ADC AFRICAN DEVELOPMENT CORPORATION

ANNUAL REPORT 2012

KEY FINANCIAL FIGURES 2012

IN EUR MILLION INCOME STATEMENT	2012	2011
Interest and similar income	65.4	0.4
Interest and similar expenses	-35.5	-0.0
Net interest income	**29.9**	**0.4**
Provision for credit losses	-8.1	0.0
Net interest income after provision for credit loss	**21.7**	**0.4**
Net fee and commission income	16.9	0.0
Net gains (losses) on financial instruments designated at fair value through profit or loss	-12.7	17.2
Net income (loss) from equity method investments	3.7	0.0
Total operating income	**54.6**	**22.2**
Operating expenses	-58.5	-13.4
Reorganization expenses	-4.3	0.0
Result before tax	**-8.2**	**8.7**
PROFIT FOR THE YEAR	-10.3	8.7

BALANCE SHEET	31.12.2012	31.12.2011
Cash and short term funds	183.2	43.3
Loans and advances	886.6	0.0
Investment in associates	54.1	49.2
Total assets	**1,414.1**	**103.0**
Deposits	1,041.9	0.0
Borrowed funds	161.6	11.8
Total liabilities	**1,259.5**	**14.7**
Total equity	**154.6**	**88.3**

RATIOS		
Credit loss ratio	1.8%*	1.7%*
Non-performing loans ratio	9.2%	6.6%*
Cost/ Income ratio	neg.	74%*
Return on equity	neg.	9.8%
Net interest margin	6.7%	6.5%*
Loan to deposit ratio	85.7%	86.7%*
Employees	1,362	29
Branches	61	0

* For informational purposes based on BancABC subgroup financial statements.

CONTENTS

ADC AT A GLANCE

MAIN DIVISION

BANKING OPERATIONS

Botswana, Zimbabwe, Mozambique, South Africa, Zambia, Tanzania

— BancABC: leading regional corporate & retail banking group with operations in Botswana, Mozambique, Tanzania, Zambia, Zimbabwe and a group services office in South Africa

Nigeria

— Union Bank Nigeria: top five commercial bank in Nigeria with a vast deposit base and large blue chip client base

PRIVATE EQUITY INVESTMENTS

Equatorial Guinea

— BANGE: leading commercial bank with a large corporate client base mainly from natural resources and infrastructure

Zimbabwe

— Brainworks: indigenous Zimbabwean investment and advisory company focused on banking, insurance, mining and the fuel sector

Kenya

— RHEAL: dynamically growing medical insurance provider for East Africa - based in Kenya

Rwanda

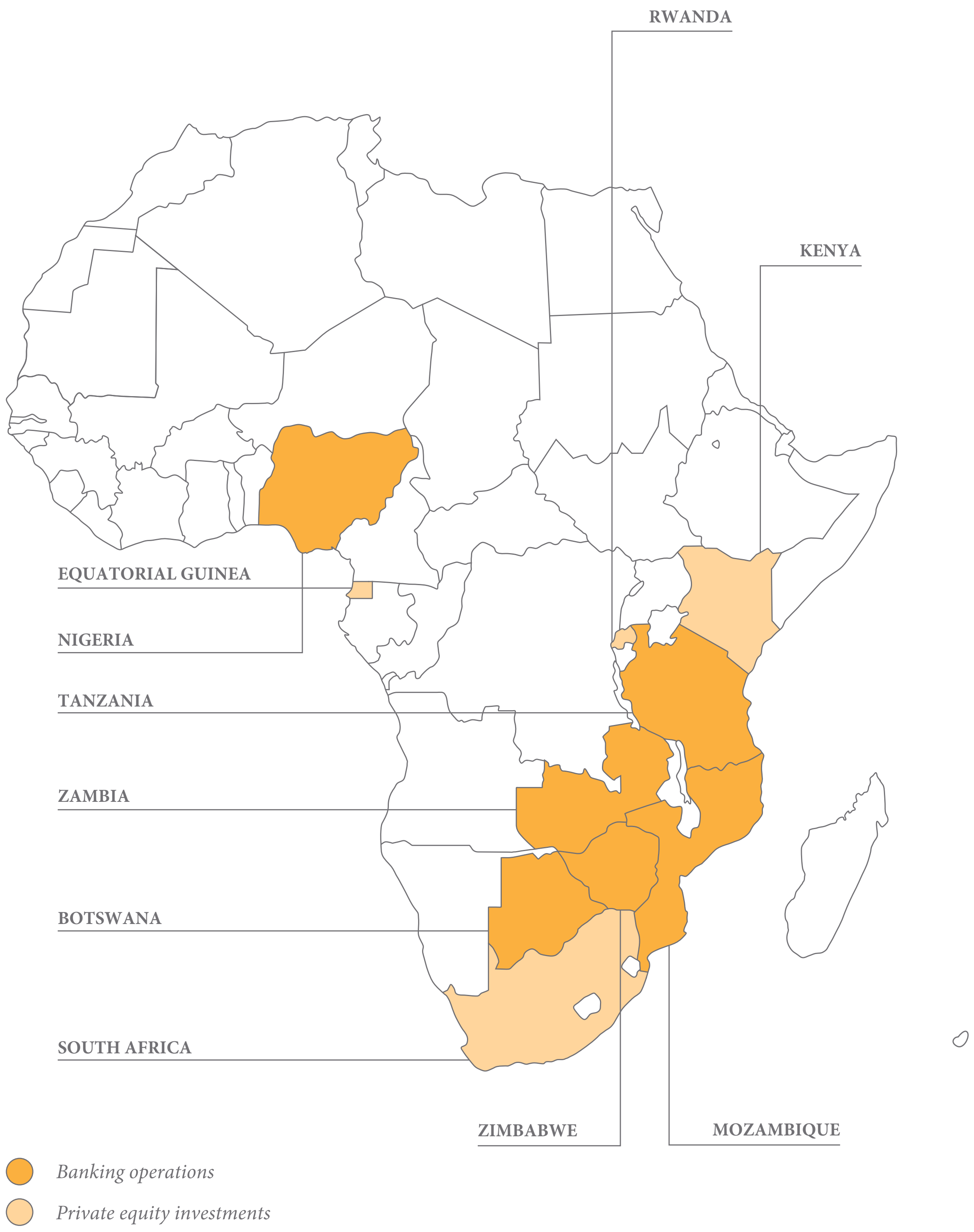
— RSwitch: the national payment switch

South Africa

— iVeri: payment solutions provider at the forefront of payment technology - not only on its home continent of Africa, but worldwide

GEOGRAPHIC FOCUS

REGIONAL PRESENCE



HIGHLIGHTS OF THE YEAR

MARCH	Announcement of ADC's strategy to create a leading pan-African banking group
MAY	Successful placement of a EUR 40m bond with warrants attached
JUNE	Entry into Nigerian banking sector by investment into Union Bank of Nigeria
JULY	Majority acquisition of BancABC
OCTOBER	Increase of the representation in Union Bank of Nigeria
NOVEMBER	Takeover of the General Partner to initiate transformation to a stock corporation

LETTER TO THE SHAREHOLDERS

DEAR SHAREHOLDERS, BUSINESS PARTNERS & FRIENDS OF ADC,

Over the last five and half years, ADC has steadily grown alongside the frontier markets of sub-Saharan Africa and is now optimally positioned to grow from within as the continent reaches a pinnacle of growth and development. The economic buzz of African markets is now complimented by higher degrees of efficiency and product sophistication and this increase in competition has brought lower prices and selection for consumers who have increasingly more disposable income. Infrastructure and technology is outpacing that of the developed world and there is increasing evidence that African businesses and entrepreneurs are now developing home-grown solutions and starting to export innovative products to the rest of the world.

It is in the context of Africa's sustainable and high growth rates that ADC will launch its vision to become one of the leading pan-African banking groups in sub-Saharan Africa over the next 3 -5 years. ADC Management and the Supervisory Board worked alongside an independent strategy team over the last few months to develop the most effective operational strategy to merge ADC with BancABC and to create a geographically focused leading pan-African banking group in key markets.

BANKING OPERATIONS

In 2012, ADC increased its shareholding in BancABC and acquired majority ownership of the fast growing retail and corporate banking group operational in five different countries in East and Southern Africa. At the end of the 2012 financial year, BancABC posted a net profit of EUR 13.8 million, 54% higher than that of 2011, while the Group's balance sheet increased by 47% from EUR 948 million in 2011 to EUR 1.4 billion in 2012. In line with the Group dividend policy, a final dividend of 8 thebe per share was paid to ADC in May 2013, totalling EUR 0.9 million.

Furthermore, ADC was a driving force behind one of the largest transactions ever made in the Nigerian banking market in 2012. ADC and a consortium of investors recapitalized Union Bank of Nigeria (UBN) with USD 500 million, acquiring 65% of the shares of the banking group. UBN recorded a net profit of EUR 38.1 million in 2012 versus a loss of EUR 371.9 million in 2011, while the Group's balance sheet increased by 7% from 2011, reaching EUR 4.0 billion as the bank focuses on building a well-diversified loan portfolio.

PRIVATE EQUITY INVESTMENTS

In 2013, ADC will begin to streamline its private equity portfolio in order to concentrate on implementing its pan-African banking strategy. After the opportunity to acquire a majority did not materialize over the 4-year investment period in BANGE, ADC handed the management of the bank to a local CEO and started preparations for its exit in 2012. Negotiations successfully concluded with co-shareholders of the bank who took over our stake. Inclusive of dividend payments, a total gain of EUR 6.6 million was realized, reflecting a gross IRR of 34% and a total value to paid in multiple of 3.4x.

PAN-AFRICAN BANKING GROUP

The sub-Saharan region is the most attractive banking market on the continent as it is still fragmented, growing and open to new entrants. Banks across Africa are implementing higher standards and learning lessons based on the European and American banking crises, but new regulatory changes will increase the cost of funding and also force banks to increase in scale in order to offset higher funding costs. National and regional champions will develop a universal model and streamline head office units in order to respond efficiently through diversification of funding, broader product ranges, enhanced generation of fee income and cross-selling.

Current low levels of retail account penetration and debit card ownership show significant potential to bank the currently unbanked or under-banked population. Advances in technology coupled with Africa's high mobile phone penetration is proving to be the enabler for low cost alternative channels, while rising disposable income and financial awareness are driving sustained increases in bankable populations.

Over the course of the next 2-3 years, ADC and BancABC will integrate and expand into core markets with an enhanced Management team and Supervisory Board. BancABC's current operations will serve as a starting point to expand services to Multinational Corporations and African Corporates, while innovative technology will be used to increase the retail banking presence in order to benefit from Africa's demographic dividend and low penetration rates. ADC Management will lead efforts to raise growth capital in order to effectively capitalize existing operations and expansion efforts.

CHANGE IN LEGAL STRUCTURE

At the end of 2012, ADC bought out the General Partner, ADC Management GmbH from Altira AG, in order to reorganize its legal structure and provide shareholders with more control, improve corporate governance and eliminate the fee structure. Discussions with current and prospective shareholders indicate that the change in corporate structure is welcome as it increases transparency and reduces costs.

ADC is in the process of becoming a class German stock corporation (Aktiengesellschaft; AG) which will improve overall corporate governance structures. ADC's current shareholders retain the same number of shares as they hold in the previous structure.

SUPERVISORY BOARD

In March 2012, Pierre Lorinet, CFO of Trafigura joined ADC's Supervisory Board, taking over from Ron Braverman. Mr Lorinet has a wealth of knowledge from his career in banking with Merrill Lynch in London and Bahrain.

In late November 2012, Christian Angermayer resigned from ADC's Supervisory Board. Mr Angermayer was instrumental in launching ADC in 2007 and we thank him for his valuable input and continued support. Jyrki Koskelo, former Vice President Global Industries at the International Financial Corporation (IFC) officially joined the Supervisory Board on 08 January 2013. We welcome Mr. Koskelo's inclusion on the board and believe that his extensive experience in global financial markets will be invaluable as ADC accelerates its vision to become a leading pan-African bank in sub-Saharan Africa.

RESULTS

Due to the consolidation of BancABC, ADC's profit and loss accounts and balance sheet grew significantly this year, thereby transforming it into an operational banking group. As a result, the Group earned a net interest income of EUR 29.9 million, resulting in a net interest margin of 6.7% compared to 6.5%[1] for sub-Saharan African banks in 2011.

Due to the change of the organizational structure, the transformation into a stock corporation, write-downs in the private equity portfolio and the integration of only 5 months of BancABC business, ADC's loss before tax in 2012 amounted to EUR -8.2 million compared to a profit of EUR 8.7 million in 2011 with a net loss for the year 2012 of EUR -10.3 million.

At year-end, ADC had assets totaling EUR 1,414.1 million, up from EUR 103.0 million in 2011 due to the first time consolidation of BancABC. The growth of ADC's balance sheet will greatly facilitate ADC's planned expansion while simultaneously increasing the group's banking activities in the highly profitable wholesale business.

Net loans and advances amounted to EUR 886.6 million at year-end 2012. This line item is new to ADC's balance sheet due to the consolidation of BancABC but reflects an increase of 41% compared to BancABC's standalone loan book of EUR 627.5 million in 2011. Deposits at balance sheet date came in at EUR 1,041.9 million a 37% growth compared to BancABC's standalone deposits of EUR 761.4 million at the end of 2011.

Total equity increased from EUR 88.3 million at year-end 2011 to EUR 154.6 million at the end of the 2012 fiscal year.

OUTLOOK

ADC's banking group strategy delivers increased stability and less volatility than disparate and uncorrelated investments. ADC's vision is to strengthen existing banking operations and begin to expand into attractive banking markets, such as Angola and the CEMAC region by 2014. Based on the revised business plan, the Group will strive for an average cost-income ratio of 50-55% by 2015 to control costs and a target return on equity (ROE) of up to 25% with a strong growth of its asset base and a positive group net profit by the end of 2013 and further growth of both assets and net profit in 2014.

I would sincerely like to thank all of the employees of ADC, BancABC and each of our portfolio companies for their hard work and dedication. The basis for our expected exponential growth has been successfully laid out, enabling us to fulfil our vision to become a leading and innovative player in SSA banking.

Should you have any questions regarding our expansion strategy, the change in corporate structure or any other matter, please do not hesitate to contact us via email: investor-relations@african-development.com or via phone: +49 69 719 12 80 119.

Sincerely yours,

Dirk Harbecke
Chief Executive Officer

1 Bancscope, Average net interest margins of banks in sub-Saharan Africa excluding South Africa in 2011.

MANAGEMENT AND SUPERVISORY BOARD

MANAGEMENT

DIRK HARBECKE
CHIEF EXECUTIVE OFFICER

Dirk successfully founded and developed ADC into one of the leading Merchant Banking groups targeting African frontier markets. He has more than 16 years of experience as a manager, entrepreneur and consultant in the financial and ICT industries and worked as Project Leader with Boston Consulting Group (2006 – 2008) before founding ADC. He already founded two companies in the financial services and research sectors and was acting as their CEO.

During his career, Dirk has collected project and managerial experience in France, the UK, China, Abu Dhabi/Dubai, the US, North Africa and many countries in sub-Saharan Africa. He holds an international MBA from St. Gallen (HSG) in Switzerland.

SUPERVISORY BOARD

ALASTAIR NEWTON

CHAIRMAN OF THE SUPERVISORY BOARD
POLITICAL ANALYST AND FORMER DIPLOMAT

Alastair first became associated with ADC in early 2008 as an advisor to the Supervisory Board, before joining the Board a few months later. He served as Vice Chairman from 2009 to 2012 and was elected Chairman in January 2013.

Alastair is currently Senior Political Analyst/Managing Director at Nomura International, a post he has held since September 2008 (prior to which he worked for Lehman Brothers International for just over three years in the same capacity). As such, he is responsible for identifying, tracking and analyzing political events worldwide which are likely to impact the financial markets.

From 1985 to 2005 he was a career diplomat with the British diplomatic service. He served twice in sub-Saharan Africa, Paris (at the OECD) and the United States. In London, he worked in intelligence co-ordination (including during the 1990/91 Gulf War), policy planning and economic relations, as well as running the Prime Minister's G7/8 team from 1998 to 2000. He was on secondment from the Diplomatic Service to Lehman Brothers from 2000 to 2002.

Presently based in London, he also has a home in Livingstone, Zambia where he is co-founder and director of Alavan Business Advisory.

PIERRE LORINET

MEMBER OF THE SUPERVISORY BOARD

CHIEF FINANCIAL OFFICER AND DIRECTOR OF TRAFIGURA

Pierre joined Trafigura in 2002 following a career in banking with Merrill Lynch in London and Banque Indosuez in Bahrain.

He is also a Supervisory Board member of GDE, France's second largest scrap recycling company, and an Executive Committee member of the GTSA (Geneva Trade and Shipping Association).
He graduated from Ecole de Commerce Supérieure de Paris and holds an MSc in Finance, with distinction, from Britain's Lancaster University.

JYRKI KOSKELO

MEMBER OF THE SUPERVISORY BOARD

SENIOR DEVELOPMENT BANKER AND FORMER MEMBER OF THE MANAGEMENT COMMITTEE OF THE INTERNATIONAL FINANCIAL CORPORATION (IFC)

Jyrki served until July 2011 as Vice President Global Industries at the International Finance Corporation (IFC), the private sector arm of the World Bank Group. He joined the IFC in 1987 as an Investment Officer in the African Investment Department.

He founded the USD 3 billion IFC bank capitalization fund and made major contribution to IFC's top tier performance in Emerging Markets Private Equity, decentralization and growth of investments in banking / financial markets. In 1999 he was appointed Director of Special Operations managing the restructuring and recovery operations of IFC during the Asian, Argentinean and Russian crisis.
Jyrki played a critical role in the expansion of IFC's operations in financial markets, and acted in several regional Vice President positions covering Africa, Europe and Latin America before assuming his Global Industries role. Prior to joining IFC, he spent more than 10 years in Senior Management positions in the private sector.

Jyrki Koskelo holds a Master of Science degree in International Management/Finance from Sloan School of Management/MIT and a Master of Science degree in Civil Engineering from the Technical University of Helsinki, Finland.

ADC ON THE CAPITAL MARKETS

SHARE INFORMATION

Legal Domicile
Frankfurt, Germany

Shares Outstanding
8,606,764

Listing
XETRA, Frankfurt, Stuttgart, Berlin, Duesseldorf, Tradegate

Market Segment
Deutsche Börse / Prime Standard (Main Board)

ISIN
DE000A1E8NW9

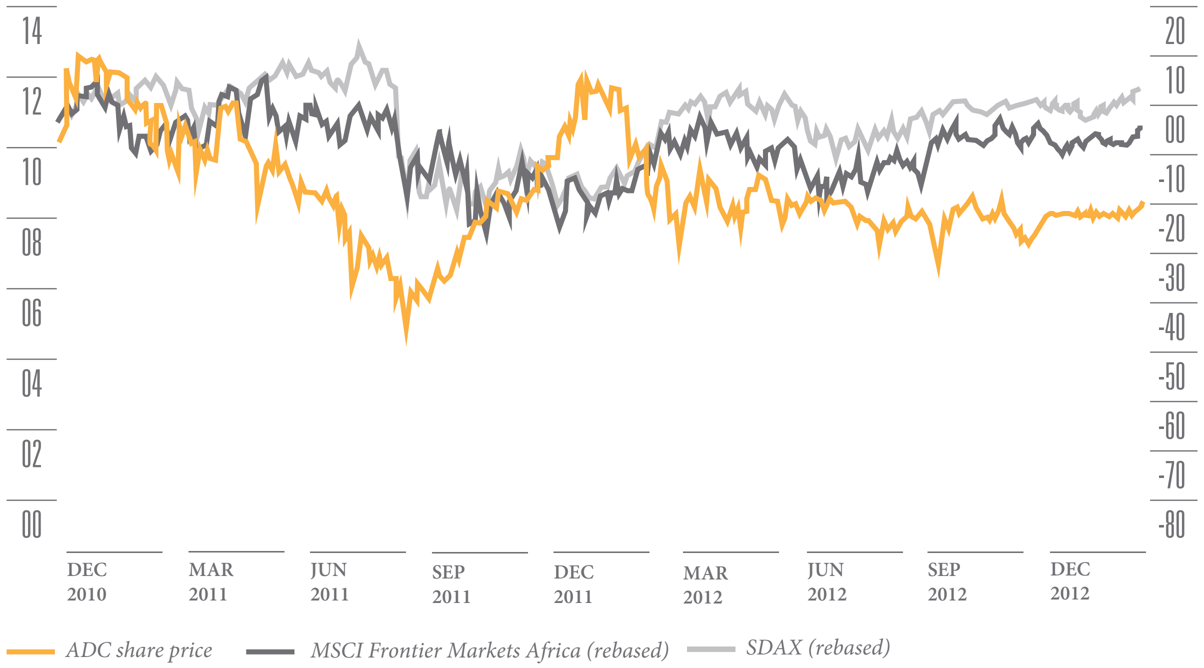
Bloomberg
AZC.GR

Reuters
AZCGne.DE

PERFORMANCE OF THE ADC STOCK

ADC's share closed at EUR 8.40 at year-end. Trading volumes increased by 15.7% over the last quarter from an average of 4,992 shares traded per day in Q3 to an average of 5,777 shares traded per day in the fourth quarter.

ADC's share price largely stabilized in 2012 after some initial fluctuation following the company's listing in late 2010 and market unrest in the euro-zone and North Africa. The financial and fiscal crises in Europe and America caused some investors to pull out of high-growth emerging markets in 2011 and 2012 due to the perceived risks. Many investors adopted a wait-and-see approach, which led to the undervaluation and undercapitalization of solid growth companies on the continent such as BancABC, which has seen its stock price drop by 42% this year due to low liquidity in Zimbabwe and Botswana. This adversely affected ADC's share price given that ADC's financials were directly related to BancABC's stock performance until ADC took control of the bank and consolidated it onto its balance sheet, which will only now be reflected in ADC's accounts.



Management would like to assure its investors that the ADC stock is undervalued and is trading at a discount relative to its fair value, a fact that has been reiterated by the analysts covering the stock this year.[1] Furthermore, ADC's main banking assets, BancABC and UBN, are both trading at a discount to the average sub-Saharan African bank's price-to-book value (P/B) of 1.80x due to relatively recent takeover and subsequent restructuring of the banks. UBN's profit of EUR 38.1 million and BancABC's 54% increase in profits in 2012 show both the growth potential and value of ADC's cornerstone investments.

ADC's market capitalization at year-end 2012 stood at EUR 73.1 million. The total number of shares in issue increased from 8,410,764 in 2011 to 8,606,764 in 2012. The increased number of shares outstanding is due to the conversion of a convertible bond issued in April 2010.

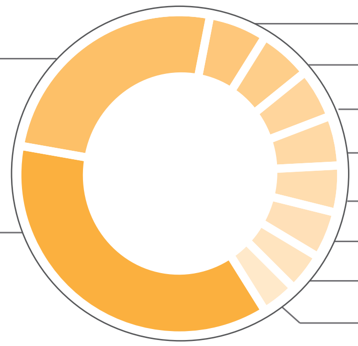
SHAREHOLDER STRUCTURE

ADC improved its standing on the international capital markets significantly in 2012, further entrenching its reputation as a Gateway to Africa for institutional investors as well as investors with a strategic interest in the sub-continent. In the latter half of 2012, Christopher Charles Rokos, a former hedge fund manager and co-founder of Brevan Howard, joined ADC's investor base. In addition, the well-known US-based Asset Manager, Wellington Management Company announced its shareholding in ADC in December 2012.

In September 2012, ADC sold its treasury shares to a strategic investor for a premium of 2.9% on the market price, though the shares were discounted by 3.6% on the average entry price in order to free-up funds for the acquisition of the majority of shares in BancABC. Management and the Board believe that the opportunity to become the majority shareholder in BancABC far

1 Analysts include: Standard Bank, African Alliance, DZ Bank

outweighed the small loss of EUR 86k on the sale of the treasury shares, which will amortize in the near term.



ADC's current shareholder base, new structure, discounted share price and future growth prospects will all contribute to further interest from shareholders who are seeking exposure to sub-Saharan Africa via an investment into a corporate with a high level of corporate governance while simultaneously providing access to some of the fastest growing markets globally.

BOND WITH WARRANTS ATTACHED

To finance the acquisition of a majority stake in its subsidiary BancABC and take further steps towards becoming a leading pan-African banking group, ADC successfully placed a three-year bond with warrants attached in the volume of EUR 40 million in June 2012.

VOLUME	EUR 40 Mio.
SIZE	400,000 units (each unit representing a bond with par value of EUR 100.00 and 5 warrants)
LISTING	Frankfurt
MARKET SEGMENT	Open Market
ISIN	DE000A1PGNY4
BONDTERM	3 years (01 June 2012 – 31 May 2015)
INTEREST	6% (payable annually in arrears)
WARRANTS ATTACHED	2 million warrants (Allowing to buy 2 million shares)
EXERCISE PRICE	EUR 14.00 per ADC share
COLLATERAL	Collateral Shares of ABC Holdings Limited, Botswana (BancABC)

The bond was offered to existing shareholders via a rights issue. The attached warrants bear the opportunity to increase the shareholders' equity until end of the bond term, exercisable anytime against a payment of EUR 14.00 per share. Non-subscribed bonds were placed with international institutional investors via a successful private placement, which underscores the substantial interest in African investment vehicles with a listing in a well-known transparent market. The bond with warrants attached was listed in the Open Market on the Frankfurt Stock Exchange on 02 July 2012 with the ISIN DE000A1PGNY4.

ANNUAL GENERAL MEETING

ADC's Annual General Meeting 2012 took place in Frankfurt on 31 August 2012 with 37% of share capital represented. All resolutions were supported by the attendees with clear majorities of above 99% of the votes.

GROUP MANAGEMENT REPORT

In 2012, ADC refined its strategy to focus more intently on the banking industry in sub-Saharan Africa. ADC's current focus is on integrating BancABC and building a pan-African Merchant Banking Group that will target operations in core markets in sub-Saharan Africa including SADC (Southern African Development Community), CEMAC (Economic Community of Central African States), and ECOWAS (Economic Community of West African States) and EAC (East African Community) in order to benefit from the rapidly expanding retail, corporate and consumer banking operations on the continent. Alongside its banking operations, ADC manages a private equity business under the Merchant Banking Platform to profit from proprietary investment opportunities. As such, the group structure has been refined into two main devisions: banking operations and private equity activities.

In total, the ADC group employed 1,362 people as of year-end 2012, with most of them employed in its African operations.[1] An average staff attrition of only 0.75% over the course of 2012 makes ADC confident that the Group is a reliable employer and will continue to source highly-skilled employees.

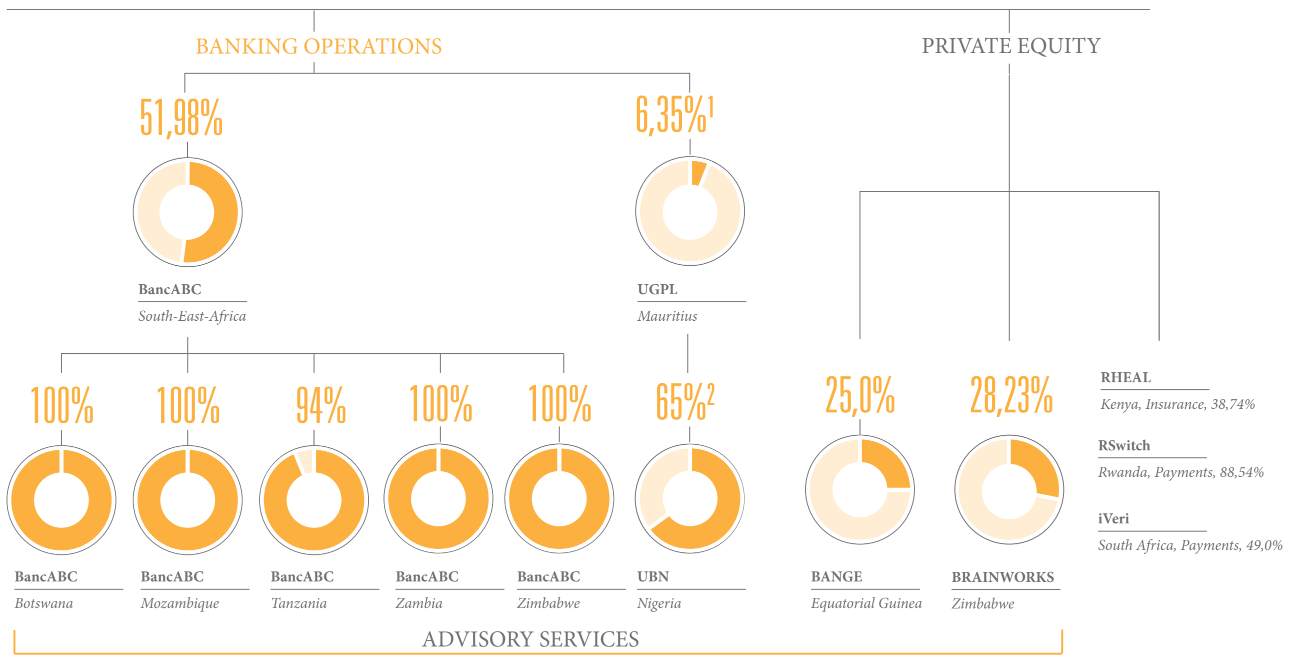
Furthermore, the Group contributes significantly to the provision of financial services in African markets with its 61 bank branches in 5 South-East African countries and more than 230,000 customers served. If associated companies are added, the ADC group is responsible for the employment of over 6,500 people with more than 400 banking branches in 7 African countries.

To reflect the focused banking strategy, ADC simplified its corporate structure by taking over its General Partner, ADC Management GmbH from Altira AG in November 2012, and is currently transforming its organizational structure from a private equity company in the legal form of a partnership limited by shares (GmbH & Co. KGaA) into a stock corporation (AG), which is expected to be finalized in the second half of 2013. The stock will trade in its current form until the transformation is complete. The objective of this legal transformation is to provide shareholders with more control, further improve corporate governance and eliminate the previous management fee structure.

Management assesses the accomplishments in 2012 as positive for the Group and is convinced that ADC achieved important milestones to ensure continued growth and success of the Group and that it laid a good foundation for future profitability.

1 The number of employees increased significantly in 2012 from 29 at year-end 2011 due to the majority acquisition of BancABC. Further information on employees can be found in note 5.9.1 in the notes to the consolidated group financial statements.

GROUP STRUCTURE



Additionally ADC holds further subsidiaries that are either not material or just shells that are described in the appendix.

1 ADC has a direct stake of 6.35 % in the consortium Union Global Partners (UGPL), the controlling shareholder of Union Bank of Nigeria (UBN).

2 Out of 65.0 % shareholding in UBN, 3.6 % are controlled by UGPL through a pooling agreement but held outside UGPL.

BANKING OPERATIONS

The first time consolidation of BancABC allows ADC to achieve full integration of the Group's core banking operations while accelerating the creation of a cross-border platform that will profit from regional trade and investment. BancABC has corporate and retail operations in Botswana, Mozambique, Tanzania, Zambia and Zimbabwe with plans to expand to further markets in the near future. Furthermore, ADC has an active role in the management of its strategic banking investment in Union Bank of Nigeria (UBN). Taken as a whole, ADC's banking operations are among the top banks in 6 countries in sub-Saharan Africa.

INVESTMENT	TOTAL BANKING ASSETS IN THE COUNTRY (USD BILLION), 2011	MARKET POSITION OF ADC'S BANKING OPERATIONS BY ASSET SIZE, 2011
BancABC Botswana	6.9	#5
BancABC Mozambique	4.9	#5
BancABC Tanzania	9.4	#14
BancABC Zambia	4.4	#11
BancABC Zimbabwe	4.4	#2
Union Bank of Nigeria	123.2	#7

ADC's banking strategy currently focuses on expanding operations into additional sub-Saharan core markets by 2015 and optimizing performance in current operational countries. In order to fully integrate BancABC's operations, ADC will amalgamate and enhance the management structures so that the banking operations will operate seamlessly within ADC's wider Merchant Banking Group. The ADC / BancABC Management team will leverage its banking network to generate further investment and advisory opportunities across industries.

The corporate structure and main focus centers around the banking sector, which currently represents 94% of ADC's total asset base[1], inclusive of corporate and wholesale banking, retail banking and consumer finance / microfinance. In order to achieve its vision, ADC Management and the Supervisory Board will identify and collaborate with a strong international partner with the expertise, capital and credibility to assist ADC in building a leading pan-African Merchant Banking Group.

1 Calculated as the sum of BancABC's total assets and the value of investment in UBN in relation to ADC's total assets

CORPORATE FINANCE

The growth of BancABC from a Tier 2 bank into a Tier 1 bank is central to ADC's Merchant Banking strategy by increasing the minimum capitalization of each subsidiary in order to capture the small, but lucrative corporate lending market that requires a high level of capitalization to issue big ticket loans. This has the dual advantage of supporting an advisory and investment banking arm as big borrowers seek support in structuring deals, raising bonds and placing rights issues.

RETAIL SECTOR

According to the African Development Bank's (AfDB) report The Middle of the Pyramid, Africa's middle class makes up 34% of its population, totaling 350 million people and is growing at a faster rate than that of its population.[1] By 2025, Africa will be one of the largest working populations on the planet and be the home to more than 60 cities with more than a million inhabitants.[2]

Africa's demographic dividend and urbanization trends are placing large demands on the retail banking sector as middle class families seek medium-term finance for household items and consumer goods such as televisions, smartphones and vehicles. The retail sector in the financial services industry is profitable due to large interest margins that offset the higher than average amount of non-performing loans (NPLs), high transactions costs due to non-existent or inadequate credit bureaus and volatile inflation rates.

	INTEREST MARGIN (%)	BANKS NPLS TO GROSS LOANS (%)	INFLATION RATE, CONSUMER PRICES (%)	ROE IN BANKING (%)
Botswana	5.8	n/a	8.9	30.7
Mozambique	6.6	2.3	10.4	32.9
Nigeria	11.1	17.2**	10.8	11.7***
Tanzania	8.0	6.81*	12.7	17.9
Zambia	8.1	10.4*	6.4	11.6
Zimbabwe	10.9	n/a	8.3	25.8

Source: 2012 World Bank Development Indicators, * indicates source derived by Country Banking Supervisory Report, **2010, CIA Factbook, *** Bancscope

At the end of 2010, BancABC began to build its retail banking infrastructure, expanding its branch network into all 5 subsidiary countries with the appropriate systems to broaden its client base and profit from the increasingly important retail banking sector. Over the last two and a half years,

1 Africa's fast-growing middle class" The East African, January 5, 2013
2 Western analysts and fund managers discuss the investment case for Africa", How We Made It In Africa, January 2013

BancABC has opened 61 branches, 12 of those in 2012 - a growth rate of 24% in the last year. Loans and advances were up 50% in 2012 with a net interest margin of 6.7%. As at 31 December 2012, the retail banking 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 base and leaves further room for expansion. Retail growth has underpinned the 69% growth in non-interest income, due to the growth in transaction volumes from retail banking customers in Botswana, Zambia and Zimbabwe. The Group expects the retail operations to significantly contribute to the future growth of BancABC.

Furthermore, ADC's entry into Nigeria in 2011 reflects the prediction that much of the USD 100 billion growth to 2020[1] will be in the retail sector as the majority of the country's sophisticated banking sector currently focuses on corporate and high-income customers, neglecting the majority of the population who has limited access to financial services.

CONSUMER FINANCE

Local consumer finance providers have traditionally been the main source of short-term loans for unexpected expenses in Africa for the unbanked and for those without access to formal collateral such as titled land. Technological advances, however, have enabled large-scale delivery of online salary-backed loans to customers that need cash immediately with a streamlined system that enables providers to disburse loans within days at interest rates that are lower than traditional moneylenders.

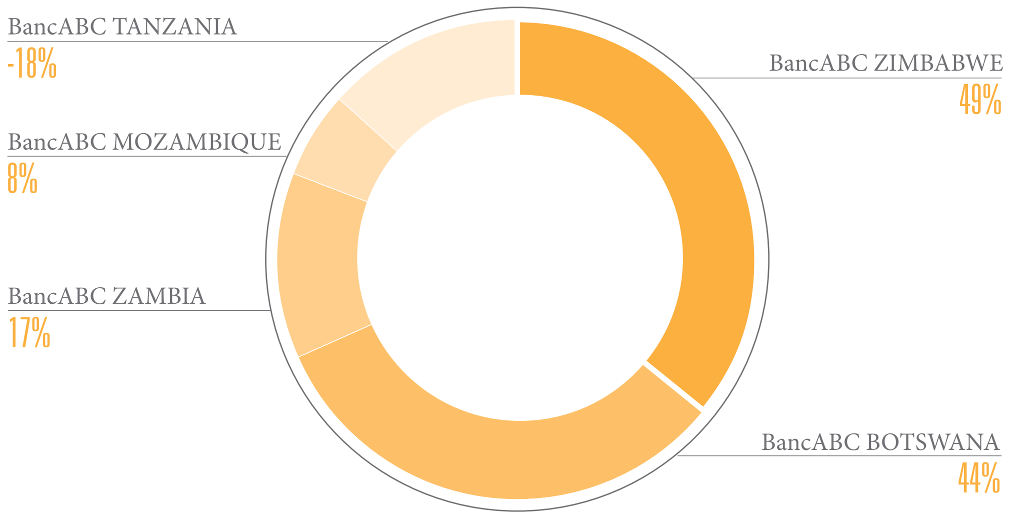
ADC aims to expand in the consumer finance sector in other countries in sub-Saharan Africa and market existing state-of-the-art IT solutions to microfinance institutions (MFIs) developed by iVeri, ADC's payments solutions portfolio company. iVeri's microfinance product, MicroBank+, is a sophisticated operating system for MFIs that require flexible IT systems that manage basic banking functionality for both fixed branches and mobile infrastructure. iVeri is at the forefront of payment technology solutions, both in Africa and worldwide.

1 Economist Intelligence Unit, Banking Sub-Saharan Africa to 2020, 2011

ABC HOLDINGS LIMITED (BancABC)

The figures presented in the section reflect audited annual accounts of BancABC sub-group excluding the adjustments undertaken by ADC post BancABC's consolidated balance sheet date. BancABC posted a net profit of BWP 135 million (EUR 13.8 million) in 2012, which is 54% higher than the BWP 88 million (EUR 9.2 million) achieved in 2011. A pre-tax profit of BWP 212 million (EUR 21.6 million) was recorded in 2012, which is 97% higher than that of 2011. BancABC's retail banking operations have, in less than three years, expanded to a total of 61 branches with strong electronic product distribution channels. The number of employees increased to 1,310 at year-end 2012 from 1,008 at year end 2011. BancABC's impressive growth has not been without its challenges and risk management will become a 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 will actively manage in the coming year.

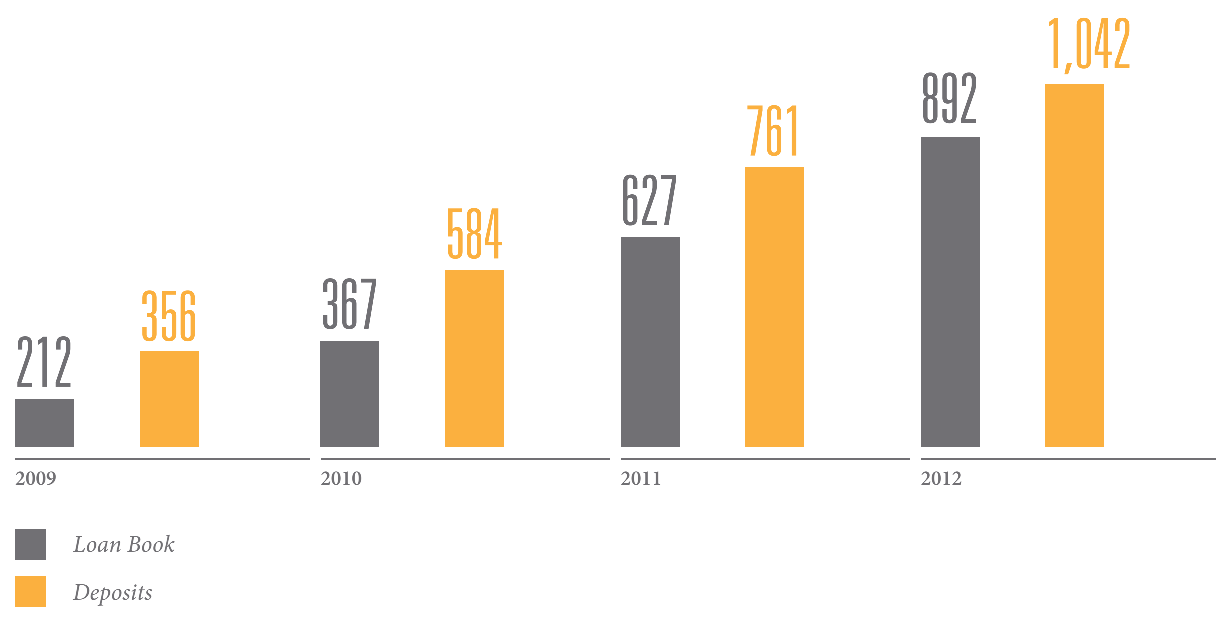
PROFIT CONTRIBUTION BY COUNTRY ENTITY (IN%)



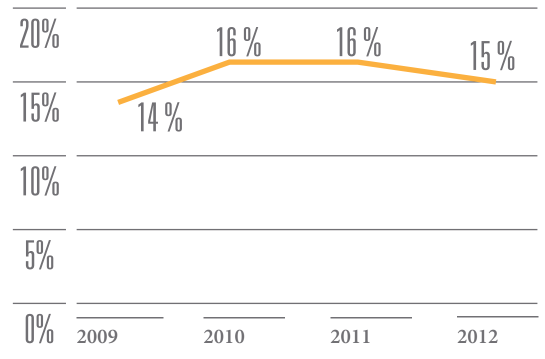
The Group's balance sheet increased by 47%, from BWP 9.2 billion (EUR 948 million) to BWP 13.4 billion (EUR 1.4 billion). Loans and advances were up 50% from BWP 6.1 billion (EUR 627 million) to BWP 9.1 billion (EUR 892 million), which were largely funded by deposits that increased by 45% from BWP 7.4 billion (EUR 761 million) to BWP 10.7 billion (EUR 1.04 billion). There was significant growth recorded in all other major lines of business during the period under review.

Due to the successful USD 50 million rights issue concluded on 27 July 2012, underwritten by ADC, the number of shares in issue of BancABC increased by 83,333,333 to 232,805,464.

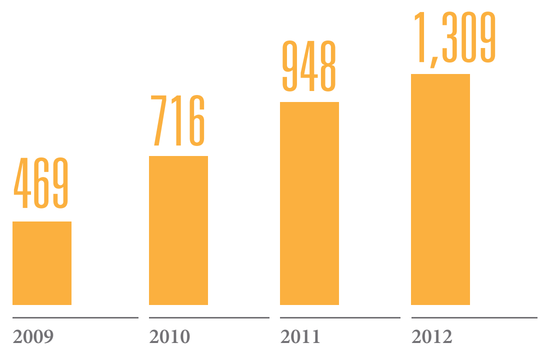
DEPOSITS AND LOAN BOOK (IN EUR MILLION)



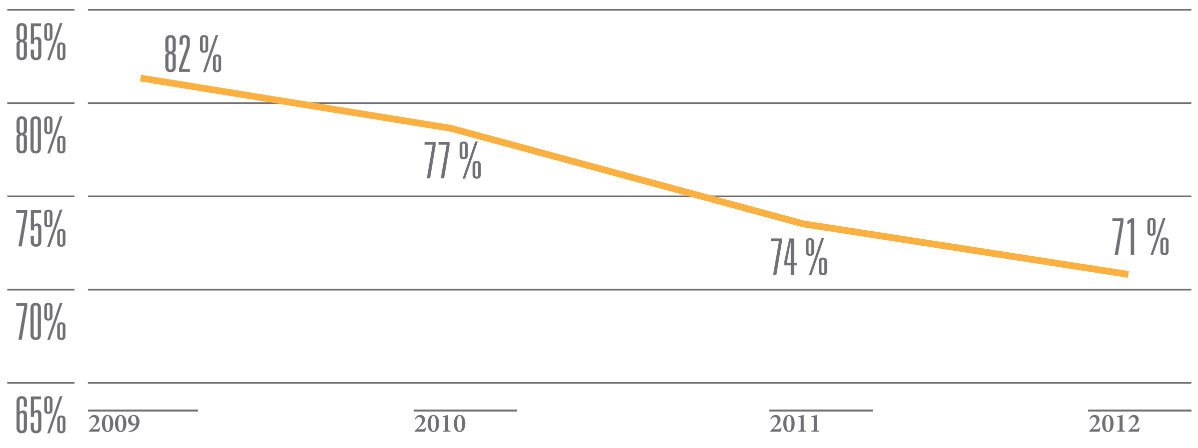
RETURN ON EQUITY (IN %)



TOTAL ASSET (IN EUR MILLION)



COST TO INCOME RATIO (IN%)



BANCABC BOTSWANA

BancABC Botswana recorded a net profit of BWP 94 million (EUR 9.6 million), which was 237% higher than its 2011 net profit of BWP 28 million (EUR 2.9 million). Total income, comprised of net interest income and non-interest income grew by 146% from BWP 116 million (EUR 12.2 million) to BWP 286 million (EUR 29.2 million), largely due to an increase in both loan volumes and interest margins, while net interest income improved by 218% to BWP 252 million (EUR 25.6 million) mainly due to larger interest spreads. The subsidiary's balance sheet size increased 85% from BWP 2.6 billion (EUR 265 million) to BWP 4.8 billion (EUR 468 million). The loan portfolio increased by 107% from BWP 1.7 billion (EUR 176 million) to BWP 3.4 billion (EUR 332 million) in 2012. Growth was predominantly from the consumer lending space as payroll deduction and group loan schemes increased during the year. The growth in the loan book led to an increase in impairments from BWP 9 million (EUR 942k) to BWP 38 million (EUR 3.9 million) in the current year. Gross non-performing loans, however, declined to 1.2% in 2012 from 2.2% in 2011. Non-interest income increased by 57% to BWP 72 million (EUR 7.3 million) as a result of loan and other banking fees.

Operating expenses increased by 97% as the entity continued to expand its retail banking business. The expansion yielded immediate results in income as well as profitability. The cost-to income ratio improved from 67% in 2011 to 51% in the period under review.

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

BANCABC MOZAMBIQUE

BancABC Mozambique recorded a net profit of BWP 18.0 million (EUR 1.8 million), which was 39% lower than its 2011 net profit of BWP 29 million (EUR 3.0 million) recorded in 2011. The growth in total income of 17% was offset by an increase in operating expenses of 43%.

Net interest income increased by 52% to BWP 92 million (EUR 9.4 million) following improvements in margins as well as growth in the interest earning assets. Loans and advances increased by 15% to BWP 877 million (EUR 85.6 million) up from BWP 762 million (EUR 78.7 million) in 2011 and deposits increased by 17% from BWP 1.2 billion (EUR 123.9 million) at year-end 2011 to BWP 1.4 billion (EUR 136.6 million). 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 BWP 67 million (EUR 6.8 million) due to a reduction in foreign exchange trading margins resulting from central bank intervention.

Net impairments increased from BWP 5 million (EUR 523k) to BWP 18 million (EUR 1.8 million) largely due to increased non-performing loans. Gross NPLs increased from 4.5% in 2011 to 8.4% in December 2012. Operating expenses increased by 43% to BWP 115 million (EUR 11.7 million) as a result of increased activity levels in line with the current strategy is to expand the retail banking footprint.

BancABC Mozambique is highly liquid which positions it well for further expansion in retail banking. Despite the increased impairments during the year, management believes the wholesale loan book is relatively clean with strong security for most of the facilities.

BANCABC TANZANIA

BancABC Tanzania experienced a tough trading period in 2012 as loan impairments increased while net interest margins declined. The net loss for the year increased to BWP 39.0 million (EUR 3.9 million) compared to a net loss of BWP 3.0 million (EUR 348k) recorded in 2011. Net interest income declined by 42% on account of higher non-performing loan accounts as well the cost of funds that remained high for most of the year under review. Total impairments remained high and increased by 15% to BWP 38 million (EUR 3.9 million) from BWP 33 million (EUR 3.5 million) recorded in 2011.

Furthermore, the expansion into the retail banking space resulted in higher operating costs, which increased by 59% to BWP 98 million (EUR 10 million). The above combination of factors led to a reduction in the entity's overall profitability as the loss recorded in the current year increased.

BancABC Tanzania has some major challenges but management forecasts a turnaround of the operation in 2013.

BANCABC ZAMBIA

BancABC Zambia recorded a net profit of BWP 36 million (EUR 3.7 million), 13% higher than that of its 2011 net profit of BWP 31.9 million (EUR 3.3 million). Profit before tax increased by 162% from BWP 21 million (EUR 2.2 million) to BWP 55 million (EUR 5.6 million) in the current year on the back of increased volume of transactions in consumer lending. Net profits increased despite a tax expense of BWP 19 million (EUR 1.9 million), compared to a tax credit of BWP 10 million (EUR 1.1 million) in 2011.

Net interest income increased by 6% to BWP 72 million (EUR 7.3 million). 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 BWP 0.6 billion (EUR 62 million) in 2011 to BWP 1.0 billion (EUR 97.6 million) 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 BWP 110 million (EUR 11.2 million) from increased transaction volumes in both the wholesale and retail banking divisions. Operating expenses increased by 58% to BWP 126 million (EUR 12.8 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 has a strong base for future growth. 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 in-roads in diversifying the funding of the balance sheet, which should result in a markedly reduced cost of funds going forward.

BANCABC ZIMBABWE

BancABC Zimbabwe's recorded a net profit of BWP 103 million (EUR 10.5 million), which was 88% higher than its 2011 net profit of BWP 55 million (EUR 5.8 million). Net interest income of BWP

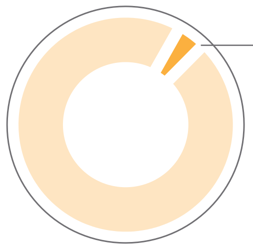
227 million (EUR 23.1 million) is 87% higher than the BWP 122 million (EUR 12.8 million) posted in prior year. Net impairment charges increased by 32% to BWP 41 million (EUR 4.2 million) as gross NPLs increased from 5.8% to 14.2% in the current period. Non-interest income increased by 65% to BWP 212 million (EUR 21.6 million) owing to an increase in retail banking volumes. Operating expenses increased by 82% to BWP 270 million (EUR 27.5 million), largely due to branch network expansion.

The overall liquidity situation in Zimbabwe continues to be a source of concern for the Group. Management expects country liquidity to remain tight into the foreseeable future as there remains effectively no lender of last resort under the current multi-currency regime, and imports are higher than exports. Lending particularly to the corporate sector will be limited to high quality clients.

UNION BANK OF NIGERIA

Union Bank of Nigeria (UBN) is one of the oldest banks in Nigeria, dating back to 1917 when it was a part of Barclay's Bank. This history has created a well-established brand and a broad network of branches across the country. In 2009, UBN was one of eight banks that had to be rescued due to the high levels of non-performing loans (NPLs) and severe undercapitalization. The state-owned Asset Management Corporation of Nigeria (AMCON) provided UBN financial accommodation to bring it to a net asset value (NAV) of zero at year-end 2011, and to purchase the NPLs from 2010-2012, taking them closer to the level of 5% recommended by the Central Bank of Nigeria (CBN). Between year-end 2011 and mid-2012, a consortium of investors, stepped in to finance UBN's total recapitalization with USD 500 million.

ADC, as part of a consortium of international investors, the Union Global Partners Limited (UGPL), has completed its investment in UBN together with partners with a wealth of experience including Nigerian private equity fund African Capital Alliance (ACA), global financial services private equity firm Corsair Capital, the Dutch development bank FMO, international business group Richard Chandler Corporation and global private equity investor Standard Chartered Private Equity. The skills of the consortium vary from local investors, financial services and emerging market specialists, to family offices and development finance institutions. The broad group will ensure a balanced transfer of international best practice in financial services and environmental, social and governance (ESG) standards, and a deeply embedded local network to the new Management team at UBN. With the USD 500 million capitalization of UBN closed, the UGPL consortium holds 65% of the outstanding shares. AMCON and the original 'pre-rescue' UBN shareholders hold the remaining 35% of the outstanding shares. It is envisaged that UGPL's recapitalization of the bank will enable the Executive Management to invest in its operations, infrastructure, and people, thereby strengthening UBN's ability to deliver high quality products to customers, create value for its shareholders, and deliver target risk adjusted returns.



ADC (INDIRECT) STAKE

3.9%

UNION BANK OF NIGERIA (UBN)*

LOCATION:	Lagos, Nigeria
SECTOR:	Banking operations
DATE OF INVESTMENT:	June 2012
CAPITAL INVESTED:	EUR 23.9 million
CARRYING AMOUNT:	EUR 35.0 million

*Held through 6.35% investment in UGPL which in turn control 65% of the outstanding shares of UBN

The recruitment of UBN's key Executive Management is now complete and in place with ex-Citibank Nigerian CEO, Emeka Emuwa, at the helm of UBN's restructuring and future growth. The bank also welcomed its new Chief Financial Officer (CFO), Oyinkan Adawale, the ex-CFO of Oceanic and Chief Risk Officer (CRO) Kandolo Kasongo, the former Head of Credit Risk at Stanbic Bank in Q4 2012 and is awaiting the arrival of Chief Operating Officer (COO) / Chief Technology Officer (CTO), Luxhman Jararatne, the former head of IT System Implementation at Citibank Africa in Q1 2013.

ADC's expectation now that the UBN's Executive Management team is complete is that the Management and Board of Directors will accelerate its growth by expanding its corporate loan book to blue chip corporates, through superior customer service delivery and by optimizing the efficiency of its nationwide branch network through technology enhancements with modern best-in-class banking channels. The bank continues to improve its internal controls and risk policies alongside investment in IT infrastructure and staffing upgrades.

ADC's investment of USD 30 million[1] in UGPL in January 2012[2], represents an indirect investment of 3.9% of UBN at an attractive entry valuation of 0.68x book value. Secondly, ADC has a call option with a co-investor that gives ADC exposure to an additional 7.9% stake in UGPL (5.2% indirect stake in UBN). The duration of the option is for the investment life of the UGPL investor consortium. Finally, a further 3.2% indirekt stake in UBN (5.0% stake in UGPL) is managed by ADC on behalf of co-investors, to which ADC is entitled to a performance related share of profits.

In alignment with ADC's strategy to become a pan-African banking group and due to ADC's active role in the UGPL consortium, UBN is classified as a strategic associate that will be held long-term by ADC. ADC is represented in the UGPL consortium through a Board seat held by ADC's Chief Investment Officer (CIO), Ms. Karima Ola. ADC is also represented on the Board of UBN by Douglas Munatsi, CEO of BancABC, who chairs the Risk Committee. Due to ADC's strategic influence, UGPL is accounted for using the "at-equity" methodology, which allows ADC to benefit from improvements in the underlying operational business of UBN.

UBN recorded a net profit of NGN 7.9 billion (EUR 38.1 million[3]) on the bank level at year end 2012, versus a loss of NGN 76.7 billion (EUR 371.9 million) in 2011. The depositor base registered a 21% growth, increasing from NGN 399.8 billion (EUR 1.9 billion[4]) at the end of 2011 to NGN 482.5 billion (EUR 2.4 billion) at the end of 2012. Review and disposal of significant parts of the loan book have led to a decrease in loans from NGN 144.4 billion (EUR 699.1 million) at year-end 2011 to NGN 137.0 billion (EUR 664.0 million) in 2012, a 5% decrease. Now that the new CRO is in place, and fresh credit risk policies have been implemented, Management can focus on building out a well-diversified loan portfolio. Net interest income totaled NGN 58.6 billion (EUR 284.1 million) in 2012 and grew by 154% compared to NGN 23.1 billion (EUR 107.7 million) in 2011, benefitting from higher treasury yields and a significant improvement in efficiency. Interest expenses have been decreased by 28% although the deposits grew by 21%. UBN's balance sheet stood at NGN 886.5 billion (EUR 4.3 billion) in 2012 compared to NGN 827.2 billion (EUR 4.0 billion) at the end of December 2011, a 7% growth.

1 ADC partnered with BancABC, who holds EUR 8.0 million minority interest in the special purpose vehicle at year-end 2012

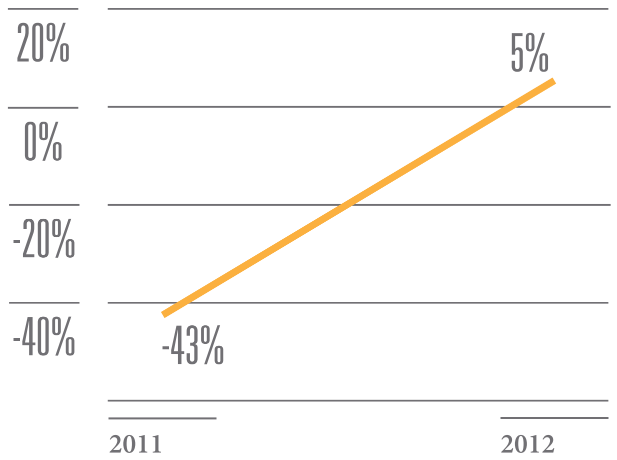
2 The investment date was 01 January 2012

3 Income statement figures use the daily average exchange rate as accessed on oanda.com

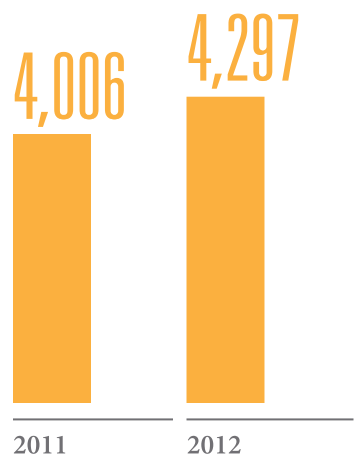
4 Balance sheet figures use the exchange rate as of 31 December as accessed on oanda.com

DEPOSITS AND LOAN BOOK (IN EUR MILLION)

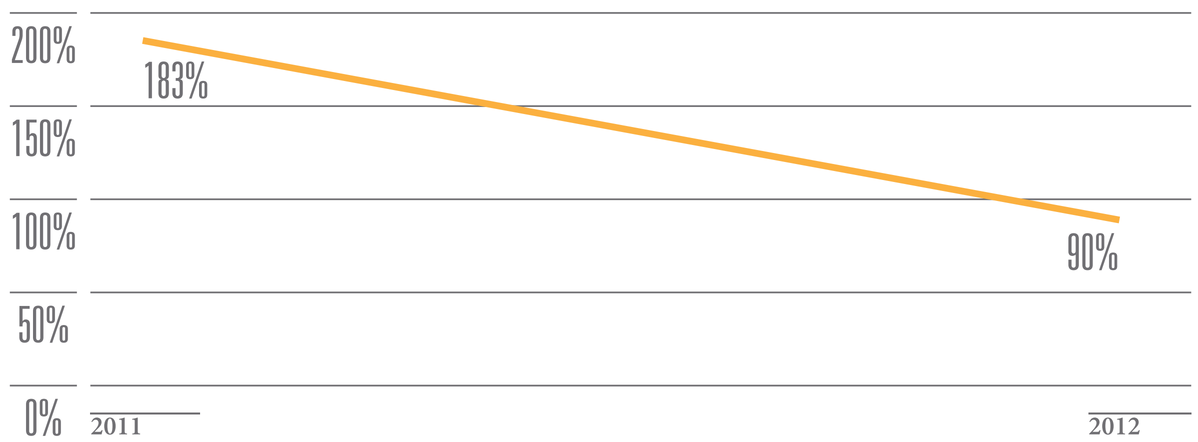
RETURN ON EQUITY (IN %)



TOTAL ASSET (IN EUR MILLION)



COST TO INCOME RATIO (IN%)



PRIVATE EQUITY INVESTMENTS

ADC's private equity unit is committed to streamlining and optimizing the existing portfolio of investments (RSwitch, RHEAL, BANGE, iVeri) and growing its value with existing technology and a broad network of contacts, advisors and specialists around the continent. ADC is closely working together with local and regional partners that are well suited to manage its private equity (PE) investments as well as being a source of and valuable asset for advisory deals. A country satellite, such as Brainworks Capital, is a business built on the back of an existing asset with a clear business model and strong and proven relationships, both locally and with ADC.

Brainworks was founded by young and driven entrepreneurs that have significant private wealth at risk and will benefit from co-investments and access to large-scale financing that ADC's banking operations can provide.

Over the last five years ADC has become a trusted advisor to companies seeking to enter the sub-Saharan African market and has the ability to execute deals based on four key pillars of success that are required to succeed in the African PE market:

1. Access to high-growth markets

ADC has identified core markets within Africa for future investments and expansion based on country fundamentals, ease of access for ADC and potential for banking business. ADC has banking operations in 6 of the countries, with expansion possibilities in further countries and regions, such as the CEMAC (Economic Community of Central African States), ECOWAS (Economic Community of West African States) and EAC (East African Community).

2. In-depth knowledge of the local market and strong and well-established connections

A critical success factor in African markets is having access to the top-level decision makers in the country inclusive of politicians, private sector leaders and prominent Development Finance Institutions (DFIs). ADC's Merchant Bank will expand the Company's network via BancABC's contacts in Southern and Eastern Africa while existing and potential new Board members as well as shareholders will open even more doors through reputation, contacts and influence.

3. Access to consistent flow of pipeline opportunities

One of the most important factors to a successful investment business in Africa is having a reliable flow of investment opportunities in a range of locations to spread risk and decrease transaction costs. ADC's widespread banking presence and local country satellites are integral to building a successful investment business that has access to highly profitable and unique proprietary investment opportunities in a range of sectors while simultaneously minimizing execution costs.

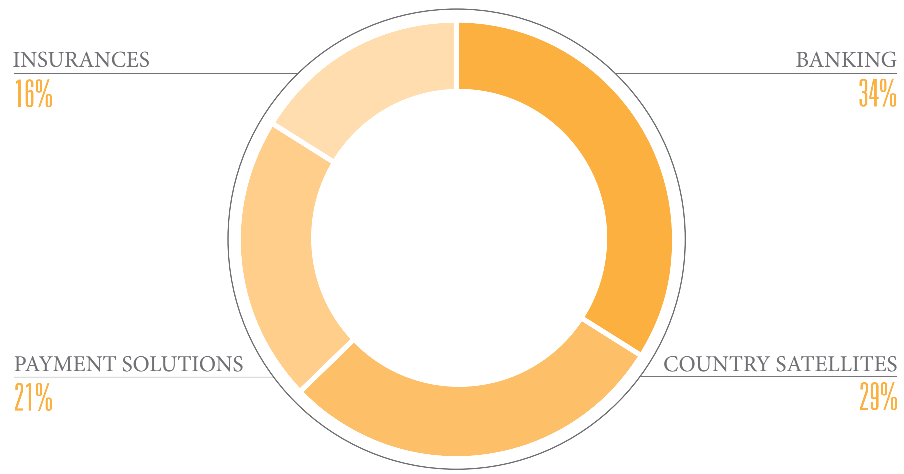
4. Links with regional and international providers of finance

Local and on-the-ground partners will provide co-investment opportunities for ADC's banking operation and ADC's investment business while benefitting from co-investments from ADC's wider network inclusive of DFIs, international banks, other PE funds and corporations seeking to enter or expand their presence in Africa.

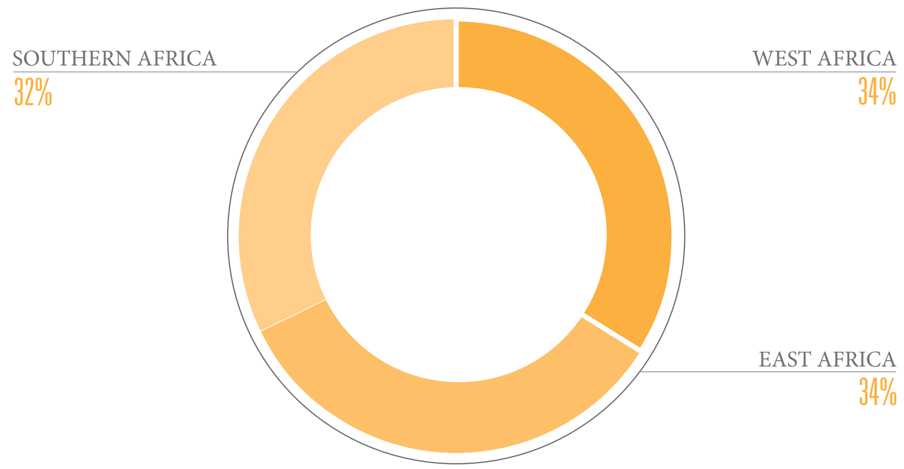
PERFORMANCE AND INVESTMENT ALLOCATION IN PRIVATE EQUITY

ADC's well-diversified financial services private equity portfolio consists of investments in the banking sector (BANGE in Equatorial Guinea), in a private equity country satellite (Brainworks Capital Management in Zimbabwe), in the insurance sector (RHEAL in Kenya) and in the payment solutions sector (RSwitch in Rwanda and iVeri in South Africa).

PRIVATE EQUITY PORTFOLIO ALLOCATION BY SECTOR IN (%)[1]



PRIVATE EQUITY PORTFOLIO ALLOCATION BY REGION IN (%)[1]



1 Based on the fair value of the portfolio companies classified as private equity investments, RSwitch value according to impairment test at year-end 2012, as it is consolidated into ADC accounts. The sectors do not represent operating segments according to IFRS 8.

PERFORMANCE IN THE PRIVATE EQUITY PORTFOLIO[1]

The performance in the private equity portfolio is calculated based on the equity investment of ADC at entry into the portfolio company compared to the fair value as of 31 December 2012. The fair value is calculated using valuation methodologies such as price to earnings (P/E), price to book (P/B), dividend discount or discounted cashflow models (a detailed breakdown of the valuations methodology can be found in note 6.7 to the consolidated group financial statements). For exited portfolio companies, the realized value is compared to the actual investment amount. Two main ratios are derived to describe the performance in the private equity portfolio: 1) internal rate of return (IRR) and 2) total value to paid-in (TVPI) multiples. The calculation of the IRR includes dividend payments and reflects the cashflow at the time it appears. All calculations are gross amounts excluding transactions costs or cash holdings.

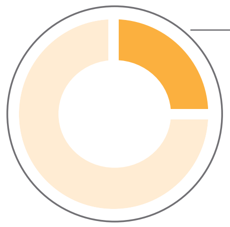
	BANGE	BRAIN-WORKS	RHEAL	RSWITCH	IVERI	ECOBANK ZIMBABWE	BRD
HOLDING	25.0 %	28.23 %	38,7 %	88.5 %	49.0 %	Realized	Realized
INVEST. DATE	Dec 2008	Dec 2011	Dec 2010	Jun 2008	Oct 2008	Dec 2009	July 2008
IRR [2]	32 %	63%	24 %	-28 %	33 %	15 %	16 %
MULTIPLE [3]	3.0x	1.6x	1.5x	0.6x	3.3x	1.3x	1.2x

Valuations as of 31 December 2012

The overall performance of the private equity portfolio as of 31 December 2012 is an IRR of 16% and a multiple of 1.3x.

1 Based on the fair value of the portfolio companies classified as private equity investments, RSwitch value according to impairment test at year-end 2012, as it is consolidated into ADC accounts. The sectors do not represent operating seg ments according to IFRS 8.
2 Including dividend payments.
3 On initial investment amount.

Banco Nacional de Guinea Ecuatorial (BANGE) is the youngest financial institution in the country and was established in 2006 by the Equatorial Guinean government with a minority shareholder, the Philippines Bank of Commerce. ADC purchased a 25% stake in the bank in 2008 for EUR 2.7 million and managed the growth of the retail and commercial entity until the end of Q3 2012. In Q4 2012, a new local CEO was appointed by the government of Equatorial Guinea to drive local business and encourage loan repayment. Mr. Manuel Osa Nsue Nsua, previously trained and employed at Banco Santander in Spain, has been appointed as CEO of BANGE with full support from the government and ADC. Since taking office, he has landed new accounts and has restructured a number of past due loans that are now current. ADC looks forward to further positive developments in 2013.



ADC STAKE

25.0%

BANCO NACIONAL DE GUINEA ECUATORIAL (BANGE)

LOCATION: MALABO, EQUATORIAL GUINEA
SEGMENT: PRIVATE EQUITY & ADVISORY
SECTOR: BANKING
DATE OF INVESTMENT: DECEMBER 2008
CAPITAL INVESTED: EUR 2.7 MILLION
CURRENT VALUATION: EUR 7.7 MILLION
ADC STAKE: 25.0 %
MULTIPLE: 3.0x
IRR: 32 %

The original shareholders' agreement between ADC and BANGE included a call option for an incremental 25.1% of BANGE's shares subject to conditions precedent. At the beginning of 2012, the majority shareholder (Government of Equatorial Guinea) requested that the bank remain majority-owned by Equatorial Guineans. ADC management decided to satisfy the government's request to renounce the call option and ADC is negotiating to be compensated for this concession. Nevertheless, ADC Management decided to write-off the full value of the call option resulting in a EUR 4.6 million loss as per the valuation of the asset on ADC's book.

Based on recent developments, ADC has decreased its valuation of BANGE from EUR 14.9 million in 2011 to EUR 7.7 million at year-end 2012 due to the high levels of NPLs that have affected the bank's overall profitability for the last two years and have been an on-going concern and stated in previous quarterly reports. ADC is currently in discussions with interested parties for the sale of the asset.

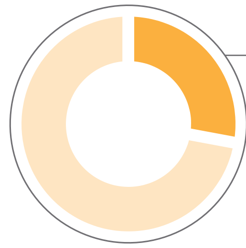
The number of accounts increased by 23% in 2012 and BANGE currently has 7 branches with 4 new branches set to open in 2013. The bank has 13 ATMs around on the mainland and island.

In 2012, BANGE increased its capitalization from CFA 7.0 billion to CFA 8.0 billion (EUR 10.7 million to EUR 12.2 million) in order to comply with the regulations of the central bank and to further strengthen the bank's equity. The capital increase was financed out of BANGE's reserves and without new capital from shareholders; the shareholder structure remains unchanged.

BANGE recorded a net profit of CFA 4 billion (EUR 6.0 million) in 2012, benefitting from high volumes of foreign exchange commissions and international transfers. BANGE deposits increased 34% over the year reaching CFA 257.9 billion (EUR 393.2 million), while the credit portfolio decreased moderately by 2%, reaching CFA 53.7 billion (EUR 81.9 million) by the end of December 2012 due to a very strict risk management approach in lending operations. Overall, the credit portfolio remains suppressed due to the high level of provisions and unpaid debts, which has hindered any growth of the loan book. The high level of provisioning is affecting the profitability of the bank and reached 23% of the overall credit portfolio at the end of the 2012 financial year.

Brainworks Capital Management is a Zimbabwean indigenous controlled and managed private equity investment firm that primarily invests in financial services and commodity related opportunities and has a holding period of between 3 – 5 years.

The Government of National Unity, formed in 2008, has helped to pull Zimbabwe out of a decade of recession caused by political instability, land reform and disastrous economic policies. In 2009, the country experienced positive economic growth for the first time in over a decade, recording real GDP increases of above 9% in 2010 and 2011. The Zimbabwean Ministry of Finance predicts real GDP to grow by 5.6% and 6.5% in 2012 and 2013 respectively. With elections scheduled for the end of March 2013, Zimbabwe and the international community remain optimistic that the new government will implement progressive economic reforms that will boost the country's GDP growth rate even further.



ADC STAKE

28.23%

BRAINWORKS CAPITAL MANAGEMENT LIMITED

LOCATION: HARARE, ZIMBABWE
SEGMENT: PRIVATE EQUITY & ADVISORY
SECTOR: COUNTRY SATELLITE
DATE OF INVESTMENT: DECEMBER 2011
CAPITAL INVESTED: EUR 4.0 MILLION
CURRENT VALUATION: EUR 6.6 MILLION
ADC STAKE: 28.23 %
MULTIPLE: 1.6x
IRR: 63 %

Brainworks currently has 4 active portfolio investments under management since its inception in 2011. The company invests in partnerships with strong international operators with technical know-how, financial capacity and experience. Examples of partnerships already established, include the following:

— Ecobank Zimbabwe: Brainworks holds a 29.5% stake in Ecobank Zimbabwe, operated by Ecobank Transnational Incorporated, which is active in 32 African countries

— GetBucks Zimbabwe: Brainworks holds a 40% stake in GetBucks Zimbabwe, operated by GetBucks International, a consumer finance company operating in South Africa, Botswana and Kenya

— BCM Gold: Brainworks holds a 100% stake in BCM Gold, which is managed with international technical partner SRK Consulting and currently prospecting on 1,892.13 HA of valid gold claims in Gweru mining district of Zimbabwe

— FML Oil: Brainworks holds a 100% stake in FML Oil, an emerging oil distribution and logistics company in Zimbabwe

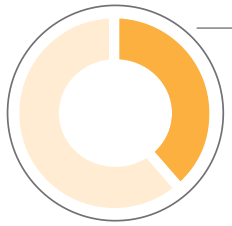
Brainworks' staff is comprised of former bankers, investment professionals and corporate strategists who are politically aware and commercially astute business people whose objective is to become investment partners of leading regional and global brands operating in, or planning to operate in Zimbabwe. The company also offers advisory services to local and global companies that are seeking to benefit from the turnaround of the Zimbabwean economy. The company's overall revenues in 2012 totaled USD 3.1 million (EUR 2.3 million[1]) versus USD 1.3 million (EUR 975k) in 2011. Net profit increased 17% from USD 229k (EUR 177k) in 2011 to USD 482k (EUR 367k) in 2012. The company's total assets increased by 50% from USD 17.2 million (EUR 13.1 million) in 2011 to USD 26.1 million (EUR 19.7 million) in 2012.

1 USD/EUR exchange rates as at 31 December 2012 as accessed on oanda.com

The fair value of ADC's stake in Brainworks Capital has increased by EUR 2.6 million in 2011 to EUR 6.6 in 2012 due to portfolio development and the company's underlying assets. Brainworks Capital, is currently undertaking a rights issue at a similar valuation.

Resolution Health East Africa (RHEAL), ADC's health insurance company in Kenya, was issued a Certificate of Registration by the Kenyan Insurance Regulatory Authority (IRA) to operate as a general insurer after the Insurance Act was amended in December 2011 to require all medical insurance providers to operate either as brokers or general insurance companies. This comes on the back of the issuance of a general insurance license awarded in Tanzania, which affirms that that company is one to watch as RHEAL plans its expansion into other East African countries in the near future.

RHEAL covers all declared pre-existing conditions for both corporate and individual plans and has recently launched three new products: Work Injury Benefits Act, Group Personal Accident Cover and Group Life Cover. These products are targeted at corporate organizations and businesses that aim to invest in the health and well-being of their employees and follows a general trend of increased life insurance coverage, which grew by 64.4% in Kenya in 2012.



ADC STAKE

38.74%

RESOLUTION HEALTH EAST AFRICA LIMITED (RHEAL)

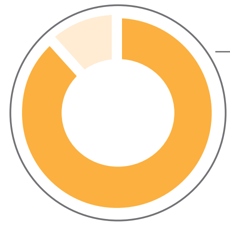
LOCATION: NAIROBI, KENYA
SEGMENT: PRIVATE EQUITY & ADVISORY
SECTOR: INSURANCE
DATE OF INVESTMENT: DECEMBER 2010
CAPITAL INVESTED: EUR 2.5 MILLION
CURRENT VALUATION: EUR 3.7 MILLION
ADC STAKE: 38.74 % (DIRECT & INDIRECT)
MULTIPLE: 1.5x
IRR: 24 %

Over the year, RHEAL's active members increased marginally by 1% to 57,213, while gross written premiums increased by 31% from KES 1.557 billion (EUR 13.9 million) to KES 2.044 billion (EUR 17.9 million) reflecting higher premiums due to inflationary pressures, increased costs and reduced individual coverage. This compares to a 20.8% growth in Kenya's insurance industry's gross written premiums for the first nine months of 2012.

Despite the company's premium growth, RHEAL faces challenges ahead after a recent court ruling announced that the National Health Insurance Fund (NHIF) could charge employees higher levies for health insurance fees while promising to provide expanded benefits. The retail and SME market is weighing the costs and benefits of private and public medical insurance with the prospect of NHIF entering the market to compete in the insurance sector. While recent trends indicate a change to the status quo, public insurance companies worldwide, and especially in Africa, have underperformed and left middle-to-high income earners searching for higher quality service provision. ADC is confident that RHEAL's hitherto 93% customer retention rate is a testament to the company's dedication to customer satisfaction, product development and service delivery. RHEAL has invested USD 2 million in an IT Platform to ensure customized and reliable service delivery in order to focus on client relationships and provide outstanding service delivery while reducing overall costs.

RHEAL's application for a general insurance license in Q1 2012 required the company to raise capital to meet the minimum capital requirement. ADC took up its right in the capital increase and invested EUR 176k. In October 2012, ADC took 100% ownership in a vehicle (Proven Track Corporation, Mauritius) that held a further 13.64% stake in RHEAL, which was previously capitalized by ADC debentures. ADC now holds an equity stake of 38.74% in RHEAL including its original 25.1% direct stake and a further 13.64% indirect stake. RHEAL's revenues totaled KES 2,044 million (EUR 17.9 million[1]) in 2012 compared to KES 1,557 million (EUR 13.9 million[2]) in 2011. Net profit was KES 48.7 million (EUR 0.4 million[3]) compared to a net loss of KES 128.7 million (EUR 1.2 million[4]) in 2011. Net profit is forecasted to grow by 53% in 2013.

Responsible
Smart & Secure
World-class technology & services
Innovative
Transparent
Customer-oriented
Honest



ADC STAKE

88.54%

RSWITCH LTD.

LOCATION: KIGALI, RWANDA
SEGMENT: PRIVATE EQUITY & ADVISORY
SECTOR: PAYMENT SOLUTIONS
DATE OF INVESTMENT: JUNE 2008
CAPITAL INVESTED: EUR 7.1 MILLION
CURRENT VALUATION: EUR 4.0 MILLION
ADC STAKE: 88.54 %
MULTIPLE: 0.6x
IRR: -28 %

ADC's acquisition of RSwitch in 2008 aimed to transform Rwanda's beleaguered payments switch into a modern switch, delivering technological solutions to Rwandan banks and increase financial inclusion within the country while simultaneously complying with international standards to conduct and settle payments across systems. After almost five years, RSwitch now has the technological capacity to deliver high quality products and services to banks within Rwanda and provide customized service delivery for a range of customer needs.

RSwitch's management has developed partnerships within the country and the region with the key players in the payments sector to enable the use of domestic proprietary cards as well as international debit and credit cards to maximize customer satisfaction while increasing transaction revenues.

The company's main role, amongst others, is to facilitate transactions on all ATMs in Rwanda and to ensure interoperability. To date, 95% of Rwanda's 286 ATMs are interoperable with average uptime over 90% at the end of Q4 2012. The number of ATMs being monitored is up 139% from last year, while the number of ATMs being maintained is up 83%.

RSwitch has in-house capacity to produce cards and issued in excess of 121,000 cards in 2012. The company has Service Level Agreements (SLAs) in place with all nine commercial banks and three of the five other licensed banks for transaction processing and settlement, card and PIN issuance and management, monitoring and maintenance, and fraud detection measures. Effective from January 2013, customers representing 98% of RSwitch's business have renewed their SLAs for a three-year term based on a business model that emphasizes the transaction side of the business, allowing RSwitch to charge for intrabank transactions as opposed to only interbank transactions, which will significantly increase RSwitch's revenues in 2013.

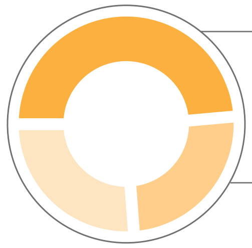
1 As accessed on oanda.com at year-end 2012
2 As accessed on oanda.com at year-end 2011
3 As accessed on oanda.com at year-end 2012
4 As accessed on oanda.com at year-end 2012

Management of the company and the IT team have worked hard over the year to complete the Point of Sales (POS) network, which currently connects RSwitch to 50% of the 600 POS terminals in the country with the goal of being connected 100% of the estimated 1,000 POS terminals by the end of 2013.

New business lines in the process of being rolled out include a mobile banking and a national internet banking facility, which are expected to go live in the second half of 2013.

RSwitch's revenues increased 13% in 2012 to RWF 1.6 billion (EUR 1.9 million) compared to RWF 1.4 billion (EUR 1.8 million) in 2011 while the cost of sales decreased by 60% from RWF 1.7 billion (EUR 2.2 million) in 2011 to RWF 690.9 million (EUR 843k) in 2012. The company's net loss was RWF -664.0 million (EUR -810k) in 2012 versus a loss of RWF -2.6 billion (EUR -3.3 million) in 2011, with forecasts predicting a break-even point within 2013 with year-on-year profit growth of 30% thereafter.

iVeri Payment Technologies provides best-of-breed eCommerce solutions for merchants in Africa and is used by acquiring banks in six countries across the continent. iVeri has been developing electronic payment technology since 1998 and currently processes millions of transactions for customers in South Africa, Zimbabwe, Kenya, Ethiopia, Angola and Tanzania.



ADC STAKE

49.0%

plus 25.1 % in evriPay

IVERI PAYMENT TECHNOLOGIES (PTY) LTD.

LOCATION: JOHANNESBURG, SOUTH AFRICA
SEGMENT: PRIVATE EQUITY & ADVISORY
SECTOR: PAYMENT SOLUTIONS
DATE OF INVESTMENT: NOVEMBER 2008
CAPITAL INVESTED: EUR 236k + EUR 370k IN evriPay (BUSINESS LINE OF iVeri)
CURRENT VALUATION: EUR 775k + EUR 69k IN evriPay
ADC STAKE: 49.0 % + 25.1 % IN evriPay
MULTIPLE: 3.3x
IRR: 33 %

In November, iVeri introduced a mobile Chip & PIN solution, called mPress, which allows the processing of major credit cards as well as local debit card schemes. mPress' mobile Point of Sale (mPoS) infrastructure allows Acquirers to deploy a payment acceptance solution that is compliant with the highest security demands set by the major card associations. The solution enables payment acceptance using an App on a smartphone or tablet and comes with a secure PIN entry device, for both EMV Chip and magnetic stripe cards. iVeri is currently the first and only Payment Gateway that is providing Chip & PIN security for mobile payment acceptance in Africa and the Middle East.

iVeri also announced a partnership with CyberSource, a global payment management provider and Visa owned company in November 2012. The partnership enables iVeri to offer its merchant base advanced online fraud detection technologies, such as device fingerprinting. Small-and-medium-sized businesses can detect online fraud in real-time and convert genuine orders faster and affordably, while bringing their customers peace-of-mind.

The company's founders and management have invested time and effort into research and development over the last few years, which will start to yield dividends in the coming years as Africa registers double digit on-line retail growth and as more of sub-Saharan Africa's unbanked population leapfrog's ahead, using modern and efficient payment technologies for everyday needs.

iVeri's revenues increased by 20% in 2012 to ZAR 15.8 million (EUR 1.4 million), compared to ZAR 13.1 million (EUR 1.25 million) in 2011. Net profit was up 62% in 2012; totaling ZAR 905k (EUR 86k) compared to ZAR 556k (EUR 53k) in 2011. Net profit is forecasted to grow by 7% in 2013.

MARKET ENVIRONMENT

SUB-SAHARAN AFRICA (SSA)

A growth rate of 5.8% is expected in sub-Saharan Africa in 2013, increasing by a full percentage point from a growth rate of 4.8% in 2012.[1] Many of Africa's leaders are bolstering growth by investing in infrastructure, the agricultural and manufacturing sectors and technology in order to diversify reliance on fluctuating commodity prices and develop thriving domestic markets. According to the African Development Bank's (AfDB) report *The Middle of the Pyramid*, Africa's middle class makes up 34% of its population, totaling 350 million people and is growing at a faster rate than that of its population.[2] By 2025, Africa will be the largest working population on the planet and be the home to more than 60 cities with more than a million inhabitants.[3]

Over the last few years, the sub-continent has become more attractive and more mainstream to international investors. The International Finance Corporation (IFC) announced that it will triple its lending in post-conflict African countries by 2017, using commercial banks as a major conduit for its investments.[4] Sub-Saharan Africa's private equity market grew by 10% in 2012, completing 61 deals worth USD 1.16 billion[5], while the Merger and Acquisitions (M&A) sector increased by 18% to reach 43 deals with a total value of USD 25 billion[6]. During the same period, the M&A sector in China and India declined by 17% and 29% respectively, which is a trend that is expected to continue as more and more investors aim to profit on the demographic dividend and high rates of growth on the continent.

BANKING SECTOR

In 2011, the Economist conservatively forecasted that the banking industry in 16 key African economies would boost their financial assets by 178% to USD 980 billion by 2020 but realistically believed that the sector would expand by 248% by the end of the decade due to economic growth and financial deepening.[7] A recently released World Bank report reiterates this potential for growth, finding that only 24% of adults in the sub-Saharan African region have a bank account with the highest income earners four times more likely to have an account than those in the lower income bracket. Most people in the survey cited a lack of money as their main reason for not having an account; however more than 30% of non-account holders cited cost, distance and lack of documentation as a major impediment.[8]

Interestingly, the report also showed that Africans are savers, with 40% of sub-Saharan Africans having saved money in the last 12 months, though only 14% used a formal financial institution. Most adults reported difficulties in receiving loans from formal institutions with only 5% of adults

1 International Monetary Fund, World Economic Outlook Database, January 2013
2 "Africa's fast-growing middle class" The East African, January 5, 2013
3 "Western analysts and fund managers discuss the investment case for Africa", How We Made It In Africa, January 2013
4 Reuters, World Bank to triple investment in post-conflict Africa, November 2012
5 "Africa private equity deals grow to $1.2 bln in 2012-report" Reuters, February 5, 2013
6 Thomson Reuters Deals Intelligence report on Sub-Saharan Africa Investment Banking Analysis 2012
7 Economist Intelligence Unit, Banking in Sub-Saharan Africa to 202, July 2011.
8 Asli Demirgüç-Kunt and Leora Klaper, Policy Research Working Paper 6088, Financial Inclusion in Africa, The World Bank, June 2012

having received a new loan from a financial institution within the last year. The authors of the report conclude that despite significant improvements in last few decades, the financial services sector in sub-Saharan Africa is much less developed than other developing countries. For example, the ratio of private credit to GDP (a main indicator of financial depth) averaged 24% of GDP in sub-Saharan Africa in 2010 compared with 77% for all developing economies and 172% for high-income economies.[1]

Despite its comparatively small size, sub-Saharan Africa's financial industry is actively creating more efficient markets. CGAP, an independent policy and research center to advancing financial access for the world's poor, recently reported that regional and local banks on the sub-continent are gaining market share in domestic deposits due to the introduction of new technologies and improving the overall range of options available to its customers.[2] Furthermore, competition and institutional quality are improving indicated by the growth of bank branches and a decline in interest rates.

TECHNOLOGY AS KEY DRIVER FOR FINANCIAL INCLUSION

Africa's mobile market has grown 20% annually for the last five years and is the world's fastest growing cellular market worldwide, second only to Asia in overall size. Contrary to the developed world's fixed contracts, nearly 96% of the almost 650 million subscriptions are pre-paid, which highlights that usage is not restricted to the upper echelons of society, but rather provides communication and technological solutions for everyone.[3]

The massive commercial outreach of the mobile phone operators is appealing for other businesses as they seek to use the technology to market their own products and services. In sub-Saharan Africa, traditional banking has been hampered with transportation and infrastructure problems as well as high costs for opening and maintaining a bank account. Retail banks are developing new banking channels via mobile phones to increase their customer base and to facilitate overall financial inclusion. The World Bank reported in 2012 that 16% of adults in sub-Saharan Africa have used a mobile phone to pay bills, send or receive money in the past 12 months compared to 3% in the rest of the developing world.[4]

Mobile financial services include payment solutions like M-Pesa, but a new second generation of technology-driven banking solutions is being developed. At the end of 2012, Kenya introduced M-Shwari - a full mobile banking service that allows users to open bank accounts, move money to their M-Pesa accounts, save and earn interest in virtual accounts as well as gain access to micro credit products and small loans via their mobile phone. Within the first month a total of USD 1.4 million in loans was disbursed to customers with overall deposits of USD 11.4 million.[5] The mobile banking revolution has the potential to rapidly increase the rate of financial inclusion while simultaneously boosting the bottom line for banks as they gain customers via a low cost channel.

ADC's investments in the financial services sector aim to capitalize on this growth in the medium-term. BancABC's operates in high-growth markets in Southern and Eastern Africa creating the possibility of cross-border transactions; while UBN's domestic growth potential alone is an exciting growth story. iVeri provides customized payment solutions to regional and local banks without access to large corporate technological solutions from foreign owned entities, while RSwitch strives to build a world class payment switch in East Africa.

1 ibid.
2 "Moving Forward," January 28 2013, dandc.eu
3 Huffington Post, Sub-Saharan Africa's Mobile Money Revolution, August 2012
4 "Who are the Unbanked," Uncovering the Financial Inclusion Gap, The World Bank 2012
5 Africa Review, Kenya's latest mobile money innovation takes off, January 2013

PORTFOLIO COUNTRIES AT A GLANCE - MACROECONOMICS[1]

	2012 GDP (CURRENT PRICES IN USD BN)	2013 GDP GROWTH PROJECTIONS (IN PERCENT)	2013 INFLATION PROJECTIONS (IN PERCENT)
BOTSWANA	17.6	4.1	6.3
EQUATORIAL GUINEA	20.6	6.1	7.0
KENYA	41.8	5.6	5.8
MOZAMBIQUE	14.6	8.4	8.6
NIGERIA	272.6	6.7	9.5
RWANDA	7.0	7.5	6.1
SOUTH AFRICA	390.9	3.0	5.2
TANZANIA	28.0	6.8	9.8
ZAMBIA	20.7	8.2	6.2
ZIMBABWE	10.8	6.0	5.7

IMPACT ON OPERATIONS

ADC's private equity portfolio companies have generally fared well in Africa's high growth environment. Detailed information on the impact of the market environment on operations can be found in the description of the operational performance of the individual subsidiaries and associates.

Overall, ADC's portfolio investments have performed well in 2012 and are in line with the market environment despite ADC's posted group loss of EUR 10.3 million, which is largely attributable to a write down of the BANGE asset, a drop in BancABC's share price prior to full consolidation in July, as well as transformation expenses at German level to become a stock corporation.

1 International Monetary Fund, World Economic Outlook Database, January 2013

FINANCIAL RESULTS

Due to the acquisition of a controlling stake in BancABC and subsequent consolidation from 27 July 2012, ADC's financial results have undertaken significant changes compared to the 2011 fiscal year, effectively transforming the structure of the financial statements into an operational merchant banking group with two major business divisions, namely banking operations and private equity investments. The banking operations mainly consist of the full consolidation of ADC's new subsidiary BancABC, while the strategic associate UBN is accounted for at equity in the 2012 results. The private equity investments are held for sale and are mainly accounted for at fair value apart from RSwitch which is consolidated into ADC's accounts due to its controlling stake. Therefore, main changes in the presentation of financial results are attributable to the first time consolidation of BancABC, making relevant comparisons to previous year figures difficult. For informational purposes the most important reference values for BancABC on a sub-group basis are mentioned for the financial year 2011, even though BancABC is only consolidated into ADC's group results from 27 July 2012.

RESULTS OF OPERATIONS

Due to the first time consolidation of BancABC during the course of 2012, the structure and content of the income statement changed significantly compared to 2011. The consolidation of BancABC took place with effect as of 27 July 2012 and therefore reflects 5 full months of BancABC business.

In 2012, ADC earned **NET INTEREST AND SIMILAR INCOME** of EUR 65.4 million. In 2011, EUR 0.4 million net interest income was generated. The dramatic increase is a result of BancABC being consolidated for the first time in 2012. Interest income was mainly attributable to provided loans and advances with 92%. **INTEREST AND SIMILAR EXPENSES** of EUR 35.5 million in 2012 mainly consisted of interest payments on deposits to corporate clients and retail clients (73%) as well as interest payments for loans (27%).

NET INTEREST INCOME of EUR 29.9 million was realized in 2012, resulting in a net interest margin of 6.7% compared to 6.5%[1] for sub-Saharan African banks in 2011, and 6.5%[2] to BancABC's standalone ratio in 2011.

ADC had **CREDIT LOSS EXPENSES** of EUR 8.1 million in 2012 (EUR 0 in prior year). The 2012 full year credit loss ratio was 1.8%[3] compared to 1.7%[4] to BancABC's standalone ratio in 2011. The impairment losses on loans and advances to gross average loans and advances ratio stood at 1.8% at the end of 2012[5], compared to 4.3%[6] for sub-Saharan African banks and 1.7%[7] as BancABC's standalone ratio in 2011. Main contributor to credit loss expenses were corporate lending activities with one significant impairment worth EUR 5.9 million relating to a single loan in BancABC's Zimbabwe operations, with provision recoveries made in consumer lending and installment finance.

Therefore, **NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSS** came in at EUR 21.7 million, compared to EUR 420k in 2011 prior to the consolidation of BancABC.

NET FEE AND COMMISSION INCOME came in at EUR 16.9 million in 2012 (EUR 0 in prior year). Main contributors were fees on loans and advances (EUR 8.3 million), cash transaction fees (EUR 5.9 million), and other fees (EUR 2.7 million).

NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS came in at EUR -12.7 million in 2012 compared to EUR 17.2 million in 2011. Gains were recognized in the Brainworks Capital Investment at EUR 2.6 million. Losses were recognized primarily in BancABC with EUR 8.1 million relating to the revaluation of the existing stake immediately before exercising control over the bank, and in BANGE at EUR 7.3 million. Based on past developments, ADC decreased its valuation of BANGE's by EUR 7.3 million compared to year end 2011 due to the high levels of NPLs that have affected the bank's overall profitability for the last two years as stated in previous quarterly reports.

NET TRADING INCOME of EUR 2.6 million was realized in 2012 compared to EUR 0 in 2011. This includes a net loss of EUR 5.7 million on derivative financial instruments which is the result primarily of a net loss arising from the write-off of the EUR 4.6 million option to buy an additional share of 25.1% in BANGE. A full write-off of the option was agreed by ADC's Management and Supervisory Board as the execution was deemed highly unlikely at year end because the majority shareholder (Government of Equatorial Guinea) requested that the bank remain majority-owned by Equatorial Guineans. Furthermore it includes foreign exchange income of EUR 6.9 million from gains and losses on spot and forward contracts and other currency derivatives, and EUR 1.4 million in debt securities income.

NET INCOME FROM EQUITY METHOD INVESTMENTS of EUR 3.7 million in 2012 represented ADC's share in the net income of Union Global Partners Limited (UGPL) in relation to its stake in the UGPL consortium which itself controls and fully consolidates the UBN business.

OTHER NON-INTEREST INCOME of EUR 22.4 million in 2012 (EUR 4.5 million in 2011) mainly consists of release of negative goodwill of EUR 17.1 million relating to acquisition and first time consolidation of BancABC, RSwitch revenues of EUR 2.2 million, dividend income of EUR 0.9 million, rental income of EUR 0.5 million, and advisory income of EUR 0.5 million. In 2011 main contributors were non-trading foreign exchange gains with EUR 1.5 million and RSwitch revenues of EUR 0.9 million.

Non-trading foreign exchange gains were marginal in 2012 (EUR 0.3 million) reflecting relatively stable foreign exchange rates through the year on key currencies.

1 Bancscope, Average net interest margins of banks in sub-Saharan Africa excluding South Africa in 2011.
2 Annual Report 2012 from ABC Holdings Limited.
3 Based on 2012 full year credit loss ratio from ABC Holdings 2012 Annual report
4 Annual Report 2011 from ABC Holdings Limited.
5 Based on BancABC subgroup stand-alone values for relevant comparison
6 Bancscope, Average loan loss reserve ratio of banks in sub-Saharan Africa excluding South Africa in 2011.
7 Annual Report 2011 from ABC Holdings Limited.

TOTAL OPERATING INCOME came in at EUR 54.6 million in 2012 compared to EUR 22.2 million in 2011.

OPERATING EXPENSES were EUR 58.5 million in 2012 compared to EUR 13.4 million in 2011. Operating expenses include EUR 7.5 million in depreciation and amortization including EUR 3.9 million from BancABC subgroup. Furthermore, it includes EUR 5.3 million in cost of materials primarily from consolidation of BancABC and RSwitch, EUR 3.8 million in IT services expenses primarily relating to operating and maintenance of BancABC's banking software programs, EUR 3.5 million in property lease rentals relating to BancABC's pan-African branch network, EUR 3.4 million in administrative expenses at BancABC, EUR 2.4 million in marketing expenses, EUR 2.0 million in travel expenses, and EUR 4.3 million in audit expenses, professional fees and accounting and administrative services.

Staff expenses amounted to EUR 19.3 million compared with EUR 0.5 million in prior year. Main driver of increase is consolidation of BancABC resulting in a group average of 1.362 employees at year end 2012.

Furthermore, operating expenses included General Partner fees of EUR 1.8 million to Altira ADC Management GmbH, the company´s General Partner, as compensation for the management services and liability exposure related to its General Partner status. With the acquisition of the General Partner these costs will not occur again but partially shift to staff expenses in 2013. Operating expenses also include EUR 3.4 million in consulting services from ADC Business Development Services, the African team of ADC, which will also shift to staff expenses in 2013.

Further other operating expenses amounted to EUR 2.6 million in 2012.

However, due to the change of the organizational structure and the transformation to a stock corporation, ADC had additional **REORGANIZATION EXPENSES** of EUR 4.3 million in 2012 relating primarily to the purchase price of its General Partner, Altira ADC Management GmbH.

The cost to income ratio for ADC group was negative in 2012 as only 5-months of BancABC's operating business are integrated in the full year results. More representative are BancABC's standalone ratios of 71% and 74%[1] for 2012 and 2011 respectively, which were higher than the average for sub-Saharan banks at 57.3%[2].

As a result, **LOSS BEFORE TAX** came in at EUR -8.2 million in 2012 compared to a profit of EUR 8.7 million in 2011. Income tax expenses in 2012 amounted to EUR 2.1 million compared to 0.08 million in 2011, resulting in a net loss for the year 2012 of EUR -10.3 million, compared to a profit of EUR 8.7 million in 2011.

ADC's 2012 loss is mainly attributable to non-cash effective write-downs on its private equity portfolio, cash effective operating costs, a specific impairment in the BancABC Zimbabwe loan portfolio, as well as one-time costs relating to the transformation into a stock corporation (buy out of the General Partner). The company achieved major milestones in 2012 such as the market entry into Nigeria as well as the majority acquisition and subsequent consolidation of BancABC. As such, in 2012 ADC laid important foundations to achieve its strategic targets, which also included a streamlining of its operations. Therefore, the Management of ADC is convinced that although the results are negative in 2012, largely due to reorganization expenses and the integration of only 5 months of BancABC business, the transformation was very positive for the company and ensures a solid foundation for achieving further profitability in the years to come.

1 Annual Report 2012 from ABC Holdings Limited.

2 Bancscope, Average cost to income ratio of banks in sub-Saharan Africa excluding South Africa in 2011.

SEGMENT PERFORMANCE

In 2012, ADC refined its strategy to focus more intently on the banking industry in sub-Saharan Africa while continuing to manage its existing private equity investments. As such, the Group structure was refined into the following four operating segments: Banking Operations BancABC, Banking Operations UBN, Private Equity Activities, and Supporting Services.

BANKING OPERATIONS BANCABC contributed EUR 4.3 million to the net profit in 2012 compared to EUR 0 million in 2011. The change is attributable to the first time consolidation of BancABC. The segment **BANKING OPERATIONS UBN** realized a net profit of EUR 4.0 million in 2012 compared to EUR 0 in 2011. The profit in this segment is attributable to the profit from ADC's associate Union Global Partners Limited who is the controlling shareholder in Union Bank of Nigeria (UBN) and accounted for at-equity in ADC's accounts.

Private Equity Activities contributed a net loss of EUR 23.7 million in 2012 compared to a net profit of EUR 10.4 million in 2011. Main cost drivers in the segment include write downs on BANGE and operating expenses.

The segment **SUPPORTING SERVICES** contributed EUR 10.3 million net loss in 2012 compared to EUR 3.1 million in 2011. The 2012 result was negatively impacted by EUR 4.3 million in reorganization expenses related to transformation costs into a stock corporation. This segment is a cost center for the group and its activities consist primarily of identifying investment opportunities, monitoring the financial position and performance of the Group and portfolio companies, and providing them with professional support.

The income statements for the individual business segments are shown in detail in note 3 of the notes to the consolidated group financial statements.

NET ASSETS

At year-end 2012, ADC had **TOTAL ASSETS** of EUR 1,414.1 million versus EUR 103.0 million at the end of 2011. The group held EUR 183.2 million in **CASH AND CASH EQUIVALENTS** compared to EUR 43.3 million at year-end 2011. Of this, EUR 181.5 million was held by BancABC subgroup. **FINANCIAL ASSETS HELD FOR TRADING** amounted to EUR 99.8 million at balance sheet date and mainly consisted of treasury bills (EUR 89.7 million), government bonds (EUR 7.2 million) and corporate bonds (EUR 2.9 million). The position increased in line with the asset size as investment in government bonds and treasury bills by subsidiaries is partly for liquidity requirements as stipulated by local central banks and also as a source of diversification of the assets portfolio.

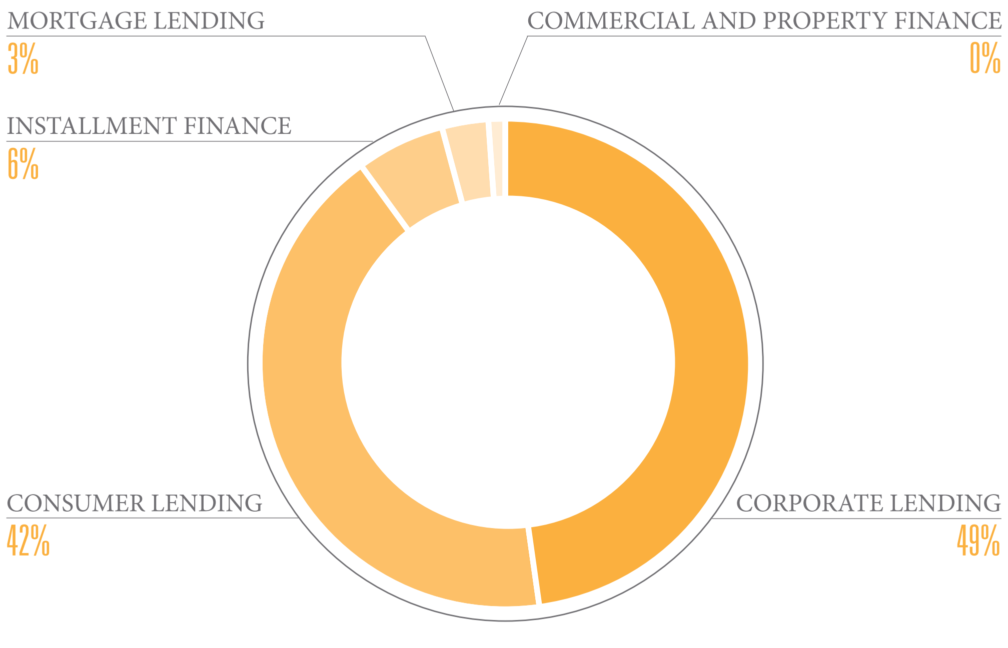
ADC held **FINANCIAL ASSETS DESIGNATED AT FAIR VALUE** in the amount of EUR 10.7 million at 31 December 2012. This position mainly comprises of unlisted debentures (EUR 7.1 million), listed debentures (EUR 2.7 million) and listed equities on the Zimbabwe Stock Exchange (EUR 1.0 million). The listed debentures comprise of an investment in 10% convertible debentures issued by PG Industries (Zimbabwe) Limited, a Zimbabwe-based manufacturer and distributor of building materials and allied products.

The position **POSITIVE MARKET VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS** came in at EUR 5.7 million at year-end 2012 compared to EUR 4.7 million at year-end 2011. The 2012 figure includes a EUR 2.4 million derivate related to UBN, with the balance relating to cross-currency interest rate swaps at BancABC. As mentioned before, the call option for an additional stake in BANGE accounted for with EUR 4.6 million in 2011 has been fully written off in 2012. More information is available in note 6.14 to the consolidated financial statements.

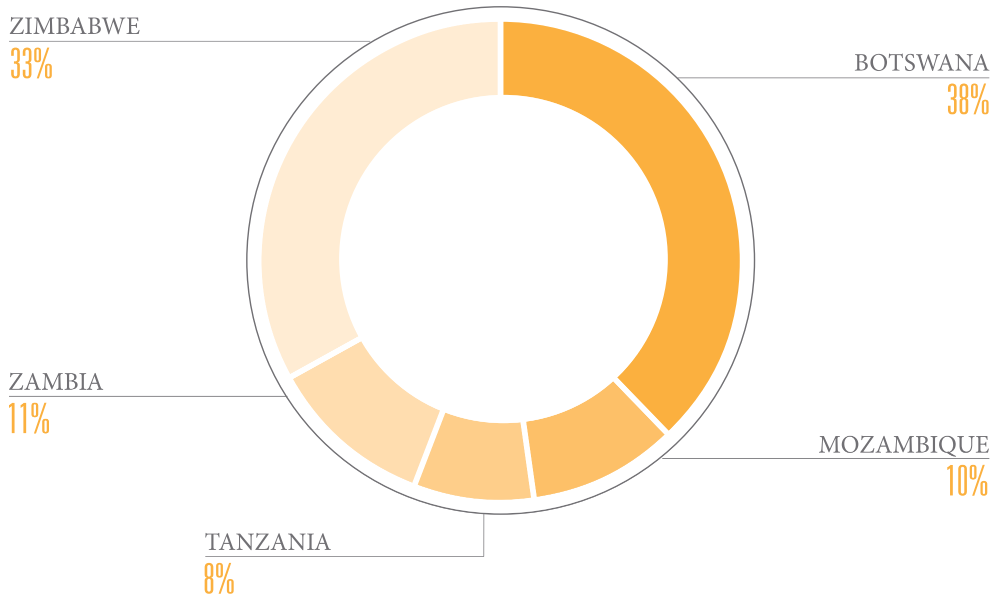
NET LOANS AND ADVANCES amounted to EUR 886.6 million at year-end 2012. This line item is new to ADC's balance sheet due to the consolidation of BancABC but reflects an increase of 41% compared to BancABC's standalone loan book of EUR 627.5 million in 2011. The major parts of the net loan book coming from Botswana with EUR 295.1 million and Zimbabwe with EUR 325.3 million. The loan book in the other country subsidiaries amounts to EUR 103.4 million in Zambia, EUR 85.6 million in Mozambique and EUR 73.6 million in Tanzania. Additionally EUR 3.6 million loans and advances are allocated to the holding company.

The gross loan book of EUR 923.3 million mainly comprises of corporate lending (EUR 450.1 million), consumer lending (EUR 387.0 million), installment finance (EUR 54.8 million), mortgage lending (EUR 26.2 million) and commercial and property finance (EUR 5.3 million).

COMPOSITION OF GROSS LOAN BOOK BY MARKET SEGMENT (IN % OF TOTAL)



COMPOSITION OF LOAN BOOK BY COUNTRY (IN % OF TOTAL)



Impairments amount to EUR 36.7 million at year-end 2012, with individual impairments of EUR 29.1 million and collective impairments of EUR 7.7 million. The main impairments stem from the corporate lending (EUR 29.6 million) and the consumer lending (EUR 5.3 million).

For informational purposes impairments are compared to BancABC's standalone amount in 2011 as this line item was not relevant for ADC in 2011. Impairments increased by 63% compared to BancABC's standalone impairments in 2011 of EUR 22.5 million. The increase was due to a combination of a higher loan book which increased by 50% 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.

The non-performing loan ratio (NPL) stood at 9.2% at the end of 2012, compared to BancABC's standalone ratio of 6.6% in 2011. The net NPL ratio also deteriorated to 7.1% compared to BancABC's standalone ratio of 3.3% in 2011.

INVESTMENT SECURITIES of EUR 5.3 million at 31 December 2012 mainly consist of promissory notes held to maturity (EUR 4.5 million) and unlisted equities available for sale (EUR 0.8 million). The promissory notes are partial security for the loan from BIFM. The promissory notes earn a fixed interest of 10.25% p.a., and are redeemable on 31 March 2015.

OTHER CURRENT ASSETS of EUR 21.2 million (prior year: EUR 3.5 million) include EUR 18.9 million assets from BancABC subgroup, largely comprised of prepayments.

CURRENT TAX ASSETS at 31 December 2012 came in at EUR 3.1 million, compared to EUR 76k at year-end 2011.

INVESTMENTS IN ASSOCIATES of EUR 54.1 million at balance sheet date compared to EUR 49.2 million at year-end 2011. At year-end 2012, the position includes EUR 35.0 million relating to ADC's investment in UGPL measured in accordance with the equity method. Furthermore, it includes EUR 19.0 million of ADC's private equity investments which are measured at fair value through profit and loss. The position consists of EUR 7.6 million fair value in ADC's stake BANGE, which decreased in value by EUR 7.3 million since year-end 2011. Furthermore, the fair value of ADC's stake in Brainworks Capital increased by EUR 2.6 million to EUR 6.6 million at year-end 2012 due to a favorable development of the company and its underlying assets as well as reflecting the interest of additional investors in Brainworks Capital, which is currently undertaking a rights issue at a similar valuation. Finally, the fair values of investments in RHEAL, iVeri and evriPay were jointly almost stable at EUR 4.8 million at year-end 2012 versus EUR 4.9 million in 2011. The EUR 25.3 million stake in BancABC on the balance sheet as an associate at year end 2011 was eliminated at year end as BancABC became a subsidiary in July 2012 and as such was removed under this balance sheet position.

PROPERTY, PLANT AND EQUIPMENT of EUR 64.9 million at year-end 2012 compared to EUR 0.6 million at 31 December 2011 is mainly comprised of investments relating to BancABC's operations including land and buildings value relating primarily to the retail branch in the amount of EUR 43.1 million .

There was no **INVESTMENT PROPERTY** on the balance sheet at 31 December 2012. Investment property of BancABC of EUR 0.2 million was sold-off over the last 5 months of 2012.

OTHER INTANGIBLE ASSETS AND GOODWILL of EUR 70.7 million at year-end 2012 compared to EUR 1.3 million at 31 December 2011 is mainly comprised of BancABC's banking software and related licenses.

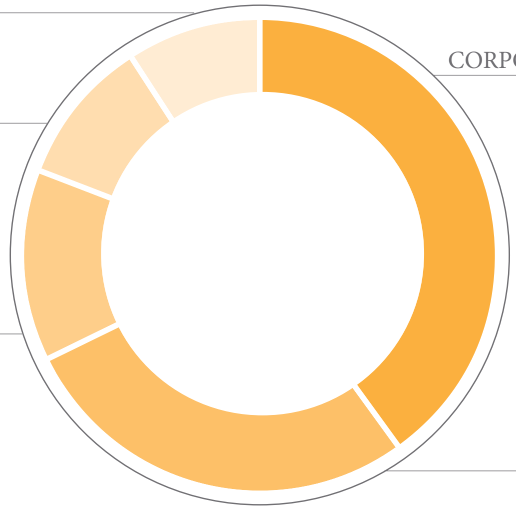
DEFERRED TAX ASSETS amounted to EUR 8.7 million at balance sheet date compared to EUR 0.5 million at year-end 2011.

The group´s **LIABILITIES** at 31 December 2012 total to EUR 1,259.5 million compared to EUR 14.7 million at year-end 2011.

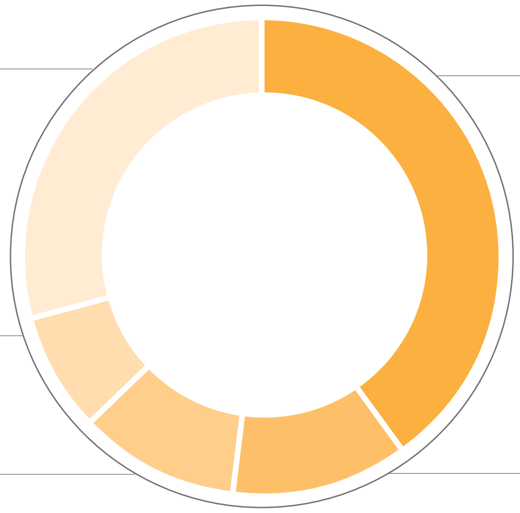
DEPOSITS at balance sheet date came in at EUR 1,041.9 million a 37% growth compared to BancABC's standalone deposits of EUR 761.4 million at the end of 2011. The major parts of the depositor base coming from Botswana with EUR 404.0 million and Zimbabwe with 312.2 million. The deposit base in the other country subsidiaries amounts to EUR 136.3 million in Mozambique, EUR 112.0 million in Tanzania and EUR 77.4 million in Zambia. EUR 937.7 million are deposits from customers, while EUR 104.2 million are deposits from banks.

The deposit base comprises of corporate customers (EUR 419.3 million), public sector (EUR 286.5 million), other financial institutions (EUR 134.4 million), banks (EUR 104.2 million) and retail customers (EUR 97.5 million). The main part of the deposit base are term deposits (EUR 701.7 million), while EUR 340.2 million are payable on demand.

COMPOSITION OF DEPOSIT BASE BY MARKET SEGMENT (IN % OF TOTAL)



COMPOSITION OF DEPOSIT BASE BY COUNTRY (IN % OF TOTAL)



As a result, the loan to deposit ratio stood at 85.7% at the end of 2012, compared to 57.8%[1] for sub-Saharan African banks and 82.4%[2] to BancABC's standalone ratio in 2011.

The position **NEGATIVE MARKET VALUE FROM DERIVATIVE FINANCIAL INSTRUMENTS** of EUR 2.2 million at balance sheet date includes primarily an equity derivative on an unlisted energy company in the value of EUR 1.9 million.

CREDITORS AND ACCRUALS came in at EUR 36.0 million at 31 December 2012 compared to EUR 2.9 million at year-end 2011 and consists of EUR 5.3 million in trade and other payables, EUR 16.9 million in accruals and provisions, and EUR 13.7 million in other current liabilities .

1 Bancscope, Average loan to deposit ratio of banks in sub-Saharan Africa excluding South Africa in 2011.
2 Calculation based on Annual Report 2011 from ABC Holdings Limited.

CURRENT TAX LIABILITIES amounted to EUR 2.0 million at balance sheet date, and **DEFERRED TAX LIABILITIES** stood at EUR 15.9 million at year-end 2012 (EUR 0 in prior year).

BORROWED FUNDS amounted to EUR 161.6 million at year-end 2012 in comparison to EUR 11.8 million at year-end 2011. The increase in 2012 is driven both by a three-year bond with warrants issued by ADC on 1 June 2012, as well as the consolidation of borrowed funds of BancABC. The bond with warrants attached issued by ADC with a nominal value of EUR 40 million was placed to finance the acquisition of a majority stake in BancABC and take further steps towards becoming a pan-African banking group. ADC is very proud of the full placement of the bond, offering international investors additional ways to invest in Africa's frontier markets in a transparent and diversified way. In total EUR 36.9 million of the bonds with warrants attached were booked into borrowed funds at year end reflecting the net present value of the debt component of the bond. For further information please refer to section 6.12 of the notes to the financial statements. BancABC subgroup borrowed funds amount to EUR 124.7 million at year end and include a convertible bond in the amount of EUR 9.6 million as well as other borrowed funds of EUR 115.1 million. The short-term loan of EUR 4.0 million that was used as bridge financing for the capital increase in December 2011, was paid back in January 2012.

TOTAL EQUITY increased from EUR 88.3 million at year-end 2011 to EUR 154.6 million at the end of the 2012 fiscal year.

The EUR 53.1 million in **CAPITAL RESERVES** was up from 50.0 million at year-end 2011, mainly due to the warrant component of the bond (EUR 1.9 million). As of year-end 2011, EUR 0.5 million in unpaid capital from the capital increase in 2010 was outstanding and deducted from the capital reserve. In January 2012 this amount was paid to ADC. Further amounts of EUR 1.0 million resulting from the conversion of the convertible bond (2009) were paid into equity in May 2012.

OTHER RESERVES of EUR 15.4 million at balance sheet date compared to EUR 11.3 million at year-end 2011.

RETAINED EARNINGS decreased from EUR 19.7 million at year-end 2011 to EUR 5.8 million, due to this year´s loss accruing to equity holders of the parent.

As a results, **EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS** amounts to EUR 83.0 million at 31 December 2012 compared to EUR 89.4 million at year-end 2011.

The position **NON-CONTROLLING INTEREST** was EUR 71.6 million at year end compared to EUR -1.1 million at year end 2011 and includes primarily the minority interests in BancABC.

FINANCIAL POSITION

FINANCIAL AND CASH MANAGEMENT

The principles and objectives of ADC's financial management are laid down by ADC's Management in Germany and are implemented by the operating subsidiaries in Africa. The main goal is to ensure liquidity of the operations at all while limited interest expenses accruing to the Group. In addition, the financial management activities focus on establishing financing flexibility and aims to decrease the cost of capital while securing adequate funding. The Group treasury office of ADC's subsidiary BancABC in Johannesburg, South Africa ensures adequate financial management is in place for its licensed banks in its five countries of operations. In the future ADC aims to use synergies between the Group treasury office of BancABC and its head office in Germany for example by applying best practices from BancABC's treasury management processes to the whole ADC Group, and conversely by providing BancABC with access to international capital markets and ADC's wide network of banks and other financiers. Currently, there is no central treasury function established which integrates BancABC. The management of financial risks is reported in the risk management section in more detail. ADC is currently not hedging itself against exchange rate or interest rate fluctuations as these currency exposures are multi-year in nature with uncertain payback timelines related to investment exits.

Further to its equity capital, ADC has following debt facilities to finance its operations:

— Listed EUR 40 million bond with warrants attached at an interest rate of 6% with a term of 3 years (01 June 2012 until 31 May 2015).

— Loan facility agreement with Trafigura Holdings Limited of EUR 4.3 million at an interest of 6% with a term of 180 days extendable to 270 days (ADC has called EUR 1.0 million of the facility as of 31 December 2012)

As of balance sheet date ADC has no off-balance sheet financial facilities such as Asset Backed Securities, Factoring or Leasing.

ADC is managing its cash reserves prudently, monitoring the outflows on a weekly basis with a 12 week rolling cash forecast process as well as a diligent underlying cash budgeting process. ADC is currently in the process of identifying further options to increase its financial flexibility as the cash and cash equivalents decreased significantly in 2012 and have been successfully invested in its banking operations in sub-Saharan Africa. However to ensure continuation of a fast growth pace and implementation of its growth strategy further financing is required. ADC is assessing its options to increase its liquidity position by either selling assets or increasing the capitalization of the Group.

The **NET CASH FLOWS FROM OPERATING ACTIVITIES** for the year 2012 resulted in net cash inflows of EUR 46.0 million versus EUR -13.0 million in 2011. Operating cash flow includes EUR -4.6 million in income taxes paid. Furthermore, total non-cash items included in result before tax amounted to EUR -3.0 million including primarily add back of depreciation and amortization, add back of net losses on fair value financial instruments and derivative financial instruments, and deductions of gains on associates and impairments on loans and advances. Cash relevant inflows from operations are due to an increase in operating liabilities of EUR 101.9 million, mostly due to the increase in deposits at BancABC subgroup of EUR 91.5 million (2011: EUR 0). Cash outflows result largely from an increase in operating assets of EUR 37.9 million. They are mainly due to the increasing loan book of BancABC which resulted in cash outflows of EUR 57.9 million.

NET CASH INFLOWS FROM INVESTING ACTIVITIES amounted to EUR 58.1 million (2011: EUR -14.1 million) mainly due to the purchase of shares in UGPL in January 2012 of EUR -22.7 million (2011: EUR 13.3 million) and acquisition of subsidiaries of EUR 86.7 million (2011: EUR 0). The EUR 86.7 million include further acquisitions of shares in BancABC of EUR -41.5 million over the course of 2012 net of cash acquired of EUR 128.2 million and EUR -4.3 million for the purchase of Altira ADC Management GmbH, the General Partner. Furthermore, outflows of EUR 4.1 million were invested in property, plant and equipment mainly through ADC's subsidiary BancABC during the 5-months of 2012 that it was consolidated into ADC. Finally outflows of EUR 2.0 million were used for the purchase of intangible assets.

NET CASH INFLOWS FROM FINANCING ACTIVITIES amounted to EUR 36.5 million compared to EUR 25.0 million in 2011. The primary cash inflow from financing activities relates to the bond with warrants attached issued on 01 June 2012 with a nominal value of EUR 40 million. After placement expenses, the settlement of the bond resulted in a net cash inflow of EUR 38.2 million. Cash outflows from financing activities are due to the repayment of a EUR 4.0 million short term loan which served as bridging for the capital increase at the end of 2011. Finally, in relation to ADC's share buyback program ADC acquired 315,160 treasury shares resulting in a cash outflow of EUR 2.8 million during the first half of 2012 and on 14 September 2012 this stake was sold to a strategic investor at a purchase price of EUR 2.7 million in order to free-up funds for the majority acquisition of BancABC. As a result of the above, total cash inflows for the year ended 31 December 2012 were EUR 140.7 million, compared to a total cash outflow of EUR 2.0 million in the previous year.

In November 2012, the Management of ADC secured an operating loan facility of up to EUR 4.3 million from its shareholder Trafigura in order to ensure ADC and its subsidiaries are able to meet their short-term liabilities, and particularly to cover costs relating to the transformation of the company to a stock corporation. ADC is assessing further options to increase its liquidity position including sales of investments as well as increasing the capitalization of the group by issuing further debt or equity. Management believes that existing key shareholders are supportive to the Group's strategy and sees a good interest in the market from potential new shareholders to allocate funds to sub-Saharan Africa. As such, ADC is in a secure financial position to fund its operations and the operations of its subsidiaries although further expansion into additional countries and core markets in sub-Saharan Africa might require additional financing. Management has so far not committed material financial resources to further investments. Management assesses the Group's balance sheet and economic situation as very strong and has no doubt that 2013 results will be significantly better than 2012. Additionally Management is convinced that it will be able to attract additional financing to realize its expansion plans.

SUPPLEMENTAL REPORT OF POST BALANCE SHEET EVENTS

CHANGE OF LEGAL FORM

On 17 January 2013, ADC held an Extraordinary General Meeting (EGM) to resolve the transformation of the Company's legal form into a stock corporation (AG) and approved the change in legal form as well as the underlying articles of association by a vast majority. The structure of an AG is more common than a partnership limited by shares, which is expected to decrease investment barriers for investors and increase transparency. The stock continues to trade in the current legal form until the final transformation to a stock corporation, which is subject to legal and regulatory requirements.

MANAGEMENT CHANGE

Dirk Harbecke was named sole Managing Director of the AG and the sole Managing Director of ADC Management GmbH until the AG is legally formed. Mr. Harbecke is the co-founder of ADC and Group CEO, managing group strategy, investor relations and governance. Olaf Meier, previous Managing Director of the Altira ADC Management GmbH, has resigned from his position as Managing Director as a result of these changes. ADC thanks Mr. Meier for his work and exceptional commitment over the last few years.

SUPERVISORY BOARD APPOINTMENTS

The court formally appointed Jyrki Koskelo on 8 January 2013 to the Supervisory Board following the resignation of Christian Angermayer on 30 November 2012. At the Extraordinary General Meeting (EGM) on 17 January 2013, the current Supervisory Board, consisting of Alastair Newton, Pierre Lorinet and Jyrki Koskelo, were officially elected as Members of the Supervisory Board of the AG; Mr. Newton was elected as Chairman. All the resolutions were supported with qualified majorities of the present capital.

VOTING RIGHTS NOTIFICATIONS

On 15 February 2013, Wellington Management Company LLP, located in Boston, Massachusetts USA informed ADC that its voting rights have exceed the 3% and 5% threshold as defined in § 21 (1) of the German Securities Trading Act (WpHG) as of 14 February 2013. Total shares equal 5.01 % of outstanding shares, which corresponds to 431,347 shares with voting rights.

On 05 March 2013, Mr. Bernd Foertsch, Germany informed ADC that his voting rights have exceeded the 3% and 5% threshold as defined in § 21 (1) of the German Securities Trading Act (WpHG) as of 28 February 2013. Total shares equal 5.01 % of outstanding shares, which corresponds to 431,100 shares with voting rights. The shareholding is to be attributed to Mr Foertsch via BF

Holding GmbH, Kulmbach, Lion Capital AG, Kulmbach and Altira Aktiengesellschaft, Frankfurt am Main.

On 13 March 2013, Angermayer Brumm & Lange Unternehmensgruppe GmbH located in Frankfurt/Main, Germany informed ADC that its voting rights have fallen below the 5% and 3% threshold as defined in § 21 (1) of the German Securities Trading Act (WpHG) as of 28 February 2013. Total shares equal 0.0% of outstanding shares, which corresponds to 0 shares with voting rights.

CHANGE IN THE CONDITIONAL CAPITAL

In the EGM on 17 January 2013 the following resolution was taken: The Conditional Capital II/2009 shall be reduced to a scope of EUR 2,000,000.00; § 5 (4) of the Articles of Association shall be reformulated as follows: "The company's share capital is conditionally increased by up to EUR 2,000,000.00 (in words: two million euros) by issuing up to 2,000,000 (in words: two million) new individual registered shares (Conditional Capital II/2009). In addition a further resolution was taken in the EGM on 17 January 2013 on new conditional capital. The company's share capital shall be conditionally increased by up to EUR 1,400,000.00 by issuing up to 1,400,000 new individual registered shares (Conditional Capital I/2013). The conditional capital increase serves to grant subscription and/or conversion rights to the bearers of warrants and/or convertible bonds issued by the company or by group companies. The Conditional Capital I/2013 was included in the corporate register on 24 April 2013.

BRIDGE LOAN FACILITY

ADC has called further EUR 3.3 million of the loan facility agreement with Trafigura Holdings Limited in the first quarter of 2013 and has now fully called the potential amount of EUR 4.3 million of the loan facility. Furthermore, ADC requested an extension of the loan facility until 3 November 2013 which was agreed by Trafigura on 24 April 2013.

EXIT OF BANCO NACIONALE DE GUINEA ECUATORIAL (BANGE)

On 15 May 2013, ADC announced a successful exit from its 25% shareholding in Banco Nacional de Guinea Ecuatorial (BANGE) to co-shareholders in the bank. A purchase price of EUR 9.0 million was paid. Inclusive of dividend payments, a total gain on the invested capital of EUR 6.6 million was realized, reflecting a gross IRR of 34% and a total value to paid in multiple of 3.4x.

CONVERSION OF A CONVERTIBLE LOAN IN BANCABC

On 27 May 2013, ADC's subsidiary, BancABC, has announced the allotment of 24,080,230 ordinary shares to the International Finance Corporation (IFC), a member of the World Bank Group, upon the conversion of a convertible loan of BWP 78.0 million (EUR 7.0 million).

POOLING AGREEMENT IN BANCABC

On 29 May 2013, ADC announced that it has engaged in pooling agreements with two aligned minority investors of BancABC for a further 7,741,562 shares in the banking group. Through these two pooling agreements, ADC is guaranteed to maintain control of BancABC with 50.1% majority on a fully diluted basis post loan conversion by the IFC.

MANDATORY TAKEOVER OFFER FOR BANCABC

On 29 May 2013, ADC announced that it will undertake a mandatory takeover offer to minority shareholders of BancABC and offer a cash payment equal to the price at which ADC acquired a majority shareholding while acting as an underwriter of the bank's rights issue in July 2012. The mandatory takeover offer will be executed at a price of USD 0.60 per share on the Zimbabwe Stock Exchange and at the exchange rate equivalent of BWP 5.05 on the Botswana Stock Exchange.

EXECUTION OF TRANSFORMATION AND APPLICATION FOR RE-LISTING IN ENTRY STANDARD

On 29 May 2013, ADC announced that it has resolved to take the next steps to transform ADC into a stock corporation (AG) by applying for the transformation in the commercial register and to apply for a re-listing of ADC in the Entry Standard segment of the Frankfurt Stock Exchange in due course.

CORPORATE GOVERNANCE REPORT

The Management and Supervisory Board of ADC African Development Corporation GmbH & Co. KGaA submitted the following Declaration of Conformity with the German Corporate Governance Code pursuant to Article 161 of the German Stock Corporation Act (Aktiengesetz) in March 2013

The German Corporate Governance Code formulates principles of a value-based company's management and supervision. The code sets out recommendations and suggestions concerning the management and supervision of publicly listed German companies with respect to their shareholders and general meetings, management and supervisory board, transparency, and the reporting and audit of annual financial statements. The Supervisory Board of ADC African Development Corporation GmbH & Co. KGaA is required by law to submit an annual declaration of conformity disclosing those recommendations which have not been and are not complied with.

Due to the resolution of the Extraordinary General Meeting in January 2013 to transform ADC into a stock corporate (AG), the following deviations from the German Corporate Governance Code are temporary. The German Corporate Governance Code is based on the specific circumstances and set-up of a stock corporation. The prior legal form of ADC African Development Corporation GmbH & Co. KGaA, as a partnership limited by shares (Kommanditgesellschaft auf Aktien), is a hybrid of a stock corporation (Aktiengesellschaft) and a limited partnership (Kommanditgesellschaft). The structure of a stock corporation (AG) is more common than a partnership limited by shares and will decrease investment barriers for investors and increase transparency. The final transformation to a stock corporation is subject to the implementation of further legal steps and will be finalized in the second quarter of 2013. Until such time the stock continues to trade in the current legal form and as such will report compliance as a partnership limited by shares.

Therefore, ADC African Development Corporation GmbH & Co. KGaA has reviewed the recommendations and suggestions to ascertain how the Code may be applied by analogy to a partnership limited by shares to meet its intention and as such certain recommendations and suggestions of the Code may only be complied with mutatis mutandis. The declaration of conformity can also be accessed through the website of ADC at: http://www.african-development.com/en/investor-relations/corporate-governance/declaration-ofconformity/

DEVIATIONS FROM THE CORPORATE GOVERNANCE CODE

— According to Section 4.2.1 the Management Board shall be comprised of several people and a chairman or spokesman. These recommendations are not complied with as the Management of the General Partner only consists of one person at present.

— According to Section 5.1.2, the Supervisory Board shall specify an age limit for the Management Board members. No such age limit for Management Board members is provided for as the company prefers not to forego the expertise of experienced older Management Board members. Furthermore, the Management Board shall stipulate an appropriate degree of female representation. Currently, the Management Board consists of only one member with no female representation. Nevertheless the issue has been discussed and ADC will direct its attention to the diversity of the Management Board as it increases in size.

— According to Section 5.1.3, the Supervisory Board shall issue a Code of Procedure (Terms of Reference) for its activities. This recommendation is not complied with as this measure is not expected to lead to any increase in efficiency in a Supervisory Board consisting of three members.

— Section 5.2 sets out recommendations concerning the duties and powers of the Supervisory Board Chairman. The recommendations concerning committees are not complied with. The company's Supervisory Board consists of only three members who jointly agree and resolve on all relevant matters.

— Section 5.3 recommends that the Supervisory Board shall form committees. This recommendation is not complied with as the Supervisory Board comprises of only three members and the formation of committees will not increase its efficiency.

— According to Section 5.4.1, the Supervisory Board shall specify an age limit for its members. No such age limit for Supervisory Board members is provided for as the company prefers not to forego the expertise of experienced older Supervisory Board members. Furthermore an appropriate degree of female representation in the Supervisory Board shall be stipulated. Currently, the Supervisory Board consists of only three members with no female representation. Nevertheless, the issue has been discussed and ADC's Supervisory Board will follow this recommendation of diversity as the Board size increases.

— Section 5.6 recommends that the Supervisory Board shall regularly review the efficiency of its activities. An efficiency review is not regarded as expedient given the small size of the Supervisory Board which allows effective and continuous review versus a formal audit which is not expected to lead to any efficiency enhancements.

— Section 7.1.2 is not complied with to the extent that the consolidated financial statements are published within 120 and not 90 days, and interim reports within 60 and not 45 days, following the end of the previous financial reporting period in accordance with the German Securities Trading Act (Wertpapierhandelsgesetz).

REMUNERATION REPORT

The remuneration of the Managing Director of the General Partner is made up of two components: a fixed and a variable component. The fixed component of compensation is determined by contract and paid in twelve equal monthly installments. The variable remuneration component is based on the business performance and is determined by the shareholder of the management company on unspecified criteria. In the past, the Managing Director of the general partner was paid up to 50% of fixed remuneration as variable remuneration. In addition, non-cash and fringe benefits mainly consist of a company car. Stock option plans and similar incentive schemes did not exist on the date of reporting.

The remuneration of the Supervisory Board is specified in § 15 (6) of the Articles of Association. Thereafter, each member of the Supervisory Board receives a refund of the expenses incurred in connection with the participation in the meetings. Any additional compensation to the members of the Board is only granted if approved by the General Assembly by the majority of shareholders.

The information referred to in § 314 (1) 6 Commercial Code is contained in the notes.

TAKEOVER PROVISIONS

EXPLANATORY REPORT ON THE INFORMATION IN ACCORDANCE WITH § 289 (4) OR § 315 (4) OF THE GERMAN COMMERCIAL CODE (HGB)

ADC's share capital amounts to EUR 8,606,764.00 and is divided into 8,606,764 no-par value registered ordinary shares (no-par shares) with a nominal value of EUR 1.00. The total number of shares in issue increased to 8,606,764 on 29 May 2012. The increased number of shares outstanding is due to 196,000 conversions of the convertible bond issued in April 2010.

Each share grants the same rights, inclusive of voting rights. There are no different classes of shares. The voting rights of shareholders are neither limited by law nor by statute. Restrictions on voting rights or the transfer of shares that could result from agreements between shareholders, are not known to the Management. ADC has not issued any shares with special rights.

On 31 December 2012, Trafigura Beheer B.V., Amsterdam, Netherlands, held 25.25% of the voting rights in ADC. This shareholding was shifted to a group company of Trafigura Beheer BV, Netherlands, called Trafigura Holdings Limited, Gzira, Malta as announced on 16 January 2013. Other direct or indirect shareholdings exceeding 10% of the voting rights were not communicated to the Company during the reporting period.

The Managing Director of the General Partner, Dirk Harbecke purchased 100,000 shares at a price of EUR 5.00 according to the announcement on 04 May 2012. The purchase took place through the exercise of conversion rights of the convertible bond issued by the Company in April 2010 to incentivize the Management.

ADC was set up as a partnership limited by shares, meaning that in accordance with § 278 (2) of the German Stock Corporate Act (AktG) the company is managed and represented by its General Partner rather than by a Management Board. The General Partner, ADC Management GmbH, was acquired by ADC on 06 November 2012, transforming it into a unity KGaA with the General Partner as a subsidiary. As per the Board resolution in an Extraordinary General Meeting on 17 January 2013, ADC will take the form of a stock corporate (AG) and once all necessary legal documentation is in place the General Partner will cease business and a Management Board will replace it.

Due to the current legal structure the company is managed by its General Partner and the withdrawal of the General Partner is defined in article 13 of the company's articles of association and in accordance with the German stock corporate law (AktG) article 278 et seq. The Supervisory Board is according to article 20 (3) of the company's articles of association and in line with article 179 (1) German stock corporate law (AktG) authorized, with the General Partner's consent, to pass resolutions that change or amend only the wording of the articles of association all other amendments need to pass a General Meeting.

The Annual General Meeting held on 12 August 2009 authorized the General Partner and the Supervisory Board to issue warrant or convertible bonds up to a total nominal amount of EUR

50,000,000.00 and to grant new shares in the company to the bearers and/or creditors of warrant and/or convertible bonds. To service warrant exercise or conversion rights resulting from this authorization, the company's Articles of Association provide in § 5 (4) for conditional capital of EUR 4,800,000.00 (Conditional Capital II/2009). Acting on this authorization, in May 2012 the company issued a warrant bond with a total nominal amount of EUR 40,000,000.00 that was fully drawn down and subscribed ("Warrant Bond 2012/2015"). The bond with warrants attached was listed in the Open Market on the Frankfurt Stock Exchange on 02 July 2012 with the ISIN DE000A1PGNY4, is equipped with an interest rate of 6% with a term of 3 years (01 June 2012 until 31 May 2015). BancABC shares serve as collateral for the bond with warrants attached. The warrant bond is divided into 400,000 individual bearer warrant bonds with a nominal amount of EUR 100.00 each. Each warrant bond entitles its bearer to subscribe 5 new shares in the company. Conditional capital of up to EUR 2,000,000.00 is required to service these subscription rights. No further utilization is to be made of the existing authorization to issue warrant and/or convertible bonds; the authorization is to be rescinded to the extent that it has not been utilized. Of the conditional capital pursuant to § 5 (4) of the Articles of Association, an amount of EUR 2,800,000.00 is no longer required to service subscription or conversion rights; the conditional capital is to be reduced by this amount. To ensure that the company still has the necessary flexibility in respect of its capital procurement, a new authorization governing the issue of further warrant and/or convertible bonds is to be adopted. To service the subscription rights arising on account of warrant and/or convertible bonds issued, new conditional capital is to be created (Conditional Capital I/2013) and the Articles of Association amended accordingly. In the Extraordinary Annual General Meeting on 17 January 2013 the following resolution was taken: The Conditional Capital II/2009 shall be reduced to a scope of EUR 2,000,000.00; § 5 (4) of the Articles of Association shall be reformulated as follows: "The company's share capital is conditionally increased by up to EUR 2,000,000.00 (in words: two million euros) by issuing up to 2,000,000 (in words: two million) new individual registered shares (Conditional Capital II/2009)."

In addition a further resolution was taken in the Extraordinary General Meeting on 17 January 2013 on new conditional capital. The company's share capital shall be conditionally increased by up to EUR 1,400,000.00 by issuing up to 1,400,000 new individual registered shares (Conditional Capital I/2013). The conditional capital increase serves to grant subscription and/or conversion rights to the bearers of warrant and/or convertible bonds issued by the company or by group companies.

By resolution of 28 August 2008 and with the consent of the Supervisory Board, the General Partner is authorized to increase the share capital of the Company until 31 July 2013 against cash and / or cash contributions in one or more tranches, by issuing new shares of up to a total of EUR 6,235,386.00 (authorized capital I/2008).

There are no material agreements of the company that are subject to a change of control as a result of a takeover bid.

In February 2012, ADC launched a share buy-back program, in order to purchase a total of 420,538 shares - 5% of the company's share capital. Nevertheless on 09 August 2012 the Supervisory Board agreed on putting the share buy-back program on hold, since cash was needed to acquire the majority of BancABC shares. All treasury shares were sold thereafter and at the end of the period the company no longer held any treasury shares. However, generally, the share buyback resolution is still in place and the General Partner could, with consent of the Supervisory Board, continue to buy own shares without prior announcement to the market.

RISK REPORT
AND RISK MANAGEMENT SYSTEM

OBJECTIVES

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of single risk or a combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance.

Most assets on the ADC Group balance sheet are assets from the banking operations in BancABC, whereas the other ADC activities make up a rather small part of the asset base. BancABC's risk system is particularly highlighted alongside ADC's Group Risk Management System due to ADC's majority ownership of the bank and the consolidation thereof.

The Group's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

BancABC Group Risk carries out risk management at BancABC, under policies approved by their Board of Directors. The Board approves for overall risk management as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, internal audit implemented on BancABC level is responsible for the independent review of risk management and the control environment. The most important types of risk are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and price risk.

ADC's Risk Management System (RMS) was developed to keep management and the Supervisory Board up-to-date about on-going political, economic, financial, legal and operational risks in ADC's group and portfolio companies as well as the wider market risks affecting sub-Saharan Africa. Management ensures that risks are systematically identified, measured and managed using the RMS. The results of the analysis influence the Company's strategic, financial and operational decision-making processes. Further information on the financial risk management and capital management of the company can be found in note 9 to the notes of the consolidated group financial statements.

RISK REPORTING

Risk owners have a responsibility to identify, verify, report and monitor risks. They have to identify risks at a very early stage, enumerate and evaluate them and initiate appropriate procedures to avoid or minimize risks. Their tasks include the identification, evaluation, communication, control and monitoring of risks. They must report risks to risk controllers and reconcile risks on an ongoing basis and generate ad hoc risk announcements.

At group level, monthly reports analyze the top 10 risks impacting the Company, including the likelihood and potential severity of each risk. The report includes an analysis of each group or portfolio company to assess internal and external events that may affect each business line and investment and finance managers evaluate these risks to refine a scenario analysis that is used for realistic up-to-date risk forecasts. The scenario analysis forms the basis of a stress test that includes five scenarios varying from worst to best case, which is then used to estimate the overall risk exposure and procedures that are best used to mitigate each risk.

RISK MEASUREMENT

Both ADC and BancABC utilize a stress-testing framework for assessing the impact of various shocks on earnings and capital. The stress testing tool covers sensitivity analysis with respect to Credit, Liquidity and Foreign Currency Risks at BancABC and foreign exchange and asset value stress testing on a monthly basis at the ADC level. The results of the stress tests are particularly important for assessing the likely impact of various shocks. Contingent measures can then be designed and put in place in preparation of a case where the stress scenarios crystalize.

The BancABC Group is in the process of finalizing a new Enterprise Risk Management (ERM) framework targeting completion in the first half-year of 2013. The BancABC Group is also developing an Economic Capital Framework for the Group to be tested starting in Q2 2013 and target rollout is 2014. The Internal Capital Adequacy Assessment Process (ICAAP) will cover Economic Capital (EC) for Credit and Translation Risk, Operational Risk, Market Risk (Trading), Interest Rate Risk (Banking Book), Business Risk and Other Risk types. The framework will cover aspects of risk based capital measurement and allocation. The major objective of moving towards EC is that value creation can be embedded in the pricing of transactions taking into account the level of risk the Group is exposed to as measured by BancABC internal risk models.

INTERNAL CONTROL SYSTEM FOR THE CONSOLIDATED FINANCIAL REPORTING PROCESS

ADC is responsible for establishing, applying and maintaining an adequate internal control system for its accounting process and that of its consolidated subsidiaries. It is intended to provide reasonable assurances that the composition of the consolidated financial statements are in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU and that the external financial reporting is reliable.

The main risk in the financial reporting process is that ADC's group and portfolio companies' financial statements may be subject to intentional or unintentional errors that do not provide a true and fair view of their assets, liabilities and overall financial position or that the publication of the results may be delayed, which would subsequently impact the asset, financial and earnings position of the Company. Deviations are considered significant if they could, individually or collectively influence the decisions on the basis of the economic decisions of the users of the financial statements. To counter this risk, ADC applies a four-eye principle for the preparation of financial statements and accounting. In addition, professional, licensed service providers in Mauritius and Germany, which are subject to strict controls, are responsible for the Company's accounting during the consolidation process of the Mauritian and German holding entities.

ADC's internal control system has been established for a pan-African banking group and concentrates on the following main aspects:

— a) The application of a single set of group accounting policies. Furthermore, all consolidated group report in a similar monthly structure to ensure effective consolidation on a monthly basis.

— b) The organization and control of finance and accounting: Further to the dedicated accounting teams in each of the BancABC subsidiaries, ADC utilizes professional, licensed service providers for execution of its bookkeeping activities in Mauritius and Germany. These service providers work under the direct supervision of ADC finance managers who ensure compliance with Group rules, procedures and policies.

— c) Principles of separation of functions between departments: The control system defines which tasks are fulfilled by which Unit within the Group.

— d) Assignment of tasks in the preparation of financial statements: The control system defines who is responsible to report which input in which form and to which deadline.

— e) Involvement of external service providers on financial reporting process: ADC ensures that local rules and procedures are adhered to by engaging local service providers, particularly for the completion of local statutory and tax accounts. To coordinate responsibilities and functions the control system clearly separate internal and external tasks.

— f) Access rules in the computer system: Four eyes principles and other access rules such as password composition and administrator functions are defined.

— g) Functions related to accounting, which are carried out by Internal Audit: The Internal Audit function is currently operational on BancABC level. The Internal Audit plays a key role in maintaining and improving the internal control environment within the BancABC Group. The BancABC Group Head of Internal Audit reports directly to the BancABC Risk and Audit Committee of the Board. The primary function of internal audit is to give objective assurance to the BancABC Board that adequate management processes are in place to identify and monitor risks, and that effective internal controls are in place to manage those risks. The Internal Audit independently audits and evaluates the effectiveness of the BancABC Group's risk management, internal controls and governance processes. Internal audit operates under terms of reference approved by the BancABC Risk and Audit Committee. The terms of reference define the role and objectives, authority and responsibility of the audit function. The reporting structures ensure that the BancABC Internal Auditor has unrestricted access to the Chairman of the Risk and Audit Committee of BancABC and the Group CEO of BancABC. At the outset of each financial year, BancABC Internal Audit carries out a risk assessment for all business units and subsidiaries. A comprehensive audit plan for the year that identifies specific areas of focus is then derived from this assessment. The audit plan is reviewed regularly and any changes must be approved by the BancABC Risk and Audit Committee. The areas of focus are confirmed with executive management before being submitted to the BancABC Risk and Audit Committee for approval. It is targeted to roll out internal audit activities to ADC Group during the coming fiscal year.

— h) Control processes related to accounting: Computer systems and guidelines ensure that the four eyes principle is being lived in the Group.

OPPORTUNITIES AND RISKS ASSOCIATED WITH FORECAST DEVELOPMENT

The management of opportunities at ADC is part of the annual strategic review and based on business opportunities in relation to target returns. ADC management assesses opportunities while ensuring that adequate capital and reserves of cash are on hand for day-to-day business needs. New investment decisions are made on the basis of an in-depth fundamental analysis, taking into account industry-specific and regional factors, with the involvement of outside industry experts. All ADC investments are made following pre-defined investment process inclusive of a thorough verification and due diligence of the opportunity.

ADC staff and management explore new investment opportunities, but the Articles of Association require Supervisory Board approval for the following: a) investment decisions above EUR 1 million, b) taking out loans or granting loans above EUR 1 million and c) divestments below acquisition cost. This approval mechanism reduces the risk that any one person or group of people will have undue influence on an investment decision.

ADC tracks the development of its investments and subsidiaries via Key Performance Indicators (KPIs) inclusive of the following: Total Revenue & Income, Total Assets, Total Equity, EBIT, EBITDA, Profit After Tax (PAT), Return on Assets (ROA) defined as net profit after tax over total assets, Return on Equity (ROE) defined as net profit after tax over total shareholders' equity, Price to Earnings (P/E) defined as market capitalization over net profit after tax, Price to Book (P/B) defined as market capitalization over total shareholders' equity and share price for listed companies. Non-listed portfolio companies prepare monthly reports inclusive of quantitative and qualitative information and the management of ADC follows the operational performance of all entities via supervisory or control functions within the investments.

RISK CAPITAL MANAGEMENT

Capital Management is also presented in Note 9.3 to the notes of the consolidated group financial statements.

MANAGEMENT OF REGULATORY CAPITAL ADEQUACY

Capital adequacy ratios are a measure of the amount of a bank's core capital expressed as a percentage of its risk-weighted assets. The percent threshold varies from country to country in sub-Saharan Africa, but a common requirement for regulators conforming to Basel Accords is 10%.

For ADC group, regulatory capital requirements are currently those of BancABC group as ADC's only fully consolidated banking investment, and are defined by the regulatory minimum ratios in each of BancABC's subsidiary countries. BancABC is responsible for risk and capital management and for complying with capital adequacy across the subgroup. Internal targets of regulatory capital ratios are set at least 2% above the minimum regulatory requirements as buffers in all subsidiaries. The anticipated adoption of ICAAP will in the long run ensure that capital is managed effectively within the Group.

BancABC's objectives when managing its capital are:

- to comply with the capital requirements set by the regulators of the banking markets where the entities within the Group operate;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee and the relevant Central Bank Authorities. The required information is filed with the Authorities on a monthly basis. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business.

The BancABC Group's policies in respect of capital management and allocation are reviewed regularly by the BancABC Board of Directors. There have been no material changes to the Group's management of capital during the year.

At 31 December 2012 all regulated banking operations complied with all externally imposed capital requirements, except for BancABC Tanzania. Management is currently in the process of finalizing a recapitalization plan to inject between BWP 80 million (EUR 7.8 million) and BWP 110 million (EUR 10.7 million) into the entity.

BancABC's Group regulatory capital was calculated as at 31 December 2012 on the basis of the financial statements of the banking subsidiaries and amounted to BWP 1,156.1 million (EUR 112.8 million) vs. BWP 612.6 million (EUR 63.2 million) in 2011. The increase of the regulatory capital is mainly due to an increase in shareholders loans at subsidiary level, as well as contributions of the current-year profit. The increase of the risk-weighted assets reflects the expansion of the lending business in most of the subsidiaries.

The following table provides an overview of BancABC subgroup's regulatory capital ratios as of year-end 2012. 2011 values prior to taking over control by ADC are values from BancABC standalone and are provided for informational purposes only. BancABC improved its capital adequacy ratio as a subgroup from 8% at year-end 2011 to 10% at year-end 2012, meeting current Basel standards.

EURk	31 DECEMBER 2012	31 DECEMBER 2011
Tier 1 capital	110,975	61,621
Tier 2 capital	1,858	1,627
Total Capital	112,834	63,248
Total Risk Weighted Assets	1,102,856	777,522
Capital Adequacy ratio	10%	8%

CREDIT RISK

Credit risk is also presented in Note 9.2.1 to the notes of the consolidated group financial statements.

DEFINITION

Credit risk is the risk that a borrower will default on any type of debt by failing to make payments. The loss may be complete or partial. Country risk is an element of credit risk relating to the risk of default by a borrower abroad resulting from interruptions to the international payment transfer system in the borrower's country of residence (transfer risk). Country risk also refers to the risk that governments are unable or only partially able to meet their contractual obligations.

BancABC takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Significant changes in the economy, or in the health of a particular segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the balance sheet date. Country (or Sovereign) risk is part of overall credit risk and is managed as part of the credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments.

RISK STRATEGY

BancABC counters this risk through timely monitoring of business partners. Before taking on a new customer, the Group carries out a credit check in order to assess the creditworthiness of potential customers. A payment period of 21 days (prior year: 21 days) is normally granted for trade receivables. Accordingly, management believes that no risk provision beyond the impairment losses already recognized is necessary.

The BancABC Board has defined and documented a credit policy for the BancABC Group, which forms the basis of credit decisions. This policy includes a framework of limits and delegation of credit approval authority, which are strictly adhered to. No one individual has the power to authorize credit exposures. Each subsidiary has a credit committee, which operates within the defined limits set by the BancABC Board. These committees are responsible for the management of credit risk within their country including credit decisions, processes, legal and documentation risk and compliance with impairment policies.

RISK REPORTING

The BancABC Risk team reviews subsidiary risk exposures regularly, and reports to the BancABC Board of Directors. The BancABC Group Risk Department regularly reviews each subsidiary's adherence to required standards.

The BancABC Executive Committee report to the BancABC Board and is responsible for approval of credit decisions that are above country limits, recommendations on exposure limits and impairment policies. There is also a Board Credit Committee on BancABC level that approves any loans above the limit to be approved by the BancABC Executive Committee.

The Group has adopted standard impairment policies, which at a minimum comply with the prudential guidelines of the respective countries' central banks. Impairments are determined monthly at a subsidiary level and are subject to regular review by BancABC Group Risk.

RISK MANAGEMENT

In measuring credit risk of loans and advances to customers and to banks at a counterparty level, the Group considers three components: the probability of default by the client or counterparty on its contractual obligations; the current exposures to the counterparty and its likely future development; and the likely recovery on the defaulted obligations.

These credit risk measurements, which reflect expected loss, are embedded in the BancABC Group's daily operational management. The operational measurements are contrasted with impairment allowances required under IAS 39, which are based on losses that have been incurred at the balance sheet date.

The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties. They have been developed internally and combine statistical analysis for certain categories, as well as credit officer judgment. Clients of the Group are segmented into five rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The BancABC Group regularly validates the performance of the rating and their predictive power with regard to default events.

BANCABC'S INTERNAL RATING SCALE

CATEGORY	DESCRIPTION
Performing	The credit appears satisfactory
Special mention	The credit appears satisfactory but exhibits potential or inherence weaknesses which, if not attended to, may weaken the asset or prospects of collection in full e.g. full documentation or 30 days but less than 90 days in arrears
Sub-standard	The credit has defined weaknesses that may jeopardize liquidation of the debit i.e. the paying capacity of the borrower is in doubtful or inadequate, or more than 90 days but less than 180 days in arrears
Doubtful	Credit facilities with above weaknesses and has deteriorated further to the extent that even with the existing security, full recovery will not be possible, or 180 days but less than 12 months in arrears
Loss	Facilities considered impossible to collect with little or no realizable security, or more than 12 months in arrears

RISK LIMIT CONTROL AND MITIGATION POLICIES

The Group manages, limits and controls concentrations of credit risk in respect of individual counterparties and groups, and to industries and countries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the BancABC Board of Directors, and reviewed regularly. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below.

1. Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The BancABC Group implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are:

- cash collateral;
- charges over assets financed;
- mortgages over residential and commercial properties;
- charges over business assets such as premises, inventory and accounts receivable;
- charges over financial instruments such as debt securities and equities.

Loans and advances to corporates are generally secured. In addition, in order to minimize credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances. Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

2. Master netting arrangements

The BancABC Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The BancABC Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

3. Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit - which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The BancABC Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

4. Derivatives

The Group maintains strict control limits on net open derivative positions (that is, the difference between purchase and sale contracts) by both amount and term. The amount subject to credit risk is limited to expected future net cash inflows of instruments, which in relation to derivatives are only a fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not always obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

IMPAIRMENT POLICIES

The impairments at year-end are derived from each of the five internal rating grades, adjusted for the provision of IAS 39. The table below shows the percentage of the BancABC Group's on-and-off balance sheet items relating to loans and advances and the associated impairment for each of the Group's internal rating categories. 2011 values are prior to taking over control in BancABC by ADC.

IMPAIRMENTS CLASSIFICATION

	2012		2011	
CATEGORY	LOANS AND ADVANCES (IN %)	IMPAIRMENTS (IN %)	LOANS AND ADVANCES (IN %)	IMPAIRMENTS (IN %)
Performing	85%	19%	0%	0%
Special mention	6%	5%	0%	0%
Sub-standard	3%	22%	0%	0%
Doubtful	1%	4%	0%	0%
Loss	5%	50%	0%	0%
	100%	100%	0%	0%

Impairments are managed on an expected loss basis, and are recorded on an actual loss basis.

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 39, based on the following criteria set out by the Group:

- delinquency in contractual payments of principal or interest;
- cash flow difficulties experienced by the borrower;
- breach of loan covenants or conditions;
- initiation of bankruptcy proceedings;
- deterioration of the borrower's competitive position;
- deterioration in the value of collateral; and
- downgrading below "Performing" level.

The Group's policy requires the review of individual financial assets at least once a month, or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collectively assessed impairment allowances are provided for: (i) portfolios of homogenous assets that are individually below materiality thresholds; and (ii) losses that have been incurred but have not yet been identified, by using the available historical experience, experienced judgment and statistical techniques.

CREDIT QUALITY

The following tables reflect broadly, stable credit quality across the majority of the Group's businesses. 2011 values prior to taking over control by ADC are values from BancABC standalone and are provided for informational purposes only.

DISTRIBUTION OF LOANS AND ADVANCES BY CREDIT QUALITY:

EURk	2012	2011*
Neither past due nor impaired	782,776	565,032
Past due but not impaired	55,179	41,747
Individually impaired	85,363	43,176
Gross loans and advances	923,319	649,955
Less: Allowance for impairment	- 36,746	-22,463
Net loans and advances	**886,576**	**627,491**

* Just BancABC subgroup in 2011 for informational purpose

The total impairment of loans and advances is EUR 36,7 million compared to EUR 0 million in 2011 for the ADC Group.

During the year ended 31 December 2012, the Group's total gross loans and advances increased by 42% (2011: increased by 95%), attributable to significant expansion in consumer and personal loans in Botswana and Zimbabwe. Loans and advances to the corporate sector to form a major part of the Group's lending portfolio.

CONCENTRATION RISK OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorized by geographical region as of 31 December 2012.

2012 EURk	BOTSWANA	MOZAMBIQUE	TANZANIA	ZAMBIA	ZIMBABWE	OTHER	TOTAL
Placements with other banks	38,777	16,975	14,238	17,642	54,699	14,167	156,498
Financial assets held for trading	71,539	10,451	5,186	5,333	7,324	-	99,832
Financial assets designated at fair value	-	-	7,077	-	3,624	0	10,701
Derivative financial assets	402	12	2,038	12	-	3,274	5,739
Loans and advances (net of impairments)	295,059	85,581	73,607	103,439	325,334	3,553	886,572
Investment securities	4,475	-	-	-	-	844	5,319
Investments in associates	-	-	-	-	-	54,095	54,095
Other current assets	1,002	524	2,309	875	13,788	2,717	21,213
Current tax asset	340	414	1,525	-	810	57	3,147
	411,594	113,957	105,979	127,302	405,578	78,706	1,243,116

MAXIMUM EXPOSURE TO CREDIT RISK BEFORE COLLATERAL HELD OR OTHER CREDIT ENHANCEMENTS

The following table presents the maximum exposure to credit risk of balance sheet and off-balance sheet financial instruments, before taking into account any collateral held or other credit enhancements unless such credit enhancements meet offsetting requirements. For financial assets recognized on the balance sheet, the exposure to credit risk equals their carrying amount before deducting impairments. For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that the Group would have to pay if the guarantees are called upon. For loan commitments and other credit related commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of committed facilities. Investments in associates and listed equities have been excluded as they are regarded as primarily exposing the Group to market risk.

EURk	2012
Placements with other banks	156,498
Financial assets held for trading	99,832
Financial assets designated at fair value	10,701
Derivative financial assets	5,739
Loans and advances (net of impairments)	886,572
Investment securities	5,319
Prepayments and other receivables	21,213
Current tax assets	3,147
	1,189,021
Contingent liabilities	
Guarantees	59,882
Loan commitments and other credit related facilities	17,866
	77,748

Approximately 86% of the total maximum exposure is derives from loans and advances, while 10% represents financial assets held for trading.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from both its loan and advances portfolio and financial assets held for trading based on the following:

— 91% of the gross loans and advances portfolio is categorized in the top two grades of the internal rating system
— 85% of the gross loans and advances portfolio is considered to be "neither pas due nor impaired"
— 9% of gross loans and advances are "individually impaired"
— the Group continues to improve its credit selection and monitoring processes; and
— loans and advances to corporates are generally backed by collateral

RISK POSITION

The amount of capital required to cover credit risk is determined by a variety of factors including the size of single borrower exposures, individual ratings and the industry sector of each exposure. As at 31 December 2012 the risk capital requirement at BancABC amounted to USD 138.4 million (EUR 104.7 million).

MARKET RISK

Market risk is also presented in Note 9.2.2 to the notes of the consolidated group financial statements.

DEFINITION

The Group takes on exposure to market risks, which is the risk that the fair value cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices.

RISK STRATEGY

Market and foreign currency exposures related to dealing positions at BancABC are housed and managed in the Treasury division within a framework of pre-approved dealer, currency and counterparty limits. All BancABC trading positions are marked to market as required by IAS 39.

RISK REPORTING

BancABC Group risk is responsible for monitoring of limits and pricing, thereby ensuring that any errors or unauthorized transactions are promptly identified. The currency exposure that arises as a result of the BancABC's continuing expansion and cross border investment activities is managed through the BancABC Executive Committee and the BancABC Group Asset and Liability Committee.

ADC monitors market risks, inclusive of foreign exchange risk and market movements on a monthly basis. These reports are prepared by senior staff and presented to ADC Management and Supervisory Board.

RISK POSITION

1. Foreign exchange risk

ADC uses a stress testing tool to monitor its foreign exchange risk and possible losses on its exposure to foreign currency, based on its portfolio of investments and includes the following currencies: USD, Kenyan Shilling (KES), Rwandan Franc (RWF) and South African Rand (ZAR). As at 31 December 2012, ADC's foreign exchange rate risk totaled EUR 153.4 million.

BancABC Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. BancABC Group Risk sets limits on the level of exposure by currency and in aggregate for both overnight and intraday positions, which are monitored daily.

BancABC carries out a scenario analysis to measure the foreign exchange risk on its foreign currency exposure. These scenarios demonstrate the effect of different potential changes. For foreign exchange, the effects of a 10% and 20% currency depreciation is simulated to calculate the value at risk position. The results show that a 20% currency deprecation would have a potential gain of USD 1.6 million (EUR 1.2 million) for the bank.

In section 9.2.2 of the Notes to the financial statements is presented BancABC Subgroup's exposure to foreign currency exchange rate risk at 31 December 2012. Included in the table are the Subgroup's total assets and liabilities (financial and non-financial) at carrying amounts, categorized by currency.

2. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of the financial instrument will fluctuate because of changes in market interest rates. BancABC takes on exposure to the effects or fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The BancABC Asset and Liability Committee (ALCO) is responsible for managing interest rate and liquidity risk in the BancABC Group. Asset and Liability management committees have been established in each subsidiary and meet on a monthly basis. They operate within the prudential guidelines and policies established by Group ALCO.

In order to reduce interest rate risk, the majority of BancABC Group's lending is on a variable interest rate with a term of less than one year. This approach has been adopted as a result of the scarcity of term deposits in the region, which limits the Group's ability to build a substantial, stable pool of fixed rate funding.

In section 9.2.2 of the Notes to the financial statements is presented BancABC's total exposure to interest rate risks on financial and non-financial instruments. It includes the Group's financial instruments at carrying amounts, categorized by the earlier of the contractual re-pricing and maturity dates. Furthermore, the impact of a possible 50 basis points interest rate movement for each banking subsidiary is presented.

3. Market movement

Stress tests are carried out to estimate potential losses in special market conditions and describe the variation of the Group's current positions based on a fluctuation in market condition. An IRR stress test at BancABC yields a value at risk of EUR 1.1 million (USD 1.5 million) or EUR 5.4 million (USD 7.2 million) based on a scenario of 1% and 5% IRR variation respectively.

ADC Group holds, directly or through its associates, financial assets with a fair value of EUR 140.4 million (2011: EUR 53.9 million). The Group is therefore exposed to gains or losses related to the variability in the market prices of the equities held. If the fair value were to increase (decrease) by 10% as of the reporting date, financial assets would increase (decrease) by EUR 14.0 million (prior year: EUR 5.4 million).

ADC holds, directly or through its subsidiaries, listed equities with a fair value of EUR 10.7 million compared to EUR 0 million in 2011 and is therefore exposed to gains or losses related to the variability in the market prices of the equities held.

LIQUIDITY RISK

Liquidity risk is also presented in Note 9.2.3 to the notes of the consolidated group financial statements

DEFINITION

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the consolidated statement of financial position and sales of assets, or potentially an inability to fulfill lending commitments. The risk that the Group will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

RISK STRATEGY

The ADC Group manages liquidity risks with a strict annual budgeting process. Adjustments to the budgets are monitored by rolling 12-wee cash forecasts. Weekly cash forecasting is reported from single entity Directors to the CFO and monitored on a consolidated basis and reported to the CEO.

BancABC subgroup holds liquidity reserves in highly tradable instruments or money market placements, which are immediately available if required. Liquidity is assessed by currency as well as by time bracket. BancABC liquidity management is dependent upon accurate cash flow projections and the monitoring of its future funding requirements. BancABC's liquidity management process is monitored by Group Treasury and includes:

— Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. The Group maintains an active presence in global money markets to enable this to happen
— Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow
— Monitoring balance sheet liquidity ratios against internal and regulatory requirements
— Managing concentration and profile of debt maturities

RISK REPORTING

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

BancABC Group Treasury also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letter of credit and guarantees.

RISK MANAGEMENT

Sources of liquidity are regularly reviewed by the Asset and Liability Committees to maintain a diversification by currency, geography, provider, product and term where possible.

RISK POSITION

The Group's maturity analysis (on a discounted cash flow basis) of all assets, liabilities and equity can be found in Section 9.2.3 of the Notes to the Financial Statements.

NON-DERIVATIVE CASHFLOW

The table below presents the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the consolidated statement of financial positions. The amounts disclosed in the table are the contractual undiscounted cash flow, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows:

EURk 2012	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	GREATER THAN 1 YEAR	TOTAL	EFFECT OF DISCOUNT/ FINANCING RATES	31 DECEMBER 2012
Deposits	632,978	288,854	135,621	-	1,057,453	-15,562	1,041,891
Creditors and accruals	14,721	1,354	19,879	-	35,954	-	35,954
Current tax liabilities	1,511	-	507	-	2,018	-	2,018
Borrowed funds	235	5,022	72,614	104,731	182,602	-21,021	161,581
Total liabilities	**649,445**	**295,230**	**228,621**	**104,731**	**1,278,027**	**-36,583**	**1,241,444**

The Group principally uses cash and short-term funds together with financial assets held for trading to manage liquidity risk.

DERIVATIVE FINANCIAL LIABILITIES CASH FLOWS

The table below presents the cash flows payable by the Group for derivative financial liabilities by remaining contractual maturities at the date of the consolidated statement of financial position. The amounts disclosed in the table are the contractual undiscounted nominal currency swap cashflows for the liability leg of such swaps whereas the Group manages the inherent liquidity risk based on expected cash inflows:

EURk 2012	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	GREATER THAN 1 YEAR	NON-INTEREST BEARING	TOTAL
Derivative financial liabilities	0	0	0	0	2,208	2,208

BANCABC RISK POSITION

Results from BancABC's risk scenario and in the stress scenarios as at December 31, 2012 amounted to a stressed liquidity position of EUR 134,9 million (USD 178.3 million). The minimum liquidity surplus, or the required, contingency capital, of BancABC in the risk scenario measured as at December 31 2012 amounted to EUR 72.8 million (USD 96.2 million).

Furthermore, with regards to compliance with regulatory liquidity ratio minimums, BancABC subgroup was in compliance with same in all countries during the 5-month period from August to December 2012 that it was part of ADC Group with the following exceptions:

— In Botswana in October and November the liquidity ratio was below regulatory minimum on a temporary basis and was penalized EUR 8.1k (BWP 83k) by the central bank. In response to this situation, the Botswana subsidiary has slowed down lending activities and has created a buffer in highly liquid instruments to ensure that there is sufficient liquidity to meet all operational requirements on a day-to-day basis. The entity has embarked on a large scale deposit mobilization exercise to grow deposits at a faster rate than loan assets. Furthermore, local Management is planning to raise more long-term funding by way of issuing a bond which should help cover the funding mismatches which currently exist as consumer loans tend to be of a longer maturity than the existing funding from customer deposits. Since November 2012, the entity has consequently always been compliant with the liquidity ratio and it is likely to remain in this position given the measures undertaken by local Management.

— In Zimbabwe in August to October the liquidity ratio was below the regulatory minimum. The subsidiary has also followed a similar strategy of slowing down lending and embarking on a deposit mobilization campaign. It has gone further to reduce some client loan limits to ensure that exposures are well diversified. Local Management has also been actively reviewing facilities to ensure that they are appropriate for the bank. In this respect, the entity has restructured large overdraft facilities by converting part of the facilities into term loans which will ensure that clients reduce their exposures over time. The only challenge remaining in Zimbabwe currently is the lack of government paper to invest in as part of the overall liquidity Management strategy. Furthermore, there is also no active interbank market which reduces investment options in as far as maintenance of highly liquid assets is concerned. Nevertheless, local Management has tried to maintain large bank balances even if it is expensive to do so and this has reduced instances of non-compliance in 2013. The central bank is cognisant of the challenges the overall market is currently facing and this is one of the reasons the regulator will continue to be lenient on compliance with liquidity ratios in the short-term as the market continues to be burdened with the challenges of dollarization.

The below table shows the development of key liquidity ratios[1] by country for each of the 5 months of 2012 in relation to the regulatory minimums:

	REGULATORY MINIMUM	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Botswana	10%	17%	10%	9%	9%	12%
Mozambique	n/a	43%	38%	53%	44%	42%
Tanzania	20%	22%	24%	21%	21%	22%
Zambia	6%	10%	19%	17%	11%	11%
Zimbabwe	30%	14%	19%	28%	47%	35%

1 Liquidity ratio calculated defined as total demand liabilities / total liquid assets

ADC RISK POSITION

The financial condition of the Company may be adversely impacted by an inability to borrow funds or sell assets to meet its obligations. ADC has an interest payment of EUR 2.4 million due in June 2013 and the payment of the principal of ADC's bond with warrants attached (EUR 40 million) is due 31 May 2015. Furthermore, ADC has a working capital loan of EUR 4.3 million currently due in August 2013, however an extension of the same has been agreed until November 2013. If ADC is unable to pay back its obligations, inclusive of annual interest payments, or maintain a liquidity ratio as defined in the terms and conditions of the bond, the Company may be forced to sell assets at a discount to their fair value to satisfy covenants in the bond purchase agreement.

OPERATIONAL RISK

DEFINITION

ADC defines Operational risk as the risk of unexpected loss from human error, information technology failure, weakness in processes and / or management as well as external events. Legal and regulatory risks are also included in this definition.

RISK REPORTING

Monthly reports analyze the top 10 risks impacting the Group, including the likelihood and potential severity of each risk. The report includes an analysis of each group or portfolio company to assess internal and external events that may affect each business line

RISK MANAGEMENT

Under the new operational risk management requirements at BancABC, all heads are responsible for operational risk management in their respective units and will appoint risk champions that will ensure that operational losses are recorded, rated, monitored and tracked until they are resolved.

BancABC has fully implemented an Operational risk management system aCCelerate Analyser by Chase Cooper that went live in February 2013. The system will help BancABC subsidiaries and the Group to monitor operational risks more closely and will also help in the collection of loss data for calibrating Economic Capital Models for the Group. The BancABC internal risk department will be carrying out Business Risk Reviews for all operations in 2013.

RISK POSITION

1. Personnel Risk

ADC and BancABC's operational management is dependent on a number of key individuals. The Company's core team has sectoral and geographical expertise and the networks and contacts to successfully grow the Company. Performance related compensation packages at ADC minimize turnover and a strong and active Supervisory Board ensures continuity and leadership should a member of the Management team leave the company for any reason.

Furthermore, BancABC has a shortage of tellers and banking staff in some operational countries.

2. Regulatory and Legal Risks

There is a risk that the regulatory environment in any one of ADC's group or portfolio countries could suddenly changes in an unpredictable manner. Changes may result from new laws, court decisions, administrative decisions or regulations, particularly in the area of labor law. It is possible that a government may violate international statutes or agreements, resulting in the loss of associated companies, financial difficulties or bankruptcy of the Company. ADC or one of its portfolio companies may face difficulties to enforce contracts due to weaker judicial enforcement and rule of law. ADC may not comply with corporate governance in the capital markets environment or on regulatory requirements in banking and the insurance industry. Moreover, the operations and investments of ADC in the banking and insurance sectors are vulnerable to national and international changes in the capital requirements that are set by the central banks and / or by new international standards such as Basel III. ADC's banking investments risk losing their license if capital requirements change suddenly and additional capital is not available. ADC is currently in discussions with the Botswana Stock Exchange regarding mandatory takeover requirements that are required for a 35%-owned stock listed company in Botswana, such as BancABC.

3. Information Technology

The absence of functional disaster recovery sites in Botswana, Mozambique, Zambia and Zimbabwe and FCUBS (FlexCube Universal Banking System) challenges being faced in some countries presents a degree of operational risk to the Group. With the active risk management approach now used by BancABC Group Risk, countries have to provide firm time lines in which they plan to rectify critical outstanding risk issues.

4. Political Risk

Insufficient governance structures in frontier markets bear considerable risk of unforeseeable changes in the political climate, which could affect ADC's group or portfolio companies and, in extreme cases, lead to partial loss or total expropriation of assets. Where possible, ADC mitigates its exposure to political risk with political insurance policies underwritten by the Multilateral Investment Guarantee Agency (MIGA), a subsidiary of the World Bank. RSwitch, RHEAL and BancABC in Botswana are insured against the following: Exchange controls, Foreign Exchange transfer risk, war and civil disturbance and expropriation of assets (incl. creeping). The policy guarantees a 90% repayment of the invested capital inclusive of retained earnings.

5. External Risks

Many resource rich countries in sub-Saharan Africa are affected by fluctuating global commodity prices. ADC seeks to diversify its banking operations and private equity portfolio geographically and base its investment decisions on the strong fundamentals of the underlying assets to reduce external macroeconomic influences.

RISK INTERDEPENDENCIES

Political and market risks are interdependent and often unpredictable. While ADC and its group or portfolio companies make every effort to identify, assess, aggregate, respond and monitor identified risks, it is possible that one or more risks could rapidly escalate without prior warning. ADC's on-the-ground presence and active management approach reduces the likelihood of unforeseen events, but two or more risks occurring spontaneously and without warning could have negative repercussions. An example of such a situation would be an unexpected personnel loss combined with a sudden change in market environment due to a global economic recession, which would affect the Company and its investments in the short and medium term. If the market environment suddenly changes, the Group could also be affected by a changing interest rate or foreign exchange rates.

SUMMARY

The management of opportunities and risks is at the forefront of the strategic planning and operational models at ADC and BancABC. Risk measurement and reporting will strengthen as the Group begins to consolidate its operational entities in 2013. Furthermore, BancABC Group and all of its subsidiaries will comply with Basel II by 1 January 2014, as is required by central banks in all of its subsidiary countries.

A summary of the BancABC's Subgroup risk position as at 31 December 2012 is presented below:

EUR MILLION		BancABC SUBGROUP
Minimum Regulatory / Economic Capital		112.8
Capital Adequacy Ratio		10%
Credit Risk		104.7
Market Risk Stress	FX: Currency Depreciation 10%	+ 0.6
	FX: Currency Depreciation 20%	+ 1.2
	IRR: up by 1%	- 1.5
	IRR: up by 5%	- 5.4
Liquidity risk		134.9

OUTLOOK & OPPORTUNITIES

In 2012, ADC began to transform its structure to form a pan-African Merchant Bank by consolidating BancABC onto its balance sheet and by continuing to build its local presence to facilitate advisory services and pipeline development. ADC has a unique ability to combine its African-based technology know-how, investment & advisory expertise, execution ability and large banking balance sheet to build a Merchant Banking platform that have a significantly positive impact on its net asset value in the next two years and provides the opportunity to realize synergies between the business segments.

ADC is separated in two clearly defined departments that are coordinated from Germany by ADC's CEO, Dirk Harbecke and supported by a banking headquarters in Johannesburg and an advisory & investment business headquartered in Mauritius. ADC Group's staff will provide a wide range of banking and investment advisory services, while the main focus will be on expanding a banking business in sub-Saharan Africa together with ADC's majority-owned retail and corporate banking entity, BancABC.

1. BANKING OPERATIONS PLATFORM

ADC's banking strategy focuses on expanding operations into additional sub-Saharan countries and core markets by 2015 and optimizing performance in current operational countries (Botswana, Mozambique, Tanzania, Zambia, Zimbabwe). In order to fully integrate BancABC's operations, ADC will amalgamate and enhance the management structures so that the banking operations will operate seamlessly within ADC's wider Merchant Banking Group. The ADC / BancABC Management team will leverage its banking network to generate further investment and advisory opportunities across industries. This provides an opportunity for ADC to deepen its banking relationships while simultaneously providing additional sources of finance through co-investments or debt- and structured finance opportunities.

CORPORATE FINANCE

The growth of BancABC from a Tier 2 bank into a Tier 1 bank is central to ADC's Merchant Banking strategy by increasing the minimum capitalization of each subsidiary in order to capture the small, but lucrative corporate lending market that requires a high level of capitalization to issue big ticket loans. This has the dual advantage of supporting an advisory and investment banking arm as big borrowers seek support in structuring deals, raising bonds and placing rights issues.

RETAIL SECTOR

At the end of 2010, BancABC began to build its retail banking infrastructure, expanding its branch network into all 5 subsidiary countries with the appropriate systems to broaden its client base and profit from the increasingly important retail banking sector.

ADC's entry into Nigeria in 2011 reflects the prediction that much of the USD 100 billion growth to 2020[1] will be in the retail sector as the majority of the country's sophisticated banking sector currently focuses on corporate and high-income customers, neglecting the majority of the population who has limited access to financial services.

CONSUMER FINANCE

ADC aims to invest in the consumer finance sector in other countries in sub-Saharan Africa and market existing state-of-the-art IT solutions to microfinance institutions (MFIs) developed by iVeri, ADC's payments solutions portfolio company. iVeri's microfinance product, MicroBank+, is a sophisticated operating system for MFIs that require flexible IT systems that manage basic banking functionality for both fixed branches and mobile infrastructure.

2. PRIVATE EQUITY & ADVISORY BUSINESS

In addition to the banking operations structure, ADC will also be active in private equity and advisory services.

ADC will collaborate with local and regional partners that are well suited to manage its PE investments as well as being a source of and valuable asset for advisory deals. A country satellite, such as Brainworks, is a business built on the back of an existing asset with a clear business model and strong and proven relationships, both locally and with ADC.

ADC's investment unit will streamline and optimize the existing portfolio of investments (RSwitch, RHEAL, BANGE, iVeri) and grow its portfolio with existing technology and a broad network of contacts, advisors and specialists around the continent.

As investment and trade flows continue to grow in sub-Saharan Africa, ADC sees significant opportunities in financial advisory through its extensive local and international relationships and on-the-ground presence.

RESULTS

ADC's Management and Supervisory Board see significant potential to accelerate returns through expansion of its core banking activities, advisory income and selected dedicated investment opportunities by leveraging its banking platform and network. Based on the business plan, the Group will focus on growth with an average cost-income ratio of 50-55% in its banking operations by 2015 to control costs and a target Return on Equity (ROE) of up to 25%. ADC aims for a strong growth of its asset base and a positive group net profit by the end of 2013 and further growth of both assets and net profit in 2014. Main premise to the forecasts is a favorable development of the economic conditions in its countries of operations, especially in the countries where it operates under the BancABC brand.

1 Economist Intelligence Unit, Banking sub-Saharan Africa to 2020, 2011

Nevertheless, forecasts will continue to be heavily influenced by developments in the Euro and sovereign debt crisis as well as by their impact on the capital markets as well as the growth prospects of Africa heavily influenced by natural resources price development. Therefore, any forecasts might deviate from the expectations of future development

Frankfurt/Main, 20 June 2013

Dirk Harbecke
Managing Director

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA

IN EURk	NOTES	Q1-Q4 2012	*restated*[1] Q1-Q4 2011
Interest and similar income	5.1.	65,367	422
Interest and similar expense	5.2.	-35,500	-2
Net interest income		**29,867**	**420**
Provision for credit losses	5.3.	-8,133	0
Net interest income after provision for credit loss		**21,734**	**420**
Net fee and commission income	5.4.	16,878	0
Net gains (losses) on financial instruments designated at fair value through profit or loss	5.5.	-12,697	17,226
Net trading income	5.6.	2,570	0
Net income (loss) from equity method investments	5.7.	3,711	0
Other non-interest income	5.8.	22,377	4,525
Total operating income		**54,572**	**22,170**
Operating expenses	5.9.	-58,485	-13,427
Reorganization expenses	5.10.	-4,327	0
Result before tax		**-8,240**	**8,743**
Income tax expense	5.11.	-2,078	-78
Result for the year		**-10,318**	**8,666**
attributable to:			
Equity holders of the parent		-13,928	9,668
Non-controlling interests		3,610	-1,003
Average number of shares (basic/diluted)		8,433,326	7,652,434
		8,433,326	7,652,434
Earnings per share (basic/diluted)	7.		
basic, for profit for the year attributable to ordinary equity holders of the parent		-1.65	1.26
diluted, for the year attributable to ordinary equity holders of the parent		-1.65	1.26

1 Certain amounts shown here do not correspond to the 2011 consolidated financial statements and reflect adjustments made as detailed in Note 2.2.

Note: Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA

IN EURk	2012	2011
Result for the year	**-10,318**	**8,666**
Net (loss)/gain on available-for-sale financial assets	296	0
Exchange differences on translating foreign operatings	-9,442	-173
Share of reserves in associated companies	7,275	0
Other comprehensive income (loss) for the period, net of tax	**-1,871**	**-173**
Total comprehensive income for the period, net of tax	**-12,189**	**8,492**
Attributable to:		
Equity holders of the parent	-11,533	9,546
Non-controlling interests	-656	-1,054
	-12,189	**8,492**

Note: Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2012

ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA

IN EURk

ASSETS	NOTES	31 DECEMBER 2012	restated[1] 31 DECEMBER 2011
Cash and short term funds	6.1.	183,210	43,278
Other financial assets held for trading	6.2.	99,832	0
Financial assets designated at fair value	6.3.	10,701	0
Derivative financial instruments	6.14.	5,739	4,719
Loans and advances	6.4.	886,572	0
Investment securities	6.5.	5,319	0
Other current assets	6.6.	21,213	3,466
Current tax assets	6.6.	3,147	76
Investment in associates	6.7.	54,095	49,223
Property, plant and equipment	6.8.	64,905	551
Other intangible assets and goodwill	6.9.	70,694	1,279
Deferred tax assets	6.10.	8,650	456
Total assets		**1,414,076**	**103,048**

IN EURk

EQUITY AND LIABILITIES	NOTES	31 DECEMBER 2012	31 DECEMBER 2011
Deposits	6.11.	1,041,891	0
Derivative financial instruments	6.14.	2,208	0
Creditors and accruals	6.13.	35,954	2,879
Current tax liabilities		2,018	0
Deferred tax liabilty	6.10.	15,871	0
Borrowed funds	6.12.	161,581	11,839
Shares of general partner		0	5
Total liabilities		**1,259,523**	**14,723**
Share Capital	6.15.	8,607	8,411
Capital Reserve	6.15.	53,137	50,030
Other reserves	6.15.	15,447	11,286
Retained Earnings		5,773	19,701
Equity attributable to ordinary shareholders		**82,964**	**89,428**
Non-controlling interests		71,589	(1,103)
Total equity		**154,553**	**88,325**
Total equity and liabilities		**1,414,076**	**103,048**

1 Certain amounts shown here do not correspond to the 2011 consolidated financial statements and reflect adjustments made as detailed in Note 2.2.

Note: Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA

IN EURk	SHARE CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	OTHER RESERVES	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	Note 6.15	Note 6.15		Note 6.15			
At 1 January 2011	**7,129**	**37,611**	**10,033**	**11,408**	**66,181**	**-49**	**66,132**
Exchange differences	0	0	0	-122	-122	-51	-173
Other comprehensive income	**0**	**0**	**0**	**-122**	**-122**	**-51**	**-173**
Result of the year	0	0	9,668	0	9,668	-1,003	8,666
Total comprehensive income	**0**	**0**	**9,668**	**-122**	**9,546**	**-1,054**	**8,492**
Capital increase	765	8,411	0	0	9,175	0	9,175
Unpaid capital contribution	0	0	0	0	0	0	0
Transaction costs (net of tax)	0	-671	0	0	-671	0	-671
Called capital contribution	517	4,680	0	0	5,197	0	5,197
At 31 December 2011	**8,411**	**50,030**	**19,701**	**11,286**	**89,428**	**-1,103**	**88,325**
At 1 January 2012	**8,411**	**50,030**	**19,701**	**11,286**	**89,428**	**-1,103**	**88,325**
Exchange differences on translating foreign operations	0	0	0	-5,036	-5,036	-4,406	-9,442
Share of reserves in associated companies	0	0	0	7,275	7,275	0	7,275
Movement in available-for-sale financial assets	0	0	0	156	156	140	296
Other comprehensive income	**0**	**0**	**0**	**2,395**	**2,395**	**-4,266**	**-1,871**
Result for the year	0	0	-13,928	0	-13,928	3,610	-10,318
Total comprehensive income	**0**	**0**	**-13,928**	**2,395**	**-11,533**	**-656**	**-12,189**
Capital increase	196	784	0	0	980	0	980
Unpaid capital contribution	0	495	0	0	495	0	495
Transaction costs (net of tax)	0	-34	0	0	-34	0	-34
Other equity movements	0	1,862	0	3,947	5,809	0	5,809
Acquisition of a subsidiary (note 4)	0	0	0	0	0	71,167	71,167
Acquisition of non-controlling interests	0	0	0	-2,181	-2,181	2,181	0
At 31 December 2012	**8,607**	**53,137**	**5,773**	**15,447**	**82,964**	**71,589**	**154,553**

Note: Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 31 2012

ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA

IN EURk		NOTES	2012	2011
	Result for the year		**-10,318**	**8,666**
	Adjustment to reconcile profit before tax to net cash flows			
-	Income taxes paid (-)/ received (+)	5.11.	-4,621	0
+	Depreciation and impairment of property, plant and equipment	6.8.	2,700	347
+	Amortization and impairment of intangible assets	6.9.	4,847	98
+/(-)	Net (gains)/losses on financial instruments designated at fair value through profit or loss	5.5.	12,697	-17,226
+	Net (gains)/losses on derivative financial instruments	5.6.	5,721	0
+/(-)	Gain/(Loss) from associates	5.7.	-3,711	0
+/(-)	Gain/(Loss) on disposal of property, plant and equipment		-5	0
+/(-)	Impairment of loans and advances	5.3.	-8,133	0
+/(-)	other non-cash items included in the result before tax *		-17,096	-1,267
+/(-)	Increase (-)/ decrease (+) in operating assets		-37,937	-2,766
+/(-)	Increase (+)/ decrease (-) in operating liabilities		101,875	-801
=	**Net cash flows from operating activities**		**46,020**	**-12,949**
-	Purchase of intangible assets	6.9.	-2,033	-429
-	Purchase of property, plant and equipment	6.8.	-4,062	-333
-	Purchase of associates	6.7.	-22,713	-13,252
-	Purchase of a joint venture	6.7.	0	-200
+	Acquisition of subsidiaries	4.	86,672	0
+	Proceeds from disposal of property, plant and equipment		242	97
=	**Net cash flows used in investing activities**		**58,106**	**-14,117**
-	Transaction costs of issue of shares		-34	-671
+	Proceeds from capital increase	6.15.	495	14,372
+	Proceeds from convertible bond	6.15.	980	0
+	Proceeds from bond with warrants (2012)	6.12.	38,178	0
-	Acquisition of treasury stock		-2,762	0
+	Sale of treasury stock		2,676	0
+	Proceeds from bank loans	6.12.	0	4,000
-	Repayments of bank liabilities	6.12.	-4,000	0
+	Proceeds from other loans and debentures		1,000	7,348
=	**Net cash flows used in financing activities**		**36,533**	**25,049**
	Net increase in cash and cash equivalents		140,658	-2,017
+	Net foreign exchange difference		-726	1,267
+	Cash and cash equivalents at beginning of the period	6.1.	43,278	44,028
	Cash and cash equivalents at the end of the period		**183,210**	**43,278**
	Operational cash flows from interest and dividends			
	Interest paid		33,501	0
	Interest received		65,367	419
	Dividend received		904	761

1 In 2012: release of negative goodwill to profit or loss (note 5.8.).

Note: Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

OF ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA, FRANKFURT, (INTERNATIONAL FINANCIAL REPORTING STANDARDS - IFRS) AS OF 31 DECEMBER 2012

1. GENERAL INFORMATION

ADC African Development Corporation GmbH & Co. KGaA (hereinafter "the Company" or "the Group") has its registered offices at Grüneburgweg 18 in Frankfurt am Main, Germany.

In 2012, ADC refined its strategy to focus more intently on the banking industry in sub-Saharan Africa. ADC's current focus is on consolidating BancABC and building a pan-African Merchant Banking Group that will operate in 15 target countries through regional banking platforms in order to benefit from the rapidly expanding retail, corporate and consumer banking operations on the continent. ADC intends to continue to manage a private equity business under the Merchant Banking Platform to profit from existing and future proprietary investment opportunities. As such ADC's financial statements completely redefined to reflect true and fair view. Reclassifications of prior-year's figures are described in note 2.2.

ADC African Development Corporation GmbH & Co. KGaA is listed on the regulated market of the Frankfurt Stock Exchange and included in the Prime Standard segment.

The consolidated financial statements have been prepared in euro (EUR). All figures including the prior-year figures are stated in thousands of euro (EUR '000) in these notes to the consolidated financial statements.

Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures.

The income statement has been prepared using the nature of expense method.

The Company's fiscal year is the calendar year.

Areas that involve a greater degree of judgment or higher complexity or areas where assumptions and estimates are of material significance for the consolidated financial statements are listed in note 2.4.

By a resolution of management on 20 June 2013, the consolidated financial statements and the group management report for the fiscal year 2012 were released to the supervisory board for approval and publication.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale, financial assets and liabilities held "at fair value through profit or loss", land and buildings and investment properties all of which have been measured at fair value.

In 2012, ADC have been consolidated BancABC, a pan-African Merchant Banking Group, resulting in financial statements reflecting their banking operations namely in Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. As such prior year's figures have been aggregated as described in note 2.2.

The consolidated financial statements comprise the consolidated income statement and the statement of comprehensive income shown as two statements, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

STATEMENT OF COMPLIANCE WITH IFRSS

The consolidated financial statements of ADC African Development Corporation GmbH & Co. KGaA as of the reporting date 31 December 2012 were prepared in accordance with the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS) – as adopted by the European Commission for application in the EU –, the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) that have binding effect for the period for which the financial statements were prepared.

PRESENTATION OF FINANCIAL STATEMENTS

ADC presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 9.2.3 (Group's maturity analysis).

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of ADC.

2.2 RECLASSIFICATIONS AND AGGREGATIONS OF COMPARATIVES

In order to reflect the Group's banking operations a new financial statement structure is set up in 2012. As a consequence, prior year's figures are reclassified and aggregated into the new financial statements' format to provide more reliable and relevant information.

STATEMENT OF FINANCIAL POSITION

Comparative numbers for the following balance sheet items were aggregated:
Goodwill (EUR 838k) and intangible assets (EUR 441k) are aggregated under balance sheet item other intangible assets and goodwill (EUR 1,279k).

Inventories (EUR 323k) and other current assets (EUR 2,652k) are combined under balance sheet item other current assets (EUR 3,466k).

Convertible bond (EUR 7,738k), convertible debentures (EUR 100k) and bank liabilities (EUR 4,002k) are condensed as balance sheet item borrowed funds (EUR 11,840k).

Provisions (EUR 247k), trade and other payables (EUR 2,388k) and other current liabilities (EUR 243k) are aggregated under creditors and accruals (EUR 2,878k).

INCOME STATEMENT

Comparative figures for the following income statement items were summarized: Total revenue and other operating income (EUR 7,279k) is shown under the item other non-interest income.

Cost of materials (EUR 2,788k), portfolio professional fees (EUR 2,584k), personnel expenses (EUR 471k), other operating expenses (EUR 7,139k) and depreciation and amortization of intangible and tangible assets (EUR 445k) are summarized under operating expenses (EUR 13,427k).

2.3 NEW STANDARDS AND INTERPRETATIONS AND STANDARDS AND INTERPRETATIONS THAT HAVE TO BE ADOPTED FOR THE FIRST TIME

The following new and amended IFRS effective as of 1 January 2012 have been adopted for the first time:

— Amendments to IFRS 7 – Disclosures – Transfers of Financial Assets, effective 1 July 2011

— Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets, effective 1 January 2012

The adoption of the standards or interpretations is described below:

AMENDMENTS TO IFRS 7 – DISCLOSURES – TRANSFERS OF FINANCIAL ASSETS

This amendment sets forth extensive new qualitative and quantitative disclosures for transfers of financial assets that have not been derecognized and for any continuing involvement in a transferred financial asset as of the reporting date.

AMENDMENT TO IAS 12 – DEFERRED TAX: RECOVERY OF UNDERLYING ASSETS

The amendment to IAS 12 marks the introduction of a simplification rule. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable property, plant and equipment that are measured using the revaluation model always be measured on a sale basis of the asset.

The other IFRSs mandatory for the first time for reporting periods beginning on or after 1 January 2012 will have no effect on the Company's consolidated financial statements.

ISSUED IFRSS THAT ARE NOT YET SUBJECT TO MANDATORY ADOPTION

TITLE	ISSUED BY THE IASB	ENDORSEMENT	APPLICABLE FROM
Endorsed by the EU – voluntary first-time adoption possible as of 31 December 2012: permitted			
Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation	Jun 11	Jun 12	01.07.12
Amendments to IAS 19 Employee Benefits	Jun 11	Jun 12	01.01.13
IFRIC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine	Oct 11	Dec 12	01.01.13
Amendments to IFRS 7 - Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	Dec 11	Dec 12	01.01.13
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	Dec 11	Dec 12	01.01.13
Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	Dec 10	Dec 12	01.01.13
IFRS 10 - Consolidated Financial Statements	May 11	Dec 12	01.01.14
IFRS 11 - Joint Arrangements	May 11	Dec 12	01.01.14
IFRS 12 - Disclosure of Interests in Other Entities	May 11	Dec 12	01.01.14
IFRS 13 - Fair Value Measurement	May 11	Dec 12	01.01.13
IAS 27 - Separate Financial Statements	May 11	Dec 12	01.01.14
IAS 28 - Investments in Associates and Joint Ventures	May 11	Dec 12	01.01.14
Amendments to IAS 12 - Income Taxes - Deferred Tax: Recovery of Underlying Assets	Dec 10	Dec 12	01.01.13
Improvements to IFRSs 2009-2011	May 12	March 13	01.01.13
No EU endorsement: Adoption as of 31 December 2011: open			
IFRS 9 Financial Instruments: Classification and Measuremen	Nov 09/Oct 10		01.01.15
Amendments to IFRS 9 (2009), IFRS 9 (2010) and IFRS 7 - Temporal scope and transitional provisions	Dec 11		01.01.15
Amendments to IFRS 1 - Government Loans	Mar 12		01.01.13
Amendments to IFRS 10, IFRS 11 and IFRS 12 - Transition Guidance	Jun 12		01.01.13
Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities	Oct 12		01.01.14

EU ENDORSEMENT COMPLETED

The IASB has published the standards and interpretations listed below, which have already been adopted by the EU in the comitology procedures, but the adoption of which was not yet mandatory for the fiscal year 2012. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to apply this standard when it becomes mandatory.

AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS - A REVISED PRESENTATION, EFFECTIVE 1 JANUARY 2013

The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 will not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

AMENDMENTS TO IAS 19 EMPLOYEE BENEFITS, EFFECTIVE 1 JANUARY 2013

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. The adoption of this amendment will have no material effect on the financial statements of the Group.

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES — AMENDMENTS TO IFRS 7 (EFFECTIVE 1 JANUARY 2013)

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Group's financial position or performance.

Amendment of IAS 32 effective 1 January 2014) and IFRS 7 effective 1 January 2013) – Offsetting of Financial Assets and Financial Liabilities.

The amendment is to eliminate existing inconsistencies by supplementing the application guidelines. However, the existing fundamental provisions on offsetting financial instruments will be retained. The amendment also defines additional disclosures. These amendments will not impact the Group's financial position or performance.

IFRS 10 - CONSOLIDATED FINANCIAL STATEMENTS, EFFECTIVE 1 JANUARY 2014

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return Extensive guidance has been added in IFRS 10 to deal with complex scenarios. The adoption of IFRS 10 is not expected to have a material impact on the Group's consolidated financial statements.

IFRS 11 - JOINT ARRANGEMENTS, EFFECTIVE 1 JANUARY 2014

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportional consolidation. With the issue of IFRS 11 and IFRS 12 the scope of IAS 28 was extended such that the equity method is applicable not only to associates but also to joint ventures. The adoption of IFRS 11 is not expected to have a material impact on the Group's consolidated financial statements.

IFRS 12 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES, EFFECTIVE 1 JANUARY 2014

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The adoption of IFRS 12 is not expected to have a material impact on the Group's consolidated financial statements.

IFRS 13 - FAIR VALUE MEASUREMENT, EFFECTIVE 1 JANUARY 2013

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope. The impact of IFRS 13 is not material to the Group.

IAS 27 - SEPARATE FINANCIAL STATEMENTS, EFFECTIVE 1 JANUARY 2014

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

AMENDMENTS TO IAS 12 - INCOME TAXES - DEFERRED TAX: RECOVERY OF UNDERLYING ASSETS, EFFECTIVE 1 JANUARY 2013

The amendment to IAS 12 marks the introduction of a simplification rule. The amendment introduces a rebuttable presumption that deferred tax in investment property measured using the fair value model should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable property, plant and equipment that are measured using the revaluation model always be measured on a sale basis of the asset. The adoption of this amendment will have no impact on the financial statements of the Group.

IMPROVEMENTS TO IFRSS 2009-2011

The 2009-2011 Annual Improvements Project Cycle includes revisions to

— IAS 1 (Comparative Information: an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification has to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to IAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position),

— IAS 16 (Classification of spare parts, stand-by equipment and servicing equipment as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise),

— IAS 34 (Disclosure of Segment Assets in Interim Financial Reporting),

— IAS 32 (Clarification that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes) .

These revisions must be applied for the first time in accounting periods commencing on or after 1 January 2013.

The exact extent of this impact cannot yet be reliably determined. The adoption of the improvements to IFRSs 2009-2011 in the future is not expected to have a significant effect on the Group's financial position or performance. The Group intends to adopt the improvements to IFRSs 2009-2011 when their adoption becomes mandatory.

EU ENDORSEMENT PENDING

The IASB has published the standards and interpretations listed below, the adoption of which was not yet mandatory for the fiscal year 2012. These standards and interpretations have not been endorsed by the EU and have not been applied by the Group.

IFRS 9 FINANCIAL INSTRUMENTS: CLASSIFICATION AND MEASUREMENT

The first part of phase I in the preparation of IFRS 9 Financial Instruments was issued in November 2009. This standard contains new regulations on the classification and measurement of financial assets. It requires debt instruments, depending on their characteristics and taking account of the business model, to be recognized either at amortized cost or at fair value through profit or loss. Equity instruments must always be shown at fair value. However, changes in the value of equity instruments may be presented in other comprehensive income if the instrument-specific option to do so is exercised at initial recognition of the financial instrument. In this case, only certain dividend income from equity instruments is shown in the income statement. Financial assets held for trading purposes are an exception. These must be stated at fair value through profit or loss. The IASB completed the second part of phase I of the project in October 2010. The standard therefore now includes sections relating to financial liabilities and permits previous classification and measurement policies for financial liabilities to be retained with the following exceptions: The effects of changes in own credit risk for financial liabilities classified as at fair value through profit or loss must be recognized in other comprehensive income and derivative liabilities relating to non-listed equity instruments may no longer be recognized at cost. IFRS 9 is applicable for the first time for annual periods beginning on or after 1 January 2015. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued. The Group intends to adopt IFRS 9 when its adoption becomes mandatory provided that they have been recognized accordingly in the endorsement procedure.

AMENDMENTS TO IFRS 9 (2009), IFRS 9 (2010) AND IFRS 7 - TEMPORAL SCOPE AND TRANSITIONAL PROVISIONS

On 16 December 2011, the IASB issued Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7), which: (i) amends the effective date of IFRS 9 Financial Instruments to annual periods beginning on or after 1 January 2015; (ii) modifies the relief from restating comparative periods and the associated disclosures in IFRS 7 Financial Instruments:

Disclosures. The amendments to IFRS 7 apply when an entity first applies the requirements of IFRS 9 and so apply to annual periods beginning on or after 1 January 2015 (or such other date as when an entity applies IFRS 9). The Group is yet to assess the full impact of the amendments to IFRS 9 and IFRS 7.

AMENDMENTS TO IFRS 10, IFRS 11 AND IFRS 12 - TRANSITION GUIDANCE

The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The exact extent of this impact cannot yet be reliably determined. The adoption of the amendments to IFRS 10, IFRS 11 and IFRS 12 in the future is not expected to have a significant effect on the Group's financial position or performance. The Group intends to adopt the IFRSs when their adoption becomes mandatory.

AMENDMENTS TO IFRS 10, IFRS 12 AND IAS 27 - INVESTMENT ENTITIES

The amendments apply to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds.

Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). Preparers and users of financial statements have suggested that consolidating the subsidiaries of investment entities does not result in useful information for investors. Rather, reporting all investments, including investments in subsidiaries, at fair value, provides the most useful and relevant information.

In response to this, the Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

The exact extent of this impact cannot yet be reliably determined. The adoption of the amendments to IFRS 10, IFRS 12 and IAS 27 in the future is not expected to have a significant effect on the Group's financial position or performance. The Group intends to adopt the IFRSs when their adoption becomes mandatory.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

GOING CONCERN

The management has made an assessment of its ability to continue as a going concern and is satisfied that is has the resources to continue business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

FAIR VALUE OF FINANCIAL INSTRUMENTS

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more detail in note 6.19.

IMPAIRMENT OF LOANS AND ADVANCES

The Group reviews its loan portfolios to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the Group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed monthly to reduce any differences between loss estimates and actual loss experience. The impairment of loans and advances are described in more detail in note 5.3. Impairment losses on financial assets are explained in note 5.3.

TAXES

CURRENT TAX

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. We refer to note 5.11.

DEFERRED TAX

The recognition of deferred tax assets is based on profit forecasts made by management of the particular Group Company where the asset has arisen. These forecasts are based on the Group's re-capitalization plans of the subsidiary and market conditions prevailing in the economy in which the Company operates. We refer to note 6.10.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. We refer to note 6.10.

IMPAIRMENT OF GOODWILL

The Group assesses impairment of goodwill on an annual basis based on value in use calculations. Significant estimates and judgments are applied in projecting the future pre-tax cash flows, the appropriate growth and discount rates. The assumptions applied in testing goodwill for impairments at year end are discussed in note 6.9.

IMPAIRMENT OF ASSOCIATES MEASURED IN ACCORDANCE WITH THE EQUITY METHOD

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement. We refer to note 6.7.2.

IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENTS

The Group reviews its debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired. This requires similar judgment as applied to the individual assessment of loans and advances.

The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

JUDGMENTS

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

CLASSIFICATION OF INVESTMENTS IN ASSOCIATED COMPANIES

In classifying its shares in associates, ADC draws a distinction between "strategic bank investments" and the "proprietary investments". Shares in associates that belong to proprietary investments which are held solely as financial assets in order to generate a return, are classified as "assets at fair value through profit or loss" (IAS 39) in accordance with the option provided for in IAS 28.1 (note 6.7.1). Strategic bank investments which are held on a long-term basis with the aim of generating income from business operations are recognized at equity (IAS 28) (note 6.7.2). For more details on the classification of associated companies, refer to note 6.7.

ACQUISITION DATE ABC HOLDINGS LIMITED ("BANCABC")

ADC became majority shareholder in BancABC through a rights issue in total amount of USD 50.0 million on 27 July 2012 ("closing date"). The group gained control by holding 120,920,255 shares, equal to 51.98% of all voting shares in BancABC. We refer to note 4. The Group is yet to assess if a mandatory offer to the ordinary shareholders of BancABC in terms of the Botswana Companies Act and listing requirements become evident in 2013. However the Group can demonstrate control from acquisition date irrespective of a potential mandatory takeover bid.

SIGNIFICANT INFLUENCE ON UNION GLOBAL PARTNERS LTD. ("UGPL")

UGPL is an entity over which ADC has significant influence to participate in the financial and operating policy decisions. ADC evidenced the existence of significant influence in accordance with IAS 28.7 in the following ways:

- Representation on the board or equivalent governing body
- Participation in policy-making processes, including participation in decisions about dividends or other distributions
- Material transactions between ADC and UGPL
- Interchange of managerial personnel
- Provision of essential technical information

We refer to note 6.7.2.

HELD-TO-MATURITY INVESTMENTS

The Group follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity, as held-to-maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire category as available-for-sale. The investments would therefore be measured at fair value, not amortized cost. We refer to note 6.5.

2.5 BASIS OF CONSOLIDATION

SUBSIDIARIES

The consolidated financial statements comprise the financial statements of the ADC and its subsidiaries for the year ended 31 December 2012. The financial statements of ADC's subsidiaries (including special purpose entities that the ADC consolidates) are prepared for the same reporting year as ADC, using consistent accounting policies.

All intra–group balances, transactions, income and expenses are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly, by ADC.

Non-controlling interests are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Any losses applicable to the non-controlling Interests are allocated against the interests of the non-controlling interest even if this results in a deficit balance. Acquisitions of non-controlling interests are accounted for using the parent entity extension method, whereby the difference between the consideration and the fair value of the share of the net assets acquired is recognized as equity.

SPECIAL PURPOSE ENTITIES

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objective. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE.

The assessment of whether the Group has control over an SPE is carried out at inception and normally no further reassessment of control is carried out in the absence of changes in the structure or terms of the SPE, or additional transactions between the Group and the SPE. Day-to-day changes in market conditions normally do not lead to a reassessment of control. However, sometimes changes in market conditions may alter the substance of the relationship between the Group and the SPE and in such instances the Group determines whether the change warrants a reassessment of control based on the specific facts and circumstances. Where the Group's voluntary actions, such as lending amounts in excess of existing liquidity facilities or extending terms beyond those established originally, change the relationship between the Group and an SPE, the Group performs a reassessment of control over the SPE.

CURRENCY TRANSLATION

The Group's consolidated financial statements are presented in euros, which is also the functional and presentation currency. Each entity in the Group determines its own functional currency.

If the functional currency of the foreign subsidiaries does not correspond to that of the Group, their financial statements are translated into euros. Equity items are translated at historical rates, while asset and liability items are translated at the closing rate. The subsidiaries' income and expense items are translated using average rates.

Any resulting currency translation differences are recorded without an effect on profit or loss until the disposal of the subsidiary and reported as a separate item in equity. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments are treated as assets or liabilities of the foreign operation and translated at the closing rate.

If the functional currency of the foreign subsidiary is the euro, transactions in foreign currency are translated using the rates at the time of the transactions. Monetary items of the statement of financial position in foreign currencies are valued at the mean rate on the reporting date. Gains and losses in foreign currency arising from translation are recognized in profit or loss.

For the translation of the subsidiaries the following exchange rates are used:

EXCHANGE RATES EUR	2012 CLOSING RATE	2012 AVERAGE RATE	2011 CLOSING RATE	2011 AVERAGE RATE
Rwandan franc (RWF)	0.00120	0.00130	0.00130	0.00118
CFA franc (XAF)	0.00152	0.00152	0.00150	0.00150
United States dollar(USD)	0.77758	0.78040	0.77260	0.72096
South African rand (ZAR)	0.08926	0.09491	0.09510	0.10002
Kenyan Shilling (KES)	0.00884	0.00935	0.00890	0.00801
Botswana Pula (BWP)	0.09760	0.09897	n/a	n/a

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS – INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

DATE OF RECOGNITION

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

INITIAL MEASUREMENT OF FINANCIAL INSTRUMENTS

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

CLASSES OF FINANCIAL INSTRUMENTS

For the purposes of the disclosures on the importance of financial instruments to the financial position and financial performance of the Group, financial instruments falling within the scope of IFRS 7 are classified using the 6 classes of financial instruments described below.

CLASSES OF FINANCIAL ASSETS

Financial assets measured at fair value

The class of financial assets measured at fair value comprises the following categories defined by IAS 39:
— financial instruments at fair value through profit or loss with the subcategories
— financial instruments held for trading and
— financial instruments designated as at fair value through profit or loss (fair value option)
— available-for-sale financial assets

This class does not include financial assets under the category 'available-for-sale financial assets' whose fair value cannot be reliably determined and are therefore measured at cost. These financial assets are classified as financial assets measured at amortized cost.

In addition to the financial assets in the categories specified above, classes of financial instruments additionally includes derivatives used for hedging (positive fair values), which are also measured at fair value.

Financial assets measured at amortized cost

The 'financial assets measured at amortized cost' class includes financial assets in the category 'loans and receivables', held-to-maturity financial investments and those in the category 'available-for-sale financial assets' for which a fair value cannot be reliably determined.

Other financial assets

In the Group, the class 'other financial assets' comprises trade accounts.

CLASSES OF FINANCIAL LIABILITIES

Financial liabilities measured at fair value

Financial liabilities in the category 'financial instruments at fair value through profit or loss' with the subcategories 'financial instruments held for trading' and financial instruments designated as at fair value through profit or loss, along with derivatives used for hedging (negative fair values), together make up the class 'financial liabilities measured at fair value' in the Group.

Financial liabilities measured at amortized cost

The class known as 'financial liabilities measured at amortized cost' is identical to the category of financial liabilities of the same name.

DERIVATIVES RECORDED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group uses derivatives such as interest rate swaps and futures, credit default swaps, cross-currency swaps, forward foreign exchange contracts and options on interest rates, foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in Net trading income.

Derivatives embedded in other financial instruments are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held for trading or designated at fair value through profit or loss. The embedded derivatives separated from the host are carried at fair value in the trading portfolio with changes in fair value recognized in the income statement.

FINANCIAL ASSETS OR FINANCIAL LIABILITIES HELD FOR TRADING

Financial assets or financial liabilities held for trading are recorded in the statement of financial position at fair value. Changes in fair value are recognised in Net trading income. Interest and dividend income or expense is recorded in Net trading income according to the terms of the contract, or when the right to the payment has been established.

Included in this classification are debt securities, equities and short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at fair value through profit or loss upon initial recognition when the following criteria are met, and designation is determined on an instrument-by-instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis.
- The assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The financial instrument contains one or more embedded derivatives, which significantly modify the cash flows that would otherwise be required by the contract.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in Net gain or loss on financial assets and liabilities designated at fair value through profit or loss. In addition, changes in fair value of shares in associates classified as "assets at fair value through profit or loss" (IAS 39) in accordance with the option provided for in IAS 28.1 are recorded in Net gain or loss on financial assets and liabilities designated at fair value through profit or loss. Interest earned or incurred is accrued in Interest income or Interest expense, respectively, using the effective interest rate (EIR), while dividend income is recorded in Other operating income when the right to the payment has been established.

The fair value designation, once made, is irrevocable. Subsequent to initial recognition, the fair values are re-measured at each reporting date. Gains and losses arising from changes therein are recognized in interest income for all dated financial assets and in other revenue within non-interest revenue for all undated financial assets. Financial assets at fair value through profit or loss are measured at initial recognition and subsequently at fair value based on quoted market price using the bid/offer mid rate at the balance sheet date. If there is no quoted market price in an active market, the instruments are measured using valuation models. All changes in fair value are recognized in the income statement.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the entity intends to sell immediately or in the short-term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the entity upon initial recognition designates as available-for-sale; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and advances are accounted for on an amortised cost basis using the effective interest rate. Origination transaction costs and origination fees received that are integral to the effective rate are capitalised to the value of the loan and amortised through interest income as part of the effective interest rate. The majority of the Group's advances are included in the loans and receivables category. They are stated net of allowances for specific and portfolio impairment. Included in loans and advances are finance lease receivables. Finance lease receivables are those leases where the Group transfers substantially all the risk and reward incidental to ownership of an asset. Finance lease charges are recognized in income using the effective interest rate method.

HELD-TO MATURITY INVESTMENTS

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to maturity assets, the entire category would be reclassified as available-for-sale. Held-to-maturity fixed interest instruments, held in investment portfolios, are stated at cost, less any impairment losses.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale investments include equity and debt securities. Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or financial assets that are not designated as another category of financial assets. Available-for-sale quoted investments are valued at market value using the bid/offer mid rate. Unlisted equity investments and instruments for which there is no quoted market price are measured using valuation models. Where the valuation models may not produce reliable measurement, the unquoted investments are stated at cost. Available-for-sale investments are marked to market and any gains or losses arising from the revaluation of investments are shown in shareholders' equity as available for-sale reserves. On realisation of the investment, the available-for-sale reserves are transferred to the income statement. Interest income, calculated using the effective interest method, is recognized in the income statement. Dividends received on available-for-sale instruments are recognised in the income statement when the Group's right to receive payment has been established. Foreign exchange gains or losses on available-for-sale debt investments are recognised in the income statement.

RECLASSIFICATION OF FINANCIAL ASSETS

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortized cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively. On reclassification of a financial asset out of the "at fair value through profit or loss" category, all embedded derivatives are re-assessed and, if necessary, accounted for separately. As in 2011, the Group has not reclassified any financial assets in 2012.

FAIR VALUE

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets. When such valuation models, with only observable market data as input, indicate that the fair value differs from the transaction price, this initial difference, commonly referred to as day one profit or loss, is recognised in the income statement immediately. If non-observable market data is used as part of the input to the valuation models, any resulting difference between the transaction price and the model value is deferred. The timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement. The deferral and unwind method is based on the nature of the instrument and availability of market observable inputs. Subsequent to initial recognition, the fair values of financial assets and liabilities are based on quoted market prices or dealer price quotations for financial instruments traded in active markets.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid offer spread or significant increase in the bid offer spread or there are few recent transactions.

If the market for a financial asset is not active or the instrument is an unlisted instrument, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and valuation techniques commonly used by market participants. Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for a financial asset with similar terms and conditions. Where pricing models are used, inputs are based on observable market indicators at the balance sheet date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in setting a price.

In cases where the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

FINANCIAL LIABILITIES

Financial liabilities are initially recognized on the trade date. Financial liabilities include deposits and other borrowed funds. Deposits and other borrowed funds are initially measured at fair value plus transaction costs and subsequently measured at their amortized cost, using the effective interest method.

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. A portion of the net proceeds of the instrument is allocated to the debt component on the date of issue based on its fair value (which is generally determined based on the quoted market prices for similar debt instruments). The equity component is assigned the residual amount after deducting from the fair value of the instruments as a whole the amount separately determined for the debt component.

RISK INFORMATION TO FINANCIAL INSTRUMENTS

Further information to financial instruments are available in the section "risk report and risk management system" in the management report (Exhibit 7).

OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

IMPAIRMENT OF FINANCIAL ASSETS

ASSETS CARRIED AT AMORTISED COST

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

— delinquency in contractual payments of principal or interest;
— cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
— breach of loan covenants or conditions;
— initiation of bankruptcy proceedings;
— deterioration of the borrower's competitive position;
— deterioration in the value of collateral; and
— downgrading below investment grade level.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in

unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience. When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement in impairment charge for credit losses. Subsequent to impairment, the effects of discounting unwind over time as interest income.

ASSETS CLASSIFIED AS AVAILABLE-FOR-SALE

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognized in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

RENEGOTIATED LOANS

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans.

COLLATERAL VALUATION

The Group seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Group's quarterly reporting schedule, however, some collateral, for example, cash or securities relating to margining requirements, is valued daily. To the extent possible, the Group uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources (see note 9.2.1 for further analysis of collateral).

COLLATERAL REPOSSESSED

The Group's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets that are determined better to be sold are immediately transferred to assets held for sale at their fair value at the repossession date in line with the Bank's policy.

HEDGE ACCOUNTING

Hedge accounting is used for derivatives designated in this way provided certain criteria are met. The Group documents at inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument in a range of 80% to 125% and were expected to achieve such offset in future periods.

FAIR VALUE HEDGE

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Effective changes in fair value of interest rate swaps and related hedged items are reflected in "net interest income – net gains/losses on hedging instruments". Effective changes in fair value of currency futures are reflected in "net trading income – foreign exchange – transaction gains less losses". Any ineffectiveness is recorded in "net trading income". If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

DERIVATIVES THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the income statement under net trading income. However, the gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in "net income from financial instruments designated at fair value".

FINANCIAL GUARANTEES

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities. Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognise in the income statement the fee income earned on a straightline basis over the life of the guarantee and the best estimate of the expenditure required to settle any financial obligation arising at the balance sheet date. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. Any increase in the liability relating to guarantees is taken to the income statement under other operating expenses.

DERECOGNITION OF FINANCIAL INSTRUMENTS

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires. The Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include securities lending and repurchase agreements. When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to repurchase transactions. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost. The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognised when the Group has approved a detailed formal plan, and the restructuring either has commenced or has been announced publicly. Future operating costs or losses are not provided for. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract. Contingent liabilities, which include certain guarantees other than financial guarantees, and letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Group's control. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements.

PROVISIONS FOR EMPLOYEES

The Group recognizes gratuity and other termination benefits in the financial statements when it has a present obligation relating to termination.

The Group's obligation in respect of accumulated leave days is recognized in full in the financial statements, on an undiscounted basis and is expensed as the related services are provided.

SHARE-BASED PAYMENT TRANSACTIONS

Senior executives of the Group receive remuneration in the form of share-based payment transactions. Senior management of BancABC is granted options, which can be settled in cash (cash-settled transactions). The cost of cash-settled transactions is measured initially at fair value at the grant date using binomial pricing model, taking into account the terms and conditions upon which the instrument were granted (note 6.18). This fair value is expensed in personnel expenses over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized in the income statement in personnel expenses.

MANAGED FUNDS AND TRUST ACTIVITIES

Certain companies in the Group operate unit trusts, hold and invest funds on behalf of clients and act as trustees and in other fiduciary capacities. Assets and liabilities representing such activities are not included on the balance sheet, as these relate directly to clients. Income from these activities is brought into account over the period to which the service relates.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognized either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

As a private equity company, ADC recognizes the interests in joint ventures at fair value pursuant to IAS 39 in accordance with the option in IAS 31.1. Upon initial recognition, these financial assets were allocated to the "assets at fair value through profit or loss category".

ASSOCIATES

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture.

In classifying its shares in associates, ADC draws a distinction between "strategic bank investments" and the "proprietary investments".

Shares in associates that belong to proprietary investments which are held solely as financial assets in order to generate a return, are classified as "assets at fair value through profit or loss" (IAS 39) in accordance with the option provided for in IAS 28.1. Upon initial recognition, these financial assets were allocated to the "assets at fair value through profit or loss category". Changes in fair value are recorded in Net gain or loss on financial assets and liabilities designated at fair value through profit or loss.

Strategic bank investments which are held on a long-term basis with the aim of generating income from business operations are recognized at equity. In accordance with the equity method (IAS 28), shares in associates are reported in the balance sheet at cost plus any changes in the Group's share in the associate's net assets after acquisition. The goodwill attributable to the associate is included in the carrying amount of the share and is neither subject to planned amortization nor to separate impairment tests.

The income statement includes the Group's share in the associate's result. Any changes directly recognized in the associate's equity are recorded by the Group in an amount equaling its share in the associate's equity and, where necessary, included in the statement of changes in equity. Non-realized income and expense under transactions between the Group and the associate are eliminated in an amount equaling the share held in the associate.

The Group's share of an associate's profit is reported in the income statement according to the equity method. This is the profit attributable to the associate's equity holders after taxes and non-controlling interests in the associate's subsidiaries. The associate's financial statements are prepared as of the same reporting date as the consolidated financial statements. If necessary, adjustments are made to allow for align Group accounting methods.

OTHER INTANGIBLE ASSETS

Intangible assets which are not acquired in a business combination are capitalized at cost on initial recognition. Incidental purchase costs comprise the purchase price and the costs directly allocable to the acquisition.

The cost of intangible assets acquired in the business combinations is fair value as at the date of acquisition.

Intangible assets acquired for a consideration are measured at amortized cost in the Group.

Intangible assets – excluding goodwill – with a finite useful life (software and licenses) are amortized over their economic useful life using the straight-line method (reported separately as amortization, see note 6.9).

The useful life is based on the period in which the intangible asset provides an economic benefit for the Group, with useful lives of two to five years assumed. The useful life and amortization method is reviewed at the end of each reporting period.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings are measured at fair value based on annual valuations by external independent valuers. Revaluation surpluses and deficits arising thereon are transferred to the property revaluation reserve in equity. The revaluation surplus or deficit is reversed when the asset is disposed of.

All other items of property and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment. Owner-occupied properties are held for use in the supply of services or for administrative purposes.

Depreciation is charged to the income statement on a straightline basis over the estimated useful life of the property and equipment. Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. Land is not depreciated. The estimated useful lives are as follows:

— Buildings 40 – 50 years
— Bank premises and renovations 20 years
— Computer equipment 3 – 5 years
— Office equipment 3 – 5 years
— Furniture and fittings 5 – 10 years
— Vehicles 4 – 5 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group. The cost of day-to-day servicing of property and equipment are recognised in the income statement as incurred.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life are not depreciated. They are instead subjected to an impairment test annually and as the need arises.

Other intangible assets and property, plant and equipment is tested for impairment if there is any indication that they may be impaired.

As part of the impairment test, the net recoverable amount of the asset (or cash-generating unit) is assessed to determine the extent of any impairment loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. At the Company, the recoverable amount is determined based on the value in use. In determining value in use, the estimated future cash flows are discounted to present value using the current market interest rate, which reflects the asset's specific risks. When the recoverable amount of an asset (or a cash-generating unit) falls below its carrying amount, the carrying amount of the asset (or a cash-generating unit) is written down to the recoverable amount. The impairment loss is immediately recorded as an expense.

If the reasons for impairment no longer apply, a write-up is performed to the amortized cost that would have resulted if the impairment had not been recognized. If impairments were recorded for goodwill and other intangible assets with indefinite useful lives, no write-up is recorded in later periods if the reasons for impairment no longer apply.

OTHER CURRENT ASSETS

Other current assets include financial and non-financial assets and mainly comprise prepayments, inventories and other assets.

Inventories are measured at the lower of cost or net realizable value. Cost comprises the purchase price and the costs directly allocable to the acquisition. Net realizable value is the estimated sales price less all estimated costs to completion and selling and marketing costs.

Other assets and prepayments that are not financial assets are carried at amortized cost. Identifiable risks of default are accounted for by means of write-downs.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances on hand; cash deposited with banks and short-term highly liquid investments with maturities of three months or less when purchased. For cash flow purposes cash and cash equivalents include bank overdrafts.

EQUITY

REPURCHASE OF SHARE CAPITAL

Shares repurchased by Group companies are classified as treasury shares, and held at cost. These shares are treated as a deduction from the issued share capital and the cost price of the shares is presented as a deduction from total equity. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity.

DIVIDENDS

Dividends are recognised as a liability in the period in which they are declared.

SHARE ISSUE COSTS

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

OTHER RESERVES

The reserves recorded in equity (Other comprehensive income) on the Group's statement of financial position include:

- Available-for-sale reserve, which comprises changes in fair value of available-for-sale investments.
- Property revaluation reserve, which comprises changes in fair value of property, plant and equipment.
- Cash flow hedge reserve, which comprises the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.
- Foreign currency translation reserve, which is used to record exchange differences arising from the translation of the net investment in foreign operations, net of the effects of hedging.
- Other capital reserve, which includes the portions of compound financial liabilities that qualify for the treatment as equity (note 6.15)

INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Additional income taxes that arise from the distribution of dividend are recognized at the same time as the liability to pay the related dividend is recognized.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets or liabilities are measured using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is not recognized for the following temporary differences:

- the initial recognition of goodwill;
- the initial recognition of assets and liabilities, in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and
- investments in subsidiaries and joint ventures (excluding mutual funds) where the Group controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future.

Deferred tax assets for temporary differences and for unused tax losses are recognized at the probable amount of temporary differences or unused tax losses that can be offset against future positive taxable income. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Current and deferred tax relating to items that are charged or credited directly to equity, are also charged or credited directly to equity and are subsequently recognized in the income statement when the related deferred gain or loss is recognized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss. Current income tax is recognized as a liability and calculated on the basis of expected taxable income less prepayments made. If prepayments exceed the tax burden, the difference is recognized as an asset.

We refer to note 5.12 for further details.

LEASES

GROUP AS LESSEE

Leases where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the leases' inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are separated using the interest rate implicit in the lease to identify the finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. The Group has not entered into a lease agreement or commitment which is considered as a finance lease. Leases of assets are classified as operating leases if the lessor effectively retains all the risks and rewards of ownership. Payments made under operating leases, net of any incentives received from the lessor are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

GROUP AS LESSOR

Finance Lease and instalment sale contracts are primarily financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in loans and advances on the balance sheet. Finance charges earned are computed using the effective interest method, which reflects a constant periodic return on the investment in the finance lease. Initial direct costs paid are capitalised to the value of the lease amount receivable and accounted for over the lease term as an adjustment to the effective rate of return. The benefits arising from investment allowances on assets leased to clients are accounted for in tax. The Group has not entered into a lease agreement or commitment which is considered as a finance lease. Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating leases. Receipts of operating leases from properties held as investment properties in investment management net of any incentives given to lessees, are accounted for as rental income on the straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required by the lessee by way of penalty is recognised as income in the period in which termination takes place.

REPOSSESSED ASSETS

Repossessed assets are not brought on balance sheet until they are sold off to extinguish or reduce the outstanding debt.

RECOGNITION OF INCOME AND EXPENSES

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

INTEREST INCOME AND INTEREST EXPENSES

Interest income and interest expense are recognized in the income statement for all interest-bearing financial instruments on an accruals basis using the effective yield method except for those classified as held for trading based on the original settlement amount. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

NET FEE AND COMMISSION INCOME

Fee and commission income arises from services provided by the Group, including cash management, project and structured trade finance transactions. Fee and commission income is recognised when the corresponding service is provided and receipt of the fee is certain. Loan commitment fees for loans that are not expected to be drawn down are recognized on a straight-line basis over the commitment period.

NET TRADING INCOME

Net trading income includes realized gains and losses arising from trading in financial assets and liabilities and unrealized changes in fair value of these instruments.

DIVIDENDS

Dividend income is recognized in the income statement on the date that the dividend is declared.

RENTAL INCOME

Rental income from investment property is recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of total rental income.

OTHER NON-INTEREST INCOME

Revenue and income from the provision of services is recognized when the amount of income and the costs in connection with providing the services as well as the percentage of completion can be reliably measured as of the reporting date.

Income from the provision of advice to portfolio companies as well as income from the provision of IT consulting services is recognized using the percentage of completion method. Stage of completion is measured by reference to the labor hours incurred as of the reporting date as a percentage of total estimated labor hours for the respective consulting project. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation that arises from past events but is not recognized as a provision because an outflow of resources is not probable or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and contingent assets are not recorded in the statement of financial position; they are disclosed in the notes to the financial statements instead (see note 10).

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. All transactions between business segments are conducted on an arm´s length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance. In accordance with IFRS 8, the Group has the following four business segments (see also note 3):

— Banking operations BancABC
— Banking operations UBN
— Private Equity Activities
— Supporting services

3. SEGMENT REPORTING

In 2011 there have been the following four operating segments: Banking, Payment Services, Insurance and supporting services.

In 2012, ADC refined its strategy to focus more intently on the banking industry in sub-Saharan Africa. ADC's focus is on building a pan-African Merchant Banking Group through regional banking platforms in order to benefit from the rapidly expanding retail, corporate and consumer banking operations on the continent. ADC will continue to manage a private equity business under the Merchant Banking Platform to profit from existing and future proprietary investments.

In 2012, the Group's acquisitions in BancABC and UBN through UGPL created new operating segments. The former segments Banking, Payment Services and Insurance merged to the new operating segment private equity activities. As such, the group structure has been refined into four segments:

1. Banking Operations BancABC

The first time consolidation of BancABC allows ADC to achieve full integration of the Group's core banking operations while accelerating the creation of a cross-border platform that will profit from regional trade and investment. BancABC has corporate and retail operations in Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. In this respect the segment "banking operations BancABC" was introduced in 2012.

2. Banking Operations UBN

ADC, as part of a consortium of international investors, the Union Global Partners Limited (UGPL), has completed its investment in UBN together with partners with a wealth of experience including Nigerian private equity fund African Capital Alliance (ACA), global financial services private equity firm Corsair Capital, the Dutch development bank FMO, international business group Richard Chandler Corporation and global private equity investor Standard Chartered Private Equity. In alignment with ADC's strategy to become a pan-African banking group and due to ADC's active role in the UGPL consortium, UBN is classified as a strategic associate that will be held long-term by ADC. In this respect the segment "banking operations UBN" was introduced in 2012.

3. Private Equity Activities (formerly: Banking and Payment Services and Insurance)

The former segments "Banking", "Payment Services" and "Insurance" were merged into ADC's private equity unit in order to streamline and optimize the existing portfolio of investments (RSwitch, RHEAL, BANGE, iVeri) and growing its portfolio with new assets, existing technology and a broad network of contacts, advisors and specialists around the continent. ADC is looking to set up Joint Ventures (JVs) with local and regional partners that are well suited to source Private Equity (PE) investments as well as being a source of and valuable asset for advisory deals. Brainworks Capital, ADC's portfolio company in Zimbabwe, is a model for future country satellites. Brainworks was founded by young and driven entrepreneurs that have significant private wealth at risk and will benefit from co-investments and access to large-scale financing that ADC's banking operations can provide.

4. Supporting services

The Group's support services comprise areas of activity such as identifying investment opportunities, monitoring the financial position and performance of Group companies and portfolio companies, and providing them with professional support. In addition, strategic portfolio structuring is pursued, active risk management coordinated, capital-raising measures implemented, and relationships with investors maintained.

No operating segments have been combined to form the above reportable operating segments.

Transactions between the business segments are carried out at arm's length. The revenue from external parties reported to the Group Executive Committee is measured in a manner consistent with that in the consolidated income statement.

There were no banking revenues derived from transactions with a single external customer that amounted to 10% or more of the Group's revenues.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, which may be measured with certain deviations from the consolidated financial statements.

2012	BANKING OPERATIONS		PRIVATE EQUITY ACTIVITIES	SUPPORTING SERVICES	CONSOLIDATION	TOTAL
EURk	BancABC	UNION BANK NIGERIA				
Interest and similar income	65,150	0	820	243	(846)	65,367
Interest and similar expense	(33,500)	0	(846)	(2,000)	846	(35,500)
Net interest income	**31,650**	**0**	**(26)**	**(1,757)**	**0**	**29,867**
Provision for credit losses	(8,133)	0	0	0	0	(8,133)
Net interest income after provision for credit loss	**23,517**	**0**	**(26)**	**(1,757)**	**0**	**21,734**
Net fee and commission income	16,878	0	0	0	0	16,878
Net gains (losses) on financial instrument - designated at fair value through profit or loss	507	0	(13,204)	0	0	(12,697)
Net traiding income	7,288	0	(4,718)	0	0	2,570
Net income (loss) from equity method investments	(317)	4,028	0	0	0	3,711
Other non-interest income[1]	1,641	0	5,623	438	14,674	22,376
Total operating income	**49,514**	**4,028**	**(12,325)**	**(1,319)**	**14,674**	**54,572**
Operating expenses	(43,181)	0	(11,414)	(4,646)	756	(58,485)
Reorganization expenses	0	0	0	(4,327)	0	(4,327)
Result before tax	**6,332**	**4,028**	**(23,739)**	**(10,292)**	**15,430**	**(8,240)**
Income tax	(2,037)	0	(4)	17	(54)	(2,078)
Result for the year	**4,295**	**4,028**	**(23,743)**	**(10,275)**	**(15,376)**	**(10,318)**
Cash and short term funds	181,465	0	222	1,522	0	183,210
Financial assets held for trading	99,832	0	0	0	0	99,832
Financial assets designated at fair value	18,515	0	0	0	(7,814)	10,701
Derivative financial instruments	3,296	0	2,443	0	0	5,739
Loans and advances	886,572	0	0	0	0	886,572
Investment securities	5,319	0		0	0	5,319
Other current assets	18,943	0	2,205	58	7	21,213
Current tax assets	3,090		0	57	0	3,147
Investment in associates	1,093	33,908	19,094	0	0	54,095
Property, plant and equipment	64,432	0	447	26	0	64,905
Other intangible assets and goodwill	69,247	0	2,444	51	(1,047)	70,694
Deferred tax assets	8,225	0	425	0	0	8,650
Total assets	**1,360,029**	**33,908**	**27,280**	**1,714**	**(8,854)**	**1,414,076**
Deposits	1,041,891	0	0	0	0	1,041,891
Derivative financial instruments	2,208	0	0	0	0	2,208
Creditors and accruals	29,397	0	3,038	3,484	35	35,954
Current tax liabilities	1,971	0	(19)	66	0	2,018
Deferred tax liability	15,826	0	0	0	45	15,871
Borrowed funds	124,672	0	0	36,909	0	161,581
Total liabilities	**1,215,965**	**0**	**3,019**	**40,459**	**80**	**1,259,523**

1 The main consolidation entry relates to the release of negative goodwill from the first-time consolidation of BancABC.

2011 EURk	BANKING OPERATIONS BancABC	 UNION BANK NIGERIA	PROPRIETA-RY INVEST-MENTS & ADVISORY	SUP-PORTING SERVICES	CONSOLI-DATION	TOTAL
Interest and similar income	0	0	229	193	0	422
Interest and similar expense	0	0	0	(2)	0	(2)
Net interest income	**0**	**0**	**229**	**191**	**0**	**420**
Provision for credit losses	0	0	0	0	0	0
Net interest income after provision for credit loss	**0**	**0**	**229**	**191**	**0**	**420**
Net gains (losses) on financial inst-ruments designated at fair value through profit or loss“	0	0	17,226	0	0	17.226
Other non-interest income	0	0	4,719	1,796	(1,990)	4,525
Total Operating Income	**0**	**0**	**22,174**	**1,987**	**(1,990)**	**22,171**
Operating expenses	0	0	(11,683)	(5,088)	3,344	(13,427)
Profit (loss) before tax	**0**	**0**	**10,491**	**(3,101)**	**1,354**	**8,744**
Income tax	0	0	(78)	0	0	(78)
Profit (loss) for the year	**0**	**0**	**10,413**	**(3,101)**	**1,354**	**8,666**
Cash and short term funds	0	0	4,423	38,855	0	43,278
Derivative financial instruments	0	0	4,719	0	0	4,719
Other current assets	0	0	1,349	2,097	20	3,466
Current tax assets	0	0	21	55	0	76
Investment in associates	0	0	49,223	0	0	49,223
Property, plant and equipment	0	0	552	0	0	551
Other intangible assets and goodwill	0	0	1,219	60	0	1,279
Deferred tax assets	0	0	456	0	0	456
Total assets	**0**	**0**	**61,961**	**41,067**	**20**	**103,048**
Creditors and accruals	0	0	2,216	663	0	2,879
Borrowed funds	0	0	7,737	4,102	0	11,839
Shares of general partner	0	0	0	5	0	5
Total liabilities	**0**	**0**	**9,953**	**4,770**	**0**	**14,723**

NET INTEREST INCOME BY GEOGRAPHICAL AREA

IN EURk	2012	2011
Botswana	12,757	0
Mozambique	3,694	0
Tanzania	1,365	0
Zimbabwe	10,692	0
Zambia	3,139	0
Other	-1,781	420
Total	**29,867**	**420**

NON-CURRENT ASSETS

IN EURk	2012	2011
Botswana, Mozambique, Tanzania, Zimbabwe, Zambia	133,493	0
Rwanda	1,238	912
Mauritius	4	20
Germany	77	61
Total	**134,812**	**993**

Non-current assets for this purpose consist of other intangible assets without goodwill and property, plant and equipment.

4. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

ACQUISITIONS IN 2012

ACQUISITION OF ADC MANAGEMENT SERVICES LIMITED, CYBERCITY, REPUBLIC OF MAURITIUS (HEREAFTER "ADC SERVICES")

On 9 February 2012, the group acquired 100% of the voting shares of ADC SERVICES. The fair value of the identifiable assets and liabilities of ADC Services at the time of acquisition and the corresponding book values immediately prior to the time of acquisition are as follows:

EURk	FAIR VALUE
Receivables and other assets	17
Cash and cash equivalents	11
	28
Liabilities	14
Net assets	**14**
Purchased net assets	**14**
Goodwill	23
Acquisition costs:	
Purchase price	37
Costs directly allocable to purchase	0
	37
Purchased cash	11
Payment of purchase price	(37)
Actual cash outflow	(26)

The fair value of trade receivables amounts to EUR 16k. The gross amount of trade receivables is 16k. However, none of the trade receivables have been impaired and it's expected that the full amount can be collected. The goodwill recognised is not expected to be deductible for income tax purposes. The goodwill is impaired at 31 December 2012 (note 5.10 and note 6.9).

ADC SERVICES's profit from the time of acquisition through 31 December 2012 amounts to EURO 43,719. ADC SERVICES's profit for fiscal year 2012 totaled EURO 47,694 and sales revenues totaled EURO 218,817.

ACQUISITION OF ABC HOLDINGS LIMITED, GABORONE, BOTSWANA (HEREAFTER "BANCABC")

ADC's accelerated strategy of becoming a pan-African banking group has taken a giant leap forward after ADC became majority shareholder in BancABC. BancABC concluded a rights issue in total amount of USD 50.0 million on 27 July 2012 ("closing date"). The group subscribed for 42,473,655 shares and become majority shareholder in BancABC. The group gained control by holding 120,920,255 shares, equal to 51.98% of all voting shares in BancABC. Accordingly, the Group commenced consolidation of BancABC as of 27 July 2012 based on a total equity interest of 51.98%.

DESCRIPTION OF BANCABC'S BUSINESS ACTIVITIES AND THE EXPECTED IMPACT FROM THEIR INTEGRATION ON THE GROUP

ABC Holdings Limited is the parent company of a number of sub-Saharan Africa banks operating under the BancABC brand that offer a diverse range of financial services including personal, business and corporate banking as well as asset management, stockbroking and treasury services. Guided by its core values of professionalism, people, innovation, passion and integrity, BancABC is pursuing its vision be the preferred banking partner in Africa by offering world class financial solutions - to the benefit of all its stakeholders. BancABC is realising this vision by building profitable, lifelong customer relationships through the provision of a wide range of innovative financial products and services. BancABC has its primary listing on the Botswana Stock Exchange and a secondary listing on the Zimbabwe Stock Exchange.

TREATMENT OF THE GROUP'S INVESTMENT IN BANCABC HELD AT THE CLOSING DATE

Prior to obtaining control, the Group directly held 25.94 % of the shares and voting rights of BancABC, giving it the ability to significantly influence BancABC's financial and operating policies. ADC recognized this investment at fair value pursuant to IAS 39 in accordance with the option in IAS 28.1. Upon initial recognition these assets were allocated to the "assets at fair value through profit or loss category".

On 27 July 2012, the date when control over BancABC was obtained, the Group remeasured to fair value its existing investment (25.94% or 38,779,802 shares) in accordance with IFRS 3. The fair value of the investment was determined on the basis of the share price of 4.49 BWP (0.46 EUR). Accordingly, as of closing date, the remeasurement resulted in a corresponding loss of EUR 8.1m recognized in the group's income statement within the line item "Net gains (losses) on financial instruments designated at fair value through profit or loss" (note 5.5 and note 6.7.1).

PURCHASE PRICE ALLOCATION AND OTHER RELATED ACQUISITION-RELATED INFORMATION

The following table summarizes the consideration transferred and it. It also details, as of 27 July 2012, the fair value amounts of assets acquired and liabilities assumed for the BancABC, a non-controlling interest and (negative) goodwill acquired in the business combination.

FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED AS OF THE ACQUISITION DATE

EURk	FAIR VALUE
ASSETS	
Intangible assets (Note 6.9)	77,411
Property, plant and equipment (Note 6.8)	66,187
Cash and short term funds	128,172
Financial assets	114,731
Loans and advances	832,348
Net working capital	18,875
Investment in associates	1,456
Current tax assets	1,859
Deferred taxes	6,885
	1,247,924
LIABILITIES	
Financial liabilities	(5,772)
Borrowed funds (Note 6.12)	(126,098)
Deposits	(950,369)
Tax liabilities	(1,870)
Deferred taxes	(17,521)
	(1,101,630)
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**146,294**
non-controlling interests	(71,167)
(negative) Goodwill arising on acquisition	(17,096)
PURCHASE CONSIDERATION TRANSFERRED	**58,030**

The acquisition-date fair value corresponding to acquired loans and advances as derived by the Group amounted to EUR 832.3m, comprising both loans and advances to customers and to banks. The gross contractual amount of EUR 865.1m above represents the best estimate for the contractual cash flows of the loans and advances to customers and to banks.

As part of the preliminary purchase price allocation, the Group recognized intangible assets of approximately EUR 65.0m included in the fair value of identifiable net assets acquired. These amounts represented both intangible assets included in the balance sheet of BancABC as well as those intangible assets which were identified in the purchase price allocation. The intangible assets mainly comprise customer relationships (EUR 14.2m), the BancABC trademark (EUR 20.1m) as well as intangible core deposits (EUR 27.5m).

The net amount of assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred resulting in a bargain purchase for the Group. After reassessing and reviewing the procedures used to measure the amounts IFRS 3 requires to be recognized at the acquisition date, the Group recognized a gain on a bargain purchase in amount of EUR 17.1m (Note 5.8).

From the time of acquisition through 31 December 2012, BancABC contributed net interest income of EUR 31.9m and net income after tax of EUR 11.2m to the income statement. If consolidation had been effective as of January 1, 2012, BancABC's pro-forma contribution to the Group's net interest income and net income after tax in 2012 would have been EUR 66.5m and EUR 13.4m, respectively.

Acquisition-related costs borne by the Group as the acquirer amounted to EUR 0.2m which were recognized in operating expenses in the Group's income statement for 2012 (Note 5.9).

Analysis of cash flows on acquisition:

EURk	
Cash acquired with the subsidiary (included in cash flows from investing activities)	128,172
Cash paid (included in cash flows from investing activities)	-41,474
Net cash flow on acquisition	**86,698**

ACQUISITION OF NON-CONTROLLING INTERESTS

RSWITCH LTD, RWANDA

In January 2012, the subsidiary RSwitch executed a capital increase, to which ADC subscribed. By participating in this capital increase, ADC's share in RSwitch was increased from 70.0% to 88.54%. The purchase price of EUR 4,789k was mainly settled by converting ADC's shareholder loan into equity (debt-to-equity-swap).

5. NOTES TO THE INCOME STATEMENT

5.1 INTEREST AND SIMILAR INCOME

EURk	2012	2011
Cash and short-term funds	1,658	422
Investment securities at amortized cost	3,611	0
Financial investments - held to maturity	152	0
Loans and advances at amortized cost	59,857	0
	65,278	**422**
Interest income on financial assets designated at fair value through profit or loss	89	0
	65,367	**422**

5.2 INTEREST AND SIMILAR EXPENSE

EURk	2012	2011
Deposits	-25,924	0
Borrowed funds	-9,576	-2
	-35,500	**-2**

5.3 PROVISION FOR CREDIT LOSSES

EURk	2012	2011
Financial assets measured at amortized cost loans and advances (note 6.4)		
instalment finance	674	0
corporate lending	-9,542	0
commercial and property finance	-56	0
consumer-lending	790	0
	-8,133	**0**

5.4 NET FEE AND COMMISSION INCOME

EURk	2012	2011
Net fee income on loans and advances	8,251	0
Net fee income from trust and fiduciary activities	827	0
Cash transaction fees	5,878	0
Other fee income	1,922	0
	16,878	**0**

5.5 NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE PROFIT OR LOSS

EURk	2012	2011
Financial assets designated at fair value through profit or loss	**-12,697**	**17,226**

In 2012, net losses on financial instruments designated at fair value through profit or loss include losses from changes in fair value of shares in associates classified as "assets at fair value through profit or loss" (IAS 39) in accordance with the option provided for in IAS 28.1 (note 6.7.1) in amount of EUR 13,203k and gains of financial instruments designated at fair value (note 6.3) in amount of EUR 506k.

In 2011, the Company exchanged its stake in Ecobank Zimbabwe (formerly: PFG) for shares in Brainworks Capital Management (Private) Limited ("Brainworks"), an investment company from Zimbabwe. The disposal of the investment in Ecobank Zimbabwe resulted in a gain of EUR 2,754k.

5.6 NET TRADING INCOME

EURk	2012	2011
Net (losses)/gains on derivative financial instruments	-5,721	0
Debt securities	1,402	0
Foreign exchange	6,889	0
	2,570	**0**

Net (losses)/gains on derivative financial instruments include net losses of EUR 4,719k arising from write-offs of the call options (note 6.14.). In addition net losses of EUR 1,000k arising from a USD-Yen derivative swap are included.

Debt securities income includes the results of buying and selling and the changes in fair value of debt securities and debt securities sold short as well as the related interest income and expense.

Foreign exchange income includes gains and losses from spot and forward contracts and other currency derivatives.

5.7 NET INCOME (LOSS) FROM EQUITY METHOD INVESTMENTS

EURk	2012	2011
Pro-rata share of investees' net income (loss)	**3,711**	**0**

5.8 OTHER NON-INTEREST INCOME

EURk	2012	2011
Electronic payment services	2,222	925
Advisory services to portfolio companies	493	767
Dividend income:		
listed shares - fair value through profit or loss	904	761
Other non-interest income:		
rental and other income	487	194
(loss)/profit on disposal of property and equipment	-5	0
non-trading foreign exchange	254	1,527
other non-interest income	925	351
Release of negative goodwill (note 4)	17,096	0
	22,377	**4,525**

Non-trading foreign exchange mainly comprised foreign exchange gains of EUR 254k (prior year: EUR 1,527k) related to funds disclosed by the Group in USD.

5.9 OPERATING EXPENSES

EURk	2012	2011
Administrative expenses	-3,402	0
Property lease rentals	-3,542	0
Cost of materials	-4,974	-2,788
Professional fees	-1,720	-2,584
Staff costs (note 5.9.1)	-19,300	-471
Depreciation and amortisation	-7,547	-445
Advisory services ADC BDS (see note 11)	-3,376	-2,399
Activity and liability remuneration of personally liable partner (note 11)	-1,808	-1,574
Insurance	-580	-129
Marketing	-2,395	-337
IT expenses	-3,811	0
Travel expenses	-2,023	-241
Auditor's Fees (note 5.9.2)	-1,611	-138
Accounting and administrative services, including preparation of financial statements	-963	-786
Sundry other expenses	-1,433	-1,535
	-58,485	**-13,427**

5.9.1 STAFF COSTS

EURk	2012	2011
Salaries	19,265	453
Employer contributions to post retirement funds	22	18
Other staff costs	13	0
	19,300	**471**

The average number of employees in 2012 was 1,362 (prior year: 29). They were allocated to the following segments:

EURk	2012	2011
Finance, Accounting, Admin	275	14
Sales, Distribution	676	3
Technical staff	172	11
Other	239	1
	1,362	**29**

The increase in the average number of employees in the Group was primarily the result of business combinations and adding subsidiaries to the scope of consolidation.

5.9.2 AUDITOR'S FEES

The total fees charged for 2012 by the independent auditors of the consolidated financial statements, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, broken down by type of service are as follows:

EURk	2012	2011
Audit services	288	50
Other attestation services	0	100
Tax advisory services	25	0
	313	**150**

The fees for auditing services comprise expenses relating to the audit of the consolidated financial statements and group management report of ADC as well as the audits of the annual financial statements and management reports of ADC and consolidated subsidiaries carried out by the auditors of the consolidated financial statements.

Tax consultancy fees relate to fees paid by domestic group companies for services in accordance with section 1 German Tax Consultancy Act (StBerG). The fees for other services mainly resulted from the provision of consulting services.

5.10 REORGANIZATION EXPENSES

In November 2012, ADC simplified its corporate structure by taking over its General Partner, ADC Management GmbH from Altira AG, and is currently transforming its organizational structure from a private equity company (partnership limited by shares - GmbH & Co. KGaA) into a stock corporation (AG), which is expected to be finalized in second half of 2013. Expenses directly linked to the transformation into a stock corporation of EUR 4,327k are considered as reorganization expenses.

5.11 INCOME TAX EXPENSE

CURRENT TAX EXPENSE

EURk	2012	2011
Current year	-4,422	0
Under(over) provision in prior years	-55	0
Withholding tax	-141	0
Bank levies	-2	0
	-4,621	**0**
DEFERRED TAX		
Accruals	-15	0
Impairment losses	1,966	0
Property and equipment	391	0
Intangible Assets	703	0
Gains and investments	29	0
Tax losses	-531	-78
	2,542	**-78**
Total tax expense per income statement	**-2,078**	**-78**

Due to the use of existing loss carry forwards in the Group, income tax relates solely to deferred taxes. As in the prior year, the Group's income tax rate comprises the corporate income tax of 15.00% and the trade tax rate of 15.00%.

The tax reconciliation explains the relationship between the effective tax expense and the imputed tax expense, which is calculated from the consolidated earnings (before income taxes) by using the Group's income tax rate of 30.00% (prior year: 30.00%):

EURk	2012	2011
IFRS earnings before income tax	(8,240)	8,743
Imputed tax income (group tax rate)	2,472	(2,623)
Non-deductible expenses	(7,244)	(1,273)
Tax-free income	2,285	2,835
Tax incentives and tax dividend received	(300)	0
Changes in loss carryforwards, which cannot be used to reduce tax expense	2,150	105
Carryforward of unused tax credits	0	(739)
Changes in tax rate	(1,104)	1,617
Tax losses of prior years claimed	(337)	0
Effective income taxes (current and deferred taxes)	**(2,078)**	**(78)**
Effective group tax rate	**25.2%**	**0.9%**

DEFERRED TAX

In addition to deferred tax assets recognized for tax loss carryforwards, deferred tax assets and liabilities are also recognized for temporary differences in respect of the items shown below:

	2012				2011			
EURk	DEFFERED TAX ASSETS	DEFERRED TAX LIABILITIES	INCOME STATEMENT	OCI	DEFFERED TAX ASSETS	DEFERRED TAX LIABILITIES	INCOME STATEMENT	OCI
Tax loss carryforwards	6,151	0	531	0	456	0	78	0
Impairment allowance for loans and advances	3,765	0	1,107	0	0	0	0	0
Revaluation of financials instruments available-for-sale	0	-983	-29	0	0	0	0	0
Other temporary differences	1,303	14,285	933	0	0	0	0	0
Total (gross)	**11,219**	**13,302**	**2,542**	**0**	**456**	**0**	**78**	**0**
Netting of deferred tax assets and deferred tax liabilities	-2,569	2,569	0	0	0	0	0	0
Total (net)	**8,650**	**15,871**	**2,542**	**0**	**456**	**0**	**78**	**0**

6. NOTES TO THE STATEMENT OF FINANCIAL POSITION

6.1 CASH AND CASH EQUIVALENTS

This item includes all cash on hand and daily bank deposits, short-term deposits of up to three months, and amounts deposited in an escrow account.

The fair value of cash and cash equivalents is equal to the recognized carrying amount.

EURk	31.12.2012	31.12.2011
Cash on hand	26,712	0
Balances with central banks	17,020	0
Balances with other banks	86,348	43,278
thereof restricted cash	0	23,183
	130,080	**43,278**
Statutory reserve balances	53,130	0
	183,210	**43,278**

RESTRICTED CASH

Through a consortium of investors, the company has entered into a Transaction Implementation Agreement (TIA) on 12th July 2011 whereby the consortium will acquire a controlling interest in the Union Bank of Nigeria Plc (the „Bank") through Union Global Partners Limited (UGPL), the special purpose vehicle (the „SPV"). In the context of the TIA, each investor of the consortium entered into an Escrow Account Agreement with the SPV and Barclays Bank plc (Barclays) whereby each investor commits to deposit their share of the financing in an escrow account which is deemed to reach USD 200.5m. As at 31 December 2011, the company's share is USD 30m (EUR 23,183k) and has been duly deposited. In 2012, ADC invested and exercised significant influence over UGPL with effect of 1 January 2012. The investment in UGPL is considered as a strategic banking investment and measured in accordance with the equity method (note 6.7.2).

6.2 OTHER FINANCIAL ASSETS HELD FOR TRADING

OTHER FINANCIAL ASSETS HELD FOR TRADING

EURk	31.12.2012	31.12.2011
Government bonds	7,181	0
Corporate bonds	2,948	0
Treasury bills and other open market instruments	89,702	0
	99,832	**0**

Other financials assets held for trading are pledged as collateral in amount of EUR 42.9m.

Investment in government bonds and treasury bills by subsidiaries is partly for liquidity requirements as stipulated by local central banks and also as a source of diversification of the assets portfolio. There are no cross-border investments in government securities by any of the subsidiaries and the holding company. The Group also invests in tradeable paper issued by large corporates in the respective markets.

All financial assets held for trading are carried at fair value.

6.3 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE

EURk	31.12.2012	31.12.2011
Listed equities	969	0
Listed debentures	2,655	0
Unlisted debentures	7,078	0
	10,701	**0**

The listed equities comprise various counters listed on the Zimbabwe stock exchange that subsidiaries have invested in.

The listed debentures comprise of an investment in 10% convertible debentures issued by PG Industries (Zimbabwe) Limited.

6.4 LOANS AND ADVANCES

EURk	31.12.2012	31.12.2011
Mortgage lending	26,162	0
Instalment finance	54,802	0
Corporate lending	450,105	0
Commercial and property finance	5,277	0
Consumer lending	386,973	0
	923,319	**0**
less: Allowance for impairments losses	36,746	0
Net loans and advances	**886,572**	**0**

IMPAIRMENT ALLOWANCE FOR LOANS AND ADVANCES

A reconciliation of the allowance for impairment losses for loans and advances, by market segment, is as follows:

2012 EURk	MORTGAGE LENDING	INSTALMENT FINANCE	COPORATE LENDING	COMMERCIAL AND PROPERTY FINANCE	CONSUMER LENDING	TOTAL
Opening balance	0	0	0	0	0	**0**
Additions from business combinations	121	2,396	24,887	90	6,552	**34,046**
Exchange adjustment	-6	-94	-2,020	-7	78	**-2,049**
Charge for the year (note 5.3)	0	-674	9,541	56	-790	**8,133**
Recoveries	0	0	0	0	0	**0**
Amounts wirtten off	0	-94	-2,591	0	-514	**-3,199**
Interest accrued on impaired loans and advances (note 5.1)	0	54	-237	0	-2	**-185**
Closing balance	**115**	**1,588**	**29,580**	**139**	**5,324**	**36,746**
Individual impairment	27	1,094	25,467	139	2,359	**29,086**
Collective impairment	88	495	4,112	0	2,965	**7,660**
	115	**1,589**	**29,579**	**139**	**5,324**	**30,746**
Gross amount of loans individually determined to be impaired, before conducting the individually assessed impairment allowance						
	317	**3,255**	**71,696**	**108**	**9,986**	**85,363**

The changes in impairment losses included in the allowances for losses on loans and advances recognized under assets were as follows:

	SPECIFIC ALLOWANCE FOR CREDIT LOSS		COLLECTIVE IMPAIRMENT		TOTAL	
EURk	2012	2011	2012	2011	2012	2011
Allowance for credit losses as at 1 January	0	0	0	0	0	0
Additions from business combinations	26,397	0	7,648	0	34,045	0
Additions	7,618	0	515	0	8,133	0
Utilisation	-3,200	0	0	0	-3,200	0
Exchange rate adjustment	-1,729	0	-503	0	-2,232	0
Balance as at 31 December	**29,086**	**0**	**7,660**	**0**	**36,746**	**0**

6.5 INVESTMENT SECURITIES

EURk	31.12.2012	31.12.2011
Available-for-sale unlisted equities	844	0
Held to maturity promissory notes	4,475	0
	5,319	**0**

The investments in unlisted equities are accounted for at fair value. Refer to fair value note under financial risk management for details.

The promissory notes are partial security for the loan from BIFM (Note 6.12.). The promissory notes earn a fixed interest of 10.25% p.a., and are redeemable on 31 March 2015.

6.6 OTHER CURRENT ASSETS AND CURRENT TAX ASSETS

EURk	31.12.2012	31.12.2011
Trade receivables	287	406
Inventories	310	323
Prepayments	15,128	606
Other assets	5,488	2,131
	21,213	**3,466**
Current tax assets	3,147	76
	24,360	**3,542**

As of 31 December 2012, the nominal amount of trade receivables stood at EUR 287k (prior year: EUR 446k); specific bad debt allowances were deducted from the nominal value. See below for movements in the provision for impairment of receivables (charges for the year are included under other operating expenses):

	INDIVIDUALLY DETERMINED TO BE IMPAIRED	INDIVIDUALLY DETERMINED TO BE IMIPAIRED
EURk	2012	2011
As of 1 January	40	86
Charge for the year	0	40
Usage	-40	0
Reversal	0	-86
As of 31 December	**0**	**40**

Trade receivables are current and non-interest bearing.

The carrying amount of inventories recognized stood at EUR 310k (prior year: EUR 323k). Inventories are recognized at cost less impairment losses and are not subject to restrictions on disposal.

6.7 INVESTMENTS IN ASSOCIATES

EURk	NOTE	31.12.2012	31.12.2011
Investments in associates measured in accordance with the equity method	6.7.2.	35,001	0
Investments in associates measured at fair value through profit or loss	6.7.1.	18,994	49.023
Joint ventures	6.7.3.	100	200
		54,095	49,223

As of the reporting date, the Group held interests in the following associates:

	YEAR	CAPITAL INTEREST INDIRECT %	CURRENCY (LC)	ASSETS (LCk)	LIABILITIES (LCk)	EQUITY (LCk)	RESULT (LCk)	RESULT (EURk)
Investments in associates measured in accordance with the equity method								
1. Union Global Partners Limited, Mauritius[1]	2012	6,35	USD	490,565	442	490,123	(1,442)	(1,125)
2. Lion of Tanzania Insurance Company Ltd., Tanzania	2012	38,0	TZS	14,071,865	11,372,800	2,699,065	122,750	58
3. PG Industries (Botswana) Ltd., Botswana	2012	37,0	BWP	59,698	54,322	5,376	(16,638)	(1,647)
4. Credit Insurance Zimbabwe Limited, Zimbabwe	2012	24,0	ZWD	5,261	2,481	2,780	185	139
Investments in associates measured at fair value through profit or loss								
1. Banco Nacional de Guinea Equatorial, Malabo, Republic of Equatorial Guinea[1]	2012	25,0	XAF	297,577,865	285,242,970	12,334,895	4,007,932	6,012
	2011	25,0	XAF	220,473,947	209,825,953	10,647,994	2,339,715	3,556
2. Resolution Health East Africa Ltd., Nairobi, Kenya[1]	2012	38,74	KES	1,147,642	894,729	252,913	48,593	442
	2011	38,74	KES	760,188	664,926	95,262	(128,738)	(1,150)
3. ABC Holdings Limited, Gaborone, Botswana	2011	23,1	BWP	9,407,902	8,474,205	933,697	112,364	11,641
4. Brainworks Capital Management (Private) Ltd., Harare, Zimbabwe	2012	28,0	USD	26,058	12,487	13,571	482	376
	2011	28,0	USD	17,170	5,721	11,449	229	177
5. Brainworks Capital Private Equity Managers (Private) Ltd., Harare, Zimbabwe[2]	2012	10,0	-	0	0	0	0	0
	2011	10,0	-	0	0	0	0	0
6.iVeri Payment Technologies (Pty) Ltd., Johannesburg, Republic of South Africa[1]	2012	49,0	ZAR	4,404	1,562	2,842	905	86
	2011	49,0	ZAR	4,072	1,565	2,507	556	53
7. evriPay GBL 1, Cybercity, Mauritius[1]	2012	25,0	EUR	1,353	41	1,312	-249	-249
	2011	25,0	EUR	1,952	8	1,944	-56	-56

Disclosure of assets, liabilities and equity as well as profit for the year is based on the corresponding financial statements prepared in accordance with national law.

[1] At the time of preparation of the consolidated financial statements, the annual audits of these companies' financial statements had not yet been concluded. As a result, the figures are based only on the unaudited financial statements.

[2] Dormant company

6.7.1 ASSOCIATES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (IAS 39 AND IAS 28.1)

EURk	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	49,023	18,351
Additions	41,204	17,450
Disposals	-58,030	-1,250
Change in fair values	-13,203	14,472
Carrying amount at the end of the period	**18,994**	**49,023**

ASSOICATES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (IAS 39, IAS 28.1)

EURk	2012	2011
BancABC[1]	0	25,313
BANGE	7,592	14,850
Brainworks	6,580	4,004
RHEAL	3,737	3,725
iVeri	734	761
evriPay	351	370
	18,994	**49,023**

BANCABC

BancABC initially was allocated to the "assets at fair value through profit or loss category". On 27 July 2012 ADC obtained control of BancABC through a rights issue (note 4.). Transition consolidation requires an ultimate revaluation immediately before exercising control over BancABC. Revaluation loss recorded amounts to EUR 8.1 million.

BANCO NACIONAL DE GUINEA ECUATORIAL (BANGE)

Based on recent developments, ADC has decreased its valuation of BANGE's from EUR 14.9m in 2011 to EUR 7.7m at year-end 2012 due to the high levels of NPLs that have affected the bank's overall profitability for the last two years and have been an on-going concern and stated in previous quarterly reports. ADC is currently in discussions with interested parties for the sale of the asset for a similar valuation.

In 2012, BANGE increased its capitalization from CFA 7.0 billion to CFA 8.0 billion (EUR 10.7m to EUR 12.2m) in order to comply with the regulations of the central bank and to further strengthen the bank's equity. The capital increase was financed out of BANGE's reserves and without new capital from shareholders; the shareholder structure remained unchanged.

[1] BancABC became a subsidiary at 27 July 2012 (note 4)

RESOLUTION HEALTH EAST AFRICA LTD. ("RHEAL"), NAIROBI, KENYA (HEREAFTER RHEAL)

RHEAL's application for a general insurance license in Q1 2012 required the company to raise capital to meet the minimum capital requirement. ADC took up its right in the capital increase and invested EUR 176k. No additional capital was necessary for ADC to take up its rights in the capital increase. In 2010, ADC acquired a 25.1% interest in Resolution Health East Africa Ltd. ("RHEAL"), Nairobi, Kenya, via a direct investment. A further 13.64% share in RHEAL is held via a controlled special purpose entity, Proven Track Corporation Ltd. ("PTC"), GBL1, Mauritius. In October 2012, ADC took 100% ownership in a vehicle (Proven Track Corporation, Mauritius) that held a further 13.64% stake in RHEAL, which was previously capitalized by ADC debentures. ADC now holds a total equity stake of 38.74% in RHEAL including its original 25.1% direct stake and the further 13.64% indirect stake.

The interests in RHEAL are recognized at a fair value of EUR 3,737k (prior year: EUR 3,725k).

BRAINWORKS CAPITAL MANAGEMENT (PRIVATE) LTD (28.0%), HARARE, ZIMBABWE ("BRAINWORKS")

In 2008, a 44.95% interest in Ecobank Zimbabwe Ltd. ("Ecobank") (formerly: "Premier Finance Group Ltd": "PFG"), ("Ecobank"), Harare, Zimbabwe was acquired. The purchase price for the interests amounted to EUR 3,334k. This interest was diluted to 13.5% in 2010 and to 11.5% in 2011 on account of not taking part in capital increases performed at Ecobank. The interests in Ecobank were exchanged for interests in Brainworks Capital Management (Private) Ltd (28.0%), Harare, Zimbabwe ("Brainworks"), as part of a share swap effective 28 December 2011. The fair value of ADC's stake in Brainworks Capital increased by EUR 2.6m to EUR 6.6m at year-end 2012 due to a favourable development of the company and its underlying assets as well as reflecting the interest of additional investors in Brainworks Capital, which is currently undertaking a rights issue at a similar valuation.

6.7.2 STRATEGIC BANKING INVESTMENTS MEASURED IN ACCORDANCE WITH THE EQUITY METHOD

EURk	2012	2011
Carrying value at the beginning of the year	0	0
Additions from business combinations	1,364	0
Additions	22,713	0
Exchange rate adjustment	-63	0
Share of profits (losses)	3,711	0
Share of other comprehensive income	7,275	0
Tax	1	0
	35,001	**0**

UNION GLOBAL PARTNERS LIMITED, MAURITIUS (HEREAFTER "UGPL")

In June 2012, ADC purchased a 6.35% share in Union Global Partners Limited (hereafter "UGPL" or "consortium"), Mauritius. The consortium owns a majority stake of 61.4% in Union Bank of Nigeria (herafter "UBN"). ADC plans to retain the interest on a long-term basis and to participate in the company's operating earnings. For this reason, the share has been classified as a strategic bank investment. UBN is the fifth largest commercial bank in Nigeria and listed on the Nigerian stock exchange (NSE). As of the reporting date, the shares in UBN through UGPL are recognized in accordance with the equity method (IAS 28) in an amount of EUR 33,908k.

6.7.3 JOINT VENTURES

As of the reporting date, the Group held interests in the following joint ventures:

	YEAR	CAPITAL INTE-REST %	NO. OF EQUITY SHARES	PAR VALUE	CUR-RENCY LC	ASSETS LCK	LIABI-LITIES LCK	EQUI-TY LCK	RESULT LCK	RESULT EURK
Loita African Development Corporation Ltd., Cybercity, Mauritius	2012	50	20,000	10	EUR	186	3	183	(5)	(5)
	2011	50	20,000	10	EUR	193	5	188	(212)	(212)

Together with Loita Capital Partners International Ltd., Mauritius, ADC FS founded Loita African Development Corporation Ltd ("Loita"), Mauritius in July 2011. The joint venture is an investment vehicle for the acquisition of further interests in banks in SSA. Loita will also provide technical and advisory services to the banks as well as management staff. The Group holds 50% of the interests in Loita as of the reporting date. The interests in Loita are reported at fair value of EUR 100k (prior year: EUR 200k), which corresponds to the pro rata equity. In 2012, impairment loss of EUR 100k is recorded (note 6.19).

6.8 PROPERTY, PLANT AND EQUIPMENT

EURk	2012	2011
Costs as of 1 January	1,461	1,486
Exchange adjustment	(4,228)	(51)
Aquisition from a subsidiary (note 4)	66,187	0
Additions	4,062	333
Disposals	(297)	(307)
Reclassifications	576	0
Historic costs as 31 December	67,761	1,461
Accumulated amortization and depreciation as of 1 January	(910)	(811)
Exchange adjustment	305	52
Additions	(2,700)	(347)
Disposals	116	196
Reclassifications	333	0
Accumulated amortization and depreciation as of 31 December	(2,856)	(910)
Carrying amount as of 1 January	**551**	**675**
Carrying amount as of 31 December	**64,905**	**551**

In 2012, there are no indications of a need to recognize impairment losses on property, plant and equipment in accordance with IAS 36. In fiscal year 2011, certain items of property, plant and equipment in the "Payment Services" segment were written down to their recoverable amount in accordance with IAS 36 (EUR 196k). As part of the restructuring of RSwitch, existing technical equipment was replaced by new equipment.

As before, there are no restrictions on disposal within the Group, nor are property, plant and equipment pledged as collateral for debts.

6.9 OTHER INTANGIBLE ASSETS AND GOODWILL

Property, plant and equipment almost solely contain technical equipment.

EURk	2012 OTHER INTANGIBLE ASSETS	2012 GOOD-WILL	2012 TOTAL	2011 OTHER INTANGIBLE ASSETS	2011 GOOD-WILL	2011 TOTAL
Historical cost as of 1 January	1,177	838	2,015	769	838	1,607
Acquisition from a subsidiary (note 4)	77,411	23	77,434	0	0	0
Exchange adjustment	(5,264)	(74)	(5,338)	(21)	0	(21)
Additions	2,033	0	2,033	429	0	429
Reclassifications	(36)	0	0	0	0	0
Historical cost as of 31 December	75,321	787	76,108	1,177	838	2,015
Accumulated amortization and depreciation as of 1 January	(736)	0	(736)	(635)	0	(635)
Exchange adjustment	37	0	37	(3)	0	(3)
Amortization and depreciation	(4,847)	0	(4,847)	(98)	0	(98)
Revaluations	132	0	132	0	0	0
Accumulated amortization and depreciation as of 31 December	(5,414)	0	(5,414)	(736)	0	(736)
Carrying amount as of 1 January	**441**	**838**	**1,279**	**134**	**838**	**972**
Carrying amount as of 31 December	**69,907**	**787**	**70,694**	**441**	**838**	**1,279**

GOODWILL

The goodwill acquired from the business combination with RSwitch (formerly Simtel) amounting to EUR 838k was allocated to the cash-generating unit "Electronic Payment" for impairment testing. The calculations of the value in use of the "Electronic Payment" cash-generating unit are based on medium-term planning on the basis of the estimate of future cash flows as well as an appropriate discount rate 24.9% (in 2011, a discount rate of 32.0% was used) to calculate present value. The growth rate used to extrapolate the cash flows beyond the five-year period is 3.00% (prior year: 3.00%), which is the same as the long-term average growth rate for the industry and the country. Because the recoverable amount exceeds the carrying amount of the cash-generating unit, there was no need for an impairment charge pursuant to IAS 36.

KEY ASSUMPTIONS USED IN VALUE-IN-USE CALCULATIONS

The calculation of value in use for the "Electronic Payment" cash-generating unit is most sensitive to the following assumptions: Gross margin, Discount rates, Development of the price structure for card issue and card management, ATM/POS (point-of-sale) lease fees and ATM/POS maintenance fees as well as of the fees for transaction processing and system integration, Quantity development for the number of active payment cards, ATM & POS (point-of-sale) terminals, Growth rate used to extrapolate cash flows beyond the budget period.

OTHER INTANGIBLE ASSETS

The carrying amount of other intangible assets as of 31 December 2012 of EUR 69,907k reflected mainly additions related to the acquisitions of BancABC and amortization expense of EUR 4,847k.

In 2012, the allocation of the purchase price related to the acquisition of BancABC (note 4), which resulted in the identification and initial recognition of amortized intangible assets of EUR 65,037k capitalized in the Group's consolidated balance sheet. The amount mainly included customer relationships of (EUR 14,227k), trademarks (EUR 20,120k), core deposits (EUR 27,514k) at an initial total amount of EUR 61,861k and other intangible assets of EUR 3,176k (Note 4). The intangible assets are allocated to the cash-generating units BancABC Botswana, BancABC Zimbabwe, BancABC Mozambique, BancABC Tanzania and BancABC Zambia. The identified assets were valued at fair value based on third party valuations as at the acquisition date. In 2012, there was no impairment as the recoverable amounts of the BancABC customer relationships, brands and core deposits, calculated as fair value less cost to sell, exceeded their carrying amounts. The fair value of the trademarks were determined based on the income approach, using the relief-from-royalty method. The fair value of the customer relationships were determined based on the income approach, using the multi-period excess earnings method ("MEEM").

The useful lives of other amortized intangible assets by asset class are as follows:

	USEFUL LIVES IN YEARS
Software and licences	up to 5 years
Trademarks	up to 10 years
Customer relationships	up to 10 years
Core deposits	up to 10 years
Other	up to 5 years

6.10 DEFERRED TAX

Of the deffered tax assets recognized as of the reporting date, an amount of EUR 6,151k (prior year: EUR 456k) relates to deferred taxes in connection with recoverable tax loss carryforwards (note 5.11). These unused tax losses can be carried forward for a period of five years. In the fiscal year, deferred taxes of EUR 531k attributable to tax loss carryforwards were recognized in profit or loss. In the prior year, the deferred taxes recognized in profit or loss were negative and amounted to EUR 78k.

The deferred tax assets mainly relate to tax losses in ABCH Holdings Limited (EUR 1.8m), Second Nominees Zimbabwe (EUR 2.0m), BancABC Tanzania (EUR 1.8m) and RSwitch (EUR 0.5m).

No deferred tax assets were recognized on unused tax losses of EUR 29,287k (prior year: EUR 18,501k) at ADC KGaA as well as of EUR 11,057k (prior year: EUR 5,187k) at subsidiaries, as it is assumed that it will probably not be possible to utilize them at the relevant group companies within a forecast period of five years.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that sufficient taxable profit will be available against which the benefits of a deferred tax asset can be utilized in full or in part. Conversely, deferred taxes are recognized when their future usability is probable.

Deferred tax liabilities mainly relate to temporary differences arisen in a business combination with BancABC (note 5.11 and note 4).

Deferred tax liabilities for tax payments on possible future distributions of retained earnings of the subsidiaries were not recognized provided these profits are required in the long-term to finance the relevant subsidiary.

6.11 DEPOSITS

EURk	2012	2011
Deposits		
Deposits from banks	104,206	0
Deposits from other customers	937,685	0
	1,041,891	**0**
Payable on demand		
Corporate customers	171,748	0
Public Sector	37,870	0
Retail Customers	76,994	0
Other financial institutions	43,640	0
Banks	9,942	0
	340,194	**0**
Term deposits		
Corporate customers	247,539	0
Public sector	248,635	0
Retail customers	20,467	0
Other financial institutions	90,791	0
Bank	94,264	0
	701,697	**0**
Geographical analysis		
Botswana	403,977	0
Mozambique	136,320	0
Tanzania	112,040	0
Zambia	77,376	0
Zimbabwe	312,177	0
	1,041,891	**0**

6.12 BORROWED FUNDS

EURk	2012	2011
Convertible bond	9,560	7,838
Other borrowed funds	115,112	4,001
Bond with warrants attached	36,909	0
	161,581	**11,839**

6.12.1 CONVERTIBLE BOND

EURk	2012	2011
Balance at the beginning of the year	7,838	100
Additions	0	7,738
Additions from acquisitions through business combinations	8,259	0
Disposal - conversion	-100	0
Reclassification	-7,738	0
Interest expense	1,500	0
Upfront loan arrangement fees	0	0
Interest paid	-528	0
Exchange rate movement	330	0
	9,560	**7,838**

During 2011, the BancABC issued a US Dollar denominated convertible loan to International Finance Corporation (IFC) for US$13,5 (EUR 10,2 million). The loan attracted interest of 6 months LIBOR +3.75% per annum, payable semi-annually and it is convertible at IFC's option as follows:

- BWP 3.15 (EUR 0.31) per share at any time during the period from 13th May 2011 to 12th May 2012
- BWP 3.24 (EUR 0.32) per share at any time during the period from 13th May 2012 to 12th May 2013; or
- If any time during this conversion period, the Group raises 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 are as follows:

- 15th Mar 2013 - US$3,500,000 (EUR 2,6 million)
- 15th Sep 2013 - US$3,500,000 (EUR 2,6 million)
- 15th Mar 2014 - US$3,500,000 (EUR 2,6 million)
- 15th Sep 2014 - US$3,048,969 (EUR 2,3 million)

On 22nd August 2012, the BancABC 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 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 (EUR 2.7 million)
- 15 September 2013 – BWP27,173,913 (EUR 2.7 million)
- 15 March 2014 – BWP27,173,913 (EUR 2.7 million)
- 15 September 2014 – BWP23,672,120 (EUR 2.3 million)

The fair value of this convertible loan is BWP106.5 million (EUR 10.5 million).

6.12.2 OTHER BORROWED FUNDS

EURk	2012	2011
National Development Bank of Botswana Limited	9,251	0
BIFM Capital Investment Fund One (Pty) Ltd.	31,301	0
Afrexim Bank	30,649	0
Standard Chartered Bank Botswana Limited	11,401	0
Other	32,509	4,001
	115,112	**4,001**
Fair value		
National Development Bank of Botswana Limited	9,516	0
BIFM Capital Investment Fund One (Pty) Ltd.	39,243	0
Afrexim Bank	31,151	0
Standard Chartered Bank Botswana Limited	11,401	0
Other	32,509	4,001
	123,820	**4,001**

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 – BWP 62,500,000 (EUR 6.1 million)
- 30 September 2018 – BWP 62,500,000 (EUR 6.1 million)
- 30 September 2019 – BWP 62,500,000 (EUR 6.1 million)
- 30 September 2020 – BWP 62,500,000 (EUR 6.1 million)

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 (EUR 11.7 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 eversince. 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 (EUR 12.5 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.

In 2011, a short-term loan of EUR 4,000k was raised in bridge financing for the capital increase made in December. The loan attracted interest of 7.00% p.a. The loan was secured by depositing an amount of EUR 4,000k in an account at the bank granting the loan. No other securities or guarantees for liabilities were granted in the Group. The bridge loan was repaid in January 2012.

6.12.3 BOND WITH WARRANTS ATTACHED

Effective 1 June 2012, ADC issued a bond with warrants attached with a term of three years and a nominal value of EUR 40.0 million, divided into 400,000 bearer bonds of EUR 100.00 each. Each bond is initially linked to 5 warrants issued by ADC. The 2,000,000 warrants are detachable and entitle their holders to acquire 2,000,000 no-par-value bearer shares in ADC with a notional share in its issued capital of EUR 1.00 per share subject to payment of the exercise price. The exercise price stands at EUR 14.00 per share. The warrant holders may exercise their options from 1 June 2012 until 31 May 2015. The bond with warrants attached has a nominal coupon of 6% p.a. The proceeds of the issue will particularly be used to acquire shares in BancABC. The bonds were initially recognized at their fair value and subsequently at amortized cost using the effective interest method. The warrants were classified as equity instruments and measured at their fair value of EUR 1,862k as of the date of issue. They are reported within the capital reserve under the item "Other equity movements". The shares in BancABC and the proceeds from the sale of these shares have been pledged as collateral for the bond with warrants attached.

Both interest expenses allocable to the nominal amount (EUR 1,416k) and compounding expenses (EUR 583k) have been recognized under interest and similar expenses.

EURk	2012	2011
Maturity analyses		
On demand to one month	227	4,001
One to three month	4,010	0
Three months to one year	75,949	100
Over one year	81,394	7,738
	161,581	**11,839**

6.13 CREDITORS AND ACCRUALS

EURk	2012	2011
Trade and other payables	5,276	2,389
Other current liabilitites	13,749	243
Accruals and provisions	16,930	247
	35,954	**2,879**

CREDITORS

Trade payables and other liabilities are measured at amortized cost. Cost essentially corresponds to fair values. Liabilities are non-interest bearing and are due within one year.

ACCRUALS AND PROVISIONS

EURk	2012	2011
As of 1 January	**247**	**100**
Exchange adjustment	(583)	1
Additions	8,171	246
Additions from business combinations	9,342	0
Utilization	(243)	(100)
Reversal	(4)	0
As of 31 December	**16,930**	**247**

6.14 DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the fair values of derivative financial instruments recorder as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year-end are indicative of neither the market nor the credit risk.

	2012			2011		
EURk	ASSETS	LIABILITIES	NOTIONAL AMOUNT	ASSETS	LIABILITIES	NOTIONAL AMOUNT
Derivatives held for trading						
Forward foreign exchange contracts - held for trading	2,426	272	102,968	0	0	0
Call option - Afraisa Bank Limited	0	0	0	79	0	79
Call option - Banca Nacional de Guinea Ecuatorial (Bange)	0	0	0	4,640	0	4,640
Derivative - Union Bank of Nigeria (UBN)	2,443	0	2,443	0	0	0
Derivatives designated at fair value through profit or loss“						
Equity derivative	0	1,936	1,936	0	0	0
Derivatives used as fair value hedges						
Cross-currency interest rate swaps	870	0	9,251	0	0	0
	5,739	**2,208**	**116,598**	**4,719**	**0**	**4,719**

DERIVATIVES HELD FOR TRADING

FORWARD FOREIGN EXCHANGE CONTRACT

The notional amounts of outstanding forward foreign exchange contract at 31 December 2012 were EUR 103.0 million (2011: EUR nil). These result in derivative financial assets of EUR 2.4m (2011: EUR nil) and derivative financial liabilities of EUR 0.3 million (2011: EUR nil).

CALL OPTION – AFRASIA BANK LIMITED

In 2011, the Group has entered into a call option with Afrasia Bank Limited („the bank"), a company incorporated in Mauritius, for 7,733,333 ordinary shares of no par value representing 9.89% of the total shareholdings of the Bank. The call option in amount of EUR 78k was written off in 2012 and recognized in in net trading income (note 5.6).

CALL OPTION – BANGE

In the Shareholders' agreement dated 16 December 2008 between ADC Financial Services & Corporate Development (ADC FS) and Banco Nacional de Ecuatorial (BANGE), ADC FS was granted a call option for 25.1% of the shares of BANGE. The call option in amount of EUR 4,640k was impaired in 2012 and recognized in net trading income (note 5.6).

DERIVATIVE FINANCIAL INSTRUMENT UNION BANK OF NIGERIA

ADC invested EUR 2,443k (USD 3 million) in a financial instrument held through a special purpose vehicle (ADC Ventures Limited, Mauritius) together with Standard Chartered Private Equity (SCPE) who invested US41.3m in the same vehicle.

The funds were utilized to acquire 8.39% of UGPL shares. In return, ADC has the right to participate in the upside in the vehicle after a minimum return of 26% p.a. for SCPE.

If the instrument is liquidated before 31 December 2014 SCPE is entitled to a further 50% of proceeds remaining after distributions of invested amounts plus minimum returns.

The instrument has a 7 year tenure that can be extended for an additional 2 years. ADC has a stop loss of USD 3m on the instrument.

As at 31 December 2012 the acquisition price was considered the fair value of this financial instrument. UGPL holds 61.34% of the shareholding in Union Bank of Nigeria (UBN).

DERIVATIVES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

EQUITY DERIVATIVE

This comprises of an equity derivative on an unlisted energy company of EUR 1.9m (2011: EUR nil).

FAIR VALUE HEDGES

CROSS-CURRENCY INTEREST RATE SWAPS

Fair value hedges are used by the Bank to protect it against changes in the fair value of financial assets and financial liabilities due to movements in exchange rates and interest rates. The financial instruments hedged for interest rate risk include fixed rate loans, available-for-sale debt securities, fixed rate debt issued and other borrowed funds. The Bank uses currency swaps to hedge against specifically identified currency risks, and interest rate swaps and interest rate futures to hedge interest rate risk. The Bank's fair value hedge relationships principally are forward exchange contracts to hedge various foreign currency exposures and interest rate and currency swaps to hedge against loans taken out in foreign currency at specific interest rates.

Gains or losses due to changes on fair value hedges for the year:

EURk	2012	2011
Gain/(losses) on:		
Hedged instruments	-1,035	0
Hedged items attributable to the hedged rist	1,035	0
Hedged ineffectiveness recognized immediately in income statement	**0**	**0**

The cumulative fair value adjustments on hedged items designated as fair value hedges as at 31 December are included in the following balance sheet items:

EURk	2012	2011
Loans and advances to customers	0	0
Debt issued an other borrowed funds	9,251	0
	9,251	**0**

6.15 EQUITY

ISSUED CAPITAL

Issued capital is stated at nominal value. The Company's issued capital (share capital) amounts to EUR 8,606,764.00 and is divided into 8,606,764 no-par value registered common shares (no-par value shares), each with a nominal value of EUR 1.00.

At the annual general meeting held on 7 June 2011, the shareholders authorized the company to buy treasury shares in an amount of up to ten percent of its share capital as of the date of the resolution on or before 6 June 2016. The authorization may be utilized in full or part, once or repeatedly. The treasury shares may be bought via the stock market, in the form of a public buy back offer or through a request directed at the company´s limited liability shareholders to submit offers of sale. The treasury shares thus acquired may be utilized for the purposes permitted by law subject to the Supervisory Board´s approval.

The company has been utilizing this authorization from 20 February 2012 to 13 August 2012 and has acquired 315,160 treasury shares at a cost of EUR 2,762,418.80.

The share buyback program was suspended on 14 August 2012. The share buyback program generally is still in place and the company will notify the market about the resumption of the share buyback accordingly.

The total number of shares in circulation developed as follows:

EURk	NUMBER OF SHARES ACQUIRED (+)/SOLD(-)	AVERAGE TRANSACTION PRICE IN EUR	ISSUED CAPITAL	SHARES OUTSTANDING
Date				
01.01.2012	**0**	**0,00**	**8,410,764**	**8,410,764**
20.02.2012 - 26.02.2012	0	0,00	8,410,764	8,410,764
27.02.2012 - 04.03.2012	6,344	60,375,85	8,410,764	8,404,420
05.03.2012 - 11.03.2012	0	0,00	8,410,764	8,404,420
12.03.2012 - 18.03.2012	4,179	37,605,43	8,410,764	8,400,241
19.03.2012 - 25.03.2012	12,198	105,219,95	8,410,764	8,388,043
26.03.2012 - 01.04.2012	15,860	136,507,02	8,410,764	8,372,183
02.04.2012 - 08.04.2012	12,688	112,913,68	8,410,764	8,359,495
09.04.2012 - 15.04.2012	12,688	120,266,38	8,410,764	8,346,807
16.04.2012 - 22.04.2012	15,860	148,087,99	8,410,764	8,330,947
23.04.2012 - 29.04.2012	15,860	141,477,54	8,410,764	8,315,087
30.04.2012 - 06.05.2012	12,688	110,896,29	8,410,764	8,302,399
07.05.2012 - 13.05.2012	13,716	120,774,87	8.410,764	8,288,683
14.05.2012 - 20.05.2012	15,860	140,675,03	8,410,764	8,272,823
21.05.2012 - 27.05.2012	15,860	142,638,50	8,410,764	8,256,963
28.05.2012 - 03.06.2012	12,688	114,138,08	8,606,764	8,440,275
04.06.2012 - 10.06.2012	13,159	118,015,18	8,606,764	8,427,116
11.06.2012 - 17.06.2012	15,860	140,503,74	8,606,764	8,411,256
18.06.2012 - 24.06.2012	15,860	135,618,86	8,606,764	8,395,396
25.06.2012 - 01.07.2012	15,860	133,798,13	8,606,764	8,379,536
02.07.2012 - 08.07.2012	14,391	120,421,01	8,606,764	8,365,145
09.07.2012 - 15.07.2012	15,860	132,840,19	8,606,764	8,349,285
16.07.2012 - 22.07.2012	12,808	109,095,98	8,606,764	8,336,477
23.07.2012 - 29.07.2012	15,860	135,996,33	8,606,764	8,320,617
30.07.2012 - 05.08.2012	15,591	127,284,92	8,606,764	8,305,026
06.08.2012 - 12.08.2012	10,250	88,124,38	8,606,764	8,294,776
13.08.12	3,172	27,101,57	8,606,764	8,291,604
14.09.12	-315,160	-2,676,181,14	8,606,764	8,606,764
31.12.2012	**0**	**84,195,76**	**8,606,764**	**8,606,764**

On 14 September 2012 all of ADC's treasury stock was sold to a strategic investor at a purchase price of EUR 2,676k in order to free-up funds for the majority acquisition of BancABC. The loss of EUR 84k was recognized in the income statement.

As of 31 December 2011, outstanding deposits of EUR 495k resulting from the capital increase exercised in the 2010 financial year were deducted from equity. These deposits were paid in in January 2012.

CONVERSION OF CONVERTIBLE BONDS

Convertible bonds in a total nominal amount of EUR 1,000,000.00 authorized by the shareholder meetings on 15 February 2008 and 12 August 2009 were issued effective 1 May 2010 at EUR 0.10 per bond. Based on the authorization by the shareholder meeting, only Altira AG, Frankfurt am Main, was permitted to subscribe to the convertible bonds. The limited shareholders' statutory right to subscribe to the convertible bonds was excluded.

The convertible bonds ran until 30 April 2012 and did not bear interest. Each EUR 1.00 nominal convertible bond entitled the holder to subscribe to a non-par value registered share of the Company, whereby if the option is exercised; an additional payment of EUR 0.90 had to be made per nominal convertible bond.

In connection with the capital decrease in a ratio of 5:1 approved by resolution on 24 August 2010, the convertible bond conditions were also adapted in a ratio of 5 to 1. Thus the number of registered convertible bonds subscribed to by Altira AG also decreased at a ratio of 5 to 1, from 1,000,000 to 200,000. At the same time, the notional issue amount of a nominal EUR 1.00 increased to a nominal EUR 5.00 per convertible bond, of which 10% (i.e., EUR 0.50) was to be paid in. If the bond creditor exercised their conversion option, an additional payment of EUR 4.50 per convertible bond submitted for exchange had to be paid in cash to the Company.

Altogether 196,000 of the convertible bonds were converted into ADC shares. The capital increase was recorded in the registry as per 29 May 2012.

CONVERTIBLE BOND BANCABC - CONVERSION INTO EQUITY

As of 31 December 2011, the Group held a BancABC convertible bond in an amount of EUR 7,738k (USD 10.0m), which was reported under non-current liabilities. This convertible bond, which was agreed as of 30 September 2011, has a five-year term and charges interest at 10% p.a. The convertible bond was taken up in order to invest together with BancABC in UBN.

In 2012 the convertible bond was converted into equity as the investment in UBN materialized. The interest will be serviced from future dividends from the target investment. Given the successful investment in UBN, the contract between ADC Enterprises and BancABC does not provide for any obligation to satisfy the creditor's claims in cash (cash settlement). Instead, BancABC can only convert into shares in ADC Enterprises. This constitutes a financial instrument meeting the criteria for classification as equity.

This item has been eliminated in the Group accounts as control was obtained over BancABC at 27 July 2012.

AUTHORIZED CAPITAL

By resolution of the shareholder meeting on 28 August 2008, the general partner is authorized, subject to the consent of the supervisory board, to increase the share capital of the Company by issuing new no-par value shares for cash and/or non-cash contributions on one or more occasions until 31 July 2013, subject to an overall total increase of EUR 7,000,000.00 (authorized capital I/2008). The authorized capital amounts to EUR 6,235,386.00 after partial utilization.

CONDITIONAL CAPITAL

The Annual General Meeting held on 12 August 2009 authorized the General Partner and the Supervisory Board to issue warrant or convertible bonds up to a total nominal amount of EUR 50,000,000.00 and to grant new shares in the company to the bearers and/or creditors of warrant and/or convertible bonds. To service warrant exercise or conversion rights resulting from this authorization, the company's Articles of Association provide in § 5 (4) for conditional capital of EUR 4,800,000.00 (Conditional Capital II/2009).

Acting on this authorization, in May 2012 the company issued a warrant bond with a total nominal amount of EUR 40,000,000.00 that was fully drawn down and subscribed ("Warrant Bond 2012/2015"). The warrant bond is divided into 400,000 individual bearer warrant bonds with a nominal amount of EUR 100.00 each. Each warrant bond entitles its bearer to subscribe 5 new shares in the company. Conditional capital of up to EUR 2,000,000.00 is required to service these subscription rights. No further utilization is to be made of the existing authorization to issue warrant and/or convertible bonds; the authorization is to be rescinded to the extent that it has not been utilised.

Of the conditional capital pursuant to § 5 (4) of the Articles of Association, an amount of EUR 2,800,000.00 is no longer required to service subscription or conversion rights; the conditional capital is to be reduced by this amount.

To ensure that the company still has the necessary flexibility in respect of its capital procurement, a new authorization governing the issue of further warrant and/or convertible bonds is to be adopted. To service the subscription rights arising on account of warrant and/or convertible bonds issued, new conditional capital is to be created (Conditional Capital I/2013) and the Articles of Association amended accordingly.

At the shareholder meeting of 14 August 2009, the general partner was authorized, subject to the consent of the supervisory board, to issue on one or more occasions until 31 July 2014 bearer and/or registered convertible and/or warrant bonds in a total nominal amount of up to EUR 50,000,000.00 with or without a fixed term and to grant options or conversion rights to new, registered no-par value shares of the Company to the holders or creditors of bonds with a notional share in share capital of up to EUR 4,800,000 in accordance with the Convertible and Warrant Bond Terms.

OTHER RESERVES

EURk	PROPERTY REVALUATION RESERVE	AVAILABLE-FOR-SALE RESERVE	FOREIGN CURRENCY TRANSALTION RESERVE	OTHER CAPITAL RESERVE	TREASURY SHARE RESERVE	TOTAL
At January 2011	**0**	**0**	**221**	**11,187**	**0**	**11,408**
Foreign currency translation	0	0	-122	0	0	-122
At 31 December 2011	0	0	99	11,187	0	11,286
Net unrealised losses on vailable-for-sale financial investments	0	156	0	0	0	156
Acquisition on non-controlling interests	0	0	0	-2,181	0	-2,181
Other	0	0	0	-3,947	0	3,947
Share of reserve in associate companies	10,172	2,768	-264	-5,487	86	7,275
Foreign currency translation	0	0	-5,036	0	0	-5,036
As 31 December 2012	**10,172**	**2,924**	**-5,201**	**7,466**	**86**	**15,447**

6.16 FUNDS UNDER MANAGEMENT

EURk	2012	2011
	41,659	**0**

The group provides asset management and unit trusts activities to pension funds, individuals, trusts and other institutions, whereby it holds and manages assets. The Group receives a management fee for providing these services. The Group is not exposed to any credit risk relating to such placements.

6.17 EMPLOYEE BENEFITS

The Group uses a combination of externally administered defined contribution schemes and, where there is a mandatory requirement, state social security schemes. Both the employee and employer contribute to these schemes. The Group does not operate any defined benefit scheme. Amounts recognized in expenses have been disclosed in Note 5.9.

6.18 SHARE-BASED PAYMENTS

ADC as a significant shareholder of BancABC granted at 25 June 2012 to the senior management of BancABC the option to purchase option shares of BancABC, exercisable during the option period at the option price. The exercise price of the options is as follows:

- USD 0.72 per option share, if the option is exercised at any time to 31 May 2013
- USD 0.86 per option share, if the option is exercised at any time between 1 June 2013 and 31 May 2014
- USD 1.04 per option share, if the option is exercised at any time between 1 June 2014 and 31 May 2015

The fair value of the options is estimated at the grant date using binominal pricing model, taking into account the terms and conditions upon which the instruments were granted. The following table lists the inputs to the model used for the equity-settled options for the year ended 31 December 2012:

IN %	2012
Dividend yield	4.27
Expected volatility	20.0
Risk-free interest rate	0.261
Expected life of the option	2.68

The Group assumes that all share options within the option period will be exercised.

The expected life of the option is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options grants were incorporated in the measurement of fair value.

In 2012, the expense recognized for employee services received during the year is nil.

6.19 FINANCIAL INSTRUMENTS DISCLOSURES

6.19.1 CLASSES, CATEGORIES AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The following tables show the breakdown of carrying amounts and fair values of financial assets and financial liabilities by class and category of financial instrument

	2012		2011	
EURk	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets measured at fair value				
Other financial assets held for trading				
Government bonds	7,181	7,181	0	0
Corporate bonds	2,948	2,948	0	0
Treasury bills	89,703	89,703	0	0
Derivative financial instruments	4,869	4,869	4,718	4,718
Fair value option				
Financial assets designated at fair value	10,701	10,701	0	0
Investment in associates	18,994	18,994	49,223	49,223
Derivative financial instruments used for hedging				
Derivatives used for hedging (positive fair values)	870	870	0	0
Available-for-sale investments				
Investment securities	844	844	0	0
Financial assets measured at amortized cost				
Loans and receivables				
Cash and short term funds	183,210	183,210	20,094	20,094
Restricted cash	0	0	23,183	23,183
Loans and advances	886,572	836,389	0	0
Other current assets	20,903	20,903	3,143	3,143
Held-two-maturity investments				
Investment securities	4,475	4,475	0	0
Financial liabilities measured at fair value				
Fair value option				
Derivative financial instruments	2,208	2,208	0	0
Financial liabilities measured at amortized cost				
Deposits	1,041,891	1,041,891	0	0
Creditors and accruals	35,954	35,954	2,878	2,878
Borrowed funds	161,581	161,581	11,840	11,840

Financial instruments not measured at fair value, where the carrying value is estimated to approximate the fair value of these instruments, were as follows:

1. Cash and short term funds

Placements with other banks include inter-bank placements and items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

2. Loans and advances

Loans and advances are accounted for on an amortised cost basis using the effective interest rate. Origination transaction costs and origination fees received that are integral to the effective rate are capitalised to the value of the loans and amortised through interest income as part of the effective interest rate. Loans and advances are stated net of allowances for specific and portfolio impairment.

3. Investment securities

Investment securities include only interest-bearing assets held to maturity, and unlisted equities; assets classified as available for sale are measured at fair value. Fair value for held-to-maturity assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

4. Deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.
The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

5. Off-balance sheet financial instruments

The estimated fair values of the off-balance sheet financial instruments are based on market prices for similar facilities. When this information is not available, fair value is estimated using discounted cash flow analysis.

6.19.2 FAIR VALUE HIERARCHY

The Group adopted the amendments to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
— Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is, derived from prices); or
— Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012:

	2012				2011			
EURk	QUOTED PRICES LEVEL1	OBSERVABLE INPUTS LEVEL 2	UNOBSERVABLE INPUTS LEVEL 3	TOTAL AT FAIR VALUE	QUOTED PRICES LEVEL1	OBSERVABLE INPUTS LEVEL 2	UNOBSERVABLE INPUTS LEVEL 3	TOTAL AT FAIR VALUE
Other financial assets held for trading	0	99,832	0	99,832	0	0	0	0
Financial assets designated at fair value[1]	3,624	0	7,077	10,701	0	0	0	0
Derivative financial assets	0	5,739	0	5,739	0	0	0	0
Investment securities[2]	0	0	844	844	0	0	4,719	4,719
Investments associates[3]	0	0	18,994	18,994	25,313	0	23,910	49,223
Total assets at fair value	**3,624**	**105,571**	**26,915**	**136,110**	**25,313**	**0**	**28,629**	**53,942**
Derivative financial liabilities[4]	0	0	2,208	2,208	0	0	0	0
Total liabilities at fair value	**0**	**0**	**2,208**	**2,208**	**0**	**0**	**0**	**0**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

A market is regarded as active if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Financial assets held for trading and derivatives under level 2 have been valued using market interest and exchange rates.

[1] Level 3 input:
In estimating the fair value of instruments under level 3 at 31 December 2012, the following assumptions were in this category:
- volatility in the price of the underlying equity instrument of 50%; and
- credit spread of 12.54%.

[2] The investment securities comprise of unlisted equities. The unlisted equities have been valued based on the value of recent trades in these equities where available. They comprise of shareholdings smaller than 20% in a number of private companies.

[3] investments in associates classified as „assets at fair value through profit or loss" (IAS 39) in accordance with the option provided for in IAS 28.1 (note 6.7.1)

[4] For the detailed assumptions relating to the valuation of level 3 derivative financial liabilities see table below.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:
— quoted market prices or dealer quotes for similar instruments;
— the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
— the fair value of foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value; and
— other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The movement in instruments included in the level 3 analysis is as follows:

	2012				
EURk	TRADING DERIVATIVES	DEBT OR EQUITY INVESTMENTS	TOTAL ASSETS AT FAIR VALUE	DERIVATIVE FINANCIAL LIABILITIES	TOTAL AT FAIR VALUE
Opening balance	4,718	23,710	**28,428**	0	**0**
Transfer from business aquisition	0	11,192	**11,192**	4,594	**4,594**
Total gains or losses - in profit and loss	(4,718)	(487)	**(5,205)**	1,919	**1,919**
Purchases	0	211	**211**	0	**0**
Settlemens	0	(8,530)	**(8,530)**	0	**0**
Transfer to equity	0	0	**0**	(4,305)	**(4,305)**
Exchange rate adjustment	0	819	**819**	0	**0**
Closing balance	**0**	**26,915**	**26,915**	2,208	**2,208**

	2011				
EURk	TRADING DERIVATIVES	DEBT OR EQUITY INVESTMENTS	TOTAL ASSETS AT FAIR VALUE	DERIVATIVE FINANCIAL LIABILITIES	TOTAL AT FAIR VALUE
Opening balance	4,640	18,552	**23,192**	0	**0**
Total gains or losses - in profit and loss	0	2,033	**2,033**	0	**0**
Purchases	78	4,375	**4,453**	0	**0**
Settlemens	0	(1,250)	**(1,250)**	0	**0**
Closing balance	**4,718**	**23,170**	**28,428**	0	**0**

6.19.3 RECLASSIFICATIONS OF FINANCIAL ASSETS

No financial assets were reclassified in the year under review.

6.19.4 COLLATERAL

EURk	2012	2011
Liabilities for which collateral is pledged		
Deposits from banks	42,992	0
Deposits from customers	33,484	0
Borrowed funds	44,739	0
	121,215	**0**
Assets pledged to secure these liabilities are carried at amortised cost and are included under the following		
Cash and short-term funds	4,892	0
Advances (collateral)	71,584	0
Financial assets held for trading	42,893	0
Investment securities	4,475	0
	123,845	**0**
These transactions are conducted under terms that are usual and customery to standard lending and borrowing activities		
Collateral accepted as security for cash		
Deposits from customer	8,372	0
Mortgage bonds, inventory, plant and equipment, shares, letter of undertaking	256,634	0
	265,006	**0**

ABC Holdings Limited is obliged to return equivalent securities. The Group is not permitted to sell or repledge collateral in the absence of default.

These transactions are conducted under terms that are usual and customary to standard lending and borrowing activities.

6.19.5 INTEREST INCOME ON IMPAIRED FINANCIAL ASSETS

Interest income arising from unwinding the discount on impaired loans and advances Recognized at present value as specified in IAS 39.AG93 amounted to EUR nil (2011: EUR nil).

6.19.6 IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

The allowances for credit losses was distributed across the classes of financial assets as follows:

	FINANCIAL ASSETS MEASURED AT AMORTIZED COST		OTHER FINANCIAL ASSETS		TOTAL	
EURk	2012	2011	2012	2011	2012	2011
Allowance for credit losses as at 1 January	0	0	40	86	40	86
Additions from business combinations	34,046	0	0			
Additions	8,133	0	0	40	8,133	40
Utilisation	-3,199	0	-40	0	-3.239	0
Reversals	-185		0	-86	-185	-86
Exchange rate adjustment	-2,049	0	0	0	-2,049	0
Balance as at 31 December	**36,746**	**0**	**0**	**40**	**36,746**	**40**

7. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

8. NOTES TO THE STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared in accordance with IAS 7 using the indirect method and classified by cash flows from operating, investing and financing activities. Cash and cash equivalents comprise the cash on hand and bank balances recognized in the consolidated statement of financial position. In fiscal years 2012 and 2011, non-cash items related primarily to the measurement of the Company's financial assets at fair value. Cash paid/received in connection with investments/divestments for portfolio companies are disclosed in the cash flow from investing activities. In the event that dividends are paid, positive operating cash flows are possible

9. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

9.1 INTRODUCTION

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or a combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance. The Group's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried out by Group Risk, under policies approved by the Board. The Board approves principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and price risk.

ADC GROUP RISK REPORTING

ADC's Risk Management System was developed to keep management and the Supervisory Board up-to-date about on-going political, economic, financial, legal and operational risks in ADC's group and portfolio companies as well as the wider market risks affecting sub-Saharan Africa. Management ensures that risks are systematically identified, measured and managed using the risk management system. The results of the analysis influence the Company's strategic, financial and operational decision-making processes.

Monthly reports analyse the top 10 risks impacting the Company, including the likelihood and potential severity of each risk. The report includes an analysis of each group or portfolio company to assess internal and external events that may affect each business line and investment and finance managers evaluate these risks to refine a scenario analysis that is used for realistic up-to-date risk forecasts. The scenario analysis forms the basis of a stress test that includes five scenarios varying from worst to best case, which is then used to estimate the overall risk exposure and procedures that are best used to mitigate each risk.

BANCABC'S SPECIFIC RISKS AND RISK MANAGEMENT SYSTEM

ADC's majority ownership and subsequent consolidation of BancABC exposes the Company to the operational risks of the banking Group. The directorate and management of BancABC recognize that effective risk management is fundamental to the sustainability of its business and have created a strong risk management culture within the Group. In addition, internal audit is responsible for the independent review of risk management and the control environment. Nevertheless, in the course of conducting business, the Group is exposed to various risks inherent in providing financial services.

9.2 FINANCIAL RISK MANAGEMENT

9.2.1 CREDIT RISK

ADC GROUP

Credit risk is the risk that the Company will sustain a financial loss due to the failure of a counterparty to meet its obligations. ADC counters this risk in particular through timely monitoring of business partners. Before taking on a new customer, the Group carries out a credit check in order to assess the creditworthiness of potential customers. A payment period of 21 days (prior year: 21 days) is normally granted for trade receivables (prior year: 21 days). Accordingly, management believes that no risk provision beyond the impairment losses already recognized is necessary.

BANCABC'S SPECIFIC CREDIT RISKS

BancABC takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for BancABC by failing to discharge an obligation. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the balance sheet date. Country (or Sovereign) risk is part of overall credit risk and is managed as part of the credit risk management function as it has a major impact on individual counterparties' ability to perform. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. BancABC's risk team reviews subsidiary risk exposures regularly, and reports to the Board of Directors of BancABC and at the same time to ADC's Group Risk Controller and the Board of ADC.

The Board of BancABC has defined and documented a credit policy which forms the basis of credit decisions. This policy includes a framework of limits and delegation of credit approval authority that are strictly adhered to. No one individual has the power to authorize credit exposures. Each subsidiary of BancABC has a credit committee which operates within the defined limits set by the Board of BancABC. These committees are responsible for the management of credit risk within their country including, credit decisions, processes, legal and documentation risk and compliance with impairment policies.

BancABC's Risk department regularly reviews each subsidiary's adherence to required standards. BancABC's Executive Committee reports to the Board and is responsible for approval of credit decisions that are above country limits, recommendations on exposure limits and impairment policies.

The Group has adopted standard impairment policies which at a minimum comply with the prudential guidelines of the respective countries' central banks. Impairments are determined monthly and are subject to regular review by Group Risk.

CREDIT RISK MANAGEMENT

LOANS AND ADVANCES

In measuring credit risk of loans and advances to customers and to banks at a counterparty level, the Group considers three components: the probability of default by the client or counterparty on its contractual obligations; the current exposures to the counterparty and its likely future development; and the likely recovery on the defaulted obligations.

These credit risk measurements, which reflect expected loss, are embedded in the Group's daily operational management. The operational measurements are contrasted with impairment allowances required under IAS 39, which are based on losses that have been incurred at the balance sheet date.

The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties. They have been developed internally and combine statistical analysis for certain categories, as well as credit officer judgment. Clients of the Group are segmented into five rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Group regularly validates the performance of the rating and their predictive power with regard to default events.
Group's internal rating scale

CATEGORY	DESCRIPTION
Performing	The credit appears satisfactory
Special mention	The credit appears satisfactory but exhibits potential or inherent weaknesses which, if not attended to, may weakern the asset or prospects of collection in full e.g. poor documentation or 30 days but less than 90 days in arrears
Sub-standard	The credit has defined weaknesses that may jeopardise liquidiation of the debt i.e. the paying capacity of the borrower is doubtful or inadequate, or more than 90 days but less than 180 days in arrears
Doubtful	Credit facilities which above weaknesses and has deteriorated further to the extent that even with existing security, full recovery will not be possible, or 180 days but less than 12 months in arrears
Loss	Facilities considered impossible to collect with little or no realisble security, or more than 12 months in arrears

RISK LIMIT CONTROL AND MITIGATION POLICIES

The Group manages limits and controls concentrations of credit risk in respect of individual counterparties and groups, and to industries and countries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the Board of Directors, and reviewed regularly. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below.

1. Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice.

The Group implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are:

— cash collateral;
— charges over assets financed;
— mortgages over residential and commercial properties;
— charges over business assets such as premises, inventory and accounts receivable; and
— charges over financial instruments such as debt securities and equities.

Loans and advances to corporates are generally secured. In addition, in order to minimize credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances. Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

2. Master netting arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

3. Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

4. Derivatives

The Group maintains strict control limits on net open derivative positions (that is, the difference between purchase and sale contracts) by both amount and term. The amount subject to credit risk is limited to expected future net cash inflows of instruments, which in relation to derivatives are only a fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not always obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

IMPAIRMENT POLICIES

The impairments shown in the balance sheet at year-end are derived from each of the five internal rating grades, adjusted for the provision of IAS 39. The table below shows the percentage of the Group's on-and-off balance sheet items relating to loans and advances and the associated impairment for each of the Group's internal rating categories.

Impairments are managed on an expected loss basis, and are recorded on an actual loss basis.

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 39, based on the following criteria set out by the Group:

— delinquency in contractual payments of principal or interest;
— cash flow difficulties experienced by the borrower;
— breach of loan covenants or conditions;
— initiation of bankruptcy proceedings;
— deterioration of the borrower's competitive position;
— deterioration in the value of collateral; and
— downgrading below "Performing" level.

The Group's policy requires the review of individual financial assets at least once a month, or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collectively assessed impairment allowances are provided for: (i) portfolios of homogenous assets that are individually below materiality thresholds; and (ii) losses that have been incurred but have not yet been identified, by using the available historical experience, experienced judgment and statistical techniques.

IMPAIRMENT CLASSIFICATION

	2012		2011	
IN %	LOANS AND ADVANCES	IMPAIRMENTS	LOANS AND ADVANCES	IMPAIRMENTS
Performing	85	19	0	0
Special mention	6	5	0	0
Sub-standard	3	22	0	0
Doubtful	1	4	0	0
Loss	5	50	0	0

ANALYSIS OF MAXIMUM EXPOSURE TO CREDIT RISK AND COLLATERAL AND OTHER CREDIT ENHANCEMENTS

The following table shows the maximum exposure to credit risk by class of financial asset. It also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

TYPE OF COLLATERAL OR CREDIT ENHANCEMENT

EURk 31 DECEMBER 2012		FAIR VALUE OF COLLATERAL AND CREDIT ENHANCEMENTS HELD					
	MAXIMUM EXPOSURE TO CREDIT RISK	CASH	LETTERS OF CREDIT/ GUARANTEES	PROPERTY	OTHER*	NET COLLATERAL	NET EXPOSURE
Financial assets	156,498	0	0	0	0	0	156,498
	156,498	**0**	**0**	**0**	**0**	**0**	**156,498**
Interest rate swaps	870	0	0	0	0	0	870
Forward foreign exchange contracts	2,426	0	0	0	0	0	2,426
	3,296	**0**	**0**	**0**	**0**	**0**	**3,296**
Financial assets held for trading							
Government debt securities	96,883	0	0	0	0	0	96,883
Other debt securities	2,948	0	0	0	0	0	2,948
	99,832	**0**	**0**	**0**	**0**	**0**	**99,832**
Corporate lending	510,184	158,724	1,008	170,872	40,993	371,598	138,586
Consumer lending	386,973	14,077	0	0	58,991	73,067	313,906
Residential mortgages	26,162	0	0	20,502	0	20,502	5,660
	923,319	**172,801**	**1,008**	**191,374**	**99,983**	**465,167**	**458,152**
Financial investments held to maturity	4,475	0	0	0	0	0	4,475
	4,475	**0**	**0**	**0**	**0**	**0**	**4,475**
Financial quarantees							
Letters of credit for customers	59,882	0	0	0	0	0	59,882
Other commitments	17,866	0	0	402	3,459	3,862	14,004
	77,748	**0**	**0**	**402**	**3,459**	**3,862**	**73,886**

**Vehicles, machinery, other fixed assets, inventory and trade recievables*

75% of the total maximum exposure is derived from loans and advances, while 8% represents financial assets held for trading.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from both its loans and advances portfolio and financial assets held for trading based on the following:

— 91% of the gross loans and advances portfolio is categorized in the top two grades of the internal rating system;
— 85% of the gross loans and advances portfolio is considered to be "neither past due nor impaired";
— 9% of gross loans and advances are "individually impaired";
— the Group continues to improve its credit selection and monitoring processes; and
— loans and advances to corporates are generally backed by collateral.

The nature of security held ranges from cash security, assets financed, bonds over residential and commercial property, shares and stock in trade.

CREDIT QUALITY BY CLASS OF FINANCIAL ASSETS

The Bank manages the credit quality of financial assets using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Bank's internal credit rating system. The amounts presented are gross of impairment allowances.

		NEITHER PAST DUE NOR IMPAIRED	PAST DUE BUT NOT IMPAIRED			INDIVIDUALLY IMPAIRED	
2012 EURk	NOTES	PERFORMING	SPECIFIC MENTION 1-30 DAYS	SPECIFIC MENTION 31-60 DAYS	SPECIFIC MENTION 61-90 DAYS	DOUBTFUL/LOSS	TOTAL
Placements with other banks	6.1	156,498	0	0	0	0	156,498
Derivative financial assets	6.15	5,739	0	0	0	0	5,739
Financial assets held for trading	6.2	99,832	0	0	0	0	99,832
Financial assets designated at fair value through profit or loss	6.3	10,701	0	0	0	0	10,701
Loans and advances to customers							
Mortgage lending	6.4	25,845	0	0	0	317	26,162
Instalment finance	6.4	46,012	1,437	2,526	1,572	3,255	54,802
Corporate lending	6.4	335,648	12,452	10,073	20,236	71,696	450,105
Commercial and property finance	6.4	5,169	0	0	0	108	5,277
Micro-finance lending	6.4	370,103	3,059	2,117	1,707	9,986	386,973
		782,776	**16,948**	**14,716**	**23,515**	**85,363**	**923,319**
Financial investments available-for-sale							
Quoted - equity securities	6.5	844	0	0	0	0	844
Financial investments held to maturity							
Quoted - Government debt securities	6.5	4,475	0	0	0	0	4,475
Other current assets							
Trade accounts receivables, prepayments and other assets	6.6	20,903	0	0	0	0	20,903
Total		**1,081,767**	**16,948**	**14,716**	**23,515**	**85,363**	**1,222,310**

The total impairment of loans and advances is EUR 36,7m (2011: EUR nil).

Further information on the impairment allowance for loans and advances to customers is provided in Notes 5.3 and 6.4.

LOANS AND ADVANCES RENEGOTIATED

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status, and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of local management, indicate that payment will most likely continue. These policies are kept under continuous review. Renegotiated loans total EUR 9.3 million at 31 December 2012 (2011: EUR nil).

EURk	2012	2011
Mortgage lending	805	0
Instalment finance	3,847	0
Corporate lending	4,156	0
Commercial and property finance	521	0
	9,329	**0**

REPOSSESSED COLLATERAL

During 2012, the Group obtained assets by taking possession of collateral held as security, as follows:

EURk	2012	2011
Property	1,272	0
Motor vehicles	216	0
	1,488	**0**

Repossessed properties are sold as soon as practical, with the proceeds used to reduce the outstanding indebtedness.

Repossessed property is classified in the balance sheet under prepayments and other receivables.

CONCENTRATION RISK OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE

Geographical sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorized by geographical regions as of 31 December 2012.

For this table, the Group has allocated exposures to regions based on the country of domicile of its counterparties.

2012	BOTSWANA	MOZAMBIQUE	TANZANIA	ZAMBIA	ZIMBABWE	OTHER	TOTAL
EURk							
Placements with other banks	38,777	16,975	14,238	17,642	54,699	14,167	**156,498**
Financial assets held for trading	71,539	10,451	5,186	5,333	7,324	0	**99,832**
Financial assets designated at fair value	0	0	7,077	0	3,624	0	**10,701**
Derivative financial assets	402	12	2,038	13	0	3,274	**5,739**
Loans and advances (net of impairments)	295,059	85,581	73,607	103,439	325,334	3,553	**886,572**
Investment securities	4,475	0	0	0	0	844	**5,319**
Investment in associates	0	0	0	0	0	54,095	**54,095**
Other current assets	1,002	524	2,309	875	13,788	2,717	**21,213**
Current tax assets	340	414	1,525	0	810	57	**3,147**
Total	**411,594**	**113,957**	**105,979**	**127,302**	**405,578**	**78,706**	**1,243,116**

2011	BOTSWANA	MOZAMBIQUE	TANZANIA	ZAMBIA	ZIMBABWE	OTHER	TOTAL
EURk							
Placements with other banks	0	0	0	0	0	43,287	**43,278**
Derivative financial assets	0	0	0	0	0	4,719	**4,719**
Investment in associates	0	0	0	0	0	49,223	**49,223**
Other current assets	0	0	0	0	0	3,466	**3,466**
Current tax assets	0	0	0	0	0	76	**76**
Total	**0**	**0**	**0**	**0**	**0**	**100,762**	**100,762**

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorized by the industry sectors of the counterparties.

DECEMBER 2012 EURk	AGRICULTURE	CONSTRUC-TION	WHOLESA-LE, RETAIL AND TRADE	PUBLIC SEC-TOR	MANUFACTU-RING	MINING AND ENERGY	FINANCIAL SERVICES	TRANSPORT	INDIVIDUALS	TOURISM	OTHER	TOTAL
Placements with other banks	0	0	0	0	0	0	154,753	0	0	0	1,745	**156,498**
Financial assets held for trading	0	0	0	0	392	32	96,939	0	0	0	2,468	**99,832**
Financial assets designated at fair value	0	0	0	0	2,655	4,476	3,570	0	0	0	0	**10,701**
Derivative financial assets	0	0	0	0	0	0	3,284	0	0	0	2,455	**5,739**
Loans and advances (net)	58,078	35,628	73,564	17,230	79,519	99,285	65,414	49,401	371,022	9,742	27,690	**886,572**
Investment secu-rities	0	0	0	0	0	0	4,475	0	0	0	844	**5,319**
Prepayments and other receivables	0	0	217	0	0	0	16,179	0	0	0	4,817	**21,213**
Current tax assets	0	0	0	1,940	0	0	799	0	0	0	408	**3,147**
	58,078	**35,628**	**73,781**	**19,170**	**82,566**	**103,793**	**345,412**	**49,401**	**371,022**	**9,742**	**40,427**	**1,189,021**

9.2.2 MARKET RISK

ADC GROUP

The Group takes on exposure to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices.

BANCABC'S SPECIFIC MARKET RISKS

Market and foreign currency exposures related to dealing positions are housed and managed in BancABC's Treasury division within a framework of pre-approved dealer, currency and counterparty limits.

All trading positions are marked to market as required by IAS 39.

BancABC's Risk team is responsible for monitoring of limits and pricing, thereby ensuring that any errors or unauthorized transactions are promptly identified.
The currency exposure that arises as a result of the BancABC's continuing expansion and cross-border investment activities is managed through BancABC's Executive Committee and the Group Asset and Liability Committee.

The major measurement techniques used to measure and control market risk are outlined below.

FOREIGN EXCHANGE RISK

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. BancABC Risk team sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Group's exposure to foreign currency exchange rate risk at 31 December 2012. Included in the table are the Group's assets and liabilities at carrying amounts, categorized by currency.

Concentration of currency risk: On- and – off balance sheet financial instruments:

AT 31 DECEMBER 2012	EUR	USD	BWP	ZAR	TZS	ZMK	MZN	JPY	OTHER	TOTAL
Cash and short term funds	2,651	86,714	41,804	19,725	11,715	4,180	16,311	-	108	183,210
Financial assets held for trading	-	7,324	71,539	-	5,186	5,333	10,451	-	-	99,832
Financial assets designated at fair value	81	8,018	-	-	2,601	-	-	-	-	10,701
Derivative financial assets	-	23,555	278	963	49,536	-	153	9,215	(77,962)	5,739
Loans and advances	2,962	421,269	280,678	244	26,693	77,506	66,657	-	10,563	886,572
Investment securities	-	0	4,475	-	479	174	191	-	-	5,319
Other current assets	2,003	14,946	1,052	151	2,309	648	97	-	7	21,213
Current tax assets	57	810	340	-	1,525	-	414	-	-	3,147
Investment in associates	-	42,171	414	-	182	-	-	-	11,328	54,095
Property and equipment	30	39,853	6,885	3,087	2,177	4,046	8,827	-	-	64,905
Total Intangible assets	-	17,099	30,400	13	1,902	7,532	12,961	-	787	70,694
Deferred tax assets	-	2,726	3,275	124	1,884	216	-	-	425	8,650
Total assets	**7,785**	**664,484**	**441,140**	**24,307**	**106,189**	**99,635**	**116,064**	9,215	(54,743)	1,414,076
Deposits	3,036	412,860	355,958	34,837	83,618	41,513	106,787	1,338	1.944	1,041,891
Derivative financial liabilities	-	55,991	-	864	22,988	-	272	-	(77,907)	2.208
Creditors and accruals	4,841	8,594	5,995	1,310	1,880	11,663	902	-	770	35.954
Current tax liabilities	-	1,028	96	-	-	846	0	-	48	2,018
Deferred tax liabilty	-	3,281	7,074	-	618	1,807	3,090	-	0	15,871
Borrowed funds	43,973	71.838	36,443	0	75	0	-	9,251	0	161,581
Total liabilities	**51,850**	**553,592**	**405,566**	**37,011**	**109,180**	**55,828**	**111,052**	**10,589**	**(75,146)**	**1,259,5223**
Net on-balance sheet position	**(44,064)**	**110,891**	**35,574**	**(12,704)**	**(2,990)**	**43,807**	**5,013**	**(1,375)**	**20,402**	**154,553**
Credit commitments	1,991	29,397	877	8,378	4,037	22,177	9,602	1,288	-	77,748

In 2011, the Group was exposed to a foreign currency risk which primarily results from changes in the euro exchange rate with the Rwandan franc, the currency of the Central African Economic and Monetary community (CFA franc), the US dollar, the Kenyan shilling and the South African rand. The following table demonstrates the Group's sensitivity to a 1% increase or decrease in the euro against the respective currencies. A positive figure below indicates an increase in consolidated profit for the period and equity if the euro increases by 1% against the respective currency. If the euro falls by 1% against the respective currency, this has an equal and opposite impact on group profit for the period and equity, thus the items would be negative.

	2011	
	EXCHANGE RATES AS OF 31 DECEMBER	CHANGE IN EURk
Rwandan franc	0.0012600	(11)
CFA franc	0.0015200	195
US dollar	0.7722000	459
Kenyan schilling	0.0089300	37
South African rand	0.0949500	-
		680

If the euro had been 1% stronger (weaker) against these currencies as of the reporting date, earnings before taxes and equity would have been EUR 680k higher.

INTEREST RATE RISK
ADC GROUP

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

BANCABC'S SPECIFIC INTEREST RATE RISK

BancABC's Asset and Liability Committee (ALCO) is responsible for managing interest rate and liquidity risk. Asset and Liability management committees have been established in each subsidiary and meet on a monthly basis. They operate within the prudential guidelines and policies established by BancABC's ALCO.

In order to reduce interest rate risk, the majority of the BancABC's lending is on a variable interest rate with a term of less than one year. This approach has been adopted as a result of the scarcity of term deposits in the region that limits the BancABC's ability to build a substantial, stable pool of fixed rate funding.

The table below summarizes the Group's exposure to interest rate risks. It includes the Group's financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates. Variable rate financial instruments are categorized in the "up to 1 month" column.

DECEMBER 2012 EURk	>1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	NON-INTEREST BEARING	TOTAL
Cash and Short term Funds	97,611	7,447	1,745	-	76,407	**183,210**
Financial assets held for trading	92,040	2,755	-	3,497	1,540	**99,832**
Financial assets designated at fair value	-	-	1,643	1,896	7,162	**10,701**
Derivative financial assets	-	-	2,443	-	3,296	**5,739**
Loans and advances	368,377	69,715	182,134	266,347	-	**886,572**
Investment securities	0	87	-	4,649	583	**5,319**
Prepayments and other receivables	-	-	2,275	22	18,917	**21,213**
Current Tax asset	-	-	57	-	3,090	**3,147**
Investments in associates	-	-	-	53,002	1,093	**54,095**
Property and equipment	-	-	8,505	-	56,400	**65,905**
Intangible assets	-	-	57,042	-	13,652	**70,694**
Deferred Tax asset	-	-	425	-	8,225	**8,650**
Total Assets	**558,027**	**80,004**	**256,269**	**329,412**	**190,364**	**1,414,076**
SHAREHOLDERS EQUITY AND LIABILITIES						
Total Equity	**-**	**-**	**-**	**-**	**154,553**	**154,553**
Deposits	742,744	274,499	24,648	-	-	**1,041,891**
Derivative financial liabilities	-	-	-	-	2,208	**2,208**
Creditors and accruals	-	-	-	6,130	29,825	**35,954**
Current tax liabilities	-	-	-	48	1,970	**2,018**
Deferred tax liabilities	-	-	-	15,019	1,725	**15,871**
Borrowed Funds	2,030	15,263	57,988	86,300	-	**161,581**
Total equity and liabilities	**744,774**	**289,762**	**82,636**	**106,624**	**190,281**	**1,414,076**
Total interest repricing gap	**(186,747)**	**(209,758)**	**173,633**	**222,788**	**83**	**0**

The table below illustrates the impact of a possible 50 basis points interest rate movement for each banking subsidiary:

	2012		2011	
EURk	PRE-TAX	POST-TAX	PRE-TAX	POST-TAX
BancABC Botswana				
ABC Botswana constituted 36% of the Group's total assets. Change in net interest income (+50 basis points)	123	96	0	0
As a percentage of total Shareholders equity	0.31%	0.24%	0.00%	0.00%
Change in net interest income (-50 basis points)	(123)	(96)	0	0
As a percentage of total Shareholders equity	-0.31%	-0.24%	0.00%	0.00%
BancABC Zambia				
ABC Zambia constituted 11% of the Group's total assets. Change in net interest income (+50 basis points)	(217)	(130)	0	0
As a percentage of total Shareholders equity	-1.51%	-0.91%	0.00%	0.00%
Change in net interest income (-50 basis points)	217	130	0	0
As a percentage of total Shareholders equity	1.51%	0.91%	0.00%	0.00%
BancABC Mozambique				
ABC Mozambique constituted 10% of the Group's total assets Change in net interest income (+50 basis points)	4	3	0	0
As a percentage of total Shareholders equity	0.02%	0.02%	0.00%	0.00%
Change in net interest income (-50 basis points)	(4)	(3)	0	0
As a percentage of total Shareholders equity	-0.02%	-0.02%	0.00%	0.00%
BancABC Tanzania				
ABC Tanzania constituted 8% of the Group's total assets Change in net interest income (+50 basis points)	129	90	0	0
As a percentage of total Shareholders equity	2.17%	1.52%	0.00%	0.00%
Change in net interest income (-50 basis points)	(129)	(90)	0	0
As a percentage of total Shareholders equity	-2.17%	-1.52%	0.00%	0.00%
BancABC Zimbabwe				
ABC Zimbabwe constituted 32% of the Group's total assets Change in net interest income (+50 basis points)	(334)	(248)	0	0
As a percentage of total Shareholders equity	-0.81%	-0.60%	0.00%	0.00%
Change in net interest income (-50 basis points)	334	248	0	0
As a percentage of total Shareholders equity	0.81%	0.60%	0.00%	0.00%

The interest rate sensitivity analyses set out in the table above are illustrative only and are based on simplified scenarios over a period of one year.

OTHER MARKET RISKS

The Group holds, directly or through its associates, financial assets with a fair value of EUR 140.4m (2011: EUR 53.9m). The Group is therefore exposed to gains or losses related to the variability in the market prices of the equities held. If the fair value were to increase (decrease) by 10% as of the reporting date, financial assets would increase (decrease) by EUR 14,039k (prior year: EUR 5,394k).

9.2.3 LIQUIDITY RISK

ADC GROUP

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin call for derivatives. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the consolidated statement of financial position and sales of assets, or potentially an inability to fulfill lending commitments.

BANCABC'S SPECIFIC LIQUIDITY RISKS

The risk that BancABC will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

LIQUIDITY RISK MANAGEMENT PROCESS

Group liquidity management is dependent upon accurate cash flow projections and the monitoring of its future funding requirements. Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

BancABC holds liquidity reserves in highly tradable instruments or money market placements which are immediately available if required. Liquidity is assessed by currency as well as by time bracket. BancABC's liquidity management process is monitored by BancABC's Treasury and includes:

Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. BancABC maintains an active presence in global money markets to enable this to happen;

— maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
— monitoring balance sheet liquidity ratios against internal and regulatory requirements; and
— managing the concentration and profile of debt maturities.

BancABC's Treasury also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

The Group's maturity analysis (on a discounted cash flow basis) as at 31 December 2012 was as follows:

	DECEMBER 2012				
EURk	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	GREATER 1 YEAR	TOTAL
ASSETS					
Cash and Short term Funds	172,522	10,687	-	-	**183,210**
Financial assets held for trading	67,416	9,973	14,540	7,903	**99,832**
Financial assets designated at fair value	51	706	1,424	8,520	**10,701**
Derivative financial assets	363	-	-	5,376	**5,739**
Loans and advances	236,866	26,692	113,862	509,152	**886,572**
Investment securities	172	-	-	5,147	**5,319**
Prepayments and other receivables	3,886	1,636	15,692	-	**21,213**
Current Tax asset	-	746	2,401	-	**3,147**
Investments in associates	-	-	-	54,095	**54,095**
Property and equipment	-	-	-	64,905	**64,905**
Intangible assets	-	-	-	70,694	**70,694**
Deferred Tax asset	-	-	-	8,650	**8,650**
Total Assets	**481,277**	**50,440**	**147,918**	**734,441**	**1,414,076**
EQUITY AND LIABILITIES					
Deposits	632,685	286,005	123,201	-	**1,041,891**
Derivative financial liabilities	2,208	-	-	-	**2,208**
Creditors and accruals	14,721	1,354	19,879	-	**35,954**
Current tax liabilities	1,511	-	507	-	**2,018**
Deferred tax liabilities	1	2	5	15,863	**15,871**
Borrowed Funds	227	4,010	69,640	87,704	**161,581**
Total Equity	**-**	**-**	**-**	**154,553**	**154,553**
Total equity and liabilities	**651,352**	**291,371**	**213,232**	**258,120**	**1,414,076**
Net maturity gap	**(170,075)**	**(240,931)**	**(65,314)**	**476,320**	**0**

	DECEMBER 2011				
EURk	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	GREATER 1 YEAR	TOTAL
ASSETS					
Cash and Short term Funds	43,278	-	-	-	**43,278**
Derivative financial assets	-	-	-	4,719	**4,719**
Prepayments and other receivables	-	-	3,466	-	**3,466**
Current Tax asset	-	-	76	-	**76**
Investments in associates	-	-	-	49,223	**49,223**
Property and equipment	-	-	-	551	**551**
Intangible assets	-	-	-	1,279	**1,279**
Deferred Tax asset	-	-	-	456	**456**
Total Assets	**479,532**	**50,440**	**151,472**	**627,154**	**103,048**
EQUITY AND LIABILITIES					
Creditors and accruals	-	-	2,879	-	**2,879**
Borrowed Funds	-	-	-	11,839	**11,839**
Shares of general partner	-	-	-	5	**5**
Total Equity	**-**	**-**	**-**	**88,325**	**88,325**
Total equity and liabilities			**2,879**	**100,169**	**103,048**
Net maturity gap	**479,532**	**50,440**	**148,593**	**526,984**	**-**

DERIVATIVE FINANCIAL LIABILITIES CASH FLOWS

The table below presents the cash flows payable by the Group for derivative financial liabilities by remaining contractual maturities at the date of the consolidated statement of financial position. The amounts disclosed in the table are the contractual undiscounted nominal currency swap cash flows for the liability leg of such swaps, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows:

	DECEMBER 2012					
EURk	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	GREATER 1 YEAR	NON-INTEREST BEARING	TOTAL
Derivative financial liabilities	0	0	0	0	2,208	**2,208**

	DECEMBER 2011					
EURk	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	GREATER 1 YEAR	NON-INTEREST BEARING	TOTAL
Derivative financial liabilities	0	0	0	0	0	**0**

With the exception of swaps where on-going cashflows are settled on a gross basis, all derivative financial liabilities are settled on a net basis.

NON-DERIVATIVE CASHFLOW

The table below presents the cash flows payable by the Group under non-derivative financial liabilities by remaining contractual maturities at the date of the consolidated statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows:

	2012						
EURk	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	GREATER 1 YEAR	TOTAL	EFFECT OF DISCOUNTING/ FINANCING RATES	TOTAL
Deposits	632,978	288,854	135,621	0	**1,057,453**	(15,562)	**1,041,891**
Creditors and accruals	14,721	1,354	19,879	0	**35,954**	0	**35,954**
Current tax liabilites	1,511	0	507	0	**2,018**	0	**2,018**
Borrowed funds	235	5,022	72,614	104,731	**182,602**	(21,021)	**161,581**
Total liabilities	**649,445**	**295,230**	**228,621**	**104,731**	**1,278,027**	**(36,583)**	**1,241,444**

	2011						
EURk	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	GREATER 1 YEAR	TOTAL	EFFECT OF DISCOUNTING/ FINANCING RATES	TOTAL
Creditors and accruals	0	0	2,879	0	**2,879**	0	**2,879**
Borrowed funds	4,000	0	0	7,839	**11,839**	0	**11,839**
Shares of general partner	0	0	0	5	**5**	1	**6**
Total liabilities	**4,000**	**0**	**2,879**	**7,844**	**14,723**	**1**	**14,723**

The Group principally uses cash and short-term funds together with financial assets held for trading to manage liquidity risk.

9.3 CAPITAL MANAGEMENT

The Group manages its capital with the aim of retaining its financial substance and the ability to meet its obligations in the future, as well as sustainably increasing the business enterprise value. It is ensured that all Group companies can operate on a going concern basis.

As in the prior year, the Group's managed capital is made up of liabilities, cash and cash equivalents, and equity which comprises issued capital, capital reserves, free reserves and retained earnings.

The Company can manage the structure of its capital by adjusting dividends, reducing capital and issuing new shares, as well as by issuing financial instruments that are classified as equity under IFRSs. The aim is to achieve a capital structure appropriate to the business risk. The level of indebtedness of individual Group companies is monitored using the ratio of net debt (current liabilities less cash and cash equivalents) to equity. As of the reporting date, the Group's current liabilities were covered in full by cash and cash equivalents.

The parent is subject to minimum capital requirements for stock corporations. Compliance with these requirements is constantly monitored. The requirements were complied with in the fiscal year.

BancABC's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

- to comply with the capital requirements set by the regulators of the banking markets where the entities within the BancABC operate;
- to safeguard BancABC's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the BancABC's management, employing techniques based on the guidelines developed by the Basel Committee and the relevant Central Bank Authorities. The required information is filed with the Authorities on a monthly basis. BancABC's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business. At 31 December 2012 all regulated banking operations complied with all externally imposed capital requirements. There have been no material changes to the BancABC's management of capital during the year.

The increase of BancABC's regulatory capital is mainly due to increase in shareholders' loans at subsidiary level, as well as contributions of the current year profit. The increase of the risk-weighted assets reflects the expansion of the lending business in most of the subsidiaries.

The allocation of BancABC's capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each subsidiary is based on the regulatory capital requirements of the countries BancABC operate in. BancABC's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

10. COMMITMENTS, CONTINGENCIES AND LEASING ARRANGEMENTS

EURk	2012	2011
a) Contingent liabilities		
Guarantees	59,882	0
Letters of credit, loan commitments and other contingent liabilities	17,866	0
	77,748	**0**
The timing profile of the contractual amounts of the group's off-balance sheet financial instruments that commit it to extend credit to customers and other ficilities as at 31 December 2011, are summarized below:		
Less than one year	71,171	0
Between one and five years	6,577	0
	77,748	**0**
b) Capital commitments		
Approved and contracted for	261	0
Approved but not contracted for	5,906	0
	6,167	**0**
c) Non-cancellable operating leases commitments		
Group as lessee *Future minimum lease payments under non-cancelled operating leases are as follows:*		
Office premises	9,296	0
Equipment and motor vehicles	0	0
	9,296	**0**
Non-cancellable operating leases are payable as follows:		
Less than one year	1,168	0
Between one and five years	2,192	0
Over five years	5,936	0
	9,296	**0**
Group as lessor		
Future minimum lease payments under non-cancelled operating leases are as follows:		
Office premises	274	0
Equipment and motor vehicles	0	0
	274	
Non-cancellable operating leases are payable as follows:		
Less than one year	274	0
Between one and five years	0	0
Over five years	0	0
	274	**0**

11. RELATED PARTIES

During the year ended 31 December 2012, the Group transacted with related entities. Related parties include management board members and senior executives, supervisory board members, and close family members of these persons. In addition, companies classified as related parties include the shareholders, as well as all consolidated subsidiaries, joint ventures and associates. Details of the nature, volume of transactions and the balances with related entities are as follows:

SUBSIDIARIES	CAPITAL INTEREST AS OF 31 DECEMBER 2012[3] DIRECT %	INDIRECT %	OF	CURRENCY (LC)	2012 EQUITY LCk	2012 EQUITY EURk	2011 EQUITY LCk	2011 EQUITY EURk	2012 RESULT LCk	2012 RESULT EURk	2011 RESULTS LCk	2011 RESULTS EURk
1. ADC Management GmbH, Frankfurt/Main, Germany	100			EUR	365	365	-	-	647	647	-	-
2. ADC Management Services Ltd., Cybercity, Republic of Mauritius	100			EUR	62	62	-	-	47	47	-	-
3. ADC Financial Services & Corporate Development Ltd., Cybercity, Republic of Mauritius	100			EUR	101,372	101,372	76,718	76,718	-20,326	-20,326	13,990	13,990
4. ABC Holdings Limited, Gaborone, Botswana		51.98	3.	BWP	672,247	65,611	311,547	30,407	4,101	406	17,100	1,692
5. African Banking Corporation of Botswana Ltd., Gaborone, Botswana		100	4.	BWP	408,941	39,913	163,097	16,530	94,434	9,346	28,005	290
6. African Banking Corporation (Moçambique) SARL, Maputo, Mozambique		100	4.	MZN	721,925	18,410	625,495	17,381	65,932	1,738	121,058	299
7. African Banking Corporation Tanzania Ltd., Dodoma, Tanzania		74	4.	TZS	12,395,330	5,933	20,921,472	9,986	-8,572,275	-4,067	-821,336	-37
8. Tanzania Development Finance Company Limited, Dodoma, Tanzania		68	7.	TZS	13,616,619	6,517	10,428,439	4,977	3,188,179	1,513	3,547,075	159
9. African Banking Corporation Zambia Ltd., Lusaka, Zambia		100	4.	ZMW	98,581,036	14,396	48,995,027	7,276	24,511,478	3,563	22,674,349	330
10. African Banking Corporation of Zimbabwe Ltd., Harare, Zimbabwe		100	4.	USD	54,433	41,296	37,871	28,740	13,597	10.228	8,060	571
11. Bohemian (Pty) Ltd, Gaborone, Botswana		100	5.	USD	677	66	8,238	835	-7,561	-748	-5,311	-55
12. ABC Capital Partners (Pty) Ltd, Gaborone, Botswana		100	5.	USD	598	453	698	530	-101	-76	0	0
13. ABC Consulting (Pty) Ltd, Bern, Switzerland		100	4.	USD	714	541	6,247	4,741	316	241	6.455	457
14. Edfund SA (Pty) Ltd, Bern, Switzerland		100	4.	BWP	-69	-52	-50	-38	-18	-14	-6,570	-465
15. Boulevard (Pty) Ltd, Gaborone, Botswana		100	5.	ZAR	-566	-55	-555	-56	-12	-1	-46	0
16. ABCH Management Support Services, Cape Town, South Africa		100	4.	ZAR	767	69	2,905	272	-2,138	-197	-870	-9
17. Kendra Ltd, Lusaka, Zambia		100	11.	ZMK	1,055,875	154	-3,213,922	-477	72,976	11	1,621,238	24
18. ADC IT & Payment Solutions Ltd., Cybercity, Republic of Mauritius		100	3.	EUR	(3,134)	(3,134)	(1,471)	(1,471)	(1,663)	(1,663)	(626)	(626)
19. RSwitch Ltd (fka: Simtel S.A.), Kigali, Republic of Rwanda		88.54	18.	RWF	402,315	483	(2,694,700)	(3,412)	(664,012)	(863)	(2,641,990)	(3,342)
20. R Cards Processing Services Limited, Cybercity, Republic of Mauritius[1]		100	19.	EUR	6	6	19	19	(19)	(19)	17	17
21. ADC Real Estate Ltd., Cybercity, Republic of Mauritius[2]		100	3.	EUR	(14)	(14)	4	4	(18)	(18)	(18)	(18)
22. ADC Rwanda SARL, Kigali, Republic of Rwanda		100	3.	RWF	(69,840)	(84)	33,011	42	(102,851)	(134)	(21,066)	(25)
23. ADC Enterprises, Cybercity, Republic of Mauritius		100	3.	USD	44,903	34,916	-40	-40	4,448	3,471	-40	-40
24. ADC Investments, Cybercity, Republic of Mauritius		100	3.	EUR	2,407	2,407	-4	-4	(33)	(33)	-4	-4
25. Proven Track Corporation Ltd., Cybercity, Republic of Mauritius		100	3.	USD	499	388	-	-	(342)	(267)	-	-
26. Second Niminees (Private) Limited, Harare, Zimbabwe		100	10.	USD	7,924	6,162	-	-	(1,741)	(1,359)	-	-

1 Closed in 2010

2 These companies were founded in 2012.

3 The share in capital of the existing subsidiaries as of 2010 did not change in 2011.

TRANSACTIONS DURING THE YEAR 2012:

ADC increased its stake in BancABC from 23.1% to 51.98% at July 27, 2012 and exercised control from acquisition date (note 4).

In January 2012, the subsidiary RSwitch executed a capital increase, to which ADC subscribed. By participating in this capital increase, ADC's share in RSwitch was increased from 70.0% to 88.54%. The purchase price of EUR 4,789k was mainly settled by converting ADC's shareholder loan into equity (debt-to-equity-swap).

In financial year 2012, ADC purchased 100% of the shares of ADC Management Services Ltd, Mauritius (note 4) from key management personnel (Dirk Harbecke).

In November 2012, ADC took over its General Partner, ADC Management GmbH, from Altira AG for a purchase price of EUR 4.5 Mio. ADC plans the transformation from a partnership with a limited liability company as General Partner ("GmbH & Co. KGaA") into a stock corporation ("AG").

On 19 January 2012, a capital increase amounting to EUR 1.0m was performed at ADC FS. Further capital increases of EUR 0.5m followed on 29 February 2012, of EUR 1.0 on 11 April 2012, of EUR 2.5m on 8 June 2012, of USD 7.0m on 19 June 2012, of USD 18.0m on 26 June 2012, of USD 3.0m on 4 July 2012, of USD 10.0m on 16 July 2012, of EUR 2.5m on 6 August 2012, of EUR 3.0m on 9 August 2012, of EUR 3.0m on 16 August 2012, of EUR 506k on 22 August 2012 and of USD 200k on 21 December 2012, respectively. The total translated amount paid into the capital reserves of ADC FS in 2012 amounted to EUR 44,635k.

TRANSACTION DURING THE YEAR 2011 AND EARLIER:

ADC IT & Payment Solutions Ltd., Cybercity, Mauritius ("ADC IT"), acquired 70% of the voting shares in RSwitch Ltd (formerly: "Simtel S.A."), Kigali, Rwanda ("RSwitch") on 25 June 2008.

On 11 October 2008, ADC Financial Services & Corporate Development Ltd., Cybercity, Mauritius ("ADC FS"), as the sole shareholder, transferred 50.1% of its interests in ADC IT to XCOM AG, Willich (Germany) at face value. There was no gain or loss from the sale. Because the Group has the possibility to appoint and dismiss most of the members of the corporate bodies and thus to have control over the financial and operating policy of ADC IT despite only having a 49.9% interest, ADC IT continues to be included in the consolidated financial statements according to the acquisition method (full consolidation) even after the sale of the interest. On 15 July 2010, ADC FS and XCOM AG, Willich (Germany), concluded a put/call option agreement in relation to the 50.1% interest held in ADC IT by XCOM. In a letter dated 27 September 2010, XCOM exercised the put option with immediate effect. Consequently, ADC FS is once again the sole shareholder of ADC IT.

In the fiscal year 2011 the following wholly owned subsidiaries were founded: ADC Enterprises ("ADC Enterprises"), Cybercity, Mauritius, ADC Investments ("ADC Investments"), Cybercity, Mauritius, ADC Ventures ("ADC Ventures"), Cybercity, Mauritius, and ADC Petroleum ("ADC Petroleum"), Cybercity, Mauritius.

R Cards Processing Services Ltd. ("R Cards"), Cybercity, Mauritius, was established in 2011 and will be included into the RSwitch subgroup.

The date of first-time accounting of the new consolidated subsidiaries founded by the Group is identical to the date of founding. ADC founded these entities before creating hidden reserves. The acquisition cost thus generally corresponds to pro rata equity. Therefore no goodwill resulted from the purchase accounting for these entities.

On 30 September 2009, a capital increase amounting to RWF 80,834k was performed at ADC Rwanda SARL ("ADC Rwanda"), Kigali, Rwanda. On 17 November 2009, a resolution was passed at an extraordinary shareholder meeting to transfer all interests of ADC IT and ADC Real Estate Ltd., Cybercity, Mauritius, in ADC Rwanda SARL, Kigali, Rwanda, to ADC FS effective 31 December 2009.

On 25 February 2010, a capital increase amounting to RWF 100,000k was performed at ADC Rwanda SARL, Kigali, Rwanda.

On 12 May 2010, a capital increase amounting to EUR 500k was performed at ADC FS. Further capital increases of EUR 1,000k and EUR 2,000k followed on 16 July 2010 and 6 September 2010 respectively.

On 21 January 2011, a capital increase amounting to USD 3.3m was performed at ADC FS. Further capital increases of EUR 10.0m followed on 21 February 2011, of EUR 350k on 3 March 2011, of EUR 1,200k on 25 March 2011, of USD 20.0m on 9 September 2011, of EUR 4.0m on 20 September 2011, of EUR 275k on 23 September 2011 and of EUR 1,000k on 12 July 2011, 14 November 2011 and 23 December 2011, respectively. The total translated amount paid into the capital reserves of ADC FS in 2011 amounted to EUR 35,751k.

The general managers of consolidated subsidiaries do not hold key management positions within the meaning of IAS 24 from the Company's perspective.

ASSOCIATES:

All other transactions conducted with related parties during the fiscal year are presented in the following table:

EURk	YEAR	SERVICES RENDERED TO RELATED PARTIES	SERVICES PURCHASED FROM RELATED PARTIES	RELATED PARTY RECEIVABLES	LIABILITIES TO RELATED PARTIES
Brainworks Capital Management (Private)Limited, Zimbabwe	2012	310	72	350	23
	2011	0	0	0	0
Banco Nacional de Guinea Equatorial, Equatorial Guinea	2012	136	0	0	0
	2011	767	0	156	0
ABC Holdings Limited, Botswana[1]	2011	0	0	0	7,738

1 Became subsidiary 27 July 2012

In 2011, the Group held a convertible loan of EUR 7,738k (USD 10.0m) from ABC Holdings Ltd., Botswana. The convertible loan was concluded effective 30 September 2011. It has a term of five years and bears interest of 10% p.a. The convertible loan was raised to match the local capital requirements of ABC Holdings Ltd. for an investment to be made together with ADC.

The general managers of associates do not hold key management positions within the meaning of IAS 24 from the Company's perspective.

OTHER TRANSACTIONS

ADC BUSINESS DEVELOPMENT SERVICES LTD. (BDS), MAURITIUS

ADC Business Development Services Ltd. (BDS), Mauritius, provides advisory services to Group companies under a service agreement dated 5 January 2009. BDS was a wholly-owned subsidiary of Altira AG, Frankfurt am Main. BDS employs a team of experts with investment managers and senior executives in the field of deal sourcing, due diligences and the coordination of acquisitions and disposals.

ADC MANAGEMENT GMBH, FRANKFURT AM MAIN (FKA: ALTIRA ADC MANAGEMENT GMBH, FRANKFURT AM MAIN)

The general partner, ADC Management GmbH, Frankfurt am Main, is entitled and obligated to manage the Company alone. In November 2012, ADC took over its General Partner, ADC Management from Altira AG, and is transforming its organizational structure from a partnership limited by shares – GmbH & Co. KG – into a stock corporation (AG). At the extraordinary General Meeting on 17 January 2013 the transformation of the legal form from a partnership limited by shares (KGaA) into a classic German stock corporate "Aktiengesellschaft" (AG) has been resolved.

To finance the acquisition of the General Partner, ADC has negotiated a revolving credit facility with its strategic partner and major shareholder Trafigura in the amount of EUR 4.3 million in November 2012. At year-end 2012, ADC has called EUR 1.0 million out of the full volume of the credit facility.

Other expenses include EUR 2,102k (prior year: EUR 1,574k) as remuneration specified in the articles of incorporation for assuming management activities and personal liability of ADC Management GmbH. Opposed to 2011, there was no fee for carrying out and organizing a capital increase (prior year: EUR 164k) for ADC Management GmbH. As of the reporting date, there was no liability (prior year: EUR 164k) due to Altira ADC Management GmbH.

The general manager of the general partner is:
- Olaf Meier, Frankfurt am Main (till 17 January 2013)
- Dirk Harbecke, Albion, Mauritius (from 17 January 2013)

Disclosure in accordance with §15a of the Securities Trading Act (WpHG):
The Managing Director of the General Partner, Dirk Harbecke purchased 100,000 shares at a price of EUR 5.00 according to the announcement on 4 May 2012. The purchase took place through the exercise of conversion rights of the convertible bond issued by the Company in April 2010 to incentivize the Management.

ALTIRA AKTIENGESELLSCHAFT, FRANKFURT AM MAIN

ADC Management GmbH was till 9 November 2012 a wholly-owned subsidiary of Altira Aktiengesellschaft, Frankfurt am Main. The majority shareholder of Altira Aktiengesellschaft is Angermayer, Brumm & Lange Unternehmensgruppe GmbH, Frankfurt am Main. Since 1 October 2009 to 31 October 2012, there has been a framework service agreement with Altira Aktiengesellschaft that covers marketing, legal and accounting and consolidation services. Altira AG billed EUR 263k for these services in the fiscal year (prior year: EUR 230k). As of the reporting date, there was a liability of EUR 40k (prior year: EUR 162k) due to Altira AG. In addition, Altira AG charged on an expense of EUR 39k (prior year: EUR 31k) to the Company in connection with a third-party liability insurance policy.

OTHER TRANSACTIONS:

EURk	YEAR	SERVICES PURCHASED FROM RELATED PARTIES	OF WHICH COST OF CAPITAL INCREASES	AMOUNTS OWED TO RELATED PARTIES
ADC BDS Ltd., Republic of Mauritius	2012	3,376	0	637
	2011	2,399	0	392
Altira AG, Frankfurt am Main, Germany	2012	263	0	40
	2011	230	0	162
ADC Altira Management GmbH, Frankfurt am Main, Germany	2012	1,808	0	0
	2011	1,744	164	164

SUPERVISORY BOARD

The members of the supervisory board are:

- **Christian Angermayer**, businessman, Wiesau, Germany – chairman (till 30 November 2012)

Membership in other bodies:
- Apeiron Entertainment AG, Frankfurt am Main (member of the supervisory board, chairman)
- Aragon Aktiengesellschaft (member of the supervisory board)
- PA Beteiligungen GmbH, Frankfurt am Main (general manager)
- CH2 Contorhaus Hansestadt Hamburg AG, Hamburg (member of the supervisory board)
- Silvia Quandt Research GmbH, Frankfurt am Main (general manager)
- Silvia Quandt & Cie. AG, Frankfurt am Main (member of the supervisory board)

- **Alastair Newton**, political analyst, London, UK

Over the last five years, Mr. Newton was not a member of any administrative, management or supervisory committee or member of comparable German and foreign control bodies of entities.

- **Ron Bravermann**, founder of Danover Capital, Penn Valley, Pennsylvania, USA – deputy chairman till 27 March 2012.

Membership in other bodies:
— FIB Management AG, Frankfurt am Main (supervisory board)
— Titanium Asset Management, USA (corporation advisory board)

— **Pierre Lorinet**, Chief Financial Offer of Trafigura Beheer BV, Vésenaz (from 1 April 2012)

— **Jyrki Koskelo**, Senior Development Banker and former member of the Management Committee of the International Finance Corporation (IFC)/ World Bank Group, Vienna (from 8 January 2013, court-appointed)

Membership in other bodies:
— African Agriculture and Trade Investment Fund SICAV, Luxemburg

During the fiscal year, the supervisory board received remuneration and cost refunds of EUR 53k (prior year: EUR 89k).

During the fiscal year 2011, a consulting agreement was concluded with a supervisory board member. This agreement gave rise to costs of EUR 80k (prior year: EUR 80k).

Olaf Meier, general manager of ADC Management GmbH, Frankfurt am Main, Germany, received the following remuneration components in fiscal year 2012:

EURk	2012	2011
Fixed remuneration component	139	120
Short-term variable remuneration component (annual bonus)	50	60
Company car	yes	yes
	189	180

Other than these, in 2012 and up to the date of preparing these financial statements, there were no transactions (purchase or sales agreements, purchased or received services, granting or receipt of loans or collateral, payment or receipt of rental or lease payments) with other related parties or their family members.

Outstanding balances at the year-end are unsecured, interest free and settled by payments.

12. DISCLOSURES ON THE EXISTENCE OF AN EQUITY INVESTMENT IN THE COMPANY IN ACCORDANCE WITH SEC. 21 (1) / (1A) WPHG (WERTPAPIERHANDELSGESETZ: GERMAN SECURITIES TRADING ACT)

ADC received notices on the existence of voting rights within the meaning of Sec. 21 (1) / (1a) WpHG as follows:

25% THRESHOLD

On January 04, 2012, **TRAFIGURA BEHEER B.V.**, Amsterdam, Niederlande has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have exceeded the 25% threshold of the voting rights on January 02, 2012 and on that day amounted to 25.25% (this corresponds to 2,123,550 voting rights).

5% THRESHOLD

On January 04, 2012, **BIW BANK FÜR INVESTMENTS UND WERTPAPIERE AG**, Willich, Germany, has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have exceeded the 3% and 5% threshold of the voting rights on December 29, 2011 and on that day amounted to 9.09% (this corresponds to 764,164 voting rights).

On January 04, 2012, **XCOM AKTIENGESELLSCHAFT**, Willich, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have exceeded the 3% and 5% threshold of the voting rights on December 29, 2011 and on that day amounted to 9.09% (this corresponds to 764,164 voting rights). According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 9.09% of the voting rights (this corresponds to 764,164 voting rights) is to be attributed to the company via XCOM Finanz GmbH and biw Bank für Investments und Wertpapiere AG.

On September 27, 2012, **MR CHRISTOPHER CHARLES ROKOS**, United Kingdom, has informed us according to Article 21, Section 1 of the WpHG that via shares his voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have exceeded the 5% threshold of the voting rights on September 21, 2012 and on that day amounted to 5.99% (this corresponds to 515,160 voting rights).

3% THRESHOLD

ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA, Frankfurt/Main, Germany informs according to Article 26, Section 1 Sentence 2 of the WpHG that its voting rights in own shares have exceeded the 3% limit of the voting rights on July 23, 2012 and on that day amounted to 3.14% (this corresponds to 270,287 voting rights).

On July 26, 2012, **ALTIRA ADC MANAGEMENT GMBH**, Frankfurt/Main, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have exceeded the 3% threshold of the voting rights on July 23, 2012 and on that day amounted to 3.14% (this corresponds to 270,287 voting rights). According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 3.14% of the voting rights (this corresponds to 270,287 voting rights) is to be attributed to the company as general partner from ADC African Development Corporation GmbH & Co. KGaA.

On February 20, 2012, **BF HOLDING GMBH**, Kulmbach, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development

Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% threshold of the voting rights on July 28, 2011 and on that day amounted to 4.67% (this corresponds to 357,012 voting rights).

On February 20, 2012, Mr. **BERND FÖRTSCH**, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares his voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% threshold of the voting rights on July 28, 2011 and on that day amounted to 4.67% (this corresponds to 357,012 voting rights). According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 4.67% of the voting rights (this corresponds to 357,012 voting rights) are to be attributed to Mr Förtsch from BF Holding GmbH.

On 19 July 2012, Moore Capital Management LP has informed us according to section 21 para. 1 of the WpHG that via shares the voting rights of **K2 MOORE LP,** Nassau, Bahamas, on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% threshold of the voting rights on December 29, 2011 and on that day amounted to 4.63% (this corresponds to 389,400 voting rights).

On 19 July 2012, Moore Capital Management LP has informed us according to section 21 para. 1 of the WpHG that via shares the voting rights of **MOORE CAPITAL (GUERNSEY) UNLIMITED**, St-Peter Port, Guernsey, Channel Islands, on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% threshold of the voting rights on 29 December 2011 and on that day amounted to 4.63% (this corresponds to 389,400 voting rights). According to section 22 para. 1 sentence 1 no. 1 of the WpHG, 4.63% of the voting rights (this corresponds to 389,400 voting rights) is to be attributed to Moore Capital (Guernsey) Unlimited via the following companies which are controlled by Moore Capital (Guernsey) Unlimited and whose holdings of voting rights amount to 3% each or more in ADC African Development Corporation GmbH & Co. KGaA: K2 Moore LP, Moore Macro Fund LP.

On 19 July 2012, Moore Capital Management LP has informed us according to section 21 para. 1 of the WpHG that via shares the voting rights of **MOORE GLOBAL INVESTMENT LP**, Nassau, Bahamas, on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% threshold of the voting rights on 29 December 2011 and on that day amounted to 4.63% (this corresponds to 389,400 voting rights). According to section 22 para. 1 sentence 1 no. 1 of the WpHG, 4.63% of the voting rights (this corresponds to 389,400 voting rights) is to be attributed to Moore Global Investment LP via the following companies which are controlled by Moore Capital (Guernsey) Unlimited and whose holdings of voting rights amount to 3% each or more in ADC African Development Corporation GmbH & Co. KGaA: K2 Moore LP, Moore Macro Fund LP.

On 19 July 2012, Moore Capital Management LP has informed us according to section 21 para. 1 of the WpHG that via shares the voting rights of **MOORE GLOBAL INVESTMENTS LTD.**, Nassau, Bahamas, on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% threshold of the voting rights on 29 December 2011 and on that day amounted to 4.63% (this corresponds to 389,400 voting rights). According to section 22 para. 1 sentence 1 no. 1 of the WpHG, 4.63% of the voting rights (this corresponds to 389,400 voting rights) is to be attributed to Moore Global Investments Ltd. via the following companies which are controlled by Moore Global Investments Ltd. and whose holdings of voting rights amount to 3% each or more in ADC African Development Corporation GmbH & Co. KGaA: K2 Moore LP, Moore Macro Fund LP, Moore Global Investment LP.

On 19 July 2012, Moore Capital Management LP has informed us according to section 21 para. 1 of the WpHG that via shares the voting rights of **MOORE MACRO FUND LP,** Nassau, Bahamas, on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% threshold of the voting rights on 29 December 2011 and on that day amounted to 4.63% (this corresponds to 389,400 voting rights). According to section 22 para. 1 sentence 1 no. 1 of the WpHG, 4.63% of the voting rights (this corresponds to 389,400 voting rights) is to be attributed to K2 Moore LP.

On October 16, 2012, **RBC HOLDINGS (LUXEMBOURG) S.À.R.L.**, Luxembourg, Grand Duchy of Luxembourg has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have exceeded the 3% threshold of the voting rights on May 30, 2012 and on that day amounted to 3.87% (this corresponds to 333,511 voting rights). According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 3.87% of the voting rights (this corresponds to 333,511 voting rights) is to be attributed to the company from RBC Holdings (Channel Islands) Limited via RBC cees Limited and RBC cees Trustee Limited.

On September 27, 2012, **MR CHRISTOPHER CHARLES ROKOS**, United Kingdom, has informed us according to Article 21, Section 1 of the WpHG that via shares his voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have exceeded the 3% threshold of the voting rights on September 14, 2012 and on that day amounted to 3.66% (this corresponds to 315,160 voting rights).

On December 05, 2012, **WELLINGTON MANAGEMENT COMPANY LLP**, Boston, Massachusetts, USA has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have exceeded the 3% threshold of the voting rights on December 04, 2012 and on that day amounted to 3.19% (this corresponds to 274,766 voting rights). According to Article 22, Section 1, Sentence 1, No. 6 in connection with sentence 2 of the WpHG, 3.19% of the voting rights (this corresponds to 274,766 voting rights) is to be attributed to the company.

ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA, Frankfurt/Main, Germany informs according to Article 26, Section 1 Sentence 2 of the WpHG that its voting rights in own shares have fallen below the 3% limit of the voting rights on September 14, 2012 and on that day amounted to 0% (this corresponds to no voting rights).
On September 20, 2012, **ALTIRA ADC MANAGEMENT GMBH**, Frankfurt/Main, Germany has informed us according to Article 21, Section 1, Article 22 Section 1 Sentence 1 Number 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 3% threshold of the voting rights on September 14, 2012 and on that day amounted to 0% (this corresponds to no voting rights).

On January 06, 2012, **BIW BANK FÜR INVESTMENTS UND WERTPAPIERE AG**, Willich, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on

ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 3% and 5% threshold of the voting rights on January 4, 2012 and on that day amounted to 1.225% (this corresponds to 103,000 voting rights).

On February 20, 2012, **BF HOLDING GMBH**, Kulmbach, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 3% threshold of the voting rights on October 25, 2011 and on that day amounted to 2.61% (this corresponds to 199,789 voting rights).

On February 20, 2012, **MR. BERND FÖRTSCH**, Kulmbach, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares his voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 3% threshold of the voting rights on October 25, 2011 and on that day amounted to 2.61% (this corresponds to 199,789 voting rights). According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 2.61% of the voting rights (this corresponds to 199,789 voting rights) is to be attributed to Mr Förtsch.

On January 18, 2012, **XCOM AKTIENGESELLSCHAFT**, Willich, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% and 3% threshold of the voting rights on January 04, 2012 and on that day amounted to 1.225% (this corresponds to 103,000 voting rights). According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 1.225% of the voting rights (this corresponds to 103,000 voting rights) is to be attributed to the company.

NOTES TO THE ISSUER ON THE NOTIFICATION:
The Correction of the voting rights refers to the publication of the Notification of XCOM AG dated 10 January 2012. The correction relates to the full reference to the attribution rule of Article 22 Section 1, Sentence 1, No 1 of the WpHG.

Generally it shall be noted, that neither XCOM AG nor XCOM Finanz GmbH have bought or sold own shares directly in our Company. XCOM AG must impute the voting rights via XCOM Finanz GmbH and biw Bank für Investments und Wertpapiere AG („BIW Bank"). BIW Bank accompanied the capital increase of ADC African Development Corporation GmbH & Co. KGaA in December 2011 and took over the newly issued shares by way of indirect subscription rights. With the acquisition of these shares, BIW Bank was obliged to report that it had exceed the threshold from 3% to 5% in our company. With the delivery of the newly issued shares to the subscribers of the capital increase, BIW Bank had to report that it had fallen below the 5% and 3% threshold. Due to the attribution rules of the Securities Trading Act, the controlling shareholder of BIW Bank, XCOM Finanz GmbH had to report that it had exceed and fallen below the voting thresholds, which in turn led to the mandatory reporting of XCOM AG.

On January 10, 2012, **XCOM AG**, Willich, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares its voting rights on ADC African Development Corporation GmbH & Co. KGaA, Frankfurt/Main, Germany, have fallen below the 5% and 3% threshold of the voting rights on January 04, 2012 and on that day amounted to 1.225% (this corresponds to 103,000 voting rights). According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 1.225% of the voting rights (this corresponds to 103,000 voting rights) is to be attributed to the company.

13. DECLARATION OF COMPLIANCE PURSUANT TO SEC. 161 AKTG

The management and supervisory board of ADC African Development Corporation GmbH & Co. KGaA, Frankfurt am Main, have issued the declaration required by Sec. 161 AktG and made it permanently available to the shareholders on the Company's website.

14. EVENTS AFTER THE REPORTING PERIOD

CHANGE OF LEGAL FORM

On 17 January 2013, ADC held an Extraordinary General Meeting (EGM) to resolve the transformation of the Company's legal form into a stock corporation (AG) and approved the change in legal form as well as the underlying articles of association by a vast majority. The structure of an AG is more common than a partnership limited by shares, which is expected to decrease investment barriers for investors and increase transparency. The stock continues to trade in the current legal form until the final transformation to a stock corporation, which is subject to legal and regulatory requirements.

MANAGEMENT CHANGE

Dirk Harbecke was named sole Managing Director of the AG and the sole Managing Director of ADC Management GmbH until the AG is legally formed. Mr. Harbecke is the co-founder of ADC and Group CEO, managing group strategy, investor relations and governance. Olaf Meier, previous Managing Director of the Altira ADC Management GmbH, has resigned from his position as Managing Director as a result of these changes. ADC thanks Mr. Meier for his work and exceptional commitment over the last few years.

SUPERVISORY BOARD APPOINTMENTS

The court formally appointed Jyrki Koskelo on 8 January 2013 to the Supervisory Board following the resignation of Christian Angermayer on 30 November 2012. At the Extraordinary General Meeting (EGM) on 17 January 2013, the current Supervisory Board, consisting of Alastair Newton, Pierre Lorinet and Jyrki Koskelo, were officially elected as Members of the Supervisory Board of the AG; Mr. Newton was elected as Chairman. All the resolutions were supported with qualified majorities of the present capital.

VOTING RIGHTS NOTIFICATIONS

On 15 February 2013, Wellington Management Company LLP, located in Boston, Massachusetts USA informed ADC that its voting rights have exceed the 3% and 5% threshold as defined in § 21 (1) of the German Securities Trading Act (WpHG) as of 14 February 2013. Total shares equal 5.01% of outstanding shares, which corresponds to 431,347 shares with voting rights.

On 05 March 2013, Mr. Bernd Foertsch, Germany, informed ADC that his voting rights have exceeded the 3% and 5% threshold as defined in § 21 (1) of the German Securities Trading Act (WpHG) as of 28 February 2013. Total shares equal 5.01% of outstanding shares, which corresponds to 431,100 shares with voting rights. The shareholding is to be attributed to Mr Foertsch via BF Holding GmbH, Kulmbach, Lion Capital AG, Kulmbach and Altira Aktiengesellschaft, Frankfurt am Main.

On 13 March 2013, Angermayer Brumm & Lange Unternehmensgruppe GmbH located in Frankfurt/Main, Germany informed ADC that its voting rights have fallen below the 5% and 3% threshold as defined in § 21 (1) of the German Securities Trading Act (WpHG) as of 28 February 2013. Total shares equal 0.0% of outstanding shares, which corresponds to 0 shares with voting rights.

CHANGE IN THE CONDITIONAL CAPITAL

In the EGM on 17 January 2013 the following resolution was taken: The Conditional Capital II/2009 shall be reduced to a scope of EUR 2,000,000.00; § 5 (4) of the Articles of Association shall be reformulated as follows: "The company's share capital is conditionally increased by up to EUR 2,000,000.00 (in words: two million euros) by issuing up to 2,000,000 (in words: two million) new individual registered shares (Conditional Capital II/2009). In addition a further resolution was taken in the EGM on 17 January 2013 on new conditional capital. The company's share capital shall be conditionally increased by up to EUR 1,400,000.00 by issuing up to 1,400,000 new individual registered shares (Conditional Capital I/2013). The conditional capital increase serves to grant subscription and/or conversion rights to the bearers of warrants and/or convertible bonds issued by the company or by group companies. The Conditional Capital I/2013 was included in the corporate register on 24 April 2013.

BRIDGE LOAN FACILITY

ADC has called further EUR 3.3 million of the loan facility agreement with Trafigura Holdings Limited in the first quarter of 2013 and has now fully called the potential amount of EUR 4.3 million of the loan facility. Furthermore, ADC requested an extension of the loan facility until 3 November 2013 which was agreed by Trafigura on 24 April 2013.

EXIT OF BANCO NACIONALE DE GUINEA ECUATORIAL (BANGE)

On 15 May 2013, ADC announced a successful exit from its 25% shareholding in Banco Nacional de Guinea Ecuatorial (BANGE) to co-shareholders in the bank. A purchase price of EUR 9.0 million was paid. Inclusive of dividend payments, a total gain on the invested capital of EUR 6.6 million was realized, reflecting a gross IRR of 34% and a total value to paid in multiple of 3.4x.

CONVERSION OF A CONVERTIBLE LOAN IN BANCABC

On 27 May 2013, ADC's subsidiary, BancABC, has announced the allotment of 24,080,230 ordinary shares to the International Finance Corporation (IFC), a member of the World Bank Group, upon the conversion of a convertible loan of BWP 78.0 million (EUR 7.0 million).

POOLING AGREEMENT IN BANCABC

On 29 May 2013, ADC announced that it has engaged in pooling agreements with two aligned minority investors of BancABC for a further 7,741,562 shares in the banking group. Through these two pooling agreements, ADC is guaranteed to maintain control of BancABC with 50.1% majority on a fully diluted basis post loan conversion by the IFC.

MANDATORY TAKEOVER OFFER FOR BANCABC

On 29 May 2013, ADC announced that it will undertake a mandatory takeover offer to minority shareholders of BancABC and offer a cash payment equal to the price at which ADC acquired a majority shareholding while acting as an underwriter of the bank's rights issue in July 2012. The mandatory takeover offer will be executed at a price of USD 0.60 per share on the Zimbabwe Stock Exchange and at the exchange rate equivalent of BWP 5.02 on the Botswana Stock Exchange.

EXECUTION OF TRANSFORMATION AND APPLICATION FOR RE-LISTING IN ENTRY STANDARD

On 29 May 2013, ADC announced that it has resolved to take the next steps to transform ADC into a stock corporation (AG) by applying for the transformation in the commercial register and to apply for a re-listing of ADC in the Entry Standard segment of the Frankfurt Stock Exchange in due course.

15. TRANSACTIONS NOT CARRIED OUT AT ARM'S LENGTH

There were no transactions that had to be disclosed within the meaning of Sec. 285 No. 21 HGB.

16. RESPONSIBILITY STATEMENT

Pursuant to Sec. 297 (2) Sentence 4 and 315 Sec. 1 Sentence 6 HGB

We hereby confirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the financial position and performance of the Group and the group management report gives a true and fair view of business performance including financial performance and the situation of the Group, and describes the main opportunities and risks relating to the Group's anticipated development in accordance with the applicable financial reporting framework.

Frankfurt am Main, Germany, 20 June 2013
Management of ADC Management GmbH
signed Dirk Harbecke

AUDITOR'S REPORT

Translation from the German language

AUDIT OPINION

TO ADC AFRICAN DEVELOPMENT CORPORATION GMBH & CO. KGAA

We have audited the consolidated financial statements prepared by ADC African Development Corporation GmbH & Co. KGaA, Frankfurt am Main, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 January 2012 to 31 December 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] as well as the supplementary provisions of the articles of incorporation and bylaws is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the financial position and performance in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

OUR AUDIT HAS NOT LED TO ANY RESERVATIONS.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB as well as the supplementary provisions of the articles of incorporation and bylaws and give a true and fair view of the financial position and performance of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development."

Mannheim, 20 June 2013

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Günnewig	Hellmich
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	*[German Public Auditor]*

SUPERVISORY BOARD REPORT

DEAR SHAREHOLDERS,

Over the course 2012 ADC has undergone a number of changes, which have accelerated the establishment of the Company as one of the leading pan-African banking groups in sub-Saharan Africa. In 2012, ADC gained a majority ownership in BancABC and successfully closed a transaction in Nigeria resulting in a direct 3.9% stake in UBN, one of the leading banks in the country. ADC negotiated the buy-out of its managing partner, ADC Management GmbH from Altira AG, and is currently changing its corporate structure to form a stock corporation (AG), which will reduce costs and streamline operations as ADC embarks on creating a pan-African Merchant Bank with a presence in at least 10 sub-Saharan African countries by 2015. The Supervisory Board is fully aligned with ADC's vision for the future and believes that existing and prospective Shareholders will see ADC's full value start to be unlocked in 2013.

In the 2012 financial year, the Supervisory Board fulfilled all of its duties according to the law and the articles of association with adequate diligence and care. During the course of year, the members of the Supervisory Board held continuous and close contact with the Management of ADC, and were consulted on issues of strategic importance and significant events. The Supervisory Board monitored Management's conduct of business and was kept informed at and in between ordinary meetings. With the same depth of relations, the Chairman of the Supervisory Board regularly discussed with ADC Management developments on the course of business and significant events and transactions.

At any time and in a timely manner, the Supervisory Board was presented with adequate information enabling constructive discussion and providing a solid base for decision making, in verbal and written form. The Management of ADC reported regularly and comprehensively on business developments, the financial situation, fund raising activities and issues of importance concerning corporate planning, risk management and compliance. Furthermore, the Supervisory Board was kept informed of the economic developments of the sub-Saharan African region as well as regulatory developments and the effects, or non-effects, thereof on the company's business.

All matters requiring Supervisory Board approval were submitted in a clear and timely manner, and, if necessary, additional explanation and documentation was provided by the Management. Approvals of the Supervisory Board required by law and the articles of association were granted on the basis of thorough examination of all relevant information and documentation.

SUPERVISORY BOARD MEETINGS

The Supervisory Board of ADC African Development Corporation GmbH & Co. KGaA held 8 ordinary meetings in the fiscal year 2012.

SUPERVISORY BOARD MEETING 05 APRIL 2012

Management reported on the results of the 2011 financial year and presented the 2012 budget, which was unanimously approved by the Supervisory Board. Management provided a comprehensive overview of ADC's group structure with two new entities (ADC Enterprises and ADC Investments) inclusive of ADC's new portfolio company Brainworks. An update was given on ADC's pipeline and portfolio companies, which included an overview of BancABC's 2011 results. Management informed the Board that BANGE's high NPL ratio could result in future write-offs.

The Supervisory Board approved the decision of Management to continue with the share buy-back program and unanimously approved the acquisition of as many BancABC shares as possible in the course of BancABC's capital increase in mid-2012 conditional to available financing and a favorable outcome of an ongoing due diligence.

The 2011 Ernst & Young (E&Y) 2011 auditors' report was presented, with an unqualified audit opinion on the individual and consolidated financial statements of ADC. The Board approved the ADC KGaA stand alone accounts and recognized that the group accounts be taken to the Annual General Meeting (AGM) for approval.

SUPERVISORY BOARD MEETING 22 MAY 2012

Management reported on the unaudited results of Q1 2012 and provided a comprehensive overview to the Board on the progress of on-going transactions and the share buy-back program. Management updated the Supervisory Board on ADC's pipeline opportunities and portfolio companies inclusive of corporate strategy, risk management and an update on the progress of the issuance of a EUR 40 million, 3-year bond with warrants attached. Management informed the Board that the Rwandan government had cancelled subsidies for RSwitch's proprietary cards, which increases the risk of RSwitch's operational and financial viability.

The timing and agenda for the AGM was discussed and approved.

SUPERVISORY BOARD MEETING 29 JUNE 2012

ADC Management reported on the successful placement of the EUR 40 million bond with warrants attached on 22 June 2012. Management provided the Board with an overview of ADC's pipeline opportunities and portfolio companies with an emphasis on the UBN transaction, which formally closed on 26 June 2012. The Supervisory Board unanimously approved the establishment of an investment vehicle with a co-investor, which gives ADC exposure to an additional 5.1% stake in UBN that will be managed by ADC for the duration of the investment life of the UGPL investor consortium.

The Supervisory Board unanimously approved a further investment in RHEAL of up to USD 0.3 million.

SUPERVISORY BOARD MEETING 09 AUGUST 2012

Management reported on the successful take-over of more than 50% of BancABC's shares after acting as the underwriter for BancABC's capital increase, which led to the opportunity to buy nearly all the shares on offer.

The Supervisory Board unanimously agreed to put the share buy-back program on hold and lowered the cash position threshold from EUR 5 million to access the capital required to purchase the BancABC shares.

SUPERVISORY BOARD MEETING 28 AUGUST 2012

ADC Management provided the Board with the unaudited results of H1 2012 and presented a comprehensive overview of ADC's pipeline opportunities and portfolio companies.

Management overviewed ADC's cash management system, stock market listing requirements and regulations and a detailed risk analysis going forward. A comprehensive update was presented inclusive of information pertaining to the BancABC rights offering, the UBN transaction, overall team restructuring and strategy development.

SUPERVISORY BOARD MEETING 05 OCTOBER 2012

ADC Management presented its cost savings plan to the Supervisory Board with reductions stemming from lowered staff costs, fewer consultancy agreements and decreased travel expenses. Management updated the Supervisory Board on ADC's pipeline opportunities and portfolio companies inclusive of the extraordinarily high NPL ratio at BANGE, which increases the operational and financial risk of the bank. An update was provided on Tier II capital raising progress at BancABC as well as favorable developments at RSwitch due to the effective new management of the operation.

SUPERVISORY BOARD MEETING 02 NOVEMBER 2012

ADC Management presented a plan to the Board to take over the General Partner, ADC Management GmbH from Altira AG, resulting in a change of the corporate form into a stock corporation. The Supervisory Board unanimously agreed to the takeover at a price of EUR 4.3 million in order to streamline the corporate structure for the establishment of a pan-African banking group and to reduce the overall cost structure going forward as well as establishing an internationally more common corporate structure which gives more rights to the shareholders and increases good corporate governance and transparency.

SUPERVISORY BOARD MEETING 29 NOVEMBER 2012

ADC Management and the Supervisory Board formalized the timeline and legal requirements for the change in corporate structure to form an AG. Current and future corporate structures were discussed inclusive of a management incentivation program. The timing and agenda for the Extraordinary General Meeting (EGM) was discussed and approved.

ANNUAL FINANCIAL STATEMENTS

Ernst & Young GmbH, Wirtschaftspruefungsgesellschaft, Mannheim, were appointed to audit ADC for the financial year 2012. Under consideration of accounting, the auditor audited the financial statements of ADC African Development Corporation GmbH & Co. KGaA, the consolidated group financial statements as per 31 December 2012 and the management report and the group management report for the financial year 2012 and issued an unqualified audit opinion for each.

The Supervisory Board was presented with the audited and certified financial statements and group statements as per 31 December 2012, the management report and the group management report for the financial year 2012 as well as the auditors' report in a timely manner prior to ADC KGaA's Supervisory Board Meeting on 20 June 2013. After its own careful examination and detailed discussions with the Management and the auditors, the Supervisory Board approved and adopted the financial statements and group statements and proposed presenting the financial statement to the AGM for acceptance.

CHANGES IN THE SUPERVISORY BOARD

In the course of 2012 two Supervisory Board members resigned.

Mr. Christian Angermayer resigned from the Supervisory Board effective as of 30 November 2012. We kindly thank Mr. Angermayer for all his efforts and valuable input since ADC's inception in 2007. Mr. Angermayer was a co-founder and instrumental in ADC's initial funding and operational success. Mr. Jyrki Koskelo, former Vice President Global Industries at the International Financial Corporation (IFC) officially joined the Supervisory Board on 08 January 2013.

Mr. Pierre Lorinet, CFO of Trafigura joined the Supervisory Board on 27 March 2012 taking over from Ron Braverman, the founder of Danover Capital and former representative of Altira AG to the Supervisory Board. The right of secondment by Altira AG to the Supervisory Board of ADC according to § 15 (5) of the company's articles of association was cancelled subsequent to the takeover of the General Partner in November 2012 and the resolution of the Extraordinary General Meeting to transform ADC into a stock corporation which took place in January 2013.

We, the Supervisory Board, would like to thank all the employees and the Management of ADC African Development Corporation for their hard work and the successful results of the last year. We have been impressed by the dedication of the entire team since ADC's inception, which has resulted in a strong portfolio of investments and a promising pipeline of opportunities. Over the last five years, ADC has established itself as an investor of choice on the African continent and has built an extraordinary network of advisors, experts and employees. ADC's Merchant Bank strategy will transform the Company over the next 2-3 years and we, the Supervisory Board, look forward to achieving the ambitious, but realistic goals laid out before us.

Frankfurt am Main, June 2013

On behalf of the Supervisory Board
Alastair Newton
Chairman

FINANCIAL CALENDAR

FINANCIAL CALENDAR

CORPORATE CALENDER	DATE	EVENT
	17 January 2013	Extraordinary General Meeting, Frankfurt, Germany
	24 June 2013	Release Annual Report 2012
	12 July 2013	Release Interim Report Q1 2013
	14 August 2013	Annual General Meeting 2013, Frankfurt, Germany
	30 August 2013	Release Interim Report H1 2013
	29 November 2013	Release Interim Report 9M 2013

ANALYST MEETINGS & OTHER EVENTS		
	11 March – 14 March 2013	Bank of America Merrill Lynch, 14th Annual Sun City Conference, Sun City, South Africa
	08 April – 10 April 2013	AVCA 10th Annual Conference, Cape Town, South Africa
	08 – 10 May 2013	World Economic Forum Africa 2013, Cape Town, South Africa
	07 – 08 May 2013	First listed African Financial Services Conference, Brighton, UK
	13 – 16 May 2013	IFC's 15th Annual Global Private Equity Conference, Washington D.C., USA
	27 – 31 May 2013	African Development Bank Annual Meetings 2013, Marrakech, Morocco
	11 – 13 November 2013	Deutsche Börse / KfW German Equity Forum 2013, Frankfurt, Germany

CONTACT INFORMATION

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