



**ABSA BANK BOTSWANA LIMITED, t/a ABSA**

a company incorporated

in the Republic of Botswana on 17 March 1975 registration number BW00001237900

with its registered address at Deloitte House, Plot 64518, Fairgrounds, Gaborone

and principal place of business at Building 4, Prime Plaza, Plot 74358, Central Business District  
(the Issuer)

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**INFORMATION MEMORANDUM**

**IN RESPECT OF THE**

**BWP2,000,000,000 NOTE PROGRAMME**

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Absa Bank Botswana Limited (the **Issuer**) intends to issue notes from time to time ("the **Notes**") under the BWP2, 000 000 000 Note Programme ("the **Programme**") on the basis set out in the Programme Memorandum dated 20 July 2023, as from time to time ("the **Programme Memorandum**"). The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified in the section headed "*Summary of Programme*" under the Programme Memorandum and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

The specific aggregate nominal amount, the status, maturity, interest rate, or interest rate formula and dates of payment of interest, purchase price to be paid to the Issuer, any terms for redemption or other special terms, currency or currencies, form and denomination of Notes, information as to financial exchange listings and the names of the dealers, underwriters or agents in connection with the sale of Notes being offered at a particular time will be set forth or referred to in the terms and conditions contained in the Programme Memorandum ("the **Terms and Conditions**"), read together with the pricing supplement applicable to any Notes ("the **Applicable Pricing Supplement**") and in respect of Structured Notes, an Applicable Product Supplement (the "**Applicable Product Supplement**") and this Information Memorandum ("this **Information Memorandum**").

**Availability of Information**

This Information Memorandum is also available on the Issuer's website [www.absa.co.bw](http://www.absa.co.bw). Other information on the Issuer's website is not intended to be incorporated by reference into this Information Memorandum.

Recipients of this Information Memorandum should retain it for future reference. It is intended that the Programme Memorandum read together with the Applicable Pricing Supplement in connection with the issuance of Notes, will refer to this Information Memorandum for a description of the Issuer, its financial condition and results of operations (if any) and investor considerations/risk factors, until an updated Information Memorandum is issued.

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Information Memorandum dated 20 July 2023.

**Legal Advisor to the  
Issuer**



**Calculating & Paying  
Agent**



**Sponsoring Broker**



**Transfer Agent**



**Trustee**



**Auditor**



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**CORPORATE INFORMATION AND ADVISORS TO THE COMPANY**

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Registered Office	: <b>Absa Bank Botswana Limited</b> 2nd Floor, Absa Head office, Plot 74358 Building 4, Central Business District, Gaborone, Botswana Tel: +267 395 2041 Email: <a href="mailto:Kealeboga.bojosi@absa.africa">Kealeboga.bojosi@absa.africa</a> <b>Contacts: Kealeboga Bojosi</b>
Legal Advisors	: <b>Armstrongs Attorneys</b> 2nd Floor Acacia House, Plot 74538 New CBD Cnr P.G. Matante & Khama Crescent Ext P O Box 1368, Gaborone, Botswana Tel: +267 395 3841 Email: <a href="mailto:Sipho@armstrongs.bw">Sipho@armstrongs.bw</a> <b>Contact: Sipho Ziga and Kago Boiki</b>
Reporting Accountants and Auditors	: <b>KPMG Botswana*</b> Plot 67977, Off Tlokweng Road, Fairgrounds Office Park PO Box 1519, Gaborone, Botswana Telephone +267 391 2400 Fax +267 397 5281 Web <a href="http://www.kpmg.com/">http://www.kpmg.com/</a> <b>Contacts: Adele Venter</b>
Transfer Secretaries	: <b>Central Securities Depository Company of Botswana Limited</b> 4th Floor, Fairscape Precinct, Plot 70667 Fairgrounds, Gaborone Private Bag 00417, Gaborone Email: <a href="mailto:mpheto-lentswe@bse.co.bw">mpheto-lentswe@bse.co.bw</a> <b>Contacts: Masego Pheto-Lentswe</b>
Sponsoring Brokers	: <b>Imara Capital Securities (Proprietary) Limited</b> Registered Office Address: Office 3A, Third Floor, Masa Centre, Plot 54353, New CBD, Gaborone Tel: +267 318 8886 Email: <a href="mailto:gregory.matsake@imara.com">gregory.matsake@imara.com</a> <b>Contacts: Gregory Matsake</b>

The Legal Advisors, Reporting Accountants and Auditors, Sponsoring Brokers and Transfer Secretaries of the Company whose names are included in this Information Memorandum and listed be, have given and have not, at the date of this Information Memorandum, withdrawn their written consents to the inclusion of their names in the capacities as stated.

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\* KPMG Botswana are the current external auditors of Absa Botswana, prior to the appointment of KPMG, Ernst & Young resigned as external auditors of Absa Botswana on the 31st December 2022 and have since been replaced by KPMG Botswana as external auditors with effect of the 1st January 2023. The financial information relied upon in terms of the Note Programme and this Programme Memorandum and reflected herein consists of information from financial statements prepared during the tenure of Ernst and Young which information is verified by the Auditors Report and Audit opinion for the financial year ending 31<sup>st</sup> December 2022.

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## INTERPRETATION AND DEFINITIONS

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

<b>“Act”</b>	The Companies Act of Botswana, (Chapter 42:01), as amended;
<b>“Application Form”</b>	The Application Form in as set out in the Programme Memorandum;
<b>“Board” or “Directors”</b>	The board of directors of the Company;
<b>“Botswana”</b>	The Republic of Botswana;
<b>“Business Day”</b>	Monday to Friday inclusive, but excluding any such day which is a public holiday in Botswana;
<b>“BWP” or “P” or “Pula”</b>	the legal tender of Botswana in which all monetary amounts in this Prospectus are expressed;
<b>“Document” or “Information Memorandum”</b>	This Information Memorandum dated 20 July 2023, including the annexures hereto;
<b>“the Company”</b>	Absa Bank Botswana Limited, trading as Absa, a company registered in Botswana with company registration number BW00001237900;
<b>“Constitution”</b>	The Constitution of the Company;
<b>“Investors”</b>	The investors who apply for an allotment of the offered in terms hereof and who complete an Application Form;
<b>“Listing Requirements”</b>	The listing requirements of the Botswana Stock Exchange;
<b>“Member(s)”</b>	Any person holding shares, whether fully or partly paid, in Company, and which participate in profits whether or not such shares are held by the Company as security for advances;

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## FORWARD LOOKING STATEMENTS

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*Certain statements contained in this Information Memorandum, other than historical facts constitute forward-looking statements. Forward-looking statements are preceded by, followed by or include the words believe, expects, estimates, anticipates, may, should, could, intends, plans, seeks, or words of similar import. Such forward-looking statements involve risks, uncertainties, and other factors which may cause the actual results, performance or achievement of the Company or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors, include among others, technical analysis, general economic and business conditions, industry trends, competition, changes in Government regulations, interest rate fluctuations, currency fluctuations, changes in business strategy and other risks. In making their considerations, Investors are advised to make their own independent assessments and, in this regard, to consult their own professional advisors. Requests for further information or clarification on this Information Memorandum should be addressed to the attention of the Legal Advisors.*

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## PART I GENERAL

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*Capitalised terms used in this section headed "General" shall bear the same meanings as defined in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Information Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, and that this Information Memorandum contains all information required by law and the Debt Listings Requirements of the BSE. The Issuer accepts full responsibility for the accuracy of the information contained in this Information Memorandum.

In addition, the Issuer, having made all reasonable inquiries, confirms that this Information Memorandum contains or incorporates all information which is material in relation to the issuing and the offering of the Notes, that all information contained or incorporated in this Information Memorandum is true and accurate in all material respects and that the opinions and the intentions expressed in this Information Memorandum are honestly held and that there are no other facts, the omission of which, would make this Information Memorandum or any of such information or expression of any such opinions or intentions misleading in any material respect.

The Dealer(s) and the professional advisors have not separately verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, expressed or implied is made and no responsibility is accepted Dealer(s) or any of the professional advisors as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by the Issuer. None of the Dealer(s) nor any of the professional advisors accepts any liability in relation to the information contained in this Information Memorandum or any other information provided by the Issuer in connection with the Notes. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other information supplied in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Dealer(s) or the professional advisors. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that any other financial statement or other information supplied in connection with the Information Memorandum is correct at any time subsequent to the date indicated in the document containing the same.

Neither this Information Memorandum nor any other information supplied in connection with the Notes constitutes the rendering of financial or investment advice by or on behalf of the Issuer, the Dealer(s) or any professional advisor.

This Information Memorandum and any other information supplied in connection with the Notes is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Dealer(s) or any professional advisor, that any recipient of this Information Memorandum should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Each potential investor should consult its own advisors to make its investment decision and to determine whether it is legally permitted to purchase the Notes under Applicable Laws and regulations.

Neither this Information Memorandum nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Dealer(s) or the professional advisors to any person to subscribe for or to purchase any Notes.

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Issuer, Dealer(s), nor any professional advisor, represents that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealer(s) or the professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Dealer(s) has represented that all offers and sales by them will be made on the same terms and in compliance with this prohibition.

Information and opinions presented in the Information Memorandum were obtained or derived from public sources that the Dealer(s), or the professional advisors believe are reliable but make no representations as to the accuracy or completeness thereof. Any opinions, forecasts or estimates (if any) herein constitute a judgment as at the date of this Information Memorandum. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied is made regarding future performance. The price, value of and income from any of the securities or financial instruments mentioned in this Information Memorandum (if any) can fall as well as rise. Any opinions expressed in this Information Memorandum are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Dealer(s) or the professional advisors as a result of using different assumptions and criteria. Furthermore, the Dealer(s) (and their respective directors, employees, representatives and agents) or any professional advisors accept no liability for any direct or indirect loss or damage incurred arising from the use of the material presented in this Information Memorandum, except as provided for by law.



All trademarks, service marks and logos used in this Information Memorandum are trademarks or service marks or registered trademarks or service marks of the Issuer. This Information Memorandum may not be reproduced without the prior written consent of the Issuer or Dealer(s). It may not be considered as advice, a recommendation, or an offer to enter into or conclude any transactions.

**Copies of this Information Memorandum are available by request from the registered offices of the Issuer.**

## **1. Incorporation and History of the Company**

Barclays Bank Plc commenced operations in Botswana in 1950 when an agency was opened in Lobatse. By independence in 1966, four full branches had been opened and a network of agencies serving major villages was in the process of being developed. In April 1975, the Issuer was locally incorporated and, until May 1986, it operated as an autonomous wholly owned subsidiary of Barclays Bank Plc, managed from its Head Office in Gaborone. In 1986, ordinary shares in the Issuer were issued to its employees, Botswana citizens and locally incorporated corporate bodies. The effect of this issue was a reduction in the Barclays Bank Plc shareholding to 89.8%. Following a further rights issue to Botswana citizens in 1987, the Barclays Bank Plc shareholding was reduced to 80.4%. A subsequent rights issue in 1991 diluted this shareholding to 74.86% and subsequently at 67.82%.

Over the past 73 years the Issuer established itself as a leading financial institution based on its substantial capital resources, high credit rating and group financial strength.

Following the takeover of Absa Group Limited ("AGL") by Barclays Bank Plc and the consolidation of Barclays Bank Plc's African businesses with AGL's African businesses, Barclays Bank Plc's shareholding in the Issuer was transferred to Barclays Africa Limited (BAL), a non-operating entity interposed between Barclays Africa Group Limited ("BAGL") and the Issuer to facilitate an easier transfer of Barclays Bank Plc African business to BAGL. BAL shares in the Issuer were subsequently transferred to BAGL on 31 March 2015. In 2018, BAGL changed its name to Absa Group Limited "AGL", and the Issuer changed its name to its current name, Absa Bank Botswana Limited, on 10<sup>th</sup> February 2020. The current shareholding of AGL in the Issuer is 67.832%, with the rest of the shares held by the public.

The Issuer operates a network of 32 branches and 114 ATMs which is the largest branch network in Botswana with branches and offices in all major commercial centres. It also serves customers through a full suite of digital channels and offers high net worth clients bespoke premier banking services. The Issuer is listed on the Botswana Stock Exchange.

## **2. Business Strategy and Execution**

The Issuer's parent company, AGL, sets the strategic direction of its subsidiaries, including the Issuer to enable the Group to fulfill its purpose of empowering Africa's tomorrow together...one story at a time. . At a Group level, a deep-dive strategy review process is undertaken annually. The Issuer uses the strategic framework provided by the Group, to form a relevant and appropriate country specific strategic response.

Despite this changing environment, through the strategic review process, it became clear that a fundamental shift in the Group strategic direction was not required, but rather, a refresh of the tenets within the Group's 2018 strategy. In this way, the Group could build on its success and momentum, learning from the previous three years, while adapting its strategy based on the changing internal and external environment. As a result, the Issuer has re-anchored and refreshed its 2021 strategy, reflected in the following revised set of strategic choices to accelerate momentum into 2023 and beyond.

- Building a winning talented and diverse team through distributed leadership.
  - Being the primary banker of its clients across all segments.
  - Being deliberate about revenue growth and diversification.
  - Driving a digitally powered business with end to end consistent and seamless experience for its clients and employees.
  - Being an active force for good in everything that it does, with an emphasis on Environmental, Social and Governance ("ESG").
3. The Issuer's strategic pillars will be underpinned by leveraging investment in technology and embedment of its brand as key enablers.

#### 4. Material Shareholders

The following are the material (Top 25) shareholders in the Company;

Names	Total Shares Held	Percentage
ABSA GROUP LIMITED	577,964,146	67.823%
FNB BOTSWANA NOMINEES RE: BIFM - BPOPF ACT MEM & DP EQ	81,535,850	9.568%
FNBB NOMINEES RE: VUNANI BPOPF	37,163,115	4.361%
MOTOR VEHICLE ACCIDENT FUND	18,736,440	2.199%
SCBN (PTY) LTD RE: BPOPF LEA PORTFOLIO CO AG	14,718,582	1.727%
STANBIC NOMINEES BOTSWANA RE BIFM PLEF	12,951,829	1.520%
STANBIC NOMINEES BOTSWANA RE BIFM MLF	12,214,639	1.433%
STANBIC NOMINEES BOTSWANA RE NINETY-ONE DPF (LOCAL EQ)	8,898,564	1.044%
SCBN (PTY) LTD RE: BIFM 028914400011 UB DC PF	7,267,860	0.853%
STANBIC NOMINEES BOTSWANA RE ALLAN GRAY DEBSWANA PF	5,457,974	0.640%
SCBN (PTY) LTD RE: NINETYONE 030/30 METROPOLITAN LIFE BW POL	4,334,623	0.509%
STANBIC NOMINEES BOTSWANA RE: NINETY-ONE BW MANGED FUND	3,576,521	0.420%
SCBN(PTY) LTD RE: BIFM WUC STAFF PENSION FUND	3,045,654	0.357%
FNBBN (PTY) LTD RE: KGORI CAPITAL ALEXANDER FORBES RF	2,875,427	0.337%
FNBBN (PTY) LTD RE: NINETY ONE BOBDCSPF	2,718,603	0.319%
STANBIC NOMINEES BOTSWANA RE :BIFM BURS EMPLOYEE PF	2,482,772	0.291%
SCBN (PTY) LTD RE: VFM MANAGED PRUDENTIAL FUND	1,969,450	0.231%

SCBN (PTY) LTD RE: AG 028922700004 AG UB DF CON PF	1,772,748	0.208%
FNB BOTSWANA NOMINEES (PTY) LTD RE:BIFM FNBSPF	1,588,597	0.186%
SCBN (PTY)LTD RE:BIFM 028914400008 BTCL SPF GROWTH PORT	1,558,460	0.183%
FNB BOTSWANA NOMINEES (PTY) LTD RE:BIFM DPPF	1,470,288	0.173%
FNBBN (PTY) LTD RE:KGORI CAPITAL - AON AGGRESSIVE PORTFOLIO	1,445,145	0.170%
FNB BOTSWANA NOMINEES (PTY) LTD RE:IAM DPPF	1,289,141	0.151%
STANBIC NOMINEES BOTSWANA RE BIFM AON BW PRESERVATION FUND	1,184,817	0.139%
FNBB NOMINEES (PTY) LTD RE: NINETY ONE BBSPF	1,183,913	0.139%
<b>TOTAL TOP 25 SHAREHOLDERS</b>	<b>809,405,158</b>	<b>94.983%</b>
<b>OTHER SHAREHOLDERS</b>	<b>42,756,094</b>	<b>5.017%</b>
<b>TOTAL NUMBER OF SHARES IN ISSUE</b>	<b>852,161,252</b>	<b>100%</b>

## PART III DIRECTORS AND MANAGEMENT

### 1. Directors and Management of the Company

The full names, ages, nationalities, occupations & career details, addresses, date of first appointment, Board Committee Membership, qualifications and their other Directorships and interests in the Company are:

#### 1.1 Directors

Board of Directors	Nationality	Date of first Appointment	Address	Professional /Academic Qualifications	Other Directorships
Daniel Neo Moroka	Motswana	1 <sup>st</sup> July 2021	Plot 4920 KO Moritshane ward Gabane, Botswana P O Box 285 Gabane, Botswana	<ul style="list-style-type: none"> <li>• BSc (Magna Cum Laude) Wildlife and Fisheries Sciences, Texas A&amp;M University</li> <li>• Master of Science in Animal and Range Sciences, New Mexico State University, United States of America</li> <li>• Member of the Botswana Institute of Bankers and the Institute of Directors, South Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Resident Director, De Beers Group of Companies</li> <li>• Non-Executive Chairman, De Beers Global Sight Holder Sales in Botswana</li> <li>• Non-Executive Director, Debswana Diamond Company</li> <li>• Non-Executive Director, Diamond Trading Company Botswana</li> <li>• Non-Executive Chairman, Botswana University of Agriculture &amp; Natural Resources (BUAN)</li> <li>• Non-Executive Chairman, Keodav Properties (Pty) Ltd</li> <li>• Non-Executive Director, Loapi Holdings (Pty) Ltd</li> <li>• Trustee, Mmokolodi Wildlife Foundation</li> <li>• Member, Zenzisa 62 Close Corporation</li> </ul>
Keabetswe Agatha Pheko-Moshagane	Motswana	1 <sup>st</sup> April 2019	Plot 65924, Setlhoa Village, Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Master's Degree in Business Administration, Mancosa</li> <li>• Bachelor of Information Technology, specialising in IT Management</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director, Absa Life Botswana (Pty) Ltd</li> <li>• Executive Director, Absa Insurance Services (Pty) Ltd</li> <li>• Executive Director, Absa Securities Botswana (Pty) Ltd</li> </ul>

				and Business Applications, Tshwane University of Technology <ul style="list-style-type: none"> <li>• Chief Operating Officer Excellence Programme</li> <li>• Several Leadership training programs, including the University of Stellenbosch</li> <li>• Certificate in Positive Leadership and Transformation with IE University National Diploma in Information Technology</li> <li>• Management Developments Program, Stellenbosch University</li> <li>• PRINCE II</li> </ul>	
Saviour Mwepu Chibiya	Zambian	4 April 2022	Unit 21, 7 Fir Road Morning View Estate Morning Side, South Africa	<ul style="list-style-type: none"> <li>• Fellow of Zambia Institute of Banking and Financial Services</li> <li>• Bachelor's Degree in Economics, University of Zambia</li> </ul>	Absa Financial Services Africa Holdings (Pty) Ltd
Cynthia Morapedi	Motswana	24 July 2020	Plot 28484, Block3 Gaborone, Botswana P O Box 478 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Master of Business Administration, University of Oxford Brookes (UK)</li> <li>• Bachelor's Degree in Accounting, University of Botswana</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director, Cola Ridge (Pty) Ltd</li> <li>• Executive Director, Absa Insurance Services (Pty) Ltd</li> <li>• Executive Director, Absa Securities Botswana (Pty) Ltd</li> </ul>

				<ul style="list-style-type: none"> <li>• Fellow, Association of Certified Chartered Accountants (ACCA, UK),</li> <li>• Fellow, Botswana Institute of Certified Chartered Accountants (BICA)</li> <li>• International Leader, IMD Business School Switzerland</li> <li>• Several Leadership programs.</li> </ul>	
Cosmas Moapare	Motswana	23 March 2020	Plot 21596, Phakalane Gaborone, Botswana P O Box 643 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Bachelor Commerce degree, University of Botswana</li> <li>• Fellow, Association of Chartered Certified Accountants (FCCA)</li> <li>• Fellow, Association of Chartered Certified Accountants (ACCA)</li> <li>• Fellow, Botswana Institute of Chartered Accountants (BICA)</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director, SDAD Properties (Pty) Ltd</li> <li>• Non-Executive Director, Cosburg (Pty) Ltd</li> <li>• Non-Executive Director, Absa Securities Botswana</li> </ul>
Benjamin Monaheng Kodisang	South African	23 March 2020	5 Sei Sorelle, 27 Berkeley Avenue Bryanston, Johannesburg, Gauteng, 2191, South Africa	<ul style="list-style-type: none"> <li>• Honours in Accounting Science</li> <li>• Bachelor of Commerce, University of South Africa</li> <li>• Fellow, South African Institute of Chartered Accountants</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director, ALT Partners (including Venture Partners (Pty) Ltd and Capital Partners (Pty) Ltd) Non-Executive Director, Reimagine Social Impact Retail Fund 1 (Pty) Ltd</li> <li>• Non-Executive Director, Bayakha Infrastructure Partners</li> </ul>

					<ul style="list-style-type: none"> <li>• Non-Executive Director, Khula Sizwe Property Holdings (Pty) Ltd</li> <li>• Non-Executive Director, Sphere Holdings (Pty) Ltd</li> <li>• Non-Executive Director, Kai Connect (Pty) Ltd</li> <li>• Non-Executive Director, Terrafarms Wellington (Pty) Ltd</li> <li>• Non-Executive Director, Thungela Resources <ul style="list-style-type: none"> <li>• Non-Executive Director, Vukile Property Fund</li> </ul> </li> </ul>
Kgotlanyarona Ramaphane	Motswana	8 August 2018	Plot 39192, Block 6 Gaborone, Botswana P O Box 201730 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Master of Business Administration (MBA), University of Stirling, United Kingdom</li> <li>• Bachelor of Commerce, University of Botswana</li> <li>• PRINCE II Project Management Practitioner</li> <li>• Certificate in High Performance Leadership, University of Oxford, United Kingdom</li> <li>• Corporate Governance Practitioner, Institute of Directors South Africa (IODSA)</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director, Southern Mapping Botswana (Pty) Ltd</li> <li>• Executive Director, Express Employment Professionals (Pty) Ltd <ul style="list-style-type: none"> <li>• Non-Executive Director, Absa Insurance Services</li> </ul> </li> </ul>



Sari Helena Nikka	Finnish	23 March 2020	Villa Virvatuli, Belvedere Street, 20301 Congomah, Mauritius	<ul style="list-style-type: none"> <li>• Master of Science in Economics and Business Administration, Turku School of Economics and Business Administration, Finland</li> <li>• Studies in Japanese language, history and culture, University of Stockholm, Sweden,</li> <li>• Accounting and Finance degree Rovaniemi Commercial College, Finland</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director, Finnish Fund for Industrial Corporation Ltd (Finland)</li> <li>• Member of the Investment Committee, VC Germany Management (Germany)</li> </ul>
Sethunya Dorothy Makepe	Motswana	15 September 2021	Plot 2668, Extension 9, Gaborone, Botswana P O Box 46069 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Master of Science in Project Management, University of Bolton, United Kingdom</li> <li>• Bachelor of Laws (LLB), University of Botswana,</li> <li>• Executive Leadership Program, Oxford University, United Kingdom</li> <li>• Executive Coaching Program, University of Cape Town</li> <li>• Certificate in Compliance Management, University of Cape Town</li> <li>• Post Graduate Diploma in Alternative Dispute Resolution, University of</li> </ul>	<ul style="list-style-type: none"> <li>• Managing Director, People Connections (Pty) Ltd</li> <li>• Non-Executive Director, Diamond Pipe Bar &amp; B/Store (Pty) Ltd</li> <li>• Non-Executive Director, Danku Investments (Pty) Ltd</li> <li>• Non-Executive Director, Gozlin Group (Pty) Ltd</li> <li>• Non-Executive Director, Kelko (Pty) Ltd</li> <li>• Non-Executive Director, Breezy Hills Farm &amp; Agricultural Supplies (Pty) Ltd</li> <li>• Non-Executive Director, The Phoenix Hotel</li> <li>• Non-Executive Director, Blue Liquid Investments</li> <li>• Member, People Connections Outsourcing Close Corporation</li> <li>• Independent Trustee, Maru-A-Pula Secondary School</li> </ul>

				Pretoria, South Africa, (in conjunction with the Arbitration Foundation of Southern Africa)	
Thabo Kagiso Matthews	Motswana	15 March 2022	32329 George Sim Crescent, Phakalane Gaborone, Botswana P O Box 3038 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Bachelor of Arts (Honours) in Economics and Computer Science, Sussex University, United Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>• Managing Director, Fibre Sourcing Botswana</li> <li>• Managing Director, Kgayod Holdings (Pty) Ltd</li> <li>• Managing Director, RydeBX (Pty) Ltd</li> <li>• Executive Director, Tsemmule Investments (Pty) Ltd</li> <li>• Non-Executive Director, G4S Botswana</li> <li>• Council Member and Independent Trustee, Maru-A-Pula Secondary School.</li> </ul>

## 2. Term of Appointment

In terms of the Constitution, the Board shall be appointed for a tenure of up to maximum three (3) years, renewable for another maximum period of two three (3) years periods. The rotation of Directors shall be limited to three terms. The number of terms of a director may however be extended beyond the 3 terms for an additional one three (3) year period where it is in the best interest of the company. Provided that this clause shall not apply to the Managing Director and the Finance Director.

## 3. Board Remuneration

Board fees are structured as follows:

<b>MEMBERSHIP</b>	<b>BOARD / COMMITTEE</b>	<b>Fees (2022 – 2023)</b>
<b>Chairman</b>	<b>Board</b>	<ul style="list-style-type: none"> <li>• BWP 692,000 per annum (“PA”)</li> </ul>
<b>Lead Independent Director</b>	<b>Board</b>	<ul style="list-style-type: none"> <li>• BWP 120,000 PA</li> </ul>
<b>Member</b>	<b>Board</b>	<ul style="list-style-type: none"> <li>• BWP 227,600 PA</li> </ul>
<b>Member</b>	<b>Round Robin Application</b>	<ul style="list-style-type: none"> <li>• BWP2600 per application</li> </ul>
<b>Member</b>	<b>Special Board Meeting</b>	<ul style="list-style-type: none"> <li>• BWP 3100 per hour capped at 6 hours</li> </ul>
<b>Board Committees</b>	<b>Audit</b> <ul style="list-style-type: none"> <li>• Chairperson</li> <li>• Member</li> </ul>	<ul style="list-style-type: none"> <li>• BWP 153,000PA</li> <li>• BWP 76,500 PA</li> </ul>
	<b>Risk</b> <ul style="list-style-type: none"> <li>• Chairperson</li> <li>• Member</li> </ul>	<ul style="list-style-type: none"> <li>• BWP 90,000 PA</li> <li>• BWP 45,000 PA</li> </ul>
	<b>Human Resources, Remuneration and Nominations</b> <ul style="list-style-type: none"> <li>• Chairperson</li> <li>• Member</li> </ul>	<ul style="list-style-type: none"> <li>• BWP 90,000 PA</li> <li>• BWP 44,000 PA</li> </ul>
	<b>Credit</b> <ul style="list-style-type: none"> <li>• Chairperson</li> <li>• Member</li> </ul>	<ul style="list-style-type: none"> <li>• BWP 90,000 PA</li> <li>• BWP 44,000 PA</li> </ul>
<b>Subsidiary Boards</b>	<b>Non-Executive Directors</b>	BWP2100 per hour capped at 6 hours

## **4. Corporate Governance**

### **4.1 Board of Directors**

#### **Board structure and composition**

The role of the Board is to provide effective and ethical leadership, acting in a way that is considered, in good faith, and promotes the success of the Company for the benefit of its stakeholders. The Board must also ensure that management strikes an appropriate balance between promoting long-term sustainable growth and delivering short-term performance. Accordingly, its role includes ensuring there is alignment between the Company's strategy and AGL overall strategy.

The main objectives of the Board are to:

- Ensure the Company complies with applicable laws and regulations;
- Discuss, agree to and regularly review the Company's business strategies so that they remain in line with those of AGL and, where necessary, recommend adjustments for the Company to keep up with local market considerations;
- Monitor business performance and be responsible to shareholders for creating and delivering sustainable shareholder value, through sound business management;
- Establish and embed the AGL corporate management model and behaviours, underpinning the achievement of the Group's objectives;
- Agree proposals that fall within the discretion of the Board; and
- Execute other important control functions.

### **4.2 The Board charter and board committees' terms of reference**

4.2.1 The Board Charter is the document that guides the Company's Board and its committees in their activities and decisions, as well as in their dealings with each other, with management and with its stakeholders. It addresses the composition and responsibilities of the Board, as well as Terms of Reference ("TORs") for the Company's Board Committees. The Board reviews and approves the Board Charter annually. Good corporate governance practice is an essential ingredient in creating and sustaining shareholder value, and ensuring that conduct is ethical, legal, and transparent for the benefit of all the Company's stakeholders.

4.2.2 Therefore, the Company has significant responsibilities to its customers and to the public at large in contributing to a stable and secure environment, thereby enhancing trust in the financial institutions industry. The Board Charter is aligned to the King IV Code, establishing the following key matters:

- The Board's responsibilities and functions;

- The role and responsibilities of the Chairperson, shareholders and management; and
- The governance structure of the Board;

4.2.3 Each Committee has TORs that set out the following:

- The role of the Committee;
- The composition of the Committee; and
- The process for the conduct of meetings.

4.2.4 The Charter and Board Committee ToRs are reviewed annually by the Board to ensure compliance with local and international standards. This also ensures effectiveness and relevance, and the proper functioning of the Board and its Committees.

**4.3 Audit Committee**

4.3.1 The Board Audit Committee meets at least four (4) times a year. Its primary objective is to ensure that the Company has implemented and manages an effective audit management plan and a set of policies that will support the Company's ability to achieve its strategic objectives. In line with corporate governance best practice, a non-executive director ("NED") other than the Chairperson of the Board is appointed to chair the Committee. It is mandatory that the Committee meetings be attended by Managing Director, Finance Director, Head of Compliance, Chief Operating Officer, Chief Risk Officer, Chief Internal Auditor and Head of Legal.

4.3.2 It reports to the Board on a quarterly basis to ensure compliance with applicable laws, rules and standards. In particular, the Committee monitors financial controls, accounting systems, and shareholder reporting. It also assesses the management of key financial risks. The Chief Internal Auditor is accountable to the Committee and is responsible for development and maintenance of the Quality Assurance and Improvement Program (QAIP) as required by the Standards for the Professional Practice of Internal Auditing. The external and internal auditors have free access to the Chairperson of the Committee.

#### **4.4 Risk Committee**

The Board Risk Committee meets at least four (4) times a year. Its primary objective is to ensure that the Company has implemented and manages an effective risk management plan and policies that will support the Company's ability to achieve its strategic objectives. It ensures that the Company has effective capital and liquidity processes in place, and their management is effective and optimal. It is mandatory that the meetings be attended by Managing Director, Finance Director, Chief Internal Auditor, Chief Operating Officer, Chief Risk Officer, Head of Compliance, Treasurer and Head of Legal.

#### **4.5 Credit Committee**

The Credit Committee meets at least four (4) times a year. Its primary objective is to exercise oversight over Credit Risk. Mandatory invitees to the Committee's meetings are Managing Director, Finance Director Chief Credit Officer. Other invitees are Retail Director, Corporate Banking Director, Head of Corporate Credit, Economist, Head of Retail Credit and Head of Business Support and Corporate Recoveries.

#### **4.6 Human Resources, Remunerations and Nominations and Committee**

The Board Human Resources Remunerations and Nominations Committee meets at least four (4) times a year. The Committee's primary objective is to provide oversight over the recruitment, staffing, and succession planning, as well as performance and compensation of executive management through review of various incentive proposals. It is also tasked with reviewing the level of competency and skill at the Executive and Board levels, and providing recommendations for achieving the best overall skills coverage, whether through up-skilling or recruitment. In addition, it is within the Committee's mandate to consider the overall strategy and approach to any issues or projects of significant impact on the Bank's People Function. However, the mandate of the Committee does not extend to day-to-day management activities. The Managing Director, Finance Director and People Function Director are mandatory attendees of the Committee's meetings.

## 1.2 Management

Member	Nationality	Date of first Appointment	Address	Professional /Academic Qualifications	Position	Brief Biography
Keabetswe Agatha Pheko-Moshagane	Motswana	2019	Plot 65924, Setlhoa Village, Gaborone, Botswana Po Box 478 Gaborone	<ul style="list-style-type: none"> <li>• Master's Degree in Business Administration, Mancosa</li> <li>• Bachelor of Information Technology, specialising in IT Management and Business Applications, Tshwane University of Technology</li> <li>• Chief Operating Officer Excellence Programme</li> <li>• Several Leadership training programs, including the University of Stellenbosch</li> <li>• Certificate in Positive Leadership and Transformation with IE University National Diploma in Information Technology</li> <li>• Management Developments Program, Stellenbosch University</li> <li>• PRINCE II</li> </ul>	Managing Director	Keabetswe joined the Bank in 2010 and is a seasoned executive with over 12 years of experience in the banking and telecommunications industry. She was previously the Head of Core Banking Applications, after which she held the position of the Head of Technology, overseeing bank projects, programmes, and initiatives to ensure the Bank operates in a stable environment. Before being appointed the Managing Director in April 2019, Keabetswe held the Bank's Chief Operations Officer (COO) position. She was also the Chairperson of the Bankers Association of Botswana until April 2021. Before joining the Bank, she consulted for various companies and industries in South Africa.
Cynthia Morapedi	Motswana	2020	Plot 28484, Block3 Gaborone, Botswana P O Box 478 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Master of Business Administration, University of Oxford Brookes (UK)</li> <li>• Bachelor's degree in Accounting, University of Botswana</li> <li>• Fellow, Association of Certified Chartered Accountants (ACCA, UK),</li> <li>• Fellow, Botswana Institute of Certified Chartered Accountants (BICA)</li> </ul>	Finance Director	Cynthia Morapedi

				<ul style="list-style-type: none"> <li>• International Leader, IMD Business School Switzerland</li> <li>• Several Leadership programs.</li> </ul>		
Kealeboga Nkebo Bojosi	Motswana	2015	Plot 55064 Phakalane Golf Estate Gaborone, Botswana PO Box 80157 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Doctor of Philosophy, Oxford University</li> <li>• LLM, University of Cambridge</li> <li>• LLM, University of Pretoria</li> <li>• Several executive management courses, including the Oxford Leadership Program and Executive Finance Program through the Said Business School, Oxford University</li> </ul>	Head of Legal	Kealeboga joined the Bank in 2012 as a Legal Advisor and was appointed Head of Legal and Secretariat in 2015. He has read, taught and practised law in Botswana and England, specialising in Banking, Finance, General Commercial Law and Corporate Governance. He is a Solicitor of the Supreme Court of England and Wales.
Krishnan Menon Balachandran	Indian	2020	Plot 53751, Phakalane Golf Estate, Botswana P O Box 478, Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Bachelor of Science in Mathematics, Calicut University, India</li> </ul>	Chief Operations Officer	Krishnan joined the Bank in 2020 and has over 18 years of experience in the banking industry, with a primary focus on retail and corporate banking across multiple geographies, including the United Kingdom (UK), Middle East, Asia, and Africa. He was with the Barclays Bank Plc Group for over a decade, managing corporate operations for the UK and subsequently being the Chief Administrative Officer of Barclays Shared Service Centres in India. In 2012, Krishnan moved to Africa to lead the operational transformation initiative for the region, which oversees the utilisation of viable digital alternatives to traditional operations.
Leroy Klein	Motswana	2021	Plot 16713, Gaborone West	<ul style="list-style-type: none"> <li>• Fellow, Association of Certified Chartered Accountants (ACCA- UK)</li> </ul>	Chief Risk Officer	Leroy joined the Bank in 2008 and was appointed Country Treasurer in 2017 and



			Extension 7 Gaborone, Botswana P O Box 2164, Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Member, Botswana Institute of Chartered Accountants (BICA)</li> <li>• Executive Development Programme, Stellenbosch Business School</li> <li>• Various other leadership courses with the Bank.</li> <li>• Currently pursuing a Master's Degree in Business Administration, Oxford Brookes University.</li> </ul>		Chief Risk Officer in May 2021. He has over 13 years of experience in the banking sector, having held middle and senior management roles within the Treasury and Risk functions. Before joining the Bank, he worked for KPMG Botswana as a Senior Auditor.
Puseletso Nyamambi	Motswana	2023	Plot no.6206, Broadhurst, Gaborone	<ul style="list-style-type: none"> <li>• Bachelor of Arts in Humanities, University of Botswana</li> <li>• Master of Science in Strategic Management from the University of Derby</li> <li>• Certificate in Anti-Money Laundering Compliance, Association of Certified Compliance Professionals in Africa (ACCPA)</li> </ul>	Acting Head of Compliance	<p>Puseletso Nyamambi joined the Bank in November 2008 has 20 years' experience in fraud management and 7 years' experience on Financial Crime Issues. She has been Certified as a Compliance Professional through Association of Certified Compliance Professionals in Africa (ACCPA).</p> <p>Prior to joining the Bank, Puseletso previously worked the Directorate on Corruption and Economic Crime as well Stanbic Bank Botswana. Since joining the bank, she has held various positions, including the Head of Financial Crime in the chief operations office.</p> <p>She holds a Bachelor of Arts (Major: Criminology &amp; Psychology; Minor: Sociology) from Melbourne University - Australia. She also holds Post Graduate Certificates in Enterprise Risk Management and Finance for Non-Financial Managers,</p>

						both of which were acquired through the Botswana Accountancy College. Puseletso has completed several leadership trainings such as the Global Management Foundation Program conducted in conjunction with IMD Business School for Management and Leadership in Switzerland.
Valeta Mthimkhulu	Zimbabwean	2020	Plot 8891, Village Gaborone, Botswana P O Box 478 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Masters of Philosophy in Development Finance, University of Stellenbosch Business School</li> <li>• Bachelor of Commerce Degree in Banking, National University of Science and Technology, Zimbabwe</li> </ul>	Retail Banking Director	Valeta joined the Bank in 2020 and has over 20 years of diverse and extensive experience in banking, mostly in retail and business banking, corporate affairs, marketing, and project management. Before joining the Bank, she was the Country Head for Retail Banking at Standard Chartered Bank, Zimbabwe. She previously worked for Barclays Bank Zimbabwe for 19 years and was appointed the Consumer Banking Director for Barclays Bank Zimbabwe from June 2011 to May 2018. She also previously held the role of Regional Head of Corporate Affairs at Barclays Bank, overseeing Zimbabwe, Botswana and Zambia. She has served on various Boards in Zimbabwe in the banking and non-profit sectors.
Salma Baduel	Motswana	2021	Plot 66102, Setlhoa, Block 10 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Executive Masters Programme in Positive leadership and Transformation, IE university, Spain</li> </ul>	Country Treasure	Salma joined the Bank in 2014 and has ten years of experience in the banking sector, with a particular focus on Treasury. Beginning

			P O Box 402876 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Bachelor of Science in Mathematics, University of Botswana</li> </ul>		her career in Treasury at First Capital Bank as a Money Market Trader, she joined the Bank, where she held various management roles within Treasury. She had the Head of Balance Sheet Management role before being appointed as the Country Treasurer in December 2021. During her period with the Bank, she completed various Treasury related courses and completed a short-term assignment in Absa Group. Her duties include overseeing the Liquidity, Interest Rate Risk and Capital Management processes in all the Absa Africa Entities.
Maungo Mokotedi	Motswana	2021	Plot 5277, Masetlheng Tlokweng, Botswana P O Box 5137 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Masters of Science in Strategic Management, University of Derby, United Kingdom</li> <li>• Bachelor of Science in Accounts, University of Botswana</li> </ul>	Chief Credit Officer	Maungo joined the Bank in 2018 as the Head of Corporate Credit and was appointed the Chief Credit Officer in November 2021. He has 20 years of experience in the financial services sector, 18 of which were in banking. Maungo has supported strategic priorities, business growth and led diverse teams at middle and senior management level across three banks and one top tier micro-lending and financial services business.
Segomotso Banda	Motswana	2022	Plot 69316 Gaborone North Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Master of Science in Human Resource Management, University of Manchester, United Kingdom</li> </ul>	People Function Director	Segomotso joined the Bank in April 2022 and has 19 years' experience in human resource, having

			P O Box 82080 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Bachelor of Commerce-Management, University of Botswana</li> </ul>		trained, mentored, and supervised over 20 human resource managers in the various member hospitality business units within the region. Her exposure to the labour environments in Botswana, Zambia, Zimbabwe, Malawi, and South Africa has enhanced her appreciation of the impact of culture on the labour environment. She has 16 years' experience as an Industrial Court Assessor at the Industrial Court of Botswana, on behalf of Business Botswana Association.
Dennis Mambure	Zimbabwean	2022	Plot 69084, Golf Estate, Phakalane Gaborone, Botswana P O Box 478 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Chartered Marketer and Fellow, Chartered Institute of Marketing, United Kingdom</li> <li>• Master of Science in Marketing, National University of Science and Technology, Zimbabwe</li> <li>• Master of Public Policy and Governance, Africa University, Zimbabwe</li> <li>• B Comm Honours in Marketing, National University of Science and Technology, Zimbabwe</li> <li>• Several Technical, Leadership courses, including Barclays iLead program with Duke Corporate Education</li> </ul>	Head of Marketing and Corporate Relations	Dennis was appointed as Absa Head of Marketing and Corporate Relations in May 2022. He has over 20 years of experience in marketing, corporate relations, sales and product management. His career spans banking, telecommunications, manufacturing and agriculture sectors. He is a Board member of the Marketers Association of Zimbabwe. He previously held senior roles in Barclays Bank of Zimbabwe and FMBcapital Holdings plc.
Tebogo Phyllis Giddie	Motswana	2023	Plot 13084, Broadhurst Gaborone, Botswana P O Box 500297 Gaborone, Botswana	<ul style="list-style-type: none"> <li>• Master of Science in Strategic Management, University of Derbyshire, United Kingdom.</li> <li>• Bachelor of Arts in Human Resources Management, Durban University, Pietermaritzburg, South Africa</li> </ul>	Corporate Banking Director	Ms. Giddie joined the Bank in 2020 and is a seasoned transactional banking specialist with 15 years in the banking and financial services sector, having previously worked for Standard Chartered Bank Botswana Limited

						<p>and Stanbic Bank Botswana Limited. Over her career in Absa, Ms. Giddie has been instrumental in facilitating cash management and trade finance solutions on strategic and acquisition clients, including aligning working capital solutions to local market needs. She also has prior experience in the human capital and hospitality industries in Botswana.</p>
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## PART IV - INVESTOR CONSIDERATIONS/RISK FACTORS

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*Before making an investment decision with respect to the Note Programme, prospective investors should carefully review the risk factors described below together with other information contained in this Information Memorandum. The Company's financial condition and results of operations could be materially affected by the occurrence of one or more of the risks discussed below. The market value of the Notes could fall as a result of any of these risks, and investors may lose the value of their investment in whole or in part. The risks described below may, in retrospect, turn out to be incomplete and, therefore, may not be the only risks to which the Company is exposed. Additional risks and uncertainties of which the Company is not currently aware could have a material adverse effect on the Company's business and cash flows, financial condition, and results of operations. The order of presentation of the risk factors below does not indicate the likelihood of their occurrence or the magnitude or the significance of the individual risks. The risks specified below could occur individually or cumulatively.*

### **1. The Notes may not be a suitable investment for all investors**

Each potential investor in any Notes must determine the suitability of investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- 1.1 have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Programme Memorandum or any applicable supplement;
- 1.2 have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- 1.3 have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- 1.4 understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- 1.5 be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on

the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

**2. There is no active trading market for the Notes**

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently low activity in the secondary trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

**3. The Notes may be redeemed prior to maturity**

- a. Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of Botswana or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.
- b. In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

**4. Anti- Money laundering and Counter Terrorist Financing (AML & CTF)**

The Company is firmly committed to participating in international efforts to combat money laundering and the funding of terrorist and criminal activities.

In support of global money laundering initiatives, and in line with the Financial Intelligence Act (Cap 08:07), the Company has adopted the Anti-Money Laundering & Counter Terrorism Financing policies to ensure compliance in this regard and implementation is underway. The Company has established and maintains appropriate internal rules, policies and procedures to assist it in complying with money laundering control requirements in Botswana. Furthermore, this step ensures

that the Company's programs are aligned to the Financial Action Task Force ("FATF") recommendations and its interpretive notes.

The Company Anti-money laundering policy sets the minimum standards for assessing risks, client due diligence, monitoring of client activity and transactions, regulatory and reporting requirements, training and records management. The Anti-money laundering policy read with the Sanctions policy also regulates money laundering, counter-terrorism financing and sanctions risks, to ensure that the risks threatening the achievement of the Company's objectives are adequately and effectively managed at an acceptable level.

Compliance with these Board approved policies and frameworks is mandatory and applies to all the Company employees and any external service providers contracted by the Company.

The Company has adopted the Financial Intelligence Act's regulatory requirements in conjunction with our internal policies as minimum standards for its investments.

## **5. COVID-19**

In December 2019, a novel strain of coronavirus disease ("COVID-19") was first reported in Wuhan, Hubei Province, China. While initially the outbreak was largely concentrated in China and caused significant disruptions to its economy, less than four months later, on 11 March 2020, the World Health Organization declared COVID-19 a pandemic and the outbreak a public health emergency. There are meaningful direct and indirect effects developing with companies across multiple industries and the world. The extent of COVID-19's effect on the Company's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape.

At the beginning of April 2020, the Government of Botswana introduced extreme social distancing and business restriction measures to curb the spread of COVID-19. This resulted in the closure of businesses, mainly in the hospitality and tourism sector as well as imposed bans on alcohol and tobacco sales. On 20 May 2020, the Government of Botswana lifted the extreme social distancing measures and it is considered as a result of this that there will be a limited resumption in business activity.

The Company evaluated performed a deep-dive portfolio review looking at the impact of the measures taken by the Government of Botswana on business activities throughout the group. Stress testing was performed on all significant portfolio companies from a revenue and liquidity perspective looking at a 3-month impact from the first lock down period in April 2020 and extended outlook to the end of the six-month State of Emergency declared by the President of the Republic of Botswana in April 2020. Whilst most portfolio companies remain resilient in the face of the given constraints,



measures have been taken to manage the liquidity impact on the various businesses. These measures included negotiated deferral of interest and rental payments by the Company to portfolio companies in the hard-hit sectors. the Company is also looking at other measures to take in order to support of the portfolio companies should the State of Emergency be extended beyond the stipulated date.

The Company will continue to monitor the situation as it unfolds while taking adequate steps to conserve cash to meet business requirements. the Company also keeps track of the Government of Botswana's initiatives to protect the economy and will participate as appropriate. Against this backdrop, it is expected that COVID-19 will not have a material adverse effect on its business.

## **6. Risks Relating to the Operating and Regulatory Environment in which the Company Operates**

### **Introduction**

By their nature, the Company's activities are principally related to the use of financial instruments. The Bank accepts deposits from customers at both fixed and floating rates, and for various periods, and seeks to earn above-average interest margins by investing these funds in high-quality assets. The Company seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due. The Company also seeks to raise its interest margins by obtaining above-average margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just on balance sheet loans and advances. The Bank also enters into guarantees and other commitments, such as letters of credit and performance and other bonds.

The Company also trades in financial instruments where it takes positions in traded and over-the-counter instruments, to take advantage of short-term market movements in equities and bonds and in currencies and interest rates. The Board sets appropriate parameters for financial risk management, taking cognisance of Bank of Botswana requirements as well as AGL's risk management strategies and policies. These parameters are aimed at managing and monitoring the Company's exposure to liquidity, interest rate, foreign currency, credit and operational risks within the markets in which the Company operates.

### **Interest Rate Risk**

Interest rate risk is the risk that the Company's financial position might be adversely affected by changes in interest rate levels, yield curves and spreads. Non-traded interest rate risk arises in the banking book from providing retail and wholesale (non-traded) banking products and services and

certain structural exposures within the balance sheet from re-pricing differences between assets, liabilities and equity. These risks impact both the earnings and economic value of the Company.

The Bank's objective for managing Interest Rate Risk in the Banking Book (IRRBB) is to ensure a higher degree of interest rate margin stability and lower interest rate risk over an interest rate cycle. This is achieved by transferring the interest rate risk from the business to the Company's Treasury, which is mandated with hedging material net exposures with the external market. Interest rate risk may arise when some of the net position remains with Treasury as a result of timing considerations. A limit framework is in place to ensure that the retained risk remains within approved risk appetite.

### **Foreign Currency Risk**

The Company takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Company conducts its foreign currency operations in accordance with guidelines periodically received from the Bank of Botswana.

### **Credit Risk**

The Company's Risk Management Department is responsible for portfolio management and risk concentration issues, sector exposure, product risk and credit grading. The Company's Credit Committee is responsible for sanctioning large credit exposures to all customers and counterparties arising from lending, trading activities, derivative instruments and settlement risks. It also uses a corporate grading structure that shows the borrower's probability of future default. This, together with similar risk calibration of categories of personal sector lending's, is used to estimate annual levels of future credit losses from the overall lending portfolio, averaged across the economic cycle (termed Risk Tendency).

Such Risk Tendency estimates assist in portfolio management decisions, such as exposure limits to any single counterparty or borrower, desired aggregate exposure levels to individual sectors and pricing policy. Over time, it also provides a guide to changes in the underlying credit quality of the lending portfolio.

### **Operational Risk**

Operational risk is the risk of loss from inadequate or failed internal processes, people and systems and/or from external events. Operational risk exists in the natural course of business activity and cannot be completely eliminated. Significant risk events are not frequent, and the organisation seeks to reduce the likelihood of these in accordance with risk appetite.

The goal of operational risk management is to balance cost of control and risk within the constraints of the risk appetite of the Company and to be consistent with the prudent management required of a large financial organisation. It is recognised that operational risk can never be entirely eliminated. Accordingly the Company continues to invest in risk mitigation such as contingency planning and

incident management. Where appropriate, this is supported by risk transfer mechanisms such as insurance. To reinforce the implementation of the Company's operational risk strategy by the business lines and support functions, independent checks on operational risk issues are undertaken by the assurance function. The Company's operational risk is monitored by the Risk Committee and the Audit Committee.

### **Market Risk**

Market risk is the risk of loss to the Company, arising from potential adverse changes in the value of the Company's assets and liabilities from fluctuations in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, traded credit risk, credit spreads, implied volatilities or asset correlations. Traded market risk is incurred when the level and/or volatility of market variables change, which affects positions in the trading book. The Company aims to control traded market risk in order to limit earnings volatility and to ensure that risk utilisation is within risk appetite. The Company takes on traded market risk to support the demands of the Company's clients, to facilitate market liquidity as a market maker and to take advantage of short-term market mispricing. Traded market risk is controlled by risk management frameworks, policies and standards, supported by daily limit monitoring. The Board of Directors sets limits on the value of risk that may be accepted, which is monitored daily.

The daily market value-at-risk ("VAR") measure is an estimate, with a confidence level set at 95%, of the potential loss that might arise if the current positions were to remain unchanged for one business day. The measurement is structured so that daily losses exceeding the VAR figure should occur, on average, not more than once every 60 days. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters /factors used in the VAR calculation. Since it constitutes an integral part of the Company's market risk control regime, VAR limits for all trading and portfolio operations are established by the Board of Directors. Management reviews the actual exposure against limits. However, using this approach does not prevent losses outside of these limits in the event of more significant market movements.

## PART V – HISTORICAL FINANCIAL RESULTS

The following financial data has been extracted from the audited financial statements of the issuer. The complete financial results as filed with Bank of Botswana can be viewed at the offices of the Issuer during normal working hours. The financial results for the years ending 31 December 2019, 2020, 2021 and 2022 are presented below.

<b>Income Statement (Pula' m)</b>	<b>2022</b>	<b>2021</b>	<b>Consolidated 2020</b>	<b>2019</b>
Effective Interest income	1 628 059	1 370 771	1 342 663	1 338 879
Effective Interest expense	(441 302)	(322 367)	(287 660)	(278 344)
<b>Net Interest income</b>	<b>1 186 757</b>	<b>1 048 404</b>	<b>1 055 003</b>	<b>1 060 535</b>
Fee and commission income	590 272	538 367	488 543	477 842
Fee and commission expense	(140 061)	(106 196)	(109 999)	(90 462)
<b>Net fee and commission income</b>	<b>450 211</b>	<b>432 171</b>	<b>378 544</b>	<b>387 380</b>
Net trading income	213 580	164 513	138 630	166 892
Other income	7 485	4 113	3 412	17 066
<b>Total income</b>	<b>1 858 033</b>	<b>1 649 201</b>	<b>1 575 589</b>	<b>1 631 873</b>
Expected credit losses	(10 422)	(79 475)	(263 235)	(34 023)
<b>Net operating income</b>	<b>1 847 611</b>	<b>1 569 726</b>	<b>1 312 354</b>	<b>1 597 850</b>
Staff costs	(471 887)	(445 966)	(479 573)	(463 728)
Infrastructure costs	(163 210)	(142 618)	(128 926)	(115 782)
Administration and general expenses	(332 492)	(321 835)	(339 912)	(340 768)
<b>Operating expenses</b>	<b>(967 589)</b>	<b>(910 419)</b>	<b>(948 411)</b>	<b>(920 278)</b>
Profit before tax	880 022	659 307	363 943	677 572
Taxation	(207 942)	(156 715)	(67 197)	(156 964)
<b>Profit for the year</b>	<b>672 080</b>	<b>502 592</b>	<b>296 746</b>	<b>520 608</b>

<b>Statement of Financial Position</b> <b>(Pula' m)</b>					
		<b>2022</b>	<b>2021</b>	<b>Consolidated 2020</b>	<b>2019</b>
<b>Assets</b>					
Cash		668 813	640 880	645 784	529 450
Balances at Central bank		70 604	515 501	775 787	890 439
Trading portfolio assets		80 792	84 361	212 332	0
Derivative financial instruments		129 992	27 981	48 430	48 769
Financial assets at fair value through OCI		2 491 369	1 968 408	2 042 225	2 251 097
Loans and advances to banks		1 519 259	1 183 600	1 010 533	1 059 520
Due from related parties		896 035	1 698 453	1 404 496	191 990
Loans and advances to customers		16 347 768	14 924 321	13 904 310	13 362 427
Other receivables		204 333	121 345	152 775	220 239
Property, plant and equipment		209 497	246 141	252 083	197 635
Intangible assets		1 161	2 273	2 717	817
Deferred tax assets		101 033	107 787	110 635	69 576
Taxation refundable		13 873	0	5 762	5 110
<b>Total assets</b>		<b>22 734 529</b>	<b>21 521 051</b>	<b>20 567 869</b>	<b>18 818 900</b>
<b>Equity and liabilities</b>					
<b>Liabilities</b>					
Deposit for banks		902 902	793 730	553 623	302 972
Due to related parties		197 642	317 530	350 958	575 824
Customer accounts		17 004 832	16 399 553	15 903 147	14 377 542
Derivative financial instruments		115 113	43 151	42 396	36 074
Provisions		389 592	32 128	37 828	35 412
Other payables		23 929	409 509	375 858	557 412
Current tax liability		0	21 523	0	4 568
Debt securities in issue		585 827	341 078	394 192	350 673
Subordinated debt		612 976	593 443	574 476	358 816
<b>Total liabilities</b>		<b>19 832 813</b>	<b>18 951 645</b>	<b>18 232 478</b>	<b>16 599 293</b>
<b>Shareholders' Equity</b>					
Stated capital		17 108	17 108	17 108	17 108
General risk reserves		126 863	133 842	118 347	118 347
Fair value reserve		(26 774)	(22 306)	(9 753)	(2 373)
Share-based payment reserve		7 327	3 629	1 120	3 323
Share capital reserve		2 060	2 060	2 060	2 060
Retained income		2 775 132	2 435 073	2 206 509	2 079 455
<b>Total equity attributable to equity holders</b>		<b>2 901 716</b>	<b>2 569 406</b>	<b>2 335 391</b>	<b>2 222 666</b>
<b>Total equity and liabilities</b>		<b>22 734 529</b>	<b>21 521 051</b>	<b>20 567 869</b>	<b>18 821 959</b>

#### Dividends declared by the Issuer

	2022	2021	2020	2019
Earnings per share from continuing operations (thebe per share)	78.87	58.98	34.8	34.82
Dividend per share declared from the respective year end profits (thebe per share)	40.13	27.67	26.4	25.0

Dividends declared for the year (P'000)	342 000	175 000	164 995	250 007
No. of shares in issue	852 161	852 161	852 161	852 161

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## **PART VI DESCRIPTION OF NOTE TRUST DEED**

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### **1. Trustee**

Pursuant to the Trust Deed of Notes, the Trustee of the Notes is Tatenda Dumba c/o Minchin & Kelly (Botswana), a resident of Botswana.

### **2. Registered Address**

The Fields Precinct, Lot 54349, Office Block B, 3rd Floor, Corner of Molepolole Rd and Western Commercial Rd, Central Business District, Gaborone, Botswana.

### **3. Activities**

The activities of the Trustee under the Trust Deed are to act as trustee for the Noteholders of the Notes on the terms and conditions contained in the Trust Deed.

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## **PART VII - GENERAL DISCLOSURES**

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### **1. Dividend Policy Principle**

The Company is focused on investing in income generating projects that will ensure that there is a regular level of dividends that are paid out to Shareholders. The Board shall, periodically, determine an appropriate level of dividends based on the Company's strategy and financial performance.

### **2. Borrowings**

The Company currently has the following borrowings;.

BWP 250 million from Absa Group Limited (Subordinated debt)

USD 20 million from Absa Group Limited (Subordinated debt)

BWP 103 million issued through medium term program (Subordinated debt)

BWP 97 million issued through medium term program (Senior debt)

BWP 200m issued through medium term program (Senior debt)

### **3. Solvency, Liquidity and Working Capital Statement**

The Directors are of the opinion that, as at the Programme Date, both the issued share capital and working capital of the Company will be adequate to finance operations on a sustainable basis going forward.

### **4. Litigation Statement**

The Company does not have any material litigation proceedings:

### **5. Material Changes**

Since the last date of historical published financial information being 30 March 2023, the Company has not undergone major changes.

### **6. Significant or Material Contracts**

The Company has the following material contracts:

6.1. G4s (Botswana) Limited value BWP20,400,000.00

6.2. Botswana Telecommunications Corporation Limited value BWP7,200,000.00

### **7. Related Party (ies) Transactions**



Other than Directors and Senior Management who are referred to under Paragraph 1 of Part II above, there are no other related parties on this registration.

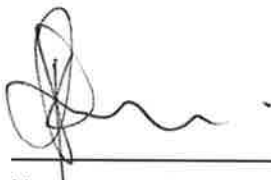
## 8. Directors' Responsibility Statement

8.1 The Directors, whose names are given in this Information Memorandum, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts, and that the Information Memorandum contains all information required by law.

8.2 The Directors confirm that the Information Memorandum includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the securities to which the Information Memorandum relates.

SIGNED AT GABORONE ON THIS 20<sup>TH</sup> DAY OF JULY 2023.

**ABSA BANK BOTSWANA LIMITED t/A Absa**



Name: Keabetswe Agatha Pheko-Moshagane  
Capacity: Managing Director  
Who warrants his/her authority hereto



Name: Cynthia Morapedi  
Capacity: Finance Director  
Who warrants his/her authority here