

FNB Eswatini's REPORT TO SOCIETY

*Shared Value Report for the year
ended 30 June 2020*

FNB Eswatini's REPORT TO SOCIETY



Report Purpose

For over 25 years, FNB Eswatini has used the passion of its people and the power of innovation to build a business that invests heavily in finding better and easier ways for Emaswati to access financial services. This constant search for affordable access to banking has happened alongside a very strong awareness to the need for a better Eswatini. This challenge belongs to all of us. We hold a firm belief that our actions and investment decisions should help improve livelihoods, contribute to better health for all, protect the environment and help build an economy and country that will benefit generations.

Whilst profit and returns will always matter and are critical in supporting social investment, a deliberate commitment to Shared Value principles is foundational to our view of the bank.

It is with this understanding that we release our first Report to Society and hope that the demonstration of the deliberate way we intervene with the resources we have been entrusted with, helps our customers and other stakeholders understand how their support for the bank translates into a better society. This, we hope, helps all of us become better citizens.

His Excellency
THE RIGHT HONOURABLE
PRIME MINISTER

Mr Ambrose
Dlamini



FNB ESWATINI
CHAIRPERSON

Mr Joseph
Ndlangamandla



FNB ESWATINI
CEO

Mr Dennis
Mbingo



“We need all hands on deck. As His Majesty would say, *yindzaba yetfu sonkhe*. Corporates are citizens too and their role in transforming our society cannot be under-estimated. We need companies like FNB and similar organizations to help Government in delivering its social upliftment programme. We would like to appreciate the bank for its efforts.”

“We find ourselves in particularly challenging times and providing tangible and real help which seeks to address some of the societal and economic needs in the country we operate in, is paramount to us. We also see an opportunity to do more in support of women development and other marginalized groups, including people living with disabilities.”

“Our calling isn’t just to profit. It goes beyond. We shall continue striving for better products, better service, and better returns always. But our communities matter just as much and how we achieve those returns has to be financially and socially sustainable. The quality of our people and their thought leadership is crucial in managing that critical balance.”



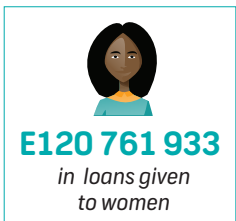
Deploying
our Balance
Sheet to Drive
Economic
Growth and
Inclusion



Customer education
and awareness
forms a significant
part of bank's
obligation to the
public.

We shall continue
reporting to our
stakeholder base on
a sustainable basis
going forward.

Access to credit for key demographics



FNB Eswatini recognises the need to promote access to credit for women and the youth with the aim of unlocking inclusive growth for these demographics.

Over **4000** applications for Home Loans, Personal Loans and WesBank Loans were processed for Emaswati not older than 35 years. Of these, we have seen almost half of that number coming from women. We expect to see more women seeking credit in order to build homes and ensure mobility as part of a growing trend in empowering themselves.

A total of **E270 087 392** was disbursed across the credit products to Emaswati between the ages of 21 – 35, and of that amount, **E120 761 933** was directed to female clients.

Total Taxation Paid

FNB Eswatini continues to be a significant contributor to the national purse as part of the bank's legal obligations. The bank takes tax compliance seriously and we understand the role taxes play in a developing state. The total of **E159 465 111** in Corporate, Employee and Other Taxes in 2020 was 12% higher than the previous year.

#RealHelp during the COVID-19 pandemic

In April 2020, FNB Eswatini announced major interventions to help Emaswati manage the global pandemic. As a financial services provider and corporate citizen with over **400** staff, hundreds of suppliers and thousands of customers, the bank committed to intervene through real help to the people of Eswatini.

For the period of 1 April – 30 June 2020, we provided the following to customers and entities to help mitigate the COVID-19 pandemic impact:

Price discounts
and waivers

Payment
holidays

Direct
loans

Early invoice settlements
to suppliers



74 285 FNB customers saved over **E1.5 million** in discounts and waivers. **880** customers received over **E100 million** in payment holidays and direct loans.



FNB prioritized early invoice settlements for suppliers to the value of **E13.6 million**.



The bank's preferential procurement strategy through the **Buy Swati** drive saw a total of **E32 943 686** procurement spend prioritized to local suppliers, which made up **79%** of the overall spend.



Total Taxation Paid

| | 2020 | 2019 |
|------------------------|--------------|--------------|
| Corporate Income Tax | E88 530 987 | E80 376 571 |
| Employee Tax | E38 571 301 | E34 101 724 |
| Corporate Indirect Tax | E32 362 823 | E27 908 493 |
| Total | E159 465 111 | E142 386 788 |



CSI initiatives designed to contribute to upliftment



FNB Eswatini Foundation

Corporate Social Investing (CSI) occurs through the FNB Eswatini Foundation and the FNB Brand Sponsorship pillars. In the 2019 reporting cycle, the Foundation's key focus was on supporting health and entrepreneurship.

The Foundation is run as Trust comprising of a mix of FNB employees and external Trustees with relevant expertise in fields mandated by the Foundation's constitution.



Support to Government's fight against COVID-19

The FNB Eswatini Foundation joined the rest of the private sector, citizens and the NGO community in supporting the Government, through the Ministry of Health (MoH), by pledging E1 million towards the fight against COVID-19 pandemic in Eswatini.

Three priority areas were identified through consultations with MoH namely:

- Isolation Units (bedding and accessories required by health centres).
- COVID-19 related awareness materials on Home-Based Care protocols.
- Protective gear and equipment for Healthcare workers.



28 000

Booklets and posters, on caring for a COVID-19 positive patient at home, were printed in English and siSwati and were distributed in clinics and communities



Support to Health facilities in Eswatini

Additional support to the health sector included the procurement of items identified as needs for the children's wards in **RFM** and **Hlathikhulu** Hospitals to the value of **E151 846** and **E112 711** respectively.

Support in the year was also given to Baylor Clinic through the purchase of 16 Dell Computers valued at **E199 920** to assist with patient management.

In the previous financial year, the Foundation supported the refurbishment of the Good Shepherd Hospital Mortuary and the Mbabane Government Hospital Incinerator.

FNB Khutsala Employment Activation Program (KEAP)

Launched in August 2019, the FNB Khutsala Employment Activation Programme, (KEAP), shortlisted and identified 10 innovative, hardworking and growth-oriented entrepreneurs.

In February 2020 after training, they were each awarded no collateral, interest-free loans of up to **E50 000** per person to be paid over 12 months.

The entrepreneurs received customised training geared towards equipping them with skills necessary to grow their businesses, mentorship during the training stage as well as dedicated aftercare for the duration of the loan.

E1.6 m

has been extended in Innovative Funding Solutions for SMEs in Eswatini



Company: **Queen Rabbit**
Product: **Rabbit products**
Rabbit platters

KEAP Loan: **E43 750**

- Quick Stats:
- Purchased cages and breeding stock
 - Scaled rabbit production from 22 to 119
 - Sale of rabbits as pets



Company: **Sani Farms**
Product: **Compost Production**

KEAP Loan: **E50 000**

- Quick Stats:
- Purchased compost screener
 - Supplies 5 outlets as clients



Company: **Lesip Timbers**
Product: **Timber Harvesting**

KEAP Loan: **E50 000**

- Quick Stats:
- Purchased trailer with loan to help with transportation of timber
 - Staff complement of 26



Company: **Zaza Embroidery**
Product: **Sewing & Embroidery**

KEAP Loan: **E50 000**

- Quick Stats:
- Purchased digital embroidery machine
 - Clients include schools, companies and walk-ins.



Company: **Magnific Pigs**
Product: **Piggery**

KEAP Loan: **E50 000**

- Quick Stats:
- Extended pig shelter
 - Scaled production from 6 to 32 pigs.





Project Intent:

FNB Eswatini Foundation is working to set up a programme within a 12 month period that will provide nutrition, hygiene, education and other support for between 20 – 50 Child Headed Homes.

In speaking to the project's intent, the FNB Eswatini Foundation's Chairperson Dennis Mbingo said, "Whilst it is not feasible to help everyone, everywhere, every time, there is a critical role the private sector can continue to play in supporting different vulnerable groups within society in a manner that eases the burden on a State that has broad demands on its limited resources."



Help Inspires Greatness

FNB's motivating sponsorship values are driven by the promise of help. FNB's help is tracked for impact and there is a desire to track the social benefit of each Lilangeni we spend. In the reporting period, our help was spread across our core sponsorship pillars as below:



ENTREPRENEURSHIP

EYA

Entrepreneur of the Year 2019 ("EYA") – FNB ramped up support to SEDCO at the beginning of the financial year under report. In July 2019, in collaboration with SEDCO, we provided primary support for the EYA Awards that celebrated young entrepreneurs and helped provide a platform for them to be recognized for their work nationally. We were excited to partner with the Eswatini International Trade Fair in curating space for debate and discussion on best ways to support them at the FNB Business Lounge.



SPORTS

MULTIPLE

FNB is passionate about the unifying power of sports and this is evidenced in the support given to cycling, soccer and golf in the year.

- **E180 000** towards Golf through the Nomads Junior Golf Development program.
- **E38 000** towards soccer through the All Star Ladies Soccer Tournament and Mlindazwe Sports Tournament.
- **E45 000** towards cycling under different flagship events.



TECH

DEVELOPMENT

UNESWA's Annual ICT Fair invited students to participate in an innovations and programming competition. Brand alignment to this theme has encouraged participation from FNB through sponsorship of **E112 000** worth of prizes for the competition winners.

Additional support to the ICT Fair initiative was participation in presentations looking at innovations around the 4IR and its impact to Eswatini.



ECONOMIC

DEVELOPMENT

FNB was one of the main sponsors of the Federation of SADC Sugar Producers Conference 2019 hosted by Eswatini Sugar Association. The sponsorship was to the value of **E50 000**.

FNB's support to the Economic Conference hosted by ESEPARC was valued at **E60 000**. FNB hosted a seminar led by American-based software developer Sakhile Dlamini from Eswatini. FNB CEO Dennis Mbingo participated in one of the conference's panel discussions.

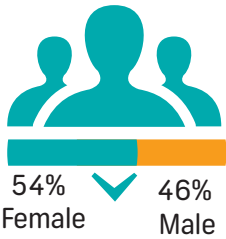




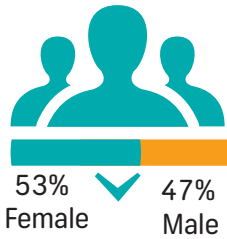
Investing
in our people

Gender Diversity

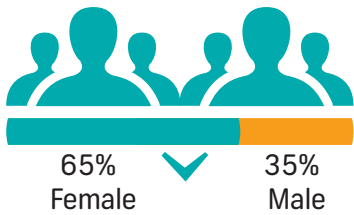
Our Executive



Our Managers



Our Staff



Empowering
Young Swati
Leaders

Core to our strategy is the careful identification of young talent to groom for possible development into roles of influence. The energy and enquiry they bring explodes into opportunities when blended with the experience and insight of their more mature colleagues. Developing this culture takes time, intent and a lot of patience. The value it brings to the business and the country in the long term is immeasurable. This focus has helped us replace roles that were previously occupied by expatriates over the last decade and beyond. There is often some loss of continuity for every transition, but that remains a cost we accept to pay in order to surpass previous performance standards. Our future is in our young men and women, and we see their ages as an asset, not a restriction. The country needs them.

Our young talent is also critical in helping us create and support assistance programs for other young people outside the bank. Their specialist skills span broad subjects that include Communications, Applied Mathematics, Engineering, Actuarial Science, Chemistry, Chartered Accounting etc. The ‘quirkiness’ they bring has helped strengthen the traditional banking skills we have had in our 25 years.

We celebrate some of these young lions who have been assigned critical roles in transforming the business of banking.



Babhekile Mdluli
Credit Origination Manager for Corporate

Chartered Accountant (SA)

Age: 31



Nkhosingiphile Mkhonta
Head – WesBank

Academic Specialization: Risk Management of Financial Markets

Age: 26



Nosizwe Sigwane
Product and Pricing Specialist

Academic Specialization: Statistics, Economics and Mathematics

Age: 31



Moses Twala
Head – Personal Banking

Academic Specialization: Actuarial Science and Financial Mathematics

Age: 29



Ntobeko Dlamini
Communications Manager

Academic Specialization: International Communications (Cum Laude)

Age: 30



Zwonaka Mavuso
Credit Origination Manager for Commercial

Chartered Accountant (SA)

Age: 26



Mphetfo Tshabalala
Head – Credit Risk & Analytics

Academic Specialization: Mathematical Statistics

Age: 27



Maryam Khoza
Cash Investments and Lending Product Specialist

Academic Specialization: Actuarial Science and Financial Mathematics

Age: 28



Nqoba Manana
Process Engineer

Academic Specialization: Chemical Engineering

Age: 26