



First National Bank of Botswana
Report to Society | 2019



WELCOME

to FNB Botswana's first Report to Society

First National Bank of Botswana (FNB Botswana) is one of the largest banks in Botswana and plays an important role in building and developing the country. A big part of this responsibility is ensuring we lead the way as a good corporate citizen and are transparent about our actions – and we are proud to present our Report to Society.

This report unpacks how we are connected to and respond to the needs of our customers, employees and the communities in which we operate. Importantly, it shows that we are serious about sustainability and our journey to build a better business that considers our impact on society, the economy and the environment.



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Introducing our report to society



This report shares what we are doing to build an ethical and sustainable business, including our corporate responsibility activities, achievements and challenges.

How we put this report together

Our commitment to create value for our customers, employees, shareholders and the communities within which we operate has always shaped how we do business. Previously, we shared our progress with these important stakeholders through our Annual Report and the work of the FNB Botswana Foundation (the FNBB Foundation and the Foundation), which was established in 2001.

In 2018, the Botswana Stock Exchange called for listed companies to improve their environmental, social and governance-related reporting.¹ To support this important initiative, we elected to produce our first Report to Society. Accordingly, this report takes guidance from the document issued by the Botswana Stock Exchange in 2018.

Our Report to Society focuses on FNB Botswana's corporate social responsibility and sustainable business activities. This includes the efforts of the FNBB Foundation and the six key roles we play in society. These key roles include actions taken to reduce **youth unemployment**; promote **environmental sustainability**; **support sports and recreation, arts and culture** and **education**; and improve **social welfare**.

Our suite of reports

Our Report to Society is part of an increasingly comprehensive suite of reports that provides information for all our stakeholders, while enhancing the transparency and relevance of our reporting. Other reports available include:

FNB Botswana Annual Report 2019

This is our primary report and is aimed at our employees, shareholders and investors. It provides an overview of our strategy and performance, our governance approach as well as our financial statements. Our 2019 report covers the financial period from 1 July 2018 to 30 June 2019.

You can find all reports and disclosures on our website at www.fnbbotswana.co.bw/downloads/fnbBotswana/annual/FNBAnnualReport2019.pdf.

We want to hear from you

We welcome your feedback on this report. Please send your questions and comments to fnbbcommunications@fnbbotswana.co.bw or call +267 3706084.

You can also reach us on our website or via social media.



Website
www.fnbbotswana.co.bw



Twitter
@FNB_Botswana



Facebook
@FNBBotswana



LinkedIn
FNB Botswana

¹ In 2016, the Botswana Stock Exchange became a Partner Exchange for the United Nations Sustainable Stock Exchange initiative. In doing so, the Botswana Stock Exchange committed to the following statement: "We voluntarily commit, through dialogue with investors, companies and regulators, to promote long-term sustainable investment and improved environmental, social and corporate governance disclosures and performance among companies listed on our exchange."



A short message from our Chairman

We have been operating in Botswana for 28 years and strongly believe that, to better serve the communities and country in which we operate, good corporate citizenship must be engraved in our DNA.



We can no longer determine the value of business decisions solely in terms of financial performance. Rather, we must also consider how FNB Botswana interacts with society and the natural environment. This is critical if we want to build a sustainable and growing business that benefits our country and people.

FNB Botswana's Board and Executive Management teams are embarking on this journey together. At each Board meeting, we devote time to discuss what it means to be a responsible corporate citizen and identify areas where we are succeeding and where more can be done. This helps us remain aware of our role in society, our impact on the environment and how we can advance Botswana's economy. Additionally, we incorporate this thinking into our strategy sessions and in our conversations with the Board's Committees – with the ultimate ambition that it become an intrinsic part of the business and top of mind in everything that we do at FNB Botswana.

Ultimately, our commitment is to society, and we have the responsibility to deliver on this promise for the good of our customers, employees, shareholders and the country as a whole. This means that every action and decision we take should be based on integrity, honesty, trust and mutual respect.

The publication of our Report to Society is another proud FIRST for FNB Botswana and an important foundation to help us build strong and rewarding partnerships with our stakeholders. We are also excited to have a new platform to share our stories with you and hope that you enjoy this report.

Thank you for being a part of this important milestone on our sustainability journey!

A handwritten signature in black ink, appearing to read 'John K Macaskill', written over a light blue horizontal line.

John K Macaskill
Chairman



Our commitment to doing good business

The FNB Botswana Board takes overall responsibility and accountability for the success and sustainability of the business. Its role is to exercise sound leadership and independent judgement when considering FNB Botswana’s strategic direction and overall performance, while taking into account the best interests of all stakeholders. Importantly, the Board considers the financial performance of the business together with its social and environmental impact on the communities within which it operates.

As part of its duties, the Board is responsible for:



Establishing strategic objectives, goals and key policies



Approving FNB Botswana’s strategy and budget



Identifying and monitoring key risks



Regularly reviewing progress against FNB Botswana’s strategic objectives



Identifying and monitoring key performance indicators



Reviewing reports for external publication

More information about our Board and its directors is available in our Annual Report, available on our website.

The Board believes that excellent corporate governance is fundamental to a sustainable and successful business. Corporate governance is therefore about more than applying a set of frameworks, principles and rules. Rather, it means abiding by the values that enable FNB Botswana to facilitate and foster good relationships with all stakeholders.

We revised our stakeholder management and engagement policy in 2019. This policy serves as a guiding tool to ensure we remain responsive to our stakeholders’ needs and act responsibly. It prioritises open communication, inclusion and collaboration and encourages us to continuously look for innovative ways to leverage stakeholder relationships for improved business performance and risk mitigation.



Earning Cashback Rewards is as easy as



Getting your savings



Investing



Getting a Moemedi Funeral Cover



Getting a loan



Choosing bundled pricing



Swiping your debit or credit card



Using FNB digital channels on mobile banking, online and FNB app

 **395 9881**

Ts & Cs apply.

FNB

How can we help you?





We are FNB Botswana



Reaching more than half a million customers and employing close to 1 600 people, FNB Botswana is one of the largest banks in the country. This enables us to play a strong role in Botswana's financial sector and protect our customers and wider society, while offering an increasingly innovative and diverse portfolio of brands, products and services.

About FNB Botswana

FNB Botswana was registered in 1991 as a wholly owned subsidiary of First National Bank Holdings (Botswana) and a registered subsidiary of the FirstRand Group. Various acquisitions led to the Bank becoming a listed entity on the Botswana Stock Exchange in 1993.

As at June 2019, FNB Botswana was the largest company on the Botswana Stock Exchange by capitalisation – **meaning our business is stable, successful and puts our customers and communities at the centre of what we do.**

FNB Botswana has the largest advances book of all banks in Botswana – **meaning more people can access credit and benefit from our portfolio of products and services, become part of the economy and improve their daily lives.**

FNB Botswana has become the most profitable bank in the country and is structured to achieve sustainable profits – **meaning we can serve our customers and communities today, tomorrow and long into the future.**



FNB Botswana won the 2019 “Best Bank in Botswana” Award by Euromoney Awards For Excellence.

The Euromoney Awards for Excellence have been running for a quarter of a century and represent the ultimate accolade of success. Only those institutions that bring the highest levels of service, innovation and expertise to their customers are honoured by these prestigious awards. We also won this award in 2010, 2017 and 2018.



PROMISES

1

make a
promise.



FirstRand is known for *delivering on its promises*. It's a reputation that stems from our unique philosophy of owner-management.

This philosophy was created by our founders, entrepreneurs who understood the value of treating their employees like owners so that every employee, regardless of their position, is fully empowered to make a real contribution to the group's success. With empowerment comes *commitment and accountability* and this has been the cornerstone to our sustained outperformance.

Our philosophy guides how our people behave to *deliver the best results* for our customers, society, shareholders and each other.

2

be
deeply invested.



Care for the business as if it were your own.

Take initiative and be a leader in your own right. Put your time, passion and energy into serving our customers' needs, knowing that you are empowered, entrusted and accountable.

3

value our
differences.



Continue to build an *environment that values differences*, an environment where everyone's views and contributions can be heard and seen. Stay focused on the talent and ability of those around you, and not only their similarity to you. Be *inclusive, gracious, decent and humble*. Listen, reflect and only then respond.

Our vision:

The Bank of choice delivering innovative solutions and a superior customer experience.

4



build **trust**,
not territory.

Create a culture of sharing. Work together and build trust into all your relationships. We are team players who act for the long-term interests of the group, not self-interest or the short term. Everyone is encouraged to contribute outside their area of expertise, so we can **unlock our collective wisdom** and achieve the very best results.

5



have
COURAGE.

*Nothing limits our
imagination like fear.*

We've built a **culture of bravery** by speaking our minds and encouraging others to do the same. We enable bravery with a tolerance for failure, resilience, the courage to speak up and express and share opinions, and a spirit that is adventurous and ambitious.

Our philosophy:

Our parent company, FirstRand, relaunched its philosophy in 2019. The FirstRand philosophy guides how the Group's people need to behave to deliver the best results for customers, society, shareholders and each other. This philosophy is captured in a set of promises.

Our purpose:

We are a bank of excellence with an exceptional team, continually outperforming by offering innovative financial services and solutions with the goal of exceeding our stakeholders' expectations.

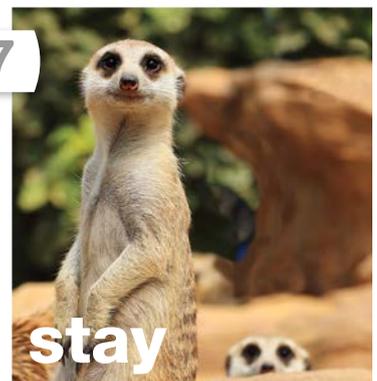
6



**Question behaviours
that are inconsistent
with our beliefs.**

Fight for **ethical conduct** and **transparency**, both inside and outside FirstRand. Champion honourable behaviour and excellent service and treat your customers, colleagues and partners fairly, to build value for our communities and shareholders.

7



stay
curious.

Think differently.

Believe in insight, creativity and its power to unlock value. Encourage curiosity, avoid intellectual laziness and make an effort to question the status quo, even when it is uncomfortable.

We are FNB Botswana

What we do and where we work



FNB Botswana

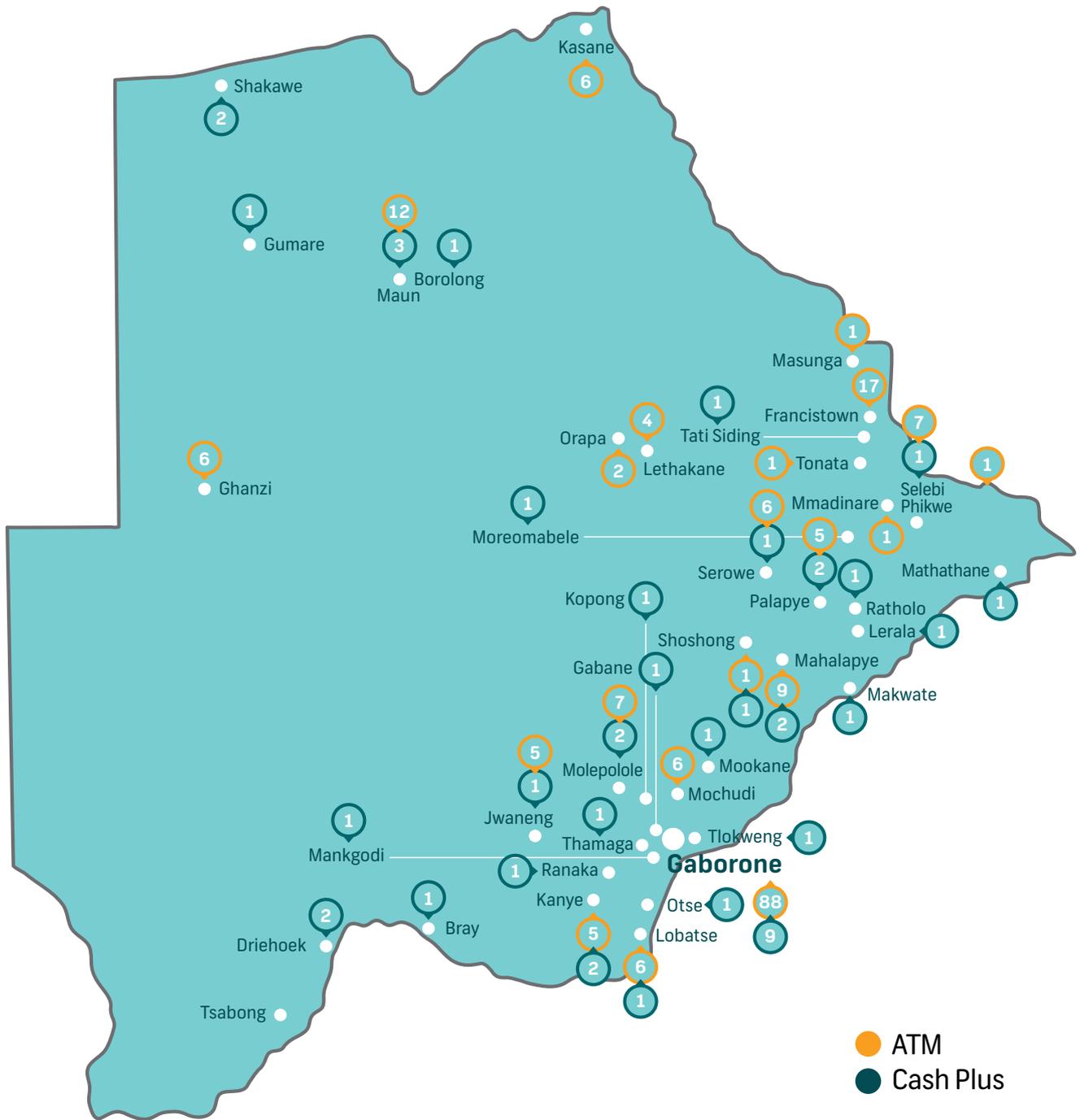
FNB Botswana provides banking services and solutions to its dynamic and ever-evolving individual customers through Retail Banking. The Commercial segment addresses the complex needs of clients requiring specialised banking solutions across three product houses: Agriculture and Tourism, Commercial Property Finance and Islamic Banking. Client Services identifies customer needs and expectations to proactively coordinate business activities and innovations that deliver on the brand promise: How can we help you?

WesBank

WesBank – a division of FNB Botswana – aspires to be the country’s number one solution provider for vehicle and asset finance. Assets financed include passenger and commercial vehicles; plant and machinery; agricultural equipment; aircrafts; generators; materials handling; earthmoving equipment; and leisure assets (boats, caravans, bicycles and motorcycles).

RMB

RMB is the corporate investment banking division of FNB Botswana. As part of RMB’s international network, we have the capacity to be market makers that offer innovative advisory, capital markets, financing, principal investing and risk management solutions across multiple currencies and jurisdictions. RMB is the investment bank of choice, both for its clients and personnel, because of its focus on continuous innovation and solutionist thinking.



● ATM
● Cash Plus



Some of our important milestones

➤ 1991

FNB Botswana was established in Botswana in September as a registered subsidiary of the FirstRand Group.

➤ 1993

FNB Botswana was listed on the Botswana Stock Exchange.

➤ 2006

FNB Botswana Cellphone Banking brought new meaning to convenient banking, giving customers the freedom to bank anytime and anywhere.

➤ 2011

As part of our efforts to bank the unbanked and take banking to the people, we unveiled the first mobile ATM in Botswana.

➤ 2016

The Foundation provided the University of Botswana with a donation of P580 000 to support the country's first ever carnival held in Gaborone. The carnival created opportunities for young local artists to perform and showcase their talent.

➤ 2017

We launched a Staff Drug Awareness campaign to equip FNBERs with the knowledge and life skills they need to combat rising drug and substance abuse and dependency in Botswana. We take staff welfare seriously and make every effort to ensure that our staff are empowered with the information they need to live their best lives possible.

➤ 2018

To promote financial inclusion we introduced Bank on Wheels. This is a mobile bank that provides access to banking services in areas where we do not have a physical presence.

➤ 2018

The Foundation launched a Staff Volunteer Programme strategy, which is aligned to Botswana's development needs. As we build a culture of corporate citizenship, a wide array of initiatives are being developed to give staff members an opportunity to participate as a team or on an individual level.

Living up to our name, FNB Botswana is synonymous with a lot of FIRSTS in Botswana's banking industry. Producing this Report to Society is another FIRST for FNB Botswana and we are proud to add it to our list of important milestones.

➤ 2001

We established the Foundation, the first foundation to be registered by a Bank. To date, the Foundation has donated over P50 million to causes that improve the quality of people's lives.

➤ 2004

We pioneered Internet Banking in Botswana. The service offers customers the benefit of direct, convenient, secure and real-time access to their accounts 24/7.

➤ 2015

The Foundation invested more than P2.9 million to refurbish a community park located in Tawana.

➤ 2016

FNB Botswana celebrated 25 years of innovative leadership, and Botswana celebrated 50 years of independence. FNBers celebrated by hosting sponsored walks at all branches countrywide, with the goal of raising P25 000 for 25 charities.

➤ 2018

The Foundation launched a Solar Bag Drive in partnership with Botswana Power Corporation and the Ministry of Local Government and Rural Development. The initiative provides primary school children in rural areas with electricity from solar lamps contained within the bag.

➤ 2018

We provided the Botswana Tertiary Student Sports Association (BOTESSA) and Botswana Football Association (BFA) development teams with sponsorships of P3 million each over a period of three years to support grassroots sports development.

➤ 2019

We launched Cash Plus, a service that lets our customers do banking transactions at different retail stores, including Saverite and Yash Cell. This promotes financial inclusion by helping more customers access our services through their local retail stores rather than at a branch.

➤ 2019

We released our first Report to Society to help all our important stakeholders have a better understanding of what we are doing as a good corporate citizen of Botswana.



The important role FNB Botswana plays in society

We are there to help throughout your life

Importantly, each stage of an individual's life is accompanied by different financial needs. Banks provide individuals with the financial products and services they need along the way. We also provide help and expert guidance to ensure individuals are equipped to make financially sound decisions that enhance their lives.



Getting started

As a preteen or teenager, you may choose to **open your very first banking account**. At this stage, you rely on banks to provide smart solutions that will enable you to gain confidence with money and learn financial responsibility, while becoming more independent.



Starting a family

You might get married or start a family. This places new demands on your income – think of family vacations, school fees and saving for your child's tertiary education! **Financial security becomes critical** and banks provide a range of products, such as **insurance and investment plans**, to ensure the financial needs of you and your family are met – giving you more time to enjoy together.



Growing into a young adult

At this stage, you are **building a foundation for your future** and require a package of tailor-made, affordable banking products to suit your needs and lifestyle during your time of study. Importantly, you may require a **student loan** to enable you to fulfil your dreams.



Starting a business

Perhaps you decide to become a business owner. Banks can help by providing the products and expertise you need to **grow and expand your business**. This could include a business loan, setting up a **business account**, assistance with inventory purchases or insurance or getting a **structured finance package** to help cater for your cash flow requirements.



Becoming a young professional

As you enter 'the real world', you become more focused on your career, acquiring assets and **learning how to make your money work for you so you can enjoy life**. You might want to apply for **vehicle finance**, take out a **personal loan** or apply for a **credit card**. Importantly, you might need advice on how to set up a retirement fund and start **saving** for your long-term future.



Planning for and enjoying retirement

As you approach retirement, you need to ensure you transform your financial habits so that you **can continue to enjoy the fruits of your labour**. Banks offer a range of **investment and retirement products** that can help you grow your savings and maintain your lifestyle once you retire.



Buying a home

Buying a home is an important stage in anyone's life and, for most people, it's the **single largest purchase they'll ever make**. You might require financial assistance in the form of a home loan or mortgage. Home ownership can also lead to many unexpected expenses, making it critical that you know how to budget.



Providing for your loved ones even after you're gone

Losing a loved one is hard on those left behind and the last thing you need them to worry about is the financial strain of funeral expenses. Banks offer **a range of funeral insurance options** that cater for various expenses like funeral costs, outstanding debt and day-to-day living expenses.

How can we help you?



“How can we help you?” is not a rhetorical question. It is the very essence of why we exist. We will continue to innovate, excel and deliver on our promise by offering our customers meaningful solutions that fulfil their unique needs. This promise extends into the communities in which we operate and underpins our commitment to contribute to Botswana’s financial, social, economic and environmental prosperity.

How can we help you?

We take banking to the unbanked

Banks play a critical role in incorporating the unbanked into the formal economy by creating access to affordable financial products and services that meet their needs. Without this, the unbanked are unable to:

- make or receive daily payments or transact reliably;
- access credit to grow their personal or business assets;
- build up savings or financial resources; or
- access insurance to reduce their vulnerability to financial or personal shocks.

Financial inclusion is therefore critical to enable families and individuals to invest in necessities such as healthcare, education and food or prepare for retirement. It also empowers entrepreneurs and small business owners with the knowledge they need to make better business decisions and access capital. This results in business expansion and job creation that supports economic prosperity for all.

These are just some of our efforts to bank the unbanked:

- We rolled out the **first ever mobile ATM in Botswana**.
- **We launched Bank on Wheels** – a mobile bank that provides access to banking services in areas where we do not have a physical presence.
- Through **Cash Plus** we partner with retail stores – creating **quick and easy ways for people to do cash withdrawals and deposits** as well as purchase electricity and airtime closer to their homes.
- Cash@Till allows our customers to **withdraw cash at contracted retailers** by swiping their FNB Botswana cards on point of sale machines.
- We are prioritising **digitisation and innovation** to improve access to and lower the costs associated with delivering financial services to customers – meaning we can reach more people than ever before and contribute to financial inclusion.

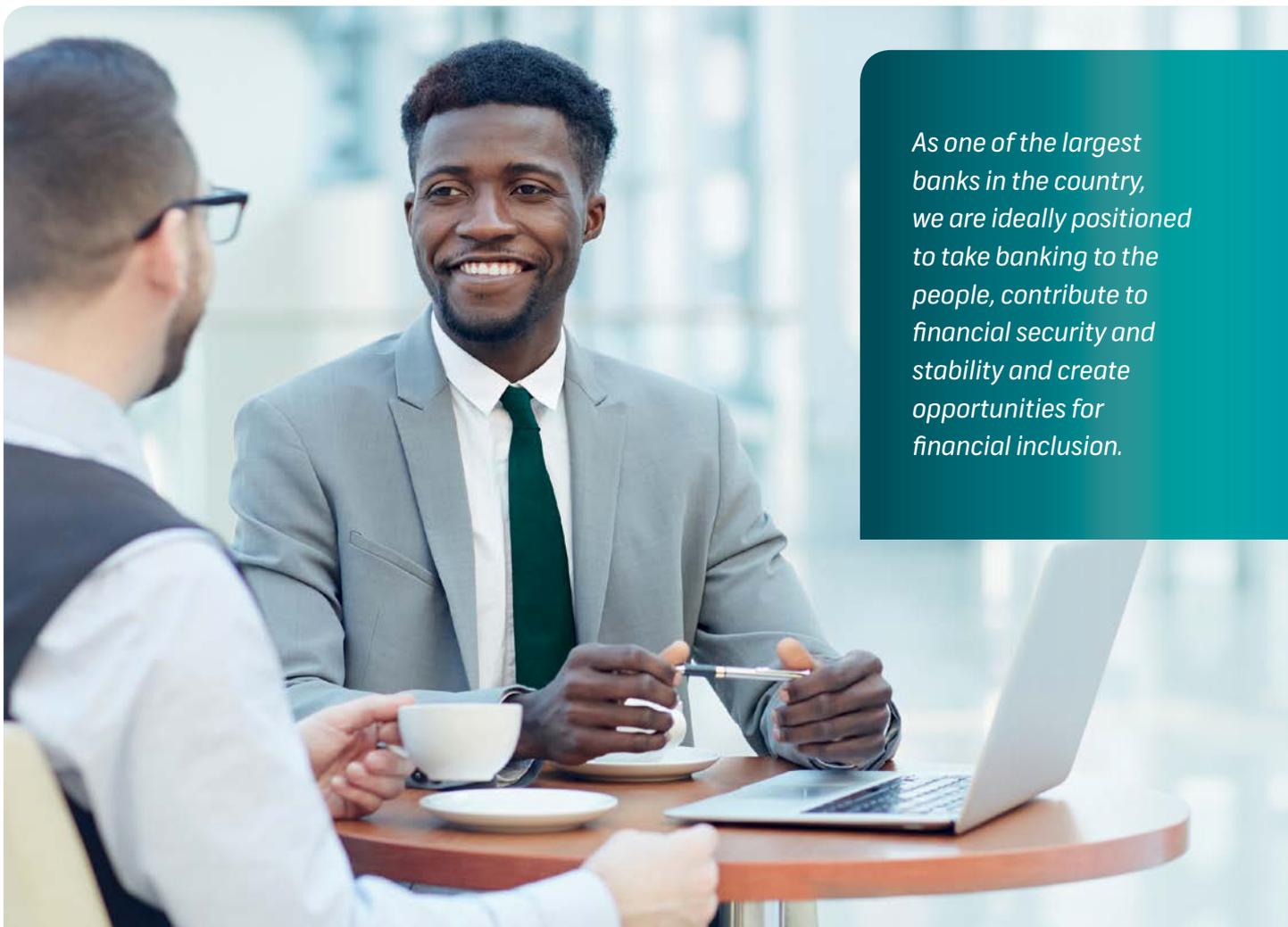


We are ideally positioned to contribute to financial security and stability

In 2019, the World Economic Forum¹ released its latest Global Competitiveness Index, which measures national competitiveness – defined as the set of institutions, policies and factors that determine a country's level of productivity. Out of 141 countries globally, Botswana ranked:



Ultimately, for Botswana to be competitive and prosperous, we need to provide more people with the skills and knowledge they need to participate in the country's economy and join the labour market. We also need a dynamic, innovative and entrepreneurial business environment to strengthen our market size and create opportunities for everyone to prosper.



As one of the largest banks in the country, we are ideally positioned to take banking to the people, contribute to financial security and stability and create opportunities for financial inclusion.

¹ The World Economic Forum is an independent, international organisation that aims to contribute to more positive outcomes in the world by engaging business, political leaders, academia and other leaders of society to inform and shape global, regional and industry agendas.



A message from our CEO

The responsibility to find solutions to Botswana's environmental, economic and social challenges can no longer be the burden of Government alone. To remain relevant to communities and sustain our business for the benefit of future generations, these issues must also be the concern of corporate Botswana. It is time to socially recontract with our communities.







A message from our CEO

Our sustainability journey

At FNB Botswana, our journey began in 2001 when we established the FNBB Foundation – the first foundation to be registered by a bank in Botswana. Since then, the FNBB Foundation has continued to roll out successful programmes and initiatives that have improved people’s lives across the country – with P50 million donated to date.

In 2016, we decided to take our sustainability journey a step further. We conducted strategic discussions to unpack how we could build on the Foundation’s success and contribute more sustainably to the underlying social and environmental challenges facing the country.

These included, among others, high unemployment rates; societal opinions around savings and wealth, which leave approximately one million people in Botswana unbanked; and climate change and natural disasters, which impact our customers (especially those in the agriculture and tourism industries). In particular, we recognised youth unemployment as the single

biggest obstacle to Botswana’s economic prosperity, and we formally revised the Foundation’s strategy in 2018 to place a priority focus on this important issue.

Youth unemployment therefore supplements our existing five focus areas – all of which are unpacked in more detail in this report. This includes why they matter to FNB Botswana and to the country, as well as what we did during the year to contribute to each.

These discussions also prompted us to challenge ‘business as usual’ at FNB Botswana; we began looking for opportunities along our supply chain to reduce youth unemployment, promote

entrepreneurship and encourage the development of small and medium-sized businesses. This includes, for example, redirecting a portion of our procurement spend to support enterprises owned by young people living in Botswana. While this intention is not yet formalised, we are reviewing our policies and procedures to find ways to align with this exciting opportunity in the year ahead.

Another exciting development was signing a Memorandum of Understanding with the Ministry of Youth Empowerment, Sport and Culture Development to support the mentorship of young people in business.

Highlights, achievements and challenges for the past year

Through the Foundation, we sponsored KTM Choir who went on to win two gold medals at the 2019 European Choir Games in Gothenburg, Sweden. KTM Choir was one of only two African choirs at the competition, where they competed against more than 400 other groups from around the world. This is a remarkable achievement and demonstrates the value of investing in Botswana’s ‘soft’ skills.

We provided BOTESSA and BFA development teams with sponsorships of P3 million each over a period of three years to support grassroots sports development. This sponsorship is strongly aligned to our new youth empowerment strategy and will provide beneficiaries with a head start and an enabling environment in which they can prosper.

Within FNB Botswana, we made a deliberate effort to support local suppliers by procuring services nationally rather than from neighbouring countries – despite slightly higher pricing. We will continue to do this as we believe that local supplier development is a catalyst for economic growth. Importantly, it empowers enterprises within Botswana to become strategic business partners capable of generating sustainable jobs and livelihoods within communities.

We continue to support our customers and take banking to the people. An important win was the launch of Cash Plus in partnership with retail stores. In addition to creating easy ways for people to withdraw and deposit money closer to their homes, the service increased foot traffic to retailers' shops and improved stock turnover significantly.

To encourage people to move away from popular but unsecured lending facilities to secure ones, as well as to encourage home ownership among young people, we introduced a product that gives young first-time home owners the opportunity to access funding at 105%. This helps carry the legal and

administrative burden associated with home ownership and enables our customers to invest in or enhance other areas of their lives.

While we made great progress in some areas, there are others where we can certainly improve. For example, rather than using renewable energy solutions such as solar panels, multiple branches rely on generators to mitigate the threat of power cuts. We also still allow the use of plastic water bottles in our branches and offices, which we acknowledge have a detrimental impact on the environment. We are aware of these and other challenges across our business and are investigating ways to mitigate our negative impacts going forward.

I am particularly proud of our involvement in arts and culture and sports and recreation.

Looking forward to 2020

Since its establishment in 2001, the FNBB Foundation has been the primary driver of our corporate responsibility agenda. This has given us a strong base from which to move forward and we are excited to formalise a corporate sustainability strategy for FNB Botswana that will support the efforts of the Foundation.

While still being developed, we plan to align this strategy with the approach taken by our parent company, FirstRand, who has adopted a 'shared value contract with society'. This contract recognises that the Group's total impact on society extends from the corporate social investment spend by its

foundations to how it manages its operations and, most importantly, how it deploys its balance sheet and core business activities. This contract reflects our intention to align our environmental and social agenda with our core business activities for the benefit of all stakeholders.

My thanks to the Chairman and the rest of the Board for supporting and encouraging this journey and the publication of our first Report to Society. To our staff, it is humbling and highly encouraging to see how seriously many of you have taken our Staff Volunteer Programme.

Most of all, I am deeply inspired that so many FNBBers are willing to go above and beyond to enhance the lives of people within our communities.

I firmly believe that we have a significant opportunity to set the tone for sustainability in corporate Botswana and I look forward to the next phase of FNB Botswana's evolution.



Steven Lefentse Bogatsu
CEO



Banka gaufi le wena ka FNB Cash Plus Agent.

Re go tsetsa FNB Cash Plus, ditlamelo tse o ka a dirisang go banka gaufi le wena.

Etela FNB Cash Plus Agent go dira tse di latelang:

- go tsenya madi mo letloleng la FNB
- go tsaya madi mo letloleng la FNB
- go tsaya eWallet
- go reka airtime/motlakase

FNB

How can we help you?



Cash Plus Agent

Leletsa **3959881** go itse go feta fa.
Go na le melawana.

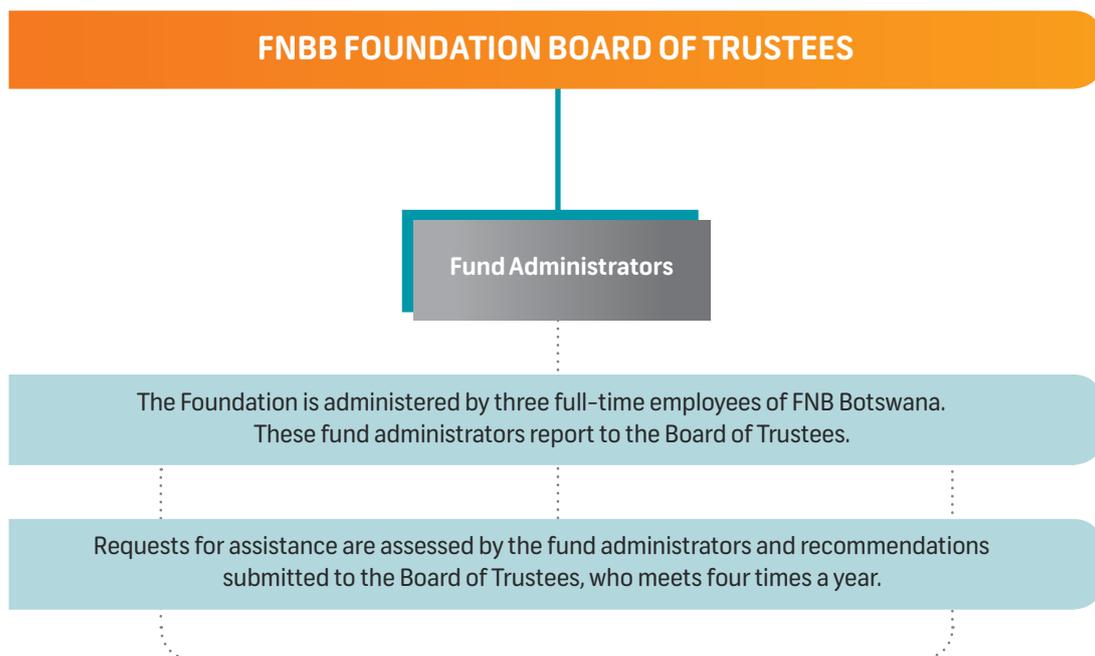
The FNBB Foundation

In 2001, the FNB Botswana Board established an independent entity to administer our social responsibility programme, resulting in the formation of the FNBB Foundation.

Quick facts about the Foundation

- The FNBB Foundation is an **autonomous legal entity**. This means it has an independent Board of Trustees and is mandated to assist projects that comply with set criteria assessed under clear guidelines.
- The Foundation undergoes an **annual audit process** to ensure compliance with its mandate and that sound financial practices and procedures are in place.
- FNBB Foundation **reviews applications for funding every quarter** when the Board of Trustees sits.
- A Declaration of Interest Policy is in place and Trustees of the Board are required to **declare any conflicts of interest** and excuse themselves from making decisions related to funding where relevant.
- The Foundation **does not finance** the purchase of luxury vehicles, conferences and seminars, foreign travel, political parties or religious interests.

The structure of the Foundation





The FNBB Foundation

Meet the FNBB Foundation's Board of Trustees



STEVEN LEFENTSE BOGATSU (CHAIRMAN)

Steven became CEO of FNB Botswana in April 2015, a bank he has worked for in a number of senior leadership roles. This followed two years as CEO of FNB Swaziland; and previously he had held the position of CFO and Director of Product Houses at FNB Botswana, responsible for Property Finance, WesBank, Credit Card, International Trade and Custody. Prior to joining FNB, Steven trained at EY and worked at Kgalagadi Breweries as Group Internal Auditor, Management Accountant and Project Accountant; at Barclays Africa Finance as a Financial and Business Analyst, and at Stanbic Bank Botswana as CFO. Alongside his banking career, Steven has held directorships on several boards including the Local Enterprise Authority as well as Botswana Medical Aid and Med Rescue International. Steven is a Certified Chartered Accountant and holds an MSc in strategic management from the University of Derby.



REGINA SIKALESELE-VAKA

Regina is a well-known corporate leader and current Chief Executive Officer (CEO) of Bona Life, the first citizen-owned life insurance company in Botswana. Her career spans three decades, beginning as a private attorney and then migrating to the corporate world as CEO of the Motor Vehicle Accident Fund in 1997. In 2004, she became the first citizen and first woman to be appointed as CEO of the country's largest life insurance company, Botswana Life. In 2010, she became the first woman to lead a publicly listed company in Botswana as Group CEO of Botswana Insurance Holdings Limited. Regina's public service includes chairing the second African Youth Games in 2014. In 2015, she was appointed to the Presidential Task Team to craft Vision 2036. She is the founding Chairperson of the Government-owned Mineral Development Company of Botswana and has served as the Chairperson of the Botswana Stock Exchange. She is the founder and Chairperson of iNako Holdings, a citizen-owned financial services holding company.

MYRA TSHEPHOYAME SEKGOROROANE

Myra's professional background is in the hotel and tourism industry. She studied in the Republic of Ireland and has undertaken executive management development courses through the University of the Witwatersrand in South Africa and Cornell University in the United States. She gained professional and practical experience working at the Trusthouse Forte Hotels in the United Kingdom and Movenpick in Switzerland as well as serving as General Manager of several hotels in Botswana. She was the Group Operations Director for Cresta Hospitality in 1999 as well as founding CEO of the Botswana Tourism Organisation, which she led from its inception in 2006 to 2013. She served on the Executive Committee and as Chairperson of the Hospitality and Tourism Association of Botswana. She is a former Board member of the National Advisory Council for Tourism; a former Vice-Chairperson of the Botswana Telecommunications Authority and the Botswana Export Development and Investment Authority; and a former Non-Executive Director of FNB Botswana. Myra previously served as Chairperson of the FNBB Foundation and is a Non-Executive Director of Sechaba Holdings Limited and Kgalagadi Breweries Limited. Myra retired from the Botswana Tourism Organisation but was recalled in 2018 to take up the position of CEO once more.



DORCAS ANA KGOSIETSI

Dorcas started her professional career at the Auditor General's office and joined the Botswana Development Corporation (BDC) soon thereafter. While at the BDC, she gained extensive business and entrepreneurial experience, serving as a Board director and chairing various enterprise portfolio companies. In 2005, Dorcas joined the diplomatic service and was appointed as Botswana's first High Commissioner to India after serving as Consul General in Cape Town. She re-entered the private sector in 2011 and was appointed to the boards of the FSG Group and Choppies Limited. She also resumed her directorships at FNB Botswana and Botho University. Dorcas continues to play an important role in charitable and social responsibility initiatives countrywide, and was a recipient of the 2007 Indira Gandhi Priyadarshini Award in recognition of her positive impact as a woman leader. She currently mentors and advises numerous smaller firms on formation, resourcing, restructuring and management under her consulting firm, Business Clinic (Proprietary) Limited.



LESEDINYANA EDWIN ODISENG

Lesedinyana is the founding Head of the Department of Sports and Exercise Medicine, Rehabilitation and Occupational Medicine at Bokamoso Private Hospital and is the only accredited specialist in occupational medicine in Botswana. Lesedinyana is currently the Medical Director of the Medical Orthopaedic Sports and Occupational Clinics based in Bokamoso. He spent the previous 12 years working in occupational medicine in the United Kingdom, six of these as Senior Occupational Physician for BUPA Wellness looking after a variety of companies across the country. He was previously the Faculty of Occupational Medicine representative in the Intercollegiate Board of the Faculty of Sports and Exercise Medicine (United Kingdom) and a council member of the Specialist Advisory Committee. He presently chairs the Botswana Football Association Medical Committee and was also the medical advisor to the 2017 Netball Youth World Cup held in Gaborone. Lesedinyana is the IOC National Sports Medicine Course Director for Botswana and is a founding trustee of Health 1st Foundation, an organisation whose mandate is to bring quality healthcare to the marginalised in Botswana.



How we create value for Botswana through the FNBB Foundation and the business



Volunteer Champions

We introduced Volunteer Champions who represent the various branches and divisions of FNB Botswana. Their role includes, among other things, attending training; liaising between the FNBB Foundation and their branch or division; conducting site visits to projects; and preparing reports. Read more about this on page 21.

The Foundation frequently reviews its focus areas to ensure it remains in touch with the evolving needs of local communities as well as the priorities outlined in Botswana's 11th National Development Plan.

The Foundation

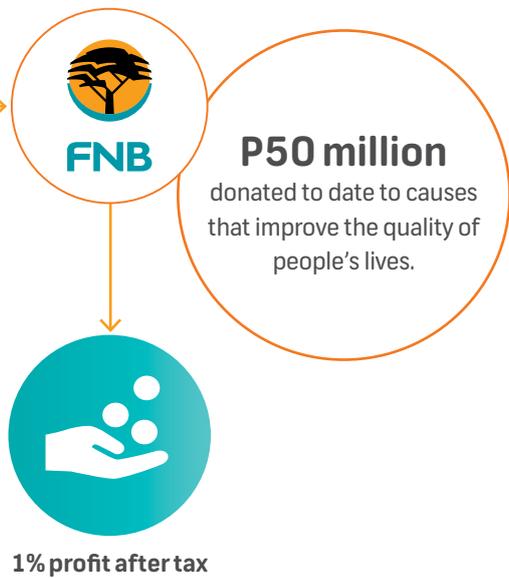
This process was undertaken in 2018. Accordingly, the Foundation elected to include youth unemployment as a principal priority on top of its existing five focus areas.

In 2018, the Foundation's strategy review also considered the United Nation's Sustainable Development Goals. These important global goals aim to end global poverty, protect the planet and ensure prosperity for all.



At FNB Botswana, we understand that the role we play goes beyond business as usual to include implementing and supporting initiatives that will make the country a better place for all. The FNBB Foundation is the corporate social responsibility arm of FNB Botswana and helps us deliver on this ambition.

We give the Foundation 1% of our profit after tax. These funds are channelled to communities through the Foundation or through our Staff Volunteer Programme.



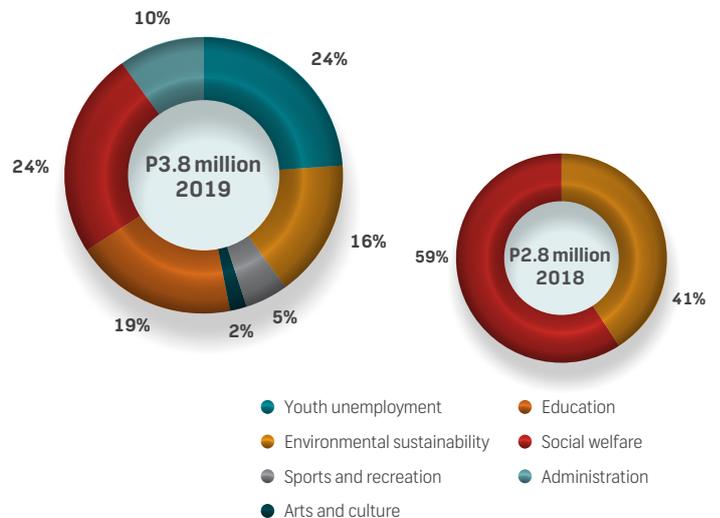
The Staff Volunteer Programme was launched in 2018 to support and encourage staff to get personally involved with serving community needs. The Staff Volunteer Programme also strengthens their skills, boosts morale and cultivates a positive and productive environment. The strategy encourages ongoing staff engagement with communities as opposed to once-off donations. Read more about the Staff Volunteer Programme on page 20.

Staff Volunteer Programme



Focus areas

- Youth unemployment → page 31
- Environmental sustainability → page 34
- Sports and recreation → page 38
- Arts and culture → page 40
- Education → page 42
- Social welfare → page 45



How we create value for Botswana through the FNBB Foundation and the business

Relaunched in 2018, the Staff Volunteer Programme includes various platforms for staff involvement. Importantly, we adjusted our staff manual to include two days of paid annual leave for each staff member that is allocated to the Staff Volunteer Programme. This creates a supportive work environment in which they can participate in projects and support local communities.

Team projects	Each branch or division is allocated an annual budget of P50 000. Team projects also include Random Acts of Kindness. This is an annual event in which FNBBers are encouraged to perform an act of kindness of their choice.
Common interest groups	FNBB Botswana clubs are eligible to apply for funding to undertake community projects. These clubs include, for example, runners clubs, cycling clubs and aerobics teams. Groups are required to have a minimum of 10 members to qualify for funding.
'We care'	On a specific day and time, every FNBBer across the country engages in the same activity to bring collective change to the communities in which they live. This encourages a spirit of togetherness among staff and motivates them to do good.
'I care'	Staff can select an activity they would like to participate in. The Foundation then assists them with purchasing tickets and/or other donations towards the chosen cause. Activities that staff have participated in include the Desert Bush Walk, Shavathons and the annual Stiletto Walk, among others.





The important role played by our Volunteer Champions

To encourage employee participation and community engagement, we started a Volunteer Champion initiative in 2018. As part of this initiative, each business unit within FNB Botswana nominated a representative who will lead its volunteering activities and serve as its Volunteer Champion. To help them gain a better understanding of the challenges facing Botswana, these Volunteer Champions attended a workshop in 2018 at Tlotlo Conference Centre in Gaborone. They further received guidance on what initiatives can work best to support the country's development agenda, with a focus on investing in Botswana's youth. Following the workshop, the Volunteer Champions had the important responsibility of launching the Staff Volunteer Programme among fellow staff members and creating awareness of the Foundation's priority focus on youth unemployment.



Our annual Best Volunteer Award encourages staff to participate in volunteer work and recognises an outstanding contribution made by a volunteer during the year. In 2018, this award went to Connie Gosegomang Babareki of the industrial branch.

Staff undertake volunteerism projects based on the following principles:

- **Staff engagement:** Rather than embarking on once-off interventions, staff should focus on those that promote enhanced and ongoing interaction between volunteers and beneficiaries.
- **Sustainability:** Staff should engage in activities that foster resource sustainability. For example, activities that protect natural resources or promote sustainable income generation.
- **Inclusivity:** Staff should engage with and consult beneficiaries in all relevant decision-making.
- **Impact:** Staff should only undertake initiatives that positively impact beneficiaries.
- **Skills-based:** Staff should try to align their skills, talents and experience to the needs of beneficiaries. This can take on different forms, for example, mentoring, coaching or *pro-bono* services.



Contributing through our focus areas



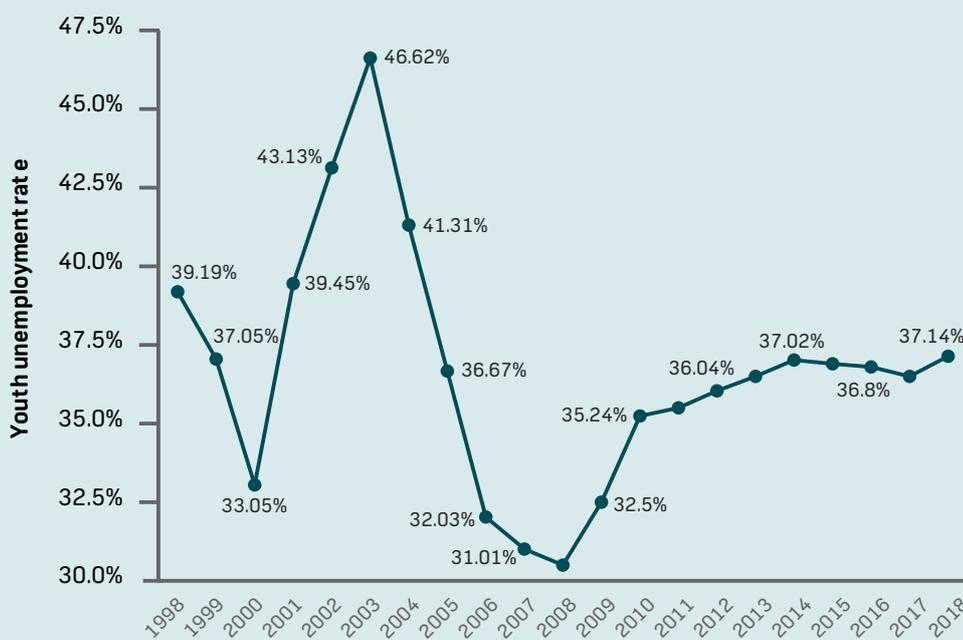
At FNB Botswana, we want to ensure that our corporate social responsibility activities remain relevant and provide for the evolving needs of local communities. While several priority areas are being addressed, we have selected youth unemployment as a main priority that augments our existing five focus areas.

Youth unemployment

Why this is important

Rising youth¹ unemployment is a major challenge in Botswana caused by a lack of relevant skills and low levels of education and work experience. Combined, these factors prevent youth from participating in the country's labour market. Not only does this negatively impact national productivity, it also leads to more and more of Botswana's youth struggling with poverty, poor health and depression linked to economic and social exclusion. In the long term, prolonged unemployment can have a devastating impact on their lifetime prospects and result in potentially lower earnings throughout life. This is particularly concerning considering Botswana's young population.

Botswana's youth unemployment rate from 1998 to 2018



Source: Statista.com

53%

Percentage of the population below 25 years old

20%

Percentage of the population between 15 and 24 years old

Source: Opportunities and policy actions to maximise the demographic dividend in Botswana, Demographic Dividend Study Report, 2018

We are committed to playing our part to empower and educate our youth to ensure they can participate meaningfully in the economy. Areas of opportunity include encouraging entrepreneurship and the creation of small and medium-sized enterprises that provide much needed jobs, products and services.

¹ Youth is defined as individuals between the ages of 15 and 35.

Contributing through our focus areas

What we did during the year

We helped youth at Shadishadi Primary School remain engaged

Through our Staff Volunteer Programme, we started a project in 2019 at the Shadishadi Primary School in the Kweneng district. The project was rolled out in this area as many students are from remote settlements and pass rates have historically been low due to poor levels of student engagement.

To help students stay in school and stay focused, the project introduced them to practical skills such as pottery and carpentry. It also involved bootcamps for standard 7 students as well as study clubs where students could meet up on weekends. Items made by the students were sold to community members and local businesses, with all profits used to purchase additional school supplies.

Importantly, this project created opportunities for youth to learn different skills and opened up opportunities for children who may be better suited to technical rather than academic development.

We created opportunities for young entrepreneurs to gain business and administrative skills

Through our Staff Volunteer Programme, our FNB Botswana Rail Park branch collaborated with Career Coaching, a youth-owned, non-governmental organisation focused on developing Botswana's youth, to launch "Kgwebo ya Monana" in Gaborone in 2019. This two-month initiative brought together 26 young entrepreneurs from diverse backgrounds and with different interests to empower them with the business and administrative skills they require to be successful.

Topics included financial literacy, sales and marketing, business planning, customer service and retention and business sustainability, among others. Each entrepreneur was paired with a mentor from our Rail Park branch who was on standby to assist with questions on how they can enhance their business. Mentorship continued after the programme ended to support the entrepreneurs as they applied the new learnings.

Beneficiaries of this initiative had the opportunity to network with renowned national entrepreneurs as well as Business Botswana, an association representing the private sector across all areas of Botswana's economy. This provided them with an invaluable opportunity to learn from and interact with other business leaders and contribute to the growth and development of the country's private sector. Looking forward, we aim to extend the reach of this initiative to often neglected areas outside of Gaborone.

These are just some of the achievements and highlights from this initiative:



An entrepreneur secured a three-year cleaning contract for 25 FNB Botswana branches.



An entrepreneur rebranded his business to better portray its purpose and value add.



Most entrepreneurs introduced digital channels into their marketing approach to improve customer reach and communication.

We continue to support the growth of small, micro and medium-sized enterprises (SMMEs) to diversify and strengthen Botswana's economy

Our Commercial segment continues to intensify its efforts to grow SMMEs through a targeted value proposition and by forming leading partnerships with development entities such as the Ministry of Youth Empowerment, Sport and Culture Development. We want to ensure these SMMEs have access to sustainable capital and possess adequate business skills and resources at every stage of their business life cycle. For example, our eWallet Bulk Payments solution enables employers to pay employees who do not have bank accounts.



Since 2016, we have partnered with the Ministry of Youth Empowerment, Sport and Culture Development to host the annual Youth in Business Expo. This expo provides a platform for youth-led SMMEs to showcase their businesses, products and services to the public while providing them with networking opportunities and business skills training. This year's theme was 'Brand It, Market It, Win It'.

We also offer mentorship and training to beneficiaries of the Ministry of Youth Empowerment, Sport and Culture Development Fund.

How can we help you?

Our objective is to be the employer of choice in the financial services industry by not just offering a job but a career. In keeping with our entrepreneurial culture, we recruit self-starters who are passionate about what they do. We value diversity, empower our people, hold them accountable and reward them appropriately. To be successful, we therefore need to recruit, develop and retain talented and motivated employees who are passionate about service excellence and who share our vision and values.

Should you be such an individual, search and apply for available vacancies on our website that you believe match your skills, qualifications and ambitions:

www.firstrandjobs.mobi



Contributing through our focus areas

Environmental sustainability

Why this is important

Botswana is blessed with a unique natural environment that offers its people vast opportunities if properly managed.



Botswana has a desert ecosystem, deltas, rivers, grasslands and savannas. This makes it a unique sanctuary for diverse wildlife. As a result, Botswana is blessed with a thriving tourism industry that contributed an estimated US\$2.52 billion to the economy in 2018.¹



Botswana has vast quantities of high-quality minerals ranging from copper to diamonds. Mining has therefore played an important role in transforming the country's economy and improving living standards.



Despite the low contribution of agriculture to the economy, many citizens rely on subsistence farming to support themselves and their families.

However, the country is facing a number of environmental threats. For example, Botswana is landlocked and roughly 70% of the population rely on groundwater. Drought, limited rainfall, climate change and overconsumption place significant strain on this scarce resource. Botswana's growing population, increasing livestock and expanding mining activity, among other things, are further leading to habitat destruction that threatens the country's natural environment and wildlife.

A significant portion of Botswana's growth and development depends on its natural resources. Considering these threats, it is therefore critical that we embed sustainability thinking into our business. We can also help create awareness among communities to strengthen their resilience and enable them to adapt to changing conditions.

¹ Source: World Travel & Tourism Council.

What we did during the year

We took part in the Tsodilo Hills Heritage Challenge and walked in support of rural development

As part of the Staff Volunteer Programme's 'I care' initiative, the FNBB Foundation sponsored staff from our Maun branch to participate in the Tsodilo Hills heritage challenge 2018. The tag line for the event was 'walk for rural development', as it aimed to enhance the socioeconomic development of the Tsodilo Enclave area. Located at the Tsodilo Hills world heritage site in the Ngamiland district of Botswana, the event was jointly organised by the Tsodilo Community Development Trust, the Department of National Museum and Monuments, the Desert Bush Walk, and the Ngamiland Sustainable Land Management Project.



We supported sustainable local tourism

We were the main sponsor of the annual Hospitality and Tourism Association of Botswana (HATAB) Conference. The theme for 2019 was Sustainable tourism: a driving force for job creation, economic growth and development and the conference aimed to strengthen strategic partnerships among Botswana's key hospitality and tourism partners. We also created opportunities for attendees to learn more about our products and services and how we can help them create a sustainable and thriving local tourism industry.



We continue to sponsor the First Park in Tawana

In 2015, the Foundation invested more than P2.9 million to refurbish a community park located in a low-income community in Tawana. The park was rebranded to First Park and provides members of the community and the public at large with a safe place to relax and refresh. The park was built using recycled materials. This includes, for example, recycled timber to make tables and chairs. Solar panels provide clean and renewable energy, and an underground system was installed to harvest and collect rainwater. The park is also used as an educational facility for local children to learn about the importance of recycling and the value of using environmentally friendly building materials.

Contributing through our focus areas

We contributed to the refurbishment of Bontleng Park

In 2017, the FNBB Foundation invested more than P696 000 to refurbish Bontleng Park, a community park located in Bontleng, a low income area in Gaborone.

The park provides an eco-friendly recreational space for the local community. Built using mostly recycled materials and wood, the park is largely self-sustaining and makes use of solar power and water harvesting to reduce consumption. For example, an underground cistern collects rainwater from the playground that is used in the park's ablution facilities. Stands around the playground are roofed with solar panels that provide shade as well as solar power to ensure the park remains lit up at night.

Seating in the picnic area is made from recycled timber and thatched roofing ensures the area remains naturally cool, reducing the need for air conditioners or other electronic cooling devices. The picnic area also features a chandelier made from an old tree and recycled bottles. Similar to First Park in Tawana, Bontleng Park is used as an educational facility for local children to learn about the importance of recycling and the value of using environmentally friendly building materials.



We recognise the importance of Botswana's agricultural sector

Over the past four years, we have increased our focus on this important industry and launched a range of products and services to strengthen and grow agriculture in Botswana. For example:

- We continue to employ specialists with knowledge and expertise related to the country's key agricultural regions. This helps to ensure we remain a trusted partner to local farmers and are able to understand their challenges and offer specific, high-impact solutions that meet their needs.
- We introduced agricultural insurance that is tailor-made to suit local farmers. This includes offering them livestock, crop and farm insurance. We also provide solutions to protect farmers from natural disasters such as pests and cattle disease.
- To assist farmers mitigate the risks associated with late or delayed payments arising from buyers or offtake agreements, we provide a bridging facility that enables them to remain operational.
- We have created an opportunity for farmers and other relevant stakeholders to engage directly with FNB Botswana on agricultural trends, opportunities and challenges. These discussions inform our annual budget review and ensure that our investments into this important industry, as well as the products and services we provide, remain relevant.
- We finance a significant portion of Botswana's dairy farmers as we believe there is great opportunity to grow this sector locally rather than relying on imports from South Africa and other neighbouring countries.
- Where farmers lack tangible security, such as houses or farms, we take cattle as security for facilities. This ensures that even farmers without property can access funding and enjoy our products and services.

How can we help you?

At FNB Botswana we make it our business to find innovative ways to help grow your business. We offer a range of agricultural solutions as well as farming enterprise finance. We also know that building a farm requires time and effort and we believe it is worth safeguarding against the unexpected. We therefore provide a range of options to protect your livelihood with insurance you can trust. Visit our website to find out more:

www.fnbbotswana.co.bw/for-my-business/industry-expertise/agriculture



Contributing through our focus areas

Sports and recreation

Why this is important

At FNB Botswana we believe that sports and recreation add real value to the lives of individuals. Sports and recreation can also help address the problem of youth unemployment, improve national health and create a sense of unity and pride.

Investing in sports and recreation has economic benefits. These include, for example, income generated by staging major events or tournaments as well as the capital investment associated with the construction, maintenance and operation of community sports infrastructure. A few of the social benefits include:



Social inclusion, drawing together people of different races, religions and cultures.



Long-term health benefits from physical activity and improved mental health and wellbeing.



Environmental sustainability, by protecting open space and natural areas.



Creating positive outlets for youth and protecting them from anti-social behaviour and crime.



Developing life skills and leadership abilities, as well as discipline and how to work in a team.

Sports and recreation in Botswana is hindered by poor or inadequate facilities and insufficient funding for sports development programmes. There is also a need to take sports into communities and create awareness of the benefits at a grassroots level. We support a number of different projects to help address these issues and get communities active.

What we did during the year

We contributed to the BFA's Youth Football Development Programme

We provided a P3 million sponsorship to the BFA that will be used over the next three years to assist the under 17, under 20 and under 23 girls and boys teams. These funds will go towards paying for coaching, equipment, players' kits and footballs. We believe this sponsorship is important as this age group is particularly important for the development of national sport in Botswana. It will also create opportunities for players to learn valuable life skills that can be shared with their peers and among their communities.



We gave BOTESSA a cash boost

We provided BOTESSA with a P3 million sponsorship to be used over the next three years. These funds will go towards identifying and nurturing sporting talent from across Botswana's tertiary institutions as well as assisting these athletes to attend national and international sporting events. Importantly, the sponsorship will be used to create opportunities for more students to participate in sport and realise untapped potential.

How can we help you?

We encourage organisations and individuals around Botswana to get involved and support their communities. If you know of a project related to sports and recreation that is making a positive impact but could benefit from funding, contact us to see how we can help:

sponsorships@fnbbotswana.co.bw

Contributing through our focus areas



We provided a P3 million sponsorship to the BFA that will be used over the next three years to assist the under 17, under 20 and under 23 girls and boys teams. These funds will go towards paying for coaching, equipment, players' kits and footballs.

Arts and culture

Why this is important

Arts and culture within Botswana are not only a platform to express our diverse heritage but also play an important part in sustaining the country's dynamic tourism industry. Given that tourism generates significant income and employment for Botswana, we believe arts and culture should receive long-term investment and support.

Beyond tourism, there is growing recognition that arts and culture can fuel economic growth and benefit community upliftment at large. Cultural Times, the first global map of the cultural and creative industries, was published by Ernst & Young in 2015. The study showed that creative activities contribute significantly to youth employment and create opportunities for small businesses and entrepreneurs.

Further estimates include:

US\$250 billion

The collective annual revenue generated by cultural and creative industries around the world.

29.5 million jobs

The number of jobs created worldwide each year.

What we did during the year

We helped KTM Choir on their journey to gold

The Foundation sponsored KTM Choir, Botswana's local choral group, to attend the 2019 European Choir Games in Gothenburg, Sweden. KTM Choir was one of only two African choirs at the competition, where they competed against more than 400 choirs from France, Germany, United States, United Kingdom, Belgium, Denmark and Spain, among others. The choir performed works inspired by the culture and beauty of Botswana, and all music presented at the competition was composed by the choir members.

We are proud to report that the choir received gold medals in the C10 (open category) and GP10 (grand prix of nations category) – folklore with accompaniment. As a result, the choir is now ranked third in folklore music.

We continue to sponsor the WesBank Botswana International Air Show

We have been a proud sponsor of the WesBank Botswana International Air Show since 2014. This annual event attracts thousands of aviation enthusiasts from Botswana and around southern Africa. A highlight is the mesmerising aerobatics performed by experienced and international pilots who decorate the skies of Botswana with helicopters, parachute drops and airplane stunts. Importantly, funds collected from the show are donated to local charities and worthy social institutions.



How can we help you?

We encourage organisations and individuals around Botswana to get involved and support their communities. If you know of a project related to arts and culture that is making a positive impact but could benefit from funding, contact us to see how we can help: csi@fnbbotswana.co.bw

Contributing through our focus areas

We helped empower local music artists

Our Retail Banking segment hosted an Artist Development Programme, attended by 12 local artists. The objective of the programme was to equip the artists with financial management skills, which included budgeting, management of transactional accounts as well as investments. Transactional accounts, with debit cards were opened for all participating artists and these were set up at nominal fees for the first 12 months as a way to contribute to the artists' financial management journey. Further more, given the nature of their work, the FNB Retail segment initiative comprised a module on contracting and contract management to heighten their awareness of the ripple effects of poor or ineffective management of the aforementioned. This intervention is believed to have contributed to giving the artists basic skills to grow their brand to having sustained financially lucrative businesses.

We celebrated local music artists at the Yarona FM Music Awards

Our support for the arts did not just stop with the Artist Development Programme, the Retail Segment also partnered with Yarona FM as a sponsor, giving monetary awards in celebration of artists who aced selected categories at the Yarona FM music awards. These awards celebrate, motivate and inspire local artists to continue building the Botswana music industry. In addition to awarding prizes for the various music categories, we contributed P350 000 to assist organisers with general event planning and management.



Education

Why this is important

Access to quality education is a prerequisite for a sustainable, competitive and productive workforce. While Botswana has invested significantly in education and skills development over the past two decades, many challenges persist. These include, for example, low transition rates from secondary to tertiary education as well as a mismatch of skills produced by the country's education system versus the needs of the economy. Large portions of the population further reside in remote areas and lack equal access to the education system. This is particularly damaging for children of school-going age.



More than 25% of Government's total annual budget has been allocated to the education sector over the past two decades.¹

The sustainability of our business relies on our ability to secure a capable and skilled workforce. We are therefore taking steps to identify capacity building programmes and initiatives to help overcome some of these challenge.

What we did during the year

We empowered students to study through our Solar Bag Drive

The FNBB Foundation launched the Solar Bag Drive in October 2018. The Solar Bag not only functions as a solar backpack – it also comes equipped with a solar panel that charges as students walk to and from school. In addition, it has a side lamp that students can use to help them study, read and complete their homework in the evening. The lamp remains charged for up to eight hours.

To roll out the Solar Bag Drive, the Foundation partnered with the Botswana Power Corporation who is mandated to provide countrywide electricity. This collaboration helped the Foundation and the BPC pursue a common goal of bringing light to remote areas and helping children excel. It was further motivated by the Foundation's aim to contribute to Sustainable Development Goal number 7, which calls for access to affordable, reliable, sustainable and modern energy for all.



2018

The Foundation donated 1 113 bags to 15 schools around the country.

2019

The Foundation handed over an additional 1 887 solar bags to upper primary school pupils in 14 schools. In addition, lower primary school pupils received stationery.

Impact to date

3 000 primary school pupils and 29 primary schools have benefited.

¹ Republic of Botswana National Development Plan 11, September 2016.

Contributing through our focus areas

We raised funds for the underprivileged through the Jwaneng Bush Walk

As part of the Staff Volunteer Programme's

'I care' initiative, the Foundation sponsored staff from our Jwaneng branch to participate in the annual Jwaneng Bush Walk. This initiative brought together 2 700 participants from Botswana, South Africa, Namibia, Zimbabwe, Lesotho, Australia and Germany, who walked to raise funds for educational causes in the remote villages surrounding Jwaneng.



Jwaneng branch team



FNB Foundation 'Mantra'

We undertook various initiatives during the year to educate and empower our customers

- As fraud is more prevalent during this time, we ran a social media campaign over the independence holidays to create awareness about **fraud** and provide our customers with **security tips**.
- We launched a customer education campaign, **#BankSmart**, to help our customers understand the costs of using our banking services. The campaign was run on Facebook and Twitter and aimed to inform customers on better ways to bank, with a focus on leveraging our various digital platforms.
- To create broader awareness about our various products and services – and support customer education – we initiated an 'always-on' campaign – **Ya Mperokela**. The campaign will run until the end of 2019 and will be broadcast on radio and using social media.

Human capital is key to the success of any business and we recognise the importance of retaining and harnessing the potential of our staff.

We continue to introduce various programmes to stimulate our employees' talent, meet their needs and make FNB Botswana an enjoyable place to work. Our human capital strategy aims to ensure proper and effective talent management and improved employee wellness while promoting progressive thinking and a healthy work-life balance.



We introduced a coaching programme for managers and supervisors as well as innovation platforms for younger employees. Other platforms introduced included an online business library.



We introduced a lifestyle programme to treat health conditions prevalent in the workplace, improve our employees' behaviour and promote healthy habits (for example, better diets and more physical activity).



We continued our International Graduate Trainee Programme to identify future leaders of FNB Botswana.



We piloted flexi-hour work schedules in one of our business units and will determine the full rollout of this initiative in 2020.



Our Group Engagement Survey is conducted every two years to test employee engagement. A quarterly survey was recently introduced to provide ongoing feedback that we can use to do business better.



We launched a Staff Drug Awareness campaign in 2017 to equip FNbers with the knowledge and life skills required to combat rising drug and substance abuse and dependency in Botswana.

Contributing through our focus areas

Social welfare

Why this is important

Every citizen of Botswana has the right to enjoy equality, dignity and wellbeing in a society that emphasises social inclusion. To achieve this goal, we need to lend a helping hand to the economically marginalised and socially vulnerable and ensure that every individual has access to services and opportunities that improve their welfare. This is the collective responsibility of everyone living in Botswana – and FNB Botswana is no exception.

What we did during the year

We made a difference in the lives of children with learning disabilities by supporting Motse Wa Badiri Training

Motse Wa Badiri Training provides a four-year, outcomes-based programme for primary school children with learning disabilities. Launched in 2011, the aim is to ensure that when students exit the programme they are confident and equipped to take the next step in life and secure sustainable livelihoods. This is achieved by preparing them for formal employment or for other meaningful work – ultimately ensuring they are able to live a safe and fulfilling life. We supported Motse Wa Badiri Training by funding the construction of a hostel for eight students that is equipped with a kitchen and dining hall. This not only serves as a facility for preparing and serving students' meals but is also a training facility for the newly introduced vocational course in hospitality and catering.

We lent a helping hand to survivors of Cyclone Idai

The Foundation extended a helping hand to the survivors of Cyclone Idai, one of the worst natural disasters to hit southern Africa in at least two decades. Large parts of Mozambique and Zimbabwe were severely impacted. Staff members participated countrywide by donating non-perishable foods and toiletries for children and families affected by the cyclone.

We took part in the Stiletto Walk to raise funds for cancer awareness

As part of the Staff Volunteer Programme's 'I care' initiative, staff from branches in Gaborone participated in the Stiletto Walk to raise funds for cancer awareness. Staff walked a total of 6 kilometres on stiletto shoes to show empathy for those who are affected by the disease, and to show how devastating cancer can be. The initiative also aims to emphasise the importance of early detection.



We helped create public awareness about Autism Spectrum Disorder (ASD)

We ran a campaign at our head office in Gaborone to increase awareness about and promote public engagement on ASD. As part of this campaign, the building was flooded with blue lighting at night for the month of April 2017. This was done in support of World Autism Awareness Day and Autism Awareness Month in the United States.

How can we help you?

You can use your FNB Botswana Personal Loan for house improvements, debt consolidation or to better yourself in any aspect of your life or your business. Visit our website to find out more:

<https://www.fnbbotswana.co.bw>

What we have planned for 2020



The FNBB Foundation has been the primary driver of our corporate responsibility agenda. This has given us a strong base from which to move forward and we are excited to formalise a corporate sustainability strategy for FNB Botswana that will support the efforts of the Foundation.



What we have planned for 2020

We are going to ramp up our efforts support Botswana's youth

To address high levels of unemployment among Botswana's youth, the Foundation will embark on a youth empowerment programme in 2020. This programme will be rolled out in partnership with a development entity that offers entrepreneurial skills development. The aim is to create income generating activities for targeted groups of youth and empower them with the skills they require to find, keep and make a success of a job.

We are going to develop a formal corporate sustainability strategy for FNB Botswana

We will align this strategy with FirstRand's 'shared value contract with society'. This contract recognises that the Group's total impact on society extends from the corporate social investment spend by its foundations to how it manages its operations and, most importantly, how it deploys its balance sheet and core business activities.

We will continue to roll out our Staff Volunteer Programme strategy

We plan on rolling out more events in 2020 to build on the great momentum created by our staff Volunteer Champions in 2019. This includes sharing the strategy at various staff forums. We will also conduct a roadshow and visit all of FNB Botswana's branches and divisions to motivate staff and encourage them to get involved in their local communities.

Value added statements

for the year ended 30 June 2019

Value added is the wealth the Group has been able to create by providing clients with a quality value added service.

	Consolidated		Company	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	P'000	P'000	P'000	P'000
Income earned by providing banking services	2 759 760	2 577 168	2 757 028	2 521 721
Cost of services	(1 747 799)	(1 654 945)	(1 744 287)	(1 639 200)
Value added banking services	1 011 961	922 223	1 012 741	882 521
Non-operating and other income and expenditure	601 005	530 558	596 662	517 220
Value added	1 612 966	1 452 781	1 609 403	1 399 741
Value allocated				
To employees				
Salaries, wages and other benefits	581 063	543 847	579 086	541 389
To providers of capital				
Dividends to shareholders	406 992	357 118	406 992	353 613
To Government				
Taxation	229 795	205 874	229 388	195 684
To expansion and growth				
Retained earnings	325 544	290 937	326 306	254 740
Depreciation - Owned	69 572	55 005	67 631	54 315
	1 612 966	1 452 781	1 609 403	1 399 741
Employee statistics				
Employees	36,0	37,4	35,0	38,7
Providers of capital	25,2	24,7	25,3	25,4
Government	14,3	14,2	14,2	14,0
Expansion growth	24,5	23,7	25,5	21,9
	100,0	100,0	100,0	100,0



Etela FNB Cash Plus Agent e e gaufi le wena.



Tsenya madi, tsaya madi, tsaya eWallet, kgotsa reka motlakase/airtime kwa FNB Cash Plus Agent gaufi le wena.

LOCATION	CASH PLUS AGENT
Borolong	Saverite
Bray	Kgalagadi Wholesalers
Draiehoek	Wholesalers on Wheels/ Caltex Filling Station
Gabane	Saverite
Gaborone	Saverite, Block 5 Yash Cell, Western ByPass Yash Cell, Game City Yash Cell, KB Mall Yash Cell, Main Mall You Point, Main Mall Yash Cell, Rail Park Yash Cell, Riverwalk Yash Cell, Station
Gumare	Saverite
Jwaneng	Yash Cell
Kanye	Yash Cell, Mongala Mall Yash Cell, Old Mall
Kopong	Saverite
Lerala	Saverite
Lobatse	Yash Cell
Mahalapye	Saverite Caltex Filling Station
Makwate	Bodibelo General Dealer
Mankodi	Saverite

LOCATION	CASH PLUS AGENT
Mathathane	Progress Supermarket
Maun	Caltex Filling Station Senthaga General Dealer Airtime Centre
Molepolole	Yash Cell 450 General Dealer
Mookane	Kopano General Dealer
Moreomabele	OB General Dealer
Otse	Saverite
Palapye	Saverite Mathudi Shades Guest House
Ranaka	Mount Forex Restaurant
Ratholo	Saverite
Selebi Phikwe	Saveway, Botshabelo
Serowe	Saverite, Old Sekgoma Saverite, Mannathoko Thuso Wholesalers
Shakawe	Chicken & Chips Restaurant, Shell Filling Station
Shoshong	Hutas Butchery
Tati Siding	Saverite
Thamaga	Saverite
Tlokweg	Pulsoda Investments, Old Mall

FNB

How can we help you?

 **Cash Plus Agent**

Leletsa **3959881** go itse go feta fa.
Go na le melawana.



First National Bank of Botswana Limited

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Registered bank • Registration number 1119 • S.W.I.F.T. • FIRNBWGX

Share transfer secretaries • PricewaterhouseCoopers • Plot 50371 • Fairgrounds Office Park • Gaborone