



Help is who we all can be

FNB Eswatini's Report to Society:
Our Shared Value Report for the
year ended 30 June 2021

The challenges that humanity and our country specifically have faced these last two years are a critical reminder that collective effort is unavoidable in building a better and safer future. None of us can succeed alone and HELP should not be an afterthought. It is central to doing business humanely and in a manner that protects the dignity of all.

We commend the people of this country, particularly our customers and other stakeholders, for playing their part well in controlling the spread of the Coronavirus.

The fight continues and we encourage the nation to take the COVID-19 vaccine without delay. Together, walking forward side by side, we can win the fight against the virus.

J.V Ndlangamandla

J.V Ndlangamandla
FNB Eswatini Chairman



199

Children supported
monthly



300

Agents supporting
financial inclusion



75%

Buy Swati spend



Developments around the world continue to draw attention to the [need for corporate citizens to do more to positively impact the communities they serve](#), and to demonstrate that through accountability reports to their stakeholders. Several local organizations recognize this and publish very detailed and incredibly informative Shared Value Reports in different forms. We have tried to simplify our stakeholder feedback through the supply of information that is fairly easy to understand and aids in informing business and social partnerships.

As an organization, we are not lost to the challenges of our country and her people. In fact, when a country goes through difficult times, banking is one of the sectors that offers a reliable pulse to the

present. There have been times in the past when banks have performed reasonably, despite sustained unemployment indicators or low GDP numbers, for instance. That too has been a reflection of the reality that not all sectors and citizens are impacted by economic and political developments to the same extent.

That 'above the water' performance though cannot hold up for anyone if the majority of the key metrics show stress over an extended period of time, and that pressure seems to be now feeding into many businesses whose operating models are sensitive to economic realities, ours included. This is even more reason for us and other players in the private sector to recognise and act on the premise that [our future](#)

[is tied to that of our country](#), and we have to find a way to collaborate productively with the broader society, whilst respecting its many different pillars.

The publication of this report is an attempt to demonstrate the extent of our deliberate collaboration with many partners in an effort to doing our bit to make Eswatini a better place. It is not an easy task for us or any citizen, and we still have quite a journey to go, but it is one worth waking up to every morning. [A country is a sum of its many parts, and no part is too small to make a difference.](#)

Dennis

Dennis Tikhalo Mbingo
Chief Executive Officer

Investing in Our Community

Investment in social upliftment projects that can produce measurable outcomes and have the potential to self-sustain



Help in our Social Economy

E445 500

Support for Child-Headed Homes

Help in Health

E500 000

The Luke Commission Oxygen
Plant and Vaccination Roll-out

Help in Entrepreneurship

E254 142

FNB Khutsala Entrepreneurship
Activation Program (KEAP) support

CHILD-HEADED HOUSEHOLD PROGRAM

In December of 2020, the FNB Eswatini Foundation committed **E645 000** towards the support of the Child-Headed Household Program with the mission of providing monthly food and hygiene packs to **50 child-headed households** across the country for 1 year.

Through partnerships with SOS Children's Village and Young Heroes, **199 children** have received these monthly packs. To date, a total of **E445 500** has been disbursed through this project. A total number of **50 girls** received dignity packs through Nazarene Compassionate Ministries to the value of **E51 000**.



THE LUKE COMMISSION OXYGEN PLANT

The devastating effects of COVID-19's first and second waves necessitated a degree of self-reliance on oxygen supply. The Luke Commission in partnership with the Ministry of Health and other key stakeholders constructed the country's first oxygen plant. The FNB Eswatini Foundation committed **E500 000** towards this project.



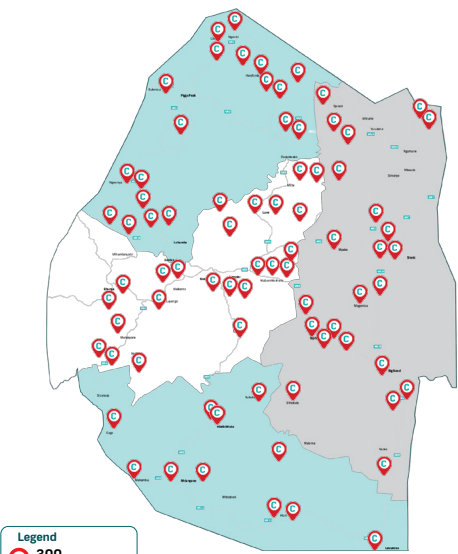
INVESTING IN WOMEN

The Foundation is looking for opportunities to deploy resources to support social initiatives with a key focus on women empowerment as well as fund messages and programs which address gender-based violence in Eswatini.



We constantly seek solutions to make basic banking services more accessible and more affordable to more Emaswati

FNB CASHPLUS – BRINGING BANKING CLOSER TO HOME



Traditional bank branches and ATMs tend to be concentrated in the urban areas, leaving rural communities without service, and needing to travel long distances to access banking. CashPlus closes that gap by bringing banking closer to their homes. To date, over 300 CashPlus Agents have been rolled out countrywide.

In the last financial year, a period ending in June 2021, about E200 million has been transacted through these CashPlus Agents.

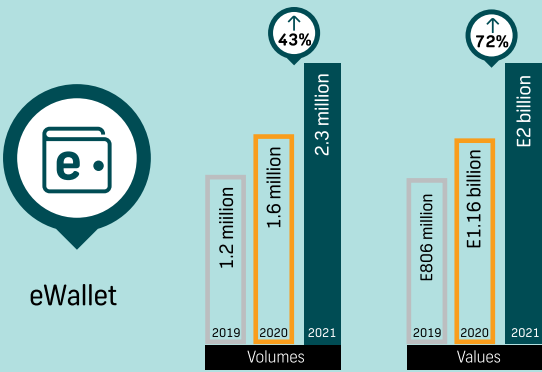
CashPlus continues to prove the case for more inclusive banking and its increased uptake by both users and agents is testament to this.



The nearest FNB branch is in Big Bend and before Khuba became an agent, residents had to travel far to get banking services, but now all that is in-store. FNB CashPlus has benefits for the residents as we have become assistants for their transactions.” – Desmond Henwood, Manager at Khuba Traders.

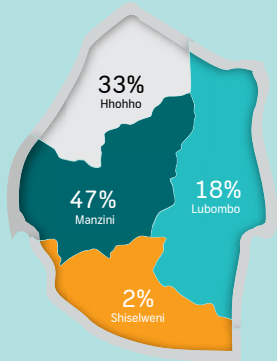


FNB EWALLET – BANKING THE UNBANKED



FNB’s eWallet allows customers to send money to those who may not have a bank account and for receivers to access money sent at the widespread network of ATMs and CashPlus agents countrywide. More and more Emaswati continue to use eWallet as a preferred mode of sending money.

FNB eWallet withdrawals by region



The link between eWallet and CashPlus has ensured greater accessibility for customers to withdraw eWallets closer to where they are. We are seeing the reach of eWallet services grow consistently not only in urban areas but rural areas as well through the availability of CashPlus Agents in all four regions.

Investing in Our Economy

Deploying our Balance Sheet to drive economic growth and inclusion

Managing a financial services Balance Sheet in a developing economy also provides a unique window to potential blockages in the economy, giving opportunities for targeted social upliftment. This view comes with a responsibility to deploy the limited resources under our control to activities that will join in alongside the efforts of others to help unlock growth and facilitate sustainable economic activity.

FNB SUPPORTED SUPPLIERS TO THE STATE BY ADVANCING E500 MILLION TO SETTLE LONG OUTSTANDING DEBTS TO SERVICE PROVIDERS

In November 2020, the bank partnered with the Central Bank of Eswatini and the Ministry of Finance to structure a E500 million facility that was to help pay long outstanding debts to many suppliers. Our interest in participating in this deal was the

understanding that many of the companies that supply the State also supply basic services to our people and are also major employers. The Ministry of Finance’s efforts to help settle them was critical in keeping large parts of this economy’s engine running.

LOCALISATION OF SHAREHOLDING AND LISTING ON THE ESWATINI STOCK EXCHANGE

As mentioned in the publication of our financial results for 30 June 2021, the intention to localise part of the bank’s shareholding to a broad base of Emaswati has not changed. The pandemic, coupled with some of the economic uncertainties we have seen, have made confirmation of timing

dependent on factors that are not within the bank’s control. Despite this, the localisation of shareholding remains an important step in adding a critical pillar to our Shared Value objectives by creating opportunities for direct Swati shareholding.

FNB EXTENDS REAL HELP TO SME CUSTOMERS DISRPUTED BY THE UNREST

This is in addition to the substantial amounts disbursed to customers in pandemic-related relief in the June 2020 financial year

Xoli Maphanga, an FNB Commercial (SME) customer, who runs an eatery next to the University of Eswatini needed help to rebuild his shop after his stock was looted and furniture was destroyed during the unrest. FNB extended help with cashflow relief of E100 000 to help him get his business back in operation.

“I didn’t even need to approach to the bank with my problems, FNB reached out to me almost immediately with the desire to help.” – Xoli



E300 000



E1 040 000

ACTIVE DRIVE TO PROMOTE THE MAJORITY OF OUR SPEND TOWARDS LOCAL INVESTMENT AND BUY SWATI

Key cash disbursements within the year highlights the bank’s credit support to customers, funding to the Government and acquisitions of Treasury Bills and Government Bonds. This also includes the staff outflows, the bank’s contribution to the national purse through taxation paid, spend on technology and infrastructure as well as procurement costs.

Key disbursements to 30 June 2021	Eswatini	Foreign
Loans disbursed to customers	E1.3 billion	-
Investment in local securities	E2.5 billion	-
Payments to employees	E180 million	-
Employee tax paid	E37 million	-
Corporate income tax paid	E55.7 million	-
Corporate indirect tax paid	E39.4 million	-
Branch infrastructure improvement	E5.7 million	E10.8 million
Technology services	E5.6 million	E33.3 million
Procurement of goods and services	E60.8 million	E10.0 million

SUPPORTING LOCAL BUSINESS THROUGH ‘BUY SWATI’

The bank’s preferential procurement strategy through the Buy Swati drive saw a total of **E60 814 818** procurement spend prioritised to local suppliers which made up **86%** of procurement spend.

FNB PROVIDES ACCESS TO CREDIT FOR KEY DEMOGRAPHICS

FNB Eswatini continues to recognise the importance of access to credit that is sensitive to sectors of our population that are in greater need of support. There is specific interest in women and youth for products that improve their inclusivity.

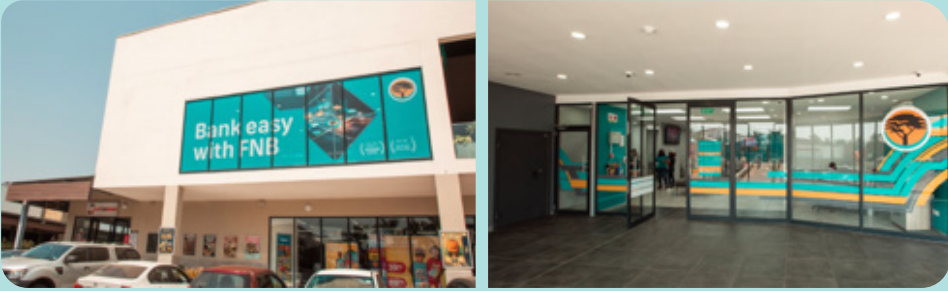


Infrastructure projects to help improve both employee and customer experience

FNB HEAD OFFICE PROJECT

FNB Head Office – A E200 million office block and business hub

On August 12, 2021, FNB broke ground at the site of the upcoming Head Office in Ezulwini. Construction of the project has commenced with a clear intention of ensuring that the Bank's Buy Swati strategy is upheld with 74.8% of the total costs of the construction being prioritised to local contractors.



MANZINI LIFESTYLE BUSINESS CENTRE
A business hub for commercial and corporate clients located in the Manzini area.



MANZINI MAIN BRANCH
The new premises for Manzini Main branch, inclusive of the Cash Centre and IT Centre.





CORPORATE PLACE SELF-SERVICE LOBBY
A self-service centre with 4 ADTS, 2 ATMs and iPads for Online Banking Services.

Investing in Our People

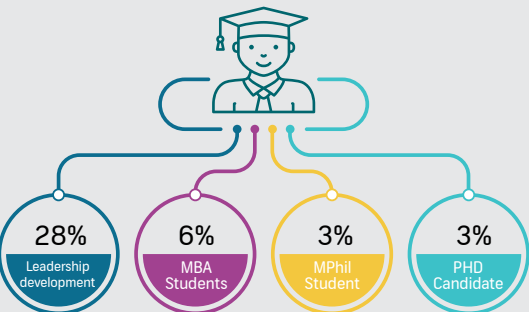
In the two years since the advent of the COVID-19 pandemic, most employers have been compelled to redefine the meaning of 'work', in practical, daily terms, and we have been no exception. As part of the banking sector and a key essential service provider, we have had to find new ways to keep servicing customers through very uncertain times. The civil disruptions in the middle of 2021 created additional tension and uncertainty in an already stressed base. We applaud our employees for their resilience and effort to put customers first, even in the face of some uniquely challenging circumstances. The value to the business, as with the value to the country, lies in our ability to invest decisively and consistently in talent development.

GENDER DIVERSITY

	Male	Female
		
Executive Management	38%	62%
Management	48%	52%
Service Support	30%	70%

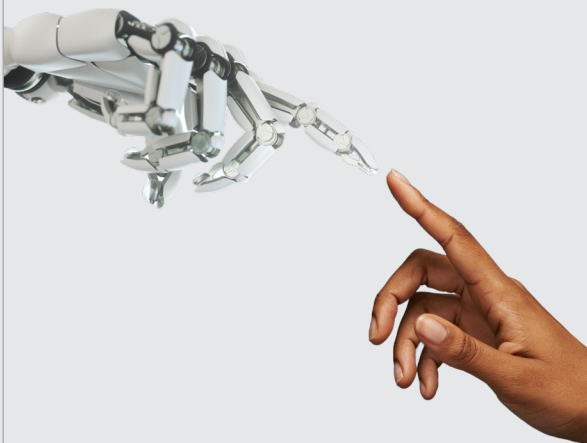
We believe our gender diversity figures are representative of the dynamics of a service business and also demonstrate the progress female talent has made in pursuing opportunities in leadership roles.

LEARNING SUPPORT

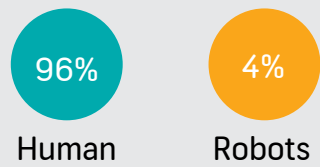


Investing in our people means grooming talent through the provision of leadership development support as well as providing leadership opportunities.

INVESTING IN TECHNOLOGY



Headcount Mix: Humans working with Robots



The bank has introduced Robotic Process Automation to augment identified repetitive work tasks and business processes in order to redeploy affected staff to more cognitive assignments. 4% of the total bank headcount includes Robots.

EMPOWERING WOMEN LEADERS

The concept of elevating women in banking or any senior business role is core to our strategy with the aim of prioritizing diversity and playing a role in creating a sector and a business that mirrors the reality of the world we live in.



Nozipho Zwane
Treasurer
Years with FNB: 1 year

Nozipho has been instrumental in extending our Treasury management capabilities.

She has been a unique addition to the FNB family, and has worked hard in maintaining a demanding work schedule in the midst of travel restrictions that kept her from her husband and children for months. Nozipho holds a BSc in Chemistry and Biology.



Camilla DeSousa
Head of Foreign Exchange
Years with FNB: 2 years

Camilla has led the drive to automate our Forex capabilities and to introduce new products.

In addition to the very sharp financial brain expected of a highly qualified Chartered Accountant, she has used her genuine interest in people to solve complex customer problems, earning her and her team increased turnover in her business unit despite the strain in the economy.

EMPOWERING YOUNG TALENT

FNB Eswatini prides itself in identifying and developing young talent who will grow into roles of influence within the organisation and our society.



Mxolisi Madonsela
Graduate Trainee - Retail

Qualification: MSc in Mathematical Science
Age: 25



Wandile Dube
Operations Manager - Retail

Qualification: BSc Honours in Financial Engineering
Age: 27



Nontobeko Mpila
Deal Maker - Forex

Qualification: BCom in Accounting
Age: 29



Nkosenhle Dlamini
Credit Analyst - Credit

Qualification: BA in Social Sciences
Age: 29



Siphiwo Nkumane
Credit Analyst - Corporate

Qualification: BCom in Economics
Age: 30



Lulama Ndlangamandla
Credit Analyst - Credit

Qualification: BSc in Mathematical Statistics
Age: 31



Wandile Masuku
Deal Maker - Forex

Qualification: BCom in Accounting
Age: 31



Siphesihle Myeni
Payments and Cash Analytics Specialist

Qualification: BSc Honours in Economic Science
Age: 26

STAFF HOME LOANS

We understand the importance of the security that comes with home ownership, and strive to ensure that our people have access to this support through competitive staff rates for home loans.

In the reporting period the bank has issued staff home loans to the value of E16 731 400, with a number opting to take advantage of our Umkhaya Home loan product which assists in home construction on Swazi Nation Land.



DIRECT AID FOR FNB ESWATINI STAFF

In response to the civil unrest, support to staff was given to every FNBER through food vouchers worth E500 per staff member in July 2021 to ensure that staff families were stocked up on groceries.

The bank followed this up with food hampers to the value of E750 which were distributed to all staff in August 2021 to assist with building up their food inventory during social disruption.



Investing in Our Environment

FNB Eswatini is committed to the effective management of environmental and social risks of its lending and investment decisions.

CLIMATE CHANGE

Climate change is one of the defining issues of this century that warrants the need for heightened scrutiny and enhanced mitigation efforts from government, business and society. FNB is focused on developing strategies, building appropriate capabilities and integrating climate change considerations into our business plans and processes.

Immediate focus areas include:



Supporting our clients to manage their climate risks



Managing or lending portfolios to ensure reduced climate outcomes



Prudent Risk Management of climate risk



Commitment to mitigating FNB's direct climate impact

INVESTING IN A CLEANER ESWATINI

FNB Eswatini is committed to supporting a cleaner Eswatini. There are opportunities to collaborate with other organizations that shall be exploring to help create an environmentally friendly Eswatini and also generate employment opportunities for locals.

It is our hope that youth groups in communities that need some environmental interventions will take the lead and seek collaboration with the bank and other partners in creating local solutions to environmental challenges.



ENVIRONMENTAL IMPACT ASSESSMENT

In a bid to reinforce the bank's commitment to the management of environmental impact, FNB Eswatini's Environmental and Social Risk Assessment (ESRA) due diligence process is embedded into its credit risk governance. Before credit is issued to a client, the bank will identify and assess the direct environmental and social risks that may be associated with the client and their activities, in order to identify what indirect environmental risks the bank may face by providing credit to the client, and how well the client manages this risk. Requests for lending are taken through an ESRA tool used to check whether environmental and social risks are applicable to the transactions and whether the activity is categorized as a high, medium or low risk.