282	67,761
Prepayments and other receivables		166,973	47,283
Current tax assets		3,913	5,496
Investment in associates		40,946	41,259
Property and equipment		278,975	216,942
Investment property		25,851	47,632
Intangible assets		50,421	42,619
Deferred tax assets		17,560	5,895
TOTAL ASSETS		4,417,745	3,967,938
EQUITIES AND LIABILITIES			
Liabilities			
Deposits		3,355,118	2,822,352
Derivative financial liabilities		1,955	2,217
Creditors and accruals		83,676	37,854
Current tax liabilities		6,529	6,031
Deferred tax liabilities		10,866	43,162
Borrowed funds	5	543,822	599,814
Total liabilities		4,001,966	3,511,430
Equity			
Stated capital		307,586	307,586
Foreign currency translation reserve		(298,715)	(223,083)
Non distributable reserves		144,009	162,258
Distributable reserves		246,189	190,893
Equity attributable to ordinary shareholders		399,069	437,654
Minority interest		16,710	18,854
Total equity		415,779	456,508
TOTAL EQUITY AND LIABILITIES		4,417,745	3,967,938
Guarantees and other credit commitments	6	385,996	485,675

Consolidated balance sheet

as at 31 December 2009

USD'000s – convenience conversion	2009	2008
ASSETS		
Cash and short term funds	132,194	68,056
Financial assets held for trading	132,023	87,494
Financial assets designated at fair value	2,684	3,462
Derivative financial assets	1,195	5,891
Loans and advances	299,099	298,450
Investment securities	7,387	8,988
Prepayments and other receivables	25,029	6,272
Current tax	587	729
Investment in associates	6,138	5,473
Property and equipment	41,818	28,777
Investment properties	3,875	6,318
Intangible assets	7,558	5,653
Deferred tax assets	2,632	782
TOTAL ASSETS	662,219	526,345
EQUITY AND LIABILITIES		
Liabilities		
Deposits	502,932	374,385
Derivative financial liabilities	293	294
Creditors and accruals	12,542	5,021
Current tax liabilities	979	800
Deferred tax liabilities	1,629	5,724
Borrowed funds	81,519	79,565
Total liabilities	599,894	465,789
Equity attributable to ordinary shareholders	59,820	58,055
Minority interest	2,505	2,501
Total equity	62,325	60,556
TOTAL EQUITY AND LIABILITIES	662,219	526,345
Guarantees and other credit commitments	57,861	64,449

Consolidated cash flow statement

for the year ended 31 December 2009

BWP'000s – presentation currency	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES	474,649	57,267
Cash generated from operating activities	69,290	92,178
Net profit before tax	42,663	121,573
Adjusted for:		
Impairment of loans and advances	51,218	44,365
Depreciation and amortisation	16,324	10,741
Hedging reserve	-	(13)
Net losses/(gains) on derivative financial instruments	9,670	(38,585)
Fair value losses/(gains) on investment properties	14,610	(45,861)
Profit on disposal of associate	(56,332)	-
Profit on disposal of property and equipment	(8,863)	(42)
Tax paid	(8,484)	(5,422)
Net cash inflow from operating activities before changes in operating funds	60,806	86,756
Net increase/(decrease) in operating funds	413,843	(29,489)
Increase in operating assets	(544,510)	(894,981)
Increase in operating liabilities	958,353	865,492
CASH FLOWS FROM INVESTING ACTIVITIES	(83,197)	(62,583)
Purchase of property and equipment	(163,877)	(51,836)
Purchase of intangible assets	(12,021)	(11,267)
Proceeds on disposal of property and equipment	10,227	520
Proceeds on disposal of associate	82,474	-
CASH FLOWS FROM FINANCING ACTIVITIES	(53,324)	36,137
Proceeds from issue of shares	-	37,397
(Decrease)/increase in borrowed funds	(53,324)	28,967
Dividends paid	-	(30,227)
Increase in cash and cash equivalents	338,128	30,821
Cash and cash equivalents at the beginning of the year	420,508	446,256
Exchange adjustment on opening balance	(56,870)	(56,569)
Cash and cash equivalents at the end of the year	701,766	420,508
Cash and cash equivalents	701,766	420,508
Statutory reserves	180,118	92,542
Cash and short term funds	881,884	513,050

Segmental analysis

for the year ended 31 December 2009

BWP'000s – presentation currency	Net interest income	Contribution	Attributable profit
for the year ended 31 December 2009:			
BancABC Botswana	34,831	19%	17,413
BancABC Mozambique	38,594	21%	30,266
BancABC Tanzania	35,178	20%	5,155
BancABC Zambia***	61,632	35%	(33,567)
BancABC Zimbabwe	14,339	8%	19,362
Banking operations	184,574	103%	38,629
Head office and other****	(6,180)	-3%	19,488
Total*	178,394	100%	58,117

BWP'000s	Net interest income	Contribution	Attributable profit
for the year ended 31 December 2008:			
BancABC Botswana	41,389	22%	13,193
BancABC Mozambique	34,295	19%	16,644
BancABC Tanzania	30,941	17%	10,096
BancABC Zambia***	73,561	40%	(7,223)
BancABC Zimbabwe	63	0%	25,338
Banking operations	180,249	98%	58,048
Head office and other****	4,146	2%	27,770
Total*	184,395	100%	85,818

* Prior to eliminations.

** Excluding Tier II capital.

*** Including Microfin Africa Limited. Attributable loss for 2009 excluding Microfin was BWP 45 million.

**** Reflects non banking operations in various geographical sectors.

Contribution to financial institutions	Contribution to total	Total assets	Contribution	Total equity**	Contribution
45%	30%	1,530,149	35%	92,808	22%
78%	52%	843,550	19%	111,125	27%
13%	9%	702,573	16%	95,694	23%
-86%	-58%	397,148	9%	924	0%
50%	33%	482,617	11%	102,468	25%
100%	66%	3,956,037	90%	403,019	97%
	34%	461,708	10%	12,760	3%
	100%	4,417,745	100%	415,779	100%

Contribution to financial institutions	Contribution to total	Total assets	Contribution	Total equity**	Contribution
23%	15%	1,309,517	33%	82,035	18%
29%	19%	648,736	16%	117,191	26%
17%	12%	796,476	20%	104,165	23%
-13%	-8%	581,508	15%	56,595	12%
44%	30%	238,627	6%	121,305	26%
100%	68%	3,574,864	90%	481,291	105%
	32%	393,074	10%	(24,783)	-5%
	100%	3,967,938	100%	456,508	100%

Consolidated statements of changes in equity

for the year ended 31 December 2009

	Attributable to owners of the parent			
BWP'000s – presentation currency	Stated capital	Foreign currency translation reserve	Regulatory general credit risk reserve	Property revaluation reserve
Balance as at 1 January 2008	270,189	(119,842)	289	28,750
Comprehensive income:				
Profit for the year	–	–	–	–
Other comprehensive income:	–	(103,241)	4,536	110,018
Foreign currency translation differences	–	(103,241)	–	–
Revaluation of property net of deferred tax	–	–	–	110,018
Movement in general credit risk reserve	–	–	4,536	–
Movement in statutory reserves	–	–	–	–
Net investment hedging reserve	–	–	–	–
Movement in available for sale reserves:				
– Arising in current year	–	–	–	–
TOTAL COMPREHENSIVE INCOME	–	(103,241)	4,536	110,018
Transactions with owners:				
Shares issued	37,397	–	–	–
Purchase of shares from minorities	–	–	–	–
Disposal of treasury shares	–	–	–	–
Dividend	–	–	–	–
TOTAL TRANSACTIONS WITH OWNERS	37,397	–	–	–
Balance as at 31 December 2008	307,586	(223,083)	4,825	138,768
Comprehensive income:				
Profit for the year	–	–	–	–
Other comprehensive income:	–	(75,632)	(655)	(22,233)
Foreign currency translation differences	–	(75,632)	–	–
Revaluation of property net of deferred tax	–	–	–	(22,233)
Movement in general credit risk reserve	–	–	(655)	–
Movement in statutory reserves	–	–	–	–
Share of reserves in associate companies	–	–	–	–
Movement in available for sale reserves:				
– Arising in current year	–	–	–	–
TOTAL COMPREHENSIVE INCOME	–	(75,632)	(655)	(22,233)
Balance as at 31 December 2009	307,586	(298,715)	4,170	116,535

Attributable to owners of the parent							
Available for sale reserve	Statutory reserve	Hedging reserve	Treasury shares reserve	Distributable reserve	Total	Minority interest	Total equity
1,584	21,966	(2,889)	(2,933)	138,746	335,860	12,386	348,246
–	–	–	–	85,818	85,818	2,113	87,931
(1,907)	2,498	(13)	–	(5,157)	6,734	6,068	12,802
–	–	–	–	–	(103,241)	6,068	(97,173)
–	–	–	–	–	110,018	–	110,018
–	–	–	–	(4,536)	–	–	–
–	2,498	–	–	(2,498)	–	–	–
–	–	(13)	–	–	(13)	–	(13)
(1,907)	–	–	–	1,877	(30)	–	(30)
(1,907)	2,498	(13)	–	80,661	92,552	8,181	100,733
–	–	–	–	–	37,397	–	37,397
–	–	–	–	1,713	1,713	(1,713)	–
–	–	–	359	–	359	–	359
–	–	–	–	(30,227)	(30,227)	–	(30,227)
–	–	–	359	(28 514)	9,242	(1,713)	7,529
(323)	24,464	(2,902)	(2,574)	190,893	437,654	18,854	456,508
–	–	–	–	58,117	58,117	314	58,431
1,051	3,588	–	–	(2,821)	(96,702)	(2,458)	(99,160)
–	–	–	–	–	(75,632)	(2,458)	(78,090)
–	–	–	–	–	(22,233)	–	(22,233)
–	–	–	–	655	–	–	–
–	2,285	–	–	(2,285)	–	–	–
–	1,303	–	–	(1,191)	112	–	112
1,051	–	–	–	–	1,051	–	1,051
1,051	3,588	–	–	55,296	(38,585)	(2,144)	(40,729)
728	28,052	(2,902)	(2,574)	246,189	399,069	16,710	415,779

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 Change of functional currency in Zimbabwe

In February 2009 the Government of Zimbabwe effectively discontinued the use of the Zimbabwe dollar, and introduced multiple international currencies, with the Botswana Pula, South African Rand and the US dollar being the anchor currencies. ABC Holdings Limited's Zimbabwe operations have adopted the US dollar as its functional and reporting currency. Consequently, the Zimbabwe operations have discontinued the preparation of financial statements in accordance with IAS 29 'Financial Reporting in Hyperinflationary Economies' from that date.

The December 2008 comparative financial results of entities in Zimbabwe have been adjusted to reflect the changes in the general level of prices as they operated in a hyperinflationary economy in accordance with IAS 29, which requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. The restatement was calculated using conversion factors derived from the countrywide consumer price index published by the Central Statistical Office (CSO). The CSO last published such indices in July 2008. As a result, estimated indices were used for the remainder of the year to December 2008, based on the movement of the Old Mutual implied exchange rate, which was viewed as the key reference rate for both inflation and exchange rates in the Zimbabwe market. The comparative results were converted into the Group's presentation currency, Botswana Pula, at the closing rate ruling on the reporting date as set out in note 7. The conversion factors were an index of Zimbabwe dollar 396.9 septillion for 31 December 2008, and 441.5 million for 31 December 2007.

1.3 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

There has been no changes in the authorised or issued share capital of ABC Holdings Limited during the year to 31 December 2009.

3 Non interest income

BWP'000s	2009	2008
Gains less losses from trading activities	51,447	25,827
Dividends received	450	3,342
Fees and commission income	84,013	70,430
Claims in respect of project finance transaction	(30,231)	–
Forex trading income and currency revaluation	115,786	29,448
Fair value (losses)/gains on investment properties	(14,610)	45,861
Net (losses)/gains on derivative financial instruments	(9,670)	38,585
Profit on disposal of associate	56,332	–
Profit on disposal of property and equipment	8,863	42
Rental and other income	2,637	2,591
	265,017	216,126

4 Operating expenditure

BWP'000s	2009	2008
Administrative expenses	159,566	92,583
Staff costs and directors' remuneration	185,513	129,362
Depreciation and amortisation	16,324	10,741
Auditor's remuneration	4,291	4,255
	365,694	236,941

5 Borrowed funds

BWP'000s	2009	2008
National Development Bank of Botswana Limited (NDB)	126,466	163,810
BIFM Capital Investment Fund One (Pty) Ltd	257,328	257,328
Other borrowings	160,028	178,676
	543,822	599,814
Maturity analysis		
On demand to one month	1,266	5
One month to three months	4,133	27,394
Three months to one year	108,950	75,544
Over one year	429,473	496,871
	543,822	599,814

National Development Bank of Botswana Limited (NDB)

The loan from NDB 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 are as follows:

30 September 2017 – BWP 62 500 000	30 September 2018 – BWP 62 500 000
30 September 2019 – BWP 62 500 000	30 September 2020 – BWP 62 500 000

Other borrowings

Other borrowings relate to medium to long term funding from international financial institutions for onward lending to ABC clients.

6 Contingent liabilities

BWP'000s	2009	2008
Guarantees	244,637	239,745
Letters of credit, loan commitments and other contingent liabilities	141,359	245,930
	385,996	485,675
Maturity analysis		
Less than one year	324,719	349,201
Between one and five years	61,277	136,474
	385,996	485,675

7 Exchange rates

	Closing 2009	Average 2009	Closing 2008	Average 2009
United States Dollar	0.1499	0.1411	0.1327	0.1464
Tanzanian Shilling	200.7920	186.7813	174.438	177.3201
Zambian Kwacha	697.0370	711.8197	636.0633	554.7651
Mozambican Metical	4.3756	3.9034	3.3826	3.5727
South African Rand	1.1098	1.1647	1.2452	1.2049
Zimbabwe Dollar (millions)*	–	–	88,265,289,801	n/a

* Old Mutual implied exchange rate in millions calculated on the day the Zimbabwe Stock Exchange last traded in 2008, (17 November 2008).

Circular to shareholders

This document is important and requires your immediate attention.

If you are in doubt as to the action you should take in relation to this document, please consult your stockbroker, banker, legal advisor or other professional advisor immediately.

Action required:

1. If you have disposed of all of your shares in ABC Holdings Limited, this circular should be sent to the agent through whom you have disposed of such shares, for onward delivery to the purchaser of those shares.
2. A notice convening the 11th annual general meeting of shareholders of ABC Holdings Limited ("AGM"), to be held at 09h00 on Tuesday 01 June 2010 at the Boardroom at ABC Holdings Limited, Tholo Park, Plot 50669, Gaborone, is attached hereto, which notice forms an integral part of this Circular. The relevant form of proxy is also attached. Shareholders who are unable to attend the AGM should complete the attached form of proxy and return it to the registered office of the Company so as to be received by no later than 09h00 on Monday 31 May 2010. Submission of a form of proxy will not preclude shareholders from attending and voting in person at the AGM, should they so desire.

ABC Holdings

ABC Holdings Limited

(Registration number 99/4865)

(Incorporated in the Republic of Botswana)

(ABC Holdings Limited or "the Company")

Circular to Shareholders

Regarding

- An amendment to the Memorandum and Articles of Association and the adoption of a Constitution in terms of Section 43(3) of the Companies Act.

and incorporating

- a notice convening the Annual General Meeting
- a form of proxy

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Definitions

In this circular unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and vice versa, and words importing natural persons shall include juristic persons, whether corporate or incorporate, and vice versa:

"Act"	the Companies Act, 2003, Act No 32 of 2004 as amended;
"Articles"	the Articles of Association of ABC Holdings Limited as at the date hereof;
"BSE"	the Botswana Stock Exchange;
"Botswana"	the Republic of Botswana;
"Circular"	this circular dated 10 March 2010, including the annexure hereto, the notice of General Meeting and form of proxy;
"Directors"	the Board of Directors of ABC Holdings Limited;
"ABC Holdings Limited or the Company"	ABC Holdings Limited (registration number 99/4865) a company incorporated in the Republic of Botswana and listed on the BSE and ZSE;
"General Meeting"	the Annual General Meeting of Shareholders to be held on 01 June 2010;
"Memorandum of Association"	the Memorandum of Association of ABC Holdings Limited as amended as the date hereof;
"Resolutions"	the resolutions reflected in the Notice of Special Meeting incorporated within this Circular;
"Shareholders"	holders of Ordinary Shares of the Company;

Salient Dates And Times

Forms of proxy to be received by 09h00
Annual General Meeting at 09h00

Monday 31 May 2010
Tuesday 01 June 2010

The above dates and times are subject to change. Any amendment will be published in the press.

1. Purpose of the Circular

The purpose of the Circular and the notice of Annual General Meeting is to furnish information to the Shareholders as to the proposed amendments to the Articles of Association and to convene the Annual General Meeting to be held at the Boardroom of ABC Holdings Limited, Tholo Park, Plot 50669 Gaborone at 09h00 on 1 June 2010, at which meeting Shareholders will be asked to approve the following special business pursuant to amending the Articles:

- a. to adopt a new Constitution in terms of section 43(3) of the Companies Act in place of the existing Articles of Association that amends the Articles of Association to bring it in line with the Act and such other changes as are required to update the Articles of Association in line with current trends in corporate governance; and
- b. an ordinary resolution authorizing the Directors to take all such steps and sign all such documents as are necessary to give effect to the resolutions passed at this meeting.

2. Reasons for Amendments

It is sought to amend the Articles of Association of the Company to effect the substantive changes outlined below.

Adoption of a Constitution

In terms of the Companies Act, which came into force on the 3rd July 2007, any existing Company which has as its Constitution, Memorandum and Articles of Association is not entitled to amend such document unless it consolidates both documents into a single document known as the "Constitution".

It is proposed that the Memorandum and Articles of Association be amended and a Constitution adopted through the procedures set out in this circular.

The Constitution, a draft of which is available for inspection at the registered office of the Company, during normal business hours from Wednesday 10 March 2010, will include amendments to the existing Articles of Association that include the following: amendments to bring the Constitution in line with mandatory changes as introduced by the Companies Act as read together with the BSE Listings Requirements (such changes include the removal of references to authorized share capital; references to circumstances in which the Act allows for the Company to give financial assistance to purchase its own shares, mandatory provisions on notice period to call meetings, etc) and to update references to the Act to reflect the appropriate reference in the new Companies Act; (ii) amendments to bring the Constitution in line with the most current trends in corporate governance as referenced by the King Reports and BSE Guidelines on Corporate Governance and (iii) formal amendments as to grammar and language to avoid repetition or extraneous provisions.

The Constitution does not incorporate the objects of the Company, which has been rendered unnecessary by the provision of the current Companies Act, which makes the provisions relating to objects optional.

3. Announcement

The results of the special business that is to be voted on at the Annual General Meeting will be announced in the press on 3 June 2010.

4. Annual General Meeting

Following hereafter and forming part of the Circular is the Notice of the Annual General Meeting of Shareholders of ABC Holdings Limited to be held at the Boardroom, ABC Holdings Limited, Tholo Park, Plot 50669, Fairground Office Park, Gaborone on 01 June at 09h00 for the purpose of considering the business of the Annual General Meeting and of considering the special business.

Shareholders who are unable to attend the General Meeting and who wish to be represented thereat are requested to complete and return the attached form of proxy in accordance with the instructions contained therein and in the Notice of the Annual General Meeting.

A proxy need not be a Member of the Company.

By order of the Board

M de Klerk

Secretary to the Board

10 March 2010

Registered Office

Plot 50669
Fairground Office Park
Private Bag 00303
Gaborone

Notice of Annual General Meeting



ABC Holdings Limited

(Registration number 99/4865)

(Incorporated in the Republic of Botswana)

(ABC Holdings Limited or "the Company")

Mr OM Chidawu (Chairman)

Mr DT Munatsi (Group Chief Executive Officer)

Mr H Buttery

Mrs D Khama

Mr N Kudenga

Mr TS Mothibatsela

Mr H Wasmus

Notice is hereby given that the Annual General Meeting of Shareholders of the Company will be held at, the Boardroom, ABC Holdings Limited, Tholo Park, Plot 50669, Fairground Office Park, Gaborone on 01 June at 09h00 for the purpose of transacting the following business and considering and if deemed fit, passing, with or without modification, the following special resolutions:

Agenda

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 2009, including the Chairman's statement, Directors' report and Auditors' report.
3. To approve the remuneration of the Directors for the year ended 31 December 2009.
4. To note that Directors, Messrs Buttery, Chidawu and Kudenga retire by rotation in terms of Article 67 of the Articles of Association and to re-elect Messrs Buttery and Kudenga who being eligible, offer themselves for re-election.
5. To appoint auditors for the ensuing year and to fix their remuneration.
6. To ratify the appointment of Ms Lakshmi Shyam-Sunder as a director of the Company.
7. To ratify the appointment of Mr Simon Ipe as a director of the Company.
8. Any other business.

Special Business:

9. To consider, and if considered fit, to pass the following resolutions to amend the Articles of Association and to adopt a Constitution under the Companies Act, 2003.

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

Mr HJ Buttery

Howard Buttery was born in South Africa in 1946. In his position as Chairman of Bell Equipment Limited, a listed South African company, his current focus within Bell is corporate finance and funding. He also serves on a number of boards including two international hedge funds as well as acting as an advisor to an International Mining Fund.

Mr N Kudenga

Ngoni Kudenga was born in Zimbabwe in 1952. He is a Chartered Accountant and holds a bachelor of Accountancy degree from the University of Zimbabwe and is a fellow of the Chartered Institute of Management Accountants of Zimbabwe. He is past president of the Institute of Chartered Accounts. Currently he is the Managing Partner of BDO Kudenga & Co., Chartered Accountants of Zimbabwe. He serves on the boards of Bindura Nickel Corporation, Hippo Valley Limited, Zimplot Limited and several private companies.

Ms Lakshmi Shyam- Sunder

Lakshmi Shyam-Sunder is Director at the International Finance Corporation (IFC), World Bank Group working on Economic Capital and Client Risk Advisory services. She joined IFC in September 1994 and held a range of positions in Treasury and in Portfolio Management before becoming Director of Risk Management and Financial Policy for IFC. She also serves on the Board and Risk and Finance Committees of some IFC's client companies. Before joining IFC, she was on the Finance Faculty of the MIT Sloan School of Management and at the Tuck School of Business Administration, Dartmouth College. During that time she also consulted on finance, valuation, and risk management topics for financial institutions and corporations in the United States, the US Government, as well as financial institutions in emerging markets. She holds a Ph.D. in Finance from the MIT Sloan School of Management, and an MBA from the Indian Institute of Management, Ahmedabad, India.

Mr Simon Ipe

Simon Ipe is the Chief operations Officer for Bifm Holdings. He holds a B.Sc. B.Com. from the Madras University and is a Fellow of both the Institute of Chartered Accountants of India and the Botswana Institute of Accountants. Prior to joining the Bifm Group he was a Director with KPMG and prior to that he was with the Bank of Botswana, in various capacities as Deputy Director – Operations, Finance Department, and their Chief Internal Auditor. He has been a secretariat member for two Presidential Commissions one in Botswana and the other in Tanzania. He serves as an alternate director on the boards of Mascom, DECI, Turnstar and a full board member on Khumo Property Asset Management Company and Flying Mission Botswana.

Any member wishing to nominate a person to be considered for election as directors of the Company, in place of those retiring, should submit a written nomination, proposed by that member and seconded by another member, containing the written consent of the nominee to be appointed a director, and the curriculum vitae of the Nominee, to the Registered Office of the Company at least 10 days prior to the date of the Annual General Meeting.

Ordinary business:

To consider and adopt the following resolutions:

Ordinary Resolution 1:

To receive and consider the annual financial statements for the year ended 31 December 2009 including the Chairman's statement, Directors report and Auditors report.

Ordinary Resolution 2:

To approve the remuneration of Directors for the year ended 31 December 2009.

Ordinary Resolution 3:

To elect Directors in place of those retiring by rotation in terms of Article 67 as read with article 73 of the Company's Articles of Association.

In this regard Messrs Buttery, Kudenga and Chidawu retire from the Board and Messrs Buttery and Kudenga being available and eligible, offer themselves for re-election.

Ordinary Resolution 4:

To approve the remuneration of the Auditors for the year ended 31 December 2009.

Ordinary Resolution 5:

To appoint the company Auditors for the ensuing year.

Ordinary Resolution 6:

To ratify the appointment of Ms. Lakshmi Shyam-Sunder as a director of the Company.

Ordinary Resolution 7:

To ratify the appointment of Mr. Simon Ipe as a director of the Company.

Ordinary resolution 8:

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

Special Business:

To consider and adopt the following resolution:

Special resolution 1:

To resolved to replace the Memorandum and Articles of Association of the Company in their entirety with a Constitution a draft of which is available for inspection as of the date of publication of this notice at the Company's registered office.

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 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 Articles of Association 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, ABC Holdings Limited, Tholo Park, Plot 50669, Fairground Office Park, Gaborone by not later than 09h00 on Monday, 31 May 2010.

By Order of the Board

M de Klerk

Secretary to the Board

10 March 2010

Registered Office

Plot 50669
Fairground Office Park
Private Bag 00303
Gaborone

Form of Proxy

ABC Holdings

ABC Holdings Limited

(Registration number 99/4865)

(Incorporated in the Republic of Botswana)

(ABC Holdings Limited or "the Company")

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 DATED 10 MARCH 2010

For use at the Annual General Meeting of Shareholders of the Company to be held at the Boardroom, ABC Holdings Limited, Tholo Park, Plot 50669, Fairground Office Park, Gaborone on 1 June 2010 at 09h00.

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. Special Resolution 1			

Signed at _____ on _____ 2010

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 to form of proxy

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 **Plot 50669, Fairground Office Park, or Private Bag 00303, Gaborone** to be received not less than 24 hours before the General Meeting on 01 June 2010 at 09h00.
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.