



ANNUAL REPORT – FINANCIAL 2023-24





Welcome to Baroda
A bank for everyone

Let's do banking
together.

Bank of Baroda Botswana   www.bankofbaroda.co.bw 

A Bank for Everyone
Convenience banking

Bank of Baroda Business account offers many benefits with convenient banking, low transactions fees, High transparency, free debit card facility and many more facility

About this report

This report comprised the annual report and financial statements of Bank of Baroda (Botswana) Limited for the financial year under review from 1 April 2023 to 31 March 2024.

Scope and boundary

This report covers material information about the financial, economic, social and environmental performance of Bank of Baroda (Botswana) Limited for the financial year ending 31 March 2024. Where applicable and relevant, information after this date and up to the date of Board approval has been included. This report provides insights into matters of importance to our stakeholders, highlighting how the Bank is governed, the material matters we identified and the risks and opportunities that could impact our business in the short, medium and long term.

Reporting principles and frameworks applied

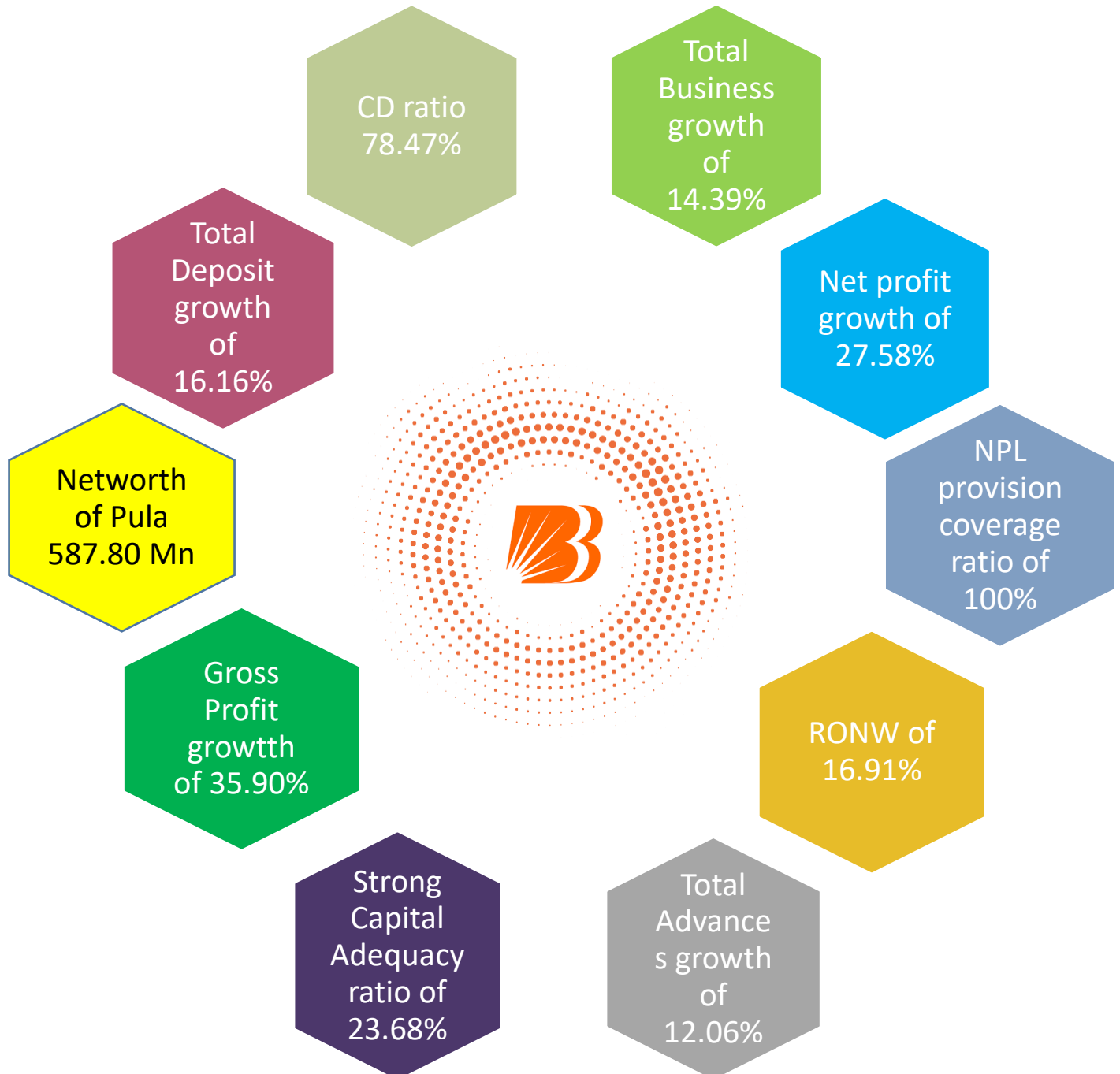
Licensed by the Bank of Botswana according to the provisions of the Banking Act (Cap 46.04, section 4), Bank of Baroda Limited is governed by the banking laws of Botswana, which are in place to support financial stability. The content of this report has also been informed by:

- International Financial Reporting Standards (IFRS)
- The Botswana Companies Act, as amended (Companies Act)
- The King III Code of Corporate Governance
- International Integrated Reporting Framework (<IR> Framework) of the IFRS Foundation

Sources of information

Information contained in the report is derived from the Bank's internal resources and information available in the public domain.

PERFORMANCE AT A GLANCE



Six Capital



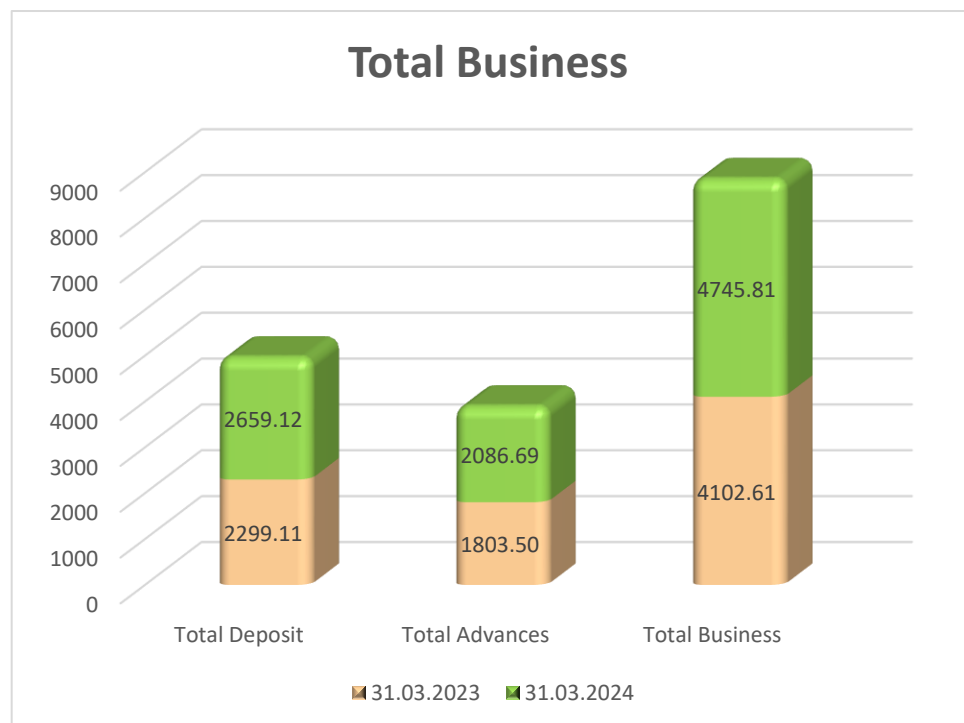
Six Capital: - In today’s rapidly evolving and interconnected financial environment, achieving sustainable value creation necessitates a comprehensive approach that balances both financial and non-financial aspects of performance. At Bank of Baroda (Botswana) Limited, we adhere to the principles of the International Integrated Reporting Framework, which highlights the importance of six capitals: Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural. These capitals represent the critical resources and relationships that drive our capacity to create enduring value and achieve our strategic objectives.

By effectively managing and harmonizing these capitals, we enhance our resilience, foster innovation, and promote sustainable growth for all stakeholders. Each capital plays a distinct yet interconnected role in shaping our ability to respond to market challenges, capitalize on emerging opportunities, and align with global sustainability goals. Our efforts to integrate these capitals into our operations enable us to optimize resource allocation, enhance operational efficiency, and drive impactful outcomes across economic, social, and environmental dimensions.

Our strategic approach prioritizes leveraging these capitals to address the diverse needs of our customers, employees, investors, and communities, while reinforcing our dedication to environmental sustainability and social responsibility. Through innovation, collaboration, and a long-term perspective, we strive to create shared value and contribute meaningfully to the well-being of society and the planet. The following sections outline our key initiatives and achievements for the year, demonstrating how each capital has contributed to our progress and aligned with our long-term vision for sustainable growth.

FINANCIAL: Our financial capital reflects the strength and stability of our operations, enabling us to generate sustainable value for our stakeholders. Through prudent financial management, enhanced profitability, and a strong balance sheet, we continue to build resilience and deliver consistent returns. This year, our focus on optimizing costs and improving operational efficiency has resulted in robust growth, solidifying our position as a trusted financial partner.

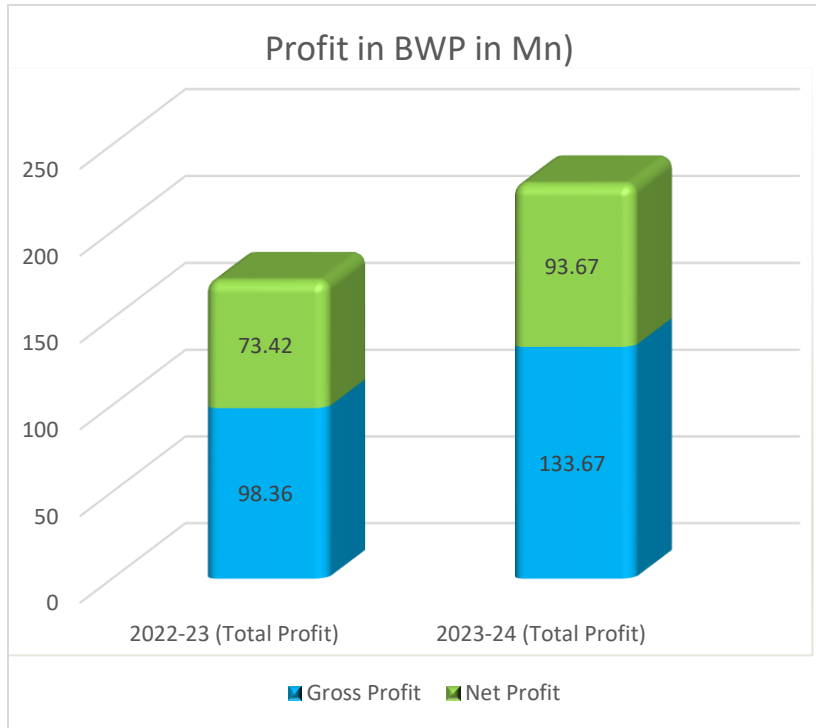
Our financial capital underpins the sustainable growth and stability of our business operations, enabling us to deliver value to all stakeholders. This year, we recorded a good increase in gross profit, driven by a diversified revenue base, prudent risk management, and effective cost optimization strategies. We maintained a robust capital adequacy ratio, underscoring our financial resilience. Additionally, our commitment to robust underwriting and disciplined lending practices with a focus on maintaining a



Six Capital



healthy asset quality has ensured the continued trust of our investors and customers. As we move forward, we



aim to expand our revenue streams while remaining focused on operational efficiency and capital optimization. The bank converted the financial capital into business growth of 14.32% compared to the previous year, and all other financial performance indicators such as profit and financial position have also improved compared to the previous year. For more details, see the detailed financial statements on page 18.

Gross profit of Bank has reached to P 133.67 Mn as at 31.03.2024 as against previous year profit of P 93.67 Mn and net profit of the bank has reached P 98.38 Mn as against P 73.42 Mn as on 31.03.2023. Bank keep continue focusing on venturing in high yield assets and endeavour is being made to contain slippages. Bank

registered 18.95% growth in non-interest income, ROA stood at 3.04 and RONW stood at 16.91 as at 31.03.2024.

Manufactured: - Our manufactured capital encompasses the physical and digital infrastructure that forms the backbone of our service delivery. We have invested significantly in upgrading our IT hardware & infrastructure to enhance operational efficiency and customer experience. Bank upgraded all existing ATMs enabling to offer new features such as cash on mobile facility, Mobile banking registrations/deregistration directly from ATMs and enabled anti-skimming devices features in all our ATMs and provided various new features on digital platforms ensures seamless banking services across diverse geographies.

These investments support our vision of delivering reliable and accessible financial solutions, leveraging advanced technology to meet the evolving needs of our customers. By integrating advanced technologies like



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AI and machine learning into our systems on our Chat boat feature available on Bank website, online lead generation for account opening on Bank website, we have streamlined back-end operations and improved customer experience. Our focus remains on leveraging cutting-edge infrastructure to meet evolving customer expectations while ensuring operational excellence."

Intellectual: - Intellectual capital is a key enabler of our competitive differentiation and innovation. We



introduced advanced analytics platforms in compliance department that provide actionable insights to effectively monitor the alerts and enhance decision-making. Our commitment to digital transformation was evident in the launch of innovative products such as AI-powered chatbots facility, EFRMS system for early detection of Debit card-related fraud transactions, customized mobile banking & Internet banking platform offering various new features. Additionally, we fortified our cybersecurity framework to safeguard customer data and ensure compliance with regulatory requirements. By continuously nurturing our intellectual assets, we remain agile and prepared to meet future challenges. With these digital initiatives, the

bank is pushing its idea of enhancing the availability of its products and services with a view to ensuring customer satisfaction with prompt delivery.

Human: - Our human capital represents the talent and dedication of our workforce, which is pivotal to our success. This year, we invested extensively in employee training programs, focusing on upskilling in areas such as digital banking, compliance, Cyber security and various on-job training program related to operations, customer service, bank products and services etc. Bank introduced group life insurance cover for all staff members apart from Personal Accident insurance scheme in order to enhance Employee Well-being and financial securities to their family members. Our people are the heart of our organization, driving our success through their dedication, expertise, and customer-first mindset. We prioritize employee development



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through targeted training programs, leadership initiatives, and a culture of inclusivity.

The Bank has competent staff with competences on banking products spanning over 24 years in Botswana and more than 100 years in India and its draws them from the pool of experts in the field to bring insight here and develop tailor made products to a particular environment drawing inspiration from other countries/banks. Bank introduced Staff suggestion scheme to foster the culture of innovations, Banks keep facilitating employees of month rewards to best performing employees in order to motivate other staff members to render excellent services to customers. Bank conducted annual employee's facilitation program, wherein employees shown exemplary performance is rewarded in the event.

Social & Relationship: - Our Social and Relationship Capital highlights our unwavering commitment to building trust and cultivating meaningful connections with stakeholders. Over the past year, we have reinforced our customer relationships by enhancing service delivery, launching innovative products tailored to their expectations, and continuously upgrading features on our digital banking platforms. Our customer-first approach, grounded in trust and transparency, remains central to our efforts, ensuring we are a reliable partner in their financial journey.

This year, we actively contributed to community development through initiatives focused on education, healthcare, and environmental sustainability.

Key activities included wheel chair distribution to needy people, tree plantation drives and the distribution of food hampers to support underprivileged communities in rural areas. In collaboration with local organizations, we delivered impactful programs that addressed societal needs while fostering goodwill and inclusivity.

By nurturing meaningful connections, we continue to strengthen our role as a socially responsible institution, committed to driving positive change and delivering long-term value for the communities we serve.

By fostering open communication and engagement with our stakeholders, we continue to build enduring relationships based on mutual respect and shared progress. We also actively engaged with Corporates and entrepreneurs and individual customers to create awareness of new and existing products offered by the bank, to



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create awareness about recent changes in regulatory guidelines. By fostering transparency and accountability, we continue to strengthen our reputation as a responsible corporate citizen.

Social & Relationship Capital embodies the trust and goodwill we have built over the years with our stakeholders. By cultivating trust and collaboration, we not only strengthen our bonds with stakeholders but also create a positive and lasting influence on the communities we serve.

Natural: - Natural capital represents our commitment to environmental sustainability and responsible resource management. We recognize our responsibility to minimize environmental impact and contribute to sustainable

development. This year, we reduced our carbon footprint by adopting energy-efficient technologies across our offices and branches. Our transition to paperless processes, including e-statements, green pin initiatives and provided facility to individual customers to register / deregister themselves for mobile banking facility on various ADC platforms including ATMs instead of submitting physical applications to branches has significantly reduced paper consumption.

Bank of Baroda (Botswana) Ltd

Installation of
Photovoltaic Solar Panel at houses
For domestic use

- Covered under housing loan scheme
- **Competitive Rate of interest**
- Cost of installation: BWP 39.50/day on an investment of **BWP 100,000**

Contact nearest branch for more information. **Terms & Conditions Apply.**

Bank of Baroda Botswana www.bankofbaroda.co.bw

A Bank for Everyone
Convenience banking

Bank also introduced green financing solutions by way of offering Solar panel facility to home loan borrowers on concessional interest rate to promote sustainable finance. Bank strives to use minimum power by switching off the appliances & lights off, when not in use and no one is in the office to save power. Bank has formulated ESG approach paper in order to effectively assess the ESG risk in overall portfolio of Bank in Botswana. By aligning our practices with global sustainability goals, we are playing a proactive role in addressing environmental challenges and promoting sustainable development.

We recognize our responsibility to minimize environmental impact and contribute to sustainable development. By embedding environmental considerations into our strategies, we reaffirm our commitment to a sustainable future.

The Bank has taken a renewed business model that analyses compliance requirements, prioritizes their importance to the business, applied that appropriate control and monitors the system consistently

Annual Report – 2023-24**CHAIRMAN STATEMENT**

Dear Stakeholders,

It is my privilege to share with you the annual Report the overall developments in the economy, banking sector and journey of Bank of Baroda (Botswana) Limited thereafter referred to as “the bank” in FY 2023-24.

Global Economy

In the financial year ending 31st March 2024, the global economic landscape remained dynamic, presenting both challenges and opportunities. Despite ongoing obstacles such as geopolitical tensions, inflationary pressures, and tightening monetary policies from major central banks, the global economy showed signs of recovery. While advanced economies faced moderated growth due to higher interest rates and subdued consumer demand, emerging markets demonstrated resilience, fueled by strong domestic consumption and improved exports.

Although global inflation eased compared to previous years, it continued to influence central bank actions, prompting a carefully measured approach to interest rate adjustments. The energy market remained relatively stable, with a growing emphasis on the transition to renewable energy influencing investment flows and policy direction.

Trade and investment patterns reflected cautious optimism, as global supply chains gradually recovered from past disruptions. Technological advancements and digital transformation continued to reshape industries, enhancing efficiency and innovation across sectors. The rising focus on sustainability and ESG (Environmental, Social, and Governance) principles guided both corporate and governmental strategies toward long-term resilience and growth.

In this evolving environment, the financial services sector navigated a range of challenges, adapting to changing regulatory frameworks and shifting customer preferences. As global liquidity conditions tightened, financial institutions concentrated on strengthening capital adequacy and improving operational efficiency to sustain growth.



GOLEKANYE SETUME

Looking ahead, the outlook remains cautiously optimistic, supported by proactive fiscal policies,

emerging growth opportunities in green technologies, and the gradual resolution of key macroeconomic challenges. Our organization is committed to adapting to these complexities with agility and foresight, aligning our strategies with the evolving global environment, and delivering sustainable value to all our stakeholders.

According to the International Monetary Fund’s (IMF) World Economic Outlook for October 2024, global growth is projected to remain steady at **3.2%** in both 2024 and 2025, consistent with the growth rate observed in 2023. In advanced economies, growth is expected to rise slightly from **1.6%** in 2023 to **1.7%** in 2024, and further to **1.8%** in 2025.

Emerging market and developing economies are expected to experience a modest slowdown, with growth rates declining from **4.3%** in 2023 to **4.2%** in both 2024 and 2025. However, Emerging and Developing Asia is projected to maintain robust growth, rising from **5.3%** in 2023 to **5.4%** in 2024. In Sub-Saharan Africa, growth is expected to increase from **3.4%** in 2023 to **3.8%** in 2024, with nearly two-thirds of the countries in the region anticipating higher growth rates

DOMESTIC ECONOMY AND BANK PERFORMANCE FY - 2023-24

Botswana’s economic outlook for the fiscal years 2024-2025 reflects a period of deceleration, largely driven by challenges in the diamond industry, which is a cornerstone of the nation’s economy. The International Monetary Fund (IMF) forecasts a slowdown in Botswana’s economic growth to **1%** in 2024, down from **2.7%** in 2023 and **5.5%** in 2022. This

Chairman Statement

decline is primarily attributed to a contraction in the diamond market, where reduced global demand has led to lower production and sales.

Inflation has sharply decreased since its peak in mid-2022, returning to the Bank of Botswana's medium-term target range of **3-6%**. It is expected to remain within this range in the near term, offering a more stable pricing environment.

To address the economic slowdown, the government has implemented expansionary fiscal policies, including increased public spending on infrastructure projects. These initiatives are designed to stimulate economic activity and help mitigate the downturn in the diamond sector.

In light of the risks associated with over-reliance on diamonds, Botswana is stepping up efforts to diversify its economy. Potential growth areas include the mining of other minerals, beef production, tourism, solar energy, and financial services. These sectors are targeted to help build a more resilient economic structure that is less vulnerable to fluctuations in the diamond market.

While the immediate economic forecast indicates a slowdown, growth is expected to rebound in the following years, averaging around **5%** over the next two years. This recovery is anticipated to be driven by improved conditions in the diamond market and the successful execution of economic diversification strategies.

For the financial year 2023-2024, the Bank reported positive growth of approximately 14.32%. Total deposits grew by 16.16%, and total advances increased by 12.06% compared to the previous year. The gross Non-Performing Loans (NPLs) ratio stood at 1.34% as of March 2024, with the Bank's NPL provision coverage ratio at 100%. The Bank's Credit-Deposit (CD) ratio was 78.47% as of 31 March 2024, and the Capital Adequacy ratio stood at 23.68%. The Bank remains committed to supporting the people of Botswana by providing financial assistance across various sectors of the economy.

TECHNOLOGY AND INNOVATION

The bank has upgraded all existing ATMs in order to enable Anti-skimming features, Cash on mobile facility, registration/ de-registration for M-connect facility through ATMs. Bank has introduced various new features on Internet banking and mobile banking

platform i.e. self-registration, makers-checkers facility, cash on mobile facility, cross currency transfer etc. In order to effectively monitor the alerts, Bank implemented robust alert monitoring system post execution of transactions by customers and enabled facility of automatic risk profiling of customer throughout the life cycle of customers. Bank has implemented Fraud risk management solution related to debit card transactions and moving ahead to implement the same on Internet banking and mobile banking transactions. Bank is pushing its idea of enhancing the availability of its products and services with a view to reducing dependency on physical branches and ensuring customer satisfaction with prompt delivery of services by way of offering QR code facility to customer in coming financial year.

CORPORATE GOVERNANCE

At Bank of Baroda (Botswana) Limited, we are committed to maintaining high standards of corporate governance and ensuring full compliance with all applicable laws and regulations. We recognize that this commitment is essential to ensuring long-term sustainability and preserving the trust of our stakeholders. Our governance framework promotes accountability, transparency, and ethical behavior across all levels of the organization. In line with our dedication to transparency, we continue to strengthen our risk management practices, compliance processes, and internal controls, ensuring effective risk mitigation while delivering value to our stakeholders. The Board plays a vital role in guiding the strategic direction of the Bank, and we are devoted to creating an open and collaborative environment. Our organizational culture is built on collaborative growth, customer-centric values, and responsive, responsible corporate governance.



Yours Sincerely
Golekanye Setume
Chairman

Managing Director Statement

MANAGING DIRECTOR STATEMENT

DEAR STAKEHOLDERS,

It's my pleasure to present to you the performance of your bank for the financial year 2023-24. The Bank's performance for the financial year 2023-24 is an exemplification of customer centricism, diversification of portfolio with more focus on high yielding retail assets growth and sustained focus on leveraging technology for customized banking experience. The financial year 2023-24 was marked by a dynamic operating environment, shaped by evolving economic conditions, technological advancements, and shifting customer expectations. Amidst these complexities, we remained steadfast in our commitment to innovation, operational excellence, and customer-centricity. Our focus on strategic agility, strong governance, and resilience has enabled us to navigate uncertainties, achieve sustainable growth, and reinforce our position as a trusted financial partner in Botswana. As we look ahead, we are poised to build on our successes, embrace new opportunities, and continue driving inclusive growth for our customers, employees, and communities.

FINANCIAL PERFORMANCE

Overall, FY-23-24 was a good year for the Bank in terms of performance and growth as the Bank witnessed improvement in almost all major financial key business parameters. The Bank constantly worked on its strength and objectivity resulting positive growth of about 14.32 % during the year. This year net profit of the Bank stood at P 93.67 mn. for the year showing a positive growth over last year mainly due to increase in interest income in Loans and advances.

Let me also share with you the other key financial highlights of your bank for the financial year ended 31.03.2024.

- ❖ The total business of the Bank grew by 14.32% during the year. The total Deposit grew by 16.16%. This was majorly attributed to the number of accounts opened during various campaign launched during the year & initiatives taken by bank to provide various new features on ADC platform such as cash on mobile facility, cross currency transfer facility on mobile banking, maker/checker facility on Internet banking platform, enhancement in per transactions, daily limit on Mobile banking and internet banking platform etc.



SANJAY JOSHI

- ❖ The total advances of the bank grew by 12.06% during the year and reached to level of P 2086.69 Mn, which help to maintain healthy CD ratio of 78.47 % as on 31 March 2024.
- ❖ The business of the Bank reported positive growth of about 14.32 % during the year. Bank committed to focus on diversifying its retail book and focus has given to generate growth in retail loan under housing / Personal / Auto loan segment.
- ❖ Capital Adequacy ratio stood at 23.68 % against regulatory requirement of 12.50%, Net profit of the bank grown by 27.58% over previous year.
- ❖ The gross NPL of bank stood 1.34% and Net NPL is zero.

DIGITAL INNOVATION

- The bank has upgraded its digital banking channels in order to ensure convenient, efficient and fast services to Bank's esteemed customers. Bank is continuously leveraging technology & offering various new features on ADC channel such as Apply debit card, Hotlist Debit card, Set debit card PIN and Manage Debit card through Mobile Banking, Self-registration through FEBA I banking, Maker/checker facility on FEBA I Banking, Cross currency self-account transfer through FEBA, Salary bulk upload within BOB, M-connect registration from ATM and FEBA-I-Banking, Cash on Mobile facility on M-connect platform, Automated EFT acknowledgement, Automated SWIFT acknowledgement, Online lead generation for opening current and Saving account from Bank web site etc. Bank has also implemented features of instant blocking of their debit card through mobile banking in case they

Managing Director Statement

- lost their debit card.
- Bank has implemented Chat bot facility on bank web site to resolve the queries of customers related to products and services and provide features of online submission of request for account opening through web site.
 - To further strengthen its operational & risk functions, the bank upgraded its risk, compliance system through technological innovations and enhancing its core banking system provisions. Bank implemented Fraud risk management solution in order to mitigate risk related to Debit card fraud. These changes made the Bank's internal process more robust in terms of efficiency and effectiveness, hence delivering more value to all its stake holders with compliance to regulatory guidelines.
 - Bank upgraded existing ATMs enabling feature of anti-skimming and introduced various new features such as M-connect registration/ de-registration from ATMs, Cash on mobile facility, enable feature of dispensing small denomination currency etc.
 - The bank is pushing its idea of enhancing the availability of its products and services with a view to ensuring customer satisfaction with prompt delivery.

CONCLUSION

Botswana's economic outlook holds promise for brighter years ahead, with financial institutions maintaining robust capital and liquidity levels and demonstrating strong profitability. The Bank's capital position remains sound, reflecting its resilience and stability.

Economic growth in Botswana is projected to slow to 1% in 2024, down from 2.7% in 2023, largely due to a decline in diamond production and weaker global demand. However, growth is anticipated to rebound to 4% in 2025 as the diamond market recovers. The International Monetary Fund (IMF) has adjusted its 2024 growth forecast for Botswana downward from 3.6% to 1%, highlighting the significant impact of the diamond industry downturn.

To address these challenges, the government is implementing proactive measures to diversify the economy and reduce its reliance on diamond revenues. These efforts include strengthening public finance management, reforming the business environment, and advancing the Transitional National

Development Plan. These initiatives aim to stimulate growth in other sectors and build economic resilience. Inflation is expected to remain within the central bank's objective range of 3–6% as the economy continues to operate below full capacity.

I extend my heartfelt gratitude to the Board, the management team, and all staff members for their unwavering commitment to serving our customers and creating shareholder value with care, competence, and dedication.

Additionally, I wish to express my sincere appreciation to the Government of the Republic of Botswana, the Bank of Botswana, regulators, and all stakeholders for their invaluable guidance and steadfast support in strengthening the Bank's operations. Together, we remain focused on achieving sustainable growth and excellence in all we do.

I extend my good wishes to each one of you.



Your sincerely
Sanjay Joshi
Managing Director.

Board Members & Senior Management



(Mr. Golekanye Setume- INED & Board Chairman)

Mr. Golekanye Setume is appointed as an Independent Non-Executive Director in the Board of Bank on 15.01.2019 for a period of three years and reappointed for further period of 3 years. He holds Master of Business Administration, BED, Master Degree in professional development from Northern college, Diploma in secondary education from University of Botswana.



**(Mr. Shathiso Toto Nlebgwa)
INED**

Mr. Shathiso Toto Nlebgwa is appointed as an Independent Non-Executive Director in Board of Bank on 13.01.2020 for a period of three years and reappointed for further 3 years & subsequently his tenure is extended for another term of 3 years. He holds Bachelor of Law, Master of Business Administration, Certificate in Compliance Management, Attorney. He is also member of Law society of Botswana since November 2010. He has rich experience in Corporate Governance, Legislative Drafting, Negotiating and Managing Commercial contract, Risk Management.



**(Mr. Suresh Vishwanath)
INED**

Mr. Suresh Vishwanath is appointed as an Independent Non-Executive Director in the Board of Bank on 20.05.2022 for a period of three years in the Board of Bank. He holds Chartered Accountant Degree from Indian Institute of Chartered Account, Bachelor Degree in Commerce. He was also Independent Non-Executive Director in Board of erstwhile State Bank of India (Botswana) Ltd. He has 13 years of experience working on Top Management position in ICICI bank in India.



**(Ms. Anamika Singh)
INED and Dy. Chairlady**

Ms. Anamika Singh is appointed as an Independent Non-Executive Director in the Board of Bank on 03.02.2020 for a period of three years and reappointed for further 3 years. She holds Bachelor degree in Science (Chemistry Hons), Master in Business Leadership, Post Graduate Diploma in Strategic Management, Post Graduate Diploma in Marketing Management and Diploma in Training and Assessment.



**(Mr. Joydeep Dutta Roy)
NED & Related party director**

Mr. Joydeep Dutta Roy is appointed as a related Party Non-Executive Director in the Board of Bank on 01.08.2021. He holds degree in Master of Business Administrations, Bachelor in Economics, Diploma in Personal Management and Industrial relations, Bachelor of Law. He is also an Executive director in Bank of Baroda, India. He has very rich experience almost 25 years working in Bank, presently he is heading various portfolios i.e. Retail Assets and Liabilities, Digital lending business, financial accounts and reporting, ESG, Investors relations, Strategic planning and performance budgeting, Chief Economist, Wealth Management, Capital market and NRI business, Subsidiary relationship, Risk Management, Fraud Risk management in Bank of Baroda, India.



**(Mr. Collin Ndlovu)
INED**

Mr. Collin Ndlovu is appointed as an independent Non-Executive Director in the Board of Bank on 25.04.2023 for a period of 3 years. He holds qualifications such as Qualified chartered certified account (FCCA), Chartered Management Accountant (FCMA), Certified Internal Auditor (CIA), Certified Fraud examiner (CFE) and Certified Information System Auditor (CISA) and possessing extensive experience in financial accounting, Financial management, Management accounting, Risk Management and Internal auditing with wide range of experience in Internal control, Fraud risk management, Taxation and Entrepreneurship and small business management.

Board Members & Senior Management



(Mr. Veerabhadra Prasad Pallapothu)
INED

Mr. Veerabhadra Prasad Pallapothu is appointed as an independent Non-Executive Director in the Board of Bank on 25.04.2023 for a period of 3 years. He holds qualifications such as Fellow Chartered accountant (FCA), Associate cost and Management accountant (ACMA), Chartered Accountant (CA-Intermediate), Master of commerce (M. Com.), Bachelor of Commerce (B. Com.).



(Sanjay Joshi)
Managing Director

Mr. Sanjay Joshi is appointed as a Managing Director of Bank on 05.05.2022. He holds Bachelor Degree in Commerce, JAIIB, CAIIB and Diploma in Electrical Engineering and Diploma in Computer Hardware Engineering. He has very rich experience almost 25 years working in bank handling position of Regional Head, Head of Planning, Head of Accounts and operations, Head of Retail Banking, compliance, Marketing while working in UAE operations of parent Bank and having exposure of Branch head & credit head at various location in Bank in India.



(Mr. Gomolemo Tshupo)
CFO and Executive Director

Mr. Gomolemo Tshupo is appointed in Bank as a Chief finance officer since 17.05.2021 and appointed as an executive director in the board of bank from 01.11.2023. He holds Bachelor degree in Finance from University of Botswana and is member of ACCA. He has over 3 years' experience working in Bank. He also 3 years' experience working as an External auditor in BDO Services.



(Todzani Matatu)
INED

Ms. Todzani Matatu appointed as an independent Non-Executive Director in the Board of Bank on 15.12.2023 for a period of 3 years. She holds post-graduation in Master of Business administration, PG certificate in enterprise risk management, Diploma in Marketing, Certificate in Management Studies & completed Management development program. She has almost 17 years of experience working in various banks at different positions.



(Mr. Madan Mondal)

Sr. Management (Head Credit Monitoring)

Mr. Madan Mondal appointed as a Head Credit Monitoring in the bank on 21.01.2023. He holds bachelor degree in commerce, Junior Associates of Indian institute of Bankers (JAIIB), Certified Associates of Indian Institutes of Bankers (CAIIB), Certified Anti-Money laundering specialist (CAMS), Moody's analytics certificates in commercial credits, Certified Bank's trainer certificate from Indian Institute of Banking and Finance. He has almost 15 years of rich experience working in the Bank handling various important positions.

Board Members & Senior Management

**(Mr. Sanjay Rana)****(Sr. Management and Head Centralized credit processing cell)**

Mr. Sanjay Rana joined bank as a Head CPC (Centralized Processing Cell) on 10.03.2021. He has reach experience in Banking Industry of 16 years. He holds Master degree in Business Administration, Junior Associates of Indian Institute of Bankers (JAIIB), Certified associate of Indian Institute of Bankers (CAIIB) and Certified Credit professional.

**(Mr. Rakesh Kumar Singh)****(Sr. Management – Chief Audit Executive)**

Mr. Rakesh Kumar Singh joined bank as a Chief Audit Executive on 13.12.2023. He holds Bachelor Degree, Junior Associates of Indian Institute of Bankers (JAIIB), Certified Associate of Indian Institute of Bankers (CAIIB). He has 17 years of experience working at various positions in Bank. He has 5 years of experience working in Internal Audit department in parent bank in India wherein he performed audit of Corporate Financial services branch, Mid Corporate financial branch and various other big size branches in India.



Savings Accounts.

Choose from our wide range of Savings Accounts



Our Mission: To maximize customer satisfaction through well trained staff and strive to establish a mutually beneficial and long-term business relationship



We are the difference you deserve.

The number one stop for **customized, convenient and low cost banking.**

Banking at low cost.
Convenience banking

Our Vision: To be most respected and preferred mid-size bank, striving to enhance stakeholders' value with Care, Concern and Competence

Glimpses of some events

Donation of food hampers to needy people in Mmanoko village



Donation of Wheel chairs to needy people in Mmanoko village



“Together, we are stronger: By embracing collaboration and unity, we create a thriving, supportive environment where every team member contributes to our shared success.”

Corporate Social Responsibility

Tree Plantation in Gaborone in LKC college on the Foundation Day of parent bank



Donation of trees and Trees Plantation in Francis town in Nyangabgwe Hospital



Our commitment to Corporate social Responsibility drives us to be a force for positive change in the community we serve. We believe that by investing in sustainable and inclusive initiative, we not only strengthen our business but also create lasting value for society

Marketing Activities & Team building Activities

PARTICIPATION IN INTERNATIONAL YOGA DAY EVENT

Bank of Baroda (Botswana) Limited in association with High Commission of India to Botswana arranged International Yoga Day program, wherein around 500 peoples graced the event.



Team Building Activities of Staff members & Participation of Staff member in Diacore marathon



KNOW YOUR BANK

Background

Bank of Baroda (Botswana) Limited was incorporated in Botswana on 17th August 2000 as a Company with limited liability under the Companies Act (CAP 42:01) and was licensed as a Commercial Bank on 06th September 2000 under Section 6 of the Banking Act, 1995. The Bank is wholly owned subsidiary of Bank of Baroda, India. It started its operations by opening its first branch at Acumen Park, Plot 50370, Fairgrounds, Gaborone, Botswana on 26 March 2001. The Bank shifted to the existing premises at A.K.D. House, Lot 1108, The Main Mall, Gaborone in January 2005. The second branch of the Bank was opened in Francistown on 5 Dec.2007. The third branch of the Bank was opened in Gaborone Industrial Area (G-West) on 22Feb 2013. Fourth branch of the Bank was opened in Palapye on 16 Mar 2020.

- Bank has presently seven ATMs, out of which four ATMs are onsite ATMs and 3 ATMs are offsite ATMs.
- The Bank continues to be engaged in the business of commercial banking and provides a wide array of financial services.
- Given a capital adequacy ratio of 23.68 % as at 31 March 2024 as against the regulatory requirement of 12.50%, the Bank is in a comfortable position and has the requisite risk-bearing capacity. It is keen on improving it further to expand its assets base.
- Bank has been monitoring maintenance of liquidity ratio on a daily basis and has been in compliance of the mandatory requirement of 10%.
- Bank has also complied with the maintenance of CAR stipulated by Bank of Botswana from time to time. Bank has complied with the reporting requirements of Financial Intelligence Agency (FIA) and is reporting cash transactions and IFTs, EFTs to FIA as per the Agency's requirements

Risk Management Systems

The major customer centric risk mitigating measure adopted by Bank are:

- Well, laid down Business Continuity plan – with time tested mock drill exercises adopted
- Robust Risk based Internal Audit Process coupled with Monthly/ bi-Monthly/ and Yearly system & operations audit;
- Stress testing in area of Credit and Market risks are being carried out on regular intervals
- The Bank has a robust core Banking system (CBS- Finacle). This is transactions system based on-
 - Maker-Checker/ Four Eye principal concept there by mitigating the risk of frauds to a large extent, and
 - Bio-Matric authentication of Staff members having user access in Finacle system in order to enhance the security.
- Bank has robust risk management framework that encompasses all aspects of the business, including credit, market, operational, liquidity, and reputational risks.
- Bank has system in place for continuous monitoring and reporting processes to ensure risks remain within acceptable levels and that corrective actions can be taken when necessary.
- Bank is committed to complying with all regulatory requirements and industry standards in its risk management practices
- Bank keeps providing training to all its employees on various to foster a risk-aware culture throughout the organization.
- 24 Hours CCTV coverage at all the branches
- Full time Security personnel are deployed at all the branches

OUR PRODUCTS

PERSONAL BANKING

Deposit	Loans	Services
<ol style="list-style-type: none"> 1. Saving Deposit Account 2. Fixed Deposit Account 3. Transactional Banking 4. Isago Savings Account 5. Premium Saving Account 6. Motswedi Account 7. Poelo Savings 	<ol style="list-style-type: none"> 1. Personal Loan 2. Auto Loan 3. Asset Based finance (Home/Mortgage Loan/FRR) 4. Loan to Government Employees 5. OD/ Loan against Bank own Deposit 6. Overdraft 	<ol style="list-style-type: none"> 1. Electronic Fund transfer 2. Internet Banking 3. Mobile Banking 4. Remittance- Domestic and Cross boarder 5. Rapid Fund to India 6. RTGS 7. Individual Debit Card 8. 24x7 ATM facility at 7 locations 9. Missed Call facility

CORPORATE BANKING

Deposit	Loans	Services
<ol style="list-style-type: none"> 1. Current Account 2. Fixed Deposit Account 3. Call Account 4. Deposit at Notice 5. Transactional Banking 6. Privilege Current Account 7. Foreign Currency Deposit 	<ol style="list-style-type: none"> 1. Term Loan 2. Overdraft 3. Auto Loan 4. Asset Based finance (Home/Mortgage Loan/ Commercial Property Loan) 6. SME Loan 7. Forward Contract facility 8. Loan against SBLC 9. LC/ BG facility 10. OD/ Loan against Bank own Deposit 11. Working capital finance against SBLC 12. Solar panel financing for home loan borrower 	<ol style="list-style-type: none"> 1. Electronic Fund transfer 2. Internet Banking 3. Mobile Banking 4. Remittance- Domestic and cross boarder 5. Rapid Fund to India 6. RTGS 7. Business Debit Card 8. 24x7 ATM facility at 7 locations

FUND TRANSFER FACILITY

1. Rapid Fund to India
2. Domestic Fund transfer through EFT/ RTGS
3. Foreign Currency Fund Transfer facility in ZAR/US\$/GBP/EURO/AUD/INR
4. Foreign Exchange services to buy and sell Foreign Currencies
5. Cash on Mobile Facility through mobile banking applications

CORPORATE INFORMATION

Board of Directors	Mr. Golekanye Setume : Board Chairman & Independent Non-Executive Director Ms. Anamika Singh : Independent Non-Executive Director Mr. Shathiso Nlebgwa : Independent Non-Executive Director Mr. Suresh Vishwanath : Independent Non-Executive Director Mr. Joydeep Dutta Roy : Related party Non-Executive Director Mr. Sanjay Joshi : Managing Director Mr. Veerabhadra Prasad Pallapothu : Independent Non-Executive Director Mr. Collen Ndlovu : Independent Non-Executive Director Ms. Todzani Matutu : Independent Non-Executive Director Mr. Gomolemo Tshupo : CFO and Executive Director
BOARD AUDIT COMMITTEE	Mr. Suresh Vishwanath : Chairman & Independent Non-Executive Director Mr. Collen Ndlovu : Member & Independent Non-Executive Director Mr. Veerabhadra Prasad Pallapothu : Member & Independent Non-Executive Director
BOARD CREDIT COMMITTEE	Mr. Shathiso Nlebgwa : Chairman & Independent Non-Executive Director Ms. Anamika Singh : Member & Independent Non-Executive Director Mr. Sanjay Joshi : Member & Managing Director
BOARD RISK MANAGEMENT COMMITTEE	Ms. Anamika Singh : Member & Independent Non-Executive Director Mr. Shathiso Nlebgwa : Member & Independent Non-Executive Director Mr. Golekanye Setume : Member & Independent Non-Executive Director Mr. Sanjay Joshi : Member & Managing Director
BOARD GOVERNANCE, NOMINATION & RENUMERATION COMMITTEE	Mr. Golekanye Setume : Independent Non-Executive Director Ms. Anamika Singh : Independent Non-Executive Director

Corporate Governance

SALARY AND RENUMERATION PAID TO EXECUTIVE DIRECTOR / NON-EXECUTIVE DIRECTOR/ SR. MANAGEMENT	
Name of Managing Director & Executive Director	Salary
Sanjay Joshi	663,403.84
Gomolemo Tshupo	138,585.46
Sub Total	801,989.30
Name of Non-Executive Director & Related party Director	Fees payment
Seretse Bagopi	17,000.00
Suresh Vishwanath	53,000.00
Golekanye Setume	53,000.00
Shathiso Toto	59,000.00
Anamika Singh	59,000.00
Collen Ndlovu	41,000.00
Veerabhadra Prasad Pallapothu	41,000.00
Todzani Matutu	17,000.00
Mr. Joy Deep Dutta Roy	-
Sub Total	340,000
Senior Management official salary	Salary
Mr. Madan Mondal	582,429.31
Ms. Boitumelo Jackson	83,127.29
Mr. Suman Kumar	436,893.47
Mr. Sanjay Rana	591,823.20
Mr. Rakesh Kumar Singh	180,682.65
TOTAL	1,874,955.92

CORPORATE GOVERNANCE

At Bank of Baroda (Botswana) Ltd., we prioritize corporate governance as a cornerstone of our operations. Our commitment to ethical practices, transparency, and accountability guides every aspect of our business. By upholding the highest standards of governance, we ensure responsible decision-making, effective risk management, and sustainable growth. Our robust governance framework fosters trust among our stakeholders and supports our dedication to delivering exceptional value and long-term success.

The Bank has adopted King III corporate governance code through Board approval on 29/6/2022. The corporate governance report details the Bank's governance approach and practices aligned with King III. It includes a compliance check list and detailed information that need to be disclosed.

KING III COMPLIANCE CHECKLIST – APPLY OR EXPLAIN BASIS

Principles	Particulars	COMMENTS	Status
1	ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP	<p>The bank operates under a constitution approved on September 28, 2022, alongside a Board charter and code of ethics, the Companies Act, Memorandum and Articles of Association, and the King III codes. These guidelines prioritize transparency, fairness, accountability, and responsibility in decision-making. The bank's goal is full compliance with the King III governance code to uphold these principles in all decisions. This year, the bank also produced its second standalone Integrated Report, separate from the group.</p> <p>The bank's Corporate Social Responsibility policy, approved by the Board on December 21, 2021, guides the institution's engagement with society. The bank is conscious of its environmental, social, and economic impact and acknowledges its role in the community. The Governance, Nomination, and Remuneration Committee reviewed the 2022/23 CSR budget and approved the recommended CSR budget for 2023-24 on 29th June, 2023.</p> <p>The bank has established a code of conduct for employees to foster a culture of ethical behavior and establish the values the company will uphold. Ethical practices are central to how the Bank operates its business.</p>	Complied
2	BOARD AND DIRECTORS- Role and function of Board	<p>The Board has its charter, which outlines the responsibilities and conduct expected of directors and is provided to each new Board member upon joining. The bank has a corporate strategy for 2020-2024 that was evaluated for risks and opportunities and approved by the Board. It was regularly monitored by the Board to ensure objectives were met and business sustainability maintained.</p> <p>Directors disclose conflicts of interest upon joining the bank and during each Board and committee meeting. They are also permitted to seek independent advice when necessary. The Board assessed the bank's financial position and through the Audit Committee of Board to confirm financial health. The assessment includes an analysis of capital adequacy ratio, advances, deposits, operating profit, net worth & overall financial health of bank.</p> <p>The Board is empowered to elect Board members including chairperson, Additionally, Mr. Sanjay Joshi was appointed as Managing Director on May 23, 2022. A delegation of authority framework was also developed and approved by the Board. CEO performance appraisal guidelines were approved by the Board review was conducted as on 31st March, 2024. Senior management appointment is also approved by the Board.</p>	Complied

Corporate Governance

		<p>There is a succession planning and remuneration policy for the Board and senior management is in place and is approved by the Board. The Board consists of ten members, seven of whom are Independent non-executive directors, one is related party non-executive director and one Managing Director Sanjay Joshi and one Executive director. Directors serve terms of three years.</p> <p>The Board possesses a diverse range of skills and experiences in areas such as IT, project management, legal, commerce, banking, business administration, mathematics, science, strategic management, corporate governance, marketing management, and accounting. The Governance, Nomination, and Remuneration Committee's committee oversees the selection of suitable candidates through background and reference checks, recommending directors to the Board.</p> <p>The Board approved training on corporate governance for Board members and all senior management staff on September 20, 2022. Performance evaluations of the Board, Board Chair and Board members for 2023/24 were conducted independently by board members.</p> <p>The Board has established Audit committee, Risk Management committee, Directors Credit Committee, and Governance, Remunerations and Nomination committee with their charters and approved by the Board. The Governance Remuneration and Nomination Committee is responsible for determining the remuneration of directors and employees, guided by the remuneration policy approved by the Board and endorsed by shareholders on the same date.</p>	
3	AUDIT COMMITTEE	<p>The bank's Audit Committee is chaired by an Independent Non-Executive Director, and all other members are also Independent Non-Executive Directors. The committee members bring a diverse range of skills including accounting, corporate governance, mathematics, legal, strategic management, and business administration.</p> <p>The Audit Committee reviewed the bank's audited financials on June 14th, 2024, with Board approval given on June 26th, 2024, for the preparation of the integrated report. The committee ensures that management and internal audit reports effectively address controls and mitigate risks. It is satisfied with the finance function's expertise, resources, and performance.</p> <p>Additionally, the Chief Financial Officer was evaluated in his role, and the committee was pleased with his expertise, experience, and performance during the current period. The committee also reviewed the performance of the Head of Internal Audit as on March 31st, 2024, approved the audit plan for the next year. Board of the Bank has approved the Quality Assurance and Improvement Program on December 19, 2022. Bank also performed independent assurance of Audit functions by external agency and report of the same is submitted to Audit committee of Board in the meeting held on 06.09.2024.</p> <p>The bank maintains clear communication and coordination in its oversight activities, ensuring the Audit Committee is aware of all significant actual or potential financial and non-financial risks (such as operational, strategic, or regulatory risks) that may impact the integrated report.</p> <p>The Audit Committee recommends the appointment of the external auditor, oversees the external audit process, and submits reports on its statutory duties and observations based on the external audit report.</p>	Complied

Corporate Governance

4	THE GOVERNANCE OF RISK	<p>The Board of Bank has ultimate responsibility for Governance risk as stated in the Board charter, Bank has risk management policy in place approved by board on 29.06.2022. Risk tolerance level was reviewed and approved by Risk Management Committee and Board. Bank has subcommittee under the Board i.e. Board Risk Management committee and Audit committee of Board, Both the committee has independent charter which is guiding the committee to carry out risk assessment and independent assurance of both functions. Internal audit is carried out annually assurance on risk management process and report is submitted to respective committee of board and board.</p> <p>Bank has ORMC committee at management level and work as per Risk management policy document, which cover Credit Risk, Operational Risk, Market risk, Liquidity risk and other risk areas. It is monitored regularly by the Risk department and committee periodically and reported to the Board risk committee and Board for necessary direction and guidance to strengthen the risk function in the Bank.</p> <p>Board ensure that risk assessment is performed periodically and report of same is put up to Respective committees. Bank has Annual risk management plan in place and entire activity is done by risk function as per plan and updates are provided to the board level subcommittee and board.</p> <p>Bank risk policy has risk assessment methodology which prioritize and rank risks to focus the responses and intervention on those risks outside the Board's risk tolerance limit.</p> <p>The risks are identified, and appropriate responses implemented through annual risk management plans and regularly discussed at Risk management committee and Board meetings. The Risk department assess and prepares annual risk management plans, which is approved by the Risk management committee and the Board.</p>	Complied
5	THE GOVERNANCE OF INFORMATION TECHNOLOGY	<p>The bank has established Board-approved IT and IT Governance policies, which include decision-making structures, accountability frameworks, and IT reporting mechanisms. As a part of its internal control framework, the bank has adopted ISO27001:2013. A comprehensive IT strategy document, endorsed by the Board, outlines the proposed IT strategy for the period 2022-2026, aligning with and supporting the bank's overall business strategy & objectives to enhance value and performance.</p> <p>The bank is equipped with a competent Head of IT function possessing extensive experience in the field. Management is delegated with the responsibility, under the IT strategy document, to implement various IT initiatives in a timely manner. The Board periodically reviews these initiatives and provides direction to management accordingly.</p> <p>A committee-based approach is adopted to evaluate investments and expenditures related to IT initiatives, ensuring that all expenditures are scrutinized and approved by the Board recommended by committee before implementation. IT risks are systematically considered and assessed as part of the bank's broader risk management activities, encompassing legal risks, compliance risks, and adherence to laws, rules, codes, and standards.</p> <p>To safeguard the confidentiality, integrity, and availability of information and ensure compliance with relevant laws and regulations, the bank has established an IT security policy & cyber security policy approved by the Board. This policy underscores the bank's commitment to maintaining robust IT security measures.</p>	Complied

Corporate Governance

6	COMPLIANCE WITH LAWS, CODES, RULES, AND STANDARDS	<p>The bank has established Board-approved policies for compliance, KYC/AML (Know Your Customer/Anti-Money Laundering), and risk management, meticulously crafted to align with regulatory guidelines. It prioritizes adherence to relevant laws, rules, and regulations. Upon joining, directors of the board are furnished with the bank's Charter and Constitutions.</p> <p>To bolster corporate governance standards, the bank conducts training sessions for directors and senior management on Corporate Governance, KYC/AML, CFT (Counter Financing of Terrorism), and PF (Prevention of Fraud) annually. An annual compliance plan, sanctioned by the Board, guides compliance efforts, with the Board regularly reviewing its implementation status.</p> <p>The bank maintains dedicated compliance and AML functions, actively engaged in evaluating compliance risks inherent in the banking operations on a daily basis. At the management level, a compliance committee and ORMC (Operational Risk Management Committee) oversee the broader compliance framework of the bank. These committees are accountable for conducting comprehensive reviews of the bank's compliance functions.</p> <p>Reports from these committees are presented to Board-level subcommittees for further deliberation and guidance, aiming to foster a culture of compliance throughout the organization.</p>	Complied
7	INTERNAL AUDIT	<p>The bank has established an internal audit function overseen by a Head of Internal Audit, who is tasked with conducting risk-based internal audits. To ensure alignment with standards set by the Institute of Internal Auditors (IIA), the Internal Audit Charter underwent revisions and received approval from the Audit Committee on 14 and 19 June 2023.</p> <p>Internal audit operations are guided by a risk-based approach, Audit plan strategically aligned with the bank's business strategy. The Audit Committee reviewed the skills and resources of the internal audit team, affirming their adequacy to execute the approved plan.</p> <p>An internal audit report dated 05/08/2022 assessed the effectiveness of the bank's internal controls and risk management practices, providing assurance. The Audit Committee review performance of The Chief Audit Executive annually.</p> <p>The Chief Audit Executive actively participates in executive meetings. Audit reports are disseminated to the Audit Committee and administratively reported to the Managing Director. Furthermore, the internal audit function has developed a Quality Assurance and Improvement Program document duly approved by Board.</p>	Complied

Corporate Governance

8	GOVERNING STAKEHOLDERS' RELATIONSHIP	<p>The Bank has a Communication Policy for stakeholder engagement, which was approved by the Board on 21/5/2021. It has systematically identified and categorized stakeholders, outlining methods to engage with each group, and this is a recurring agenda item for the Board. The implementation of the policy is overseen by management, who regularly report to the Board on the outcomes of these engagements. Updates on regulatory compliance, customer relations, and community engagement are consistently discussed during Board meetings.</p> <p>All major stakeholders, including staff, customers, shareholders, regulators, communities, government entities, business partners and industry bodies, media representatives, suppliers and contractors, and unions, have been identified, along with the purposes, frequency, and modes of engagement with each. The Board has established specific mechanisms to address the needs of each stakeholder group.</p> <p>Stakeholder communication is conducted primarily in English, ensuring the delivery of complete and accurate information tailored to each stakeholder group, often through one-on-one interactions. Latest updates are promptly shared via various channels such as the social media platforms, and advertising. Customer communications typically involve Email, Messages, posters displayed in banking halls, letters, and notifications, while regulators are engaged through formal letters and meetings.</p>	Complied
9	INTEGRATED REPORTING AND DISCLOSURE	<p>The Board approved financial statements for the year ended 31 March 2024 on 26/06/2024 and approved the preparation and publication of Annual report after approval of Audited Financial Statement from Bank of Botswana. The Bank deals with natural resources is immaterial, however Bank has prepared Approach paper for ESG governance and risk mitigation & is approved by Board in the meeting held on 29.01.2024, which will be guided principle for bank in line with expectation of country laws and regulations.</p>	Complied

1. BOARD

The Bank is directed by Board of Directors through a Board Charter approved by the Board on 28/3/2023. It has 10 Board members, 7 independent non-executive directors, 1 related party non-executive director and 2 executive directors (including MD).

During the current year it has reviewed / approved the following major Policies/activities,

- Compliance Policy
- Disclosure Policy
- ICAAP Policy
- Record Retention Policy
- Write Off Policy
- Investment Policy
- Loan Policy
- Real Estate Financing Policy
- Cyber Security Policy
- Information Security Policy
- Business Continuity Planning Policy
- Mobile Banking Operation Policy
- Internet Banking Operation Policy
- Anti-Bribery and Corruption Policy
- Dormant Account Policy
- NOSTRO Reconciliation Policy

2. BOARD EVALUATION

The Board members performed self-evaluation of the Board, Board Chair and Board members independently. The results showed that the Board is effective, however more need to be done on induction and training of directors. The Board has approved induction of new directors and continuous training of all directors.

3. ETHICS MANAGEMENT

The bank has developed staff manual for personnel and training policy (HR Policy) approved by the Board on 29/06/2022 which has a code of conduct for employees to cultivate a culture of ethical conduct and set values to which the company will adhere to. The policy was shared with staff.

Ethics are an integral part of the way in which a company conducts its business.

Ethics risks are assessed throughout the business as part of the Bank risk management assessment, profiled and compiled. Risk mitigation solutions are also identified, and employees are expected to comply. Employees ethics are monitored regularly.

4. COMMITTEES

The Board has the following committees.

4.1. AUDIT COMMITTEE

The Audit committee has 3 independent non-executive directors including the chairman. The role of committee is to assess the integrity and effectiveness of accounting, financial compliance and control systems. The committee has a constructive relationship with Internal Auditors, who have access to the committee members as required.

The committee also ensures effective communication between the internal auditors, external auditors, the Board, Management and regulators. The committee considers reports from Internal audit on any weaknesses in controls, and considers corrective actions to be implemented by management to prevent recurring of such incidences. This takes place on an ongoing basis.

The Audit committee of the Bank of Baroda (Botswana) Ltd. plays an important role in providing oversight of the Bank's governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The role of the audit committee is to provide independent oversight to the Board of Bank of Baroda (Botswana) Ltd.

- It performed the following services during the year under review on 14 and 19 June 2023 for approval of financial statement for the FY 2022-23 and 14th June 2024 for approval of financial statement for FY 2023-24.
- It reviewed the audited financial statements for the year ended 31 March 2024 and ascertain that they represent true and fair view, accounting practices are in accordance with IFRS and Internal financial controls are effective.
- It reviewed the Finance function expertise, resources and experience and were satisfied with the expertise, and performance of the finance function. Further the Chief Finance Officer was reviewed in his capacity as CFO and the Committee was satisfied with his expertise, experience, and performance in the current period.
- It recommended appointment of Grant Thornton (external auditors) for the year 2024-25 to the Board and shareholders in the meeting held on 16.02.2024.
- It reviewed the Independence of external auditor and concluded that it is independent and is satisfied with the quality and effectiveness of the external audit process.
- No reportable irregularities were identified and reported by the external auditor.
- It assessed the effectiveness of the Bank 's system of internal controls and risk management.

4.2. RISK MANAGEMENT COMMITTEE

The Bank has a risk management committee responsible to assist the Board in carrying out risk responsibilities. It has a charter which was approved by the Board on 28/3/2023.

The purpose of the Risk Management Committee is to provide independent and objective oversight of risk management with in the Bank and to assist the Board of Directors in fulfilling its responsibilities to oversee the Bank's risk management framework and Independent Risk Management function, including the significant programs, policies, and plans established by management to identify, assess, measure, monitor, and manage the risks, including compliance risk (includes conduct risk and financial crimes risk), operational risk (includes business resiliency and disaster recovery risk, data management risk, information security risk and cybersecurity risk, and technology risk), credit risk, interest rate risk, liquidity risk, market risk, reputation risk, and strategic risk. In order to achieve oversight, the committee reviews and assesses the integrity of risk control systems and ensures that risk

policies and strategies are managed effectively and contribute to culture of discipline and control that reduces the opportunity of fraud. Assurance on the effectiveness of the risk management processes is provided to the committee through management reporting.

During the current period the Board has performed the following,

- The Board approved ICAAP document, Sectorial CAP, Zero Tolerance Area, Risk Registrar, Annual Risk Plan 2024-25, Approach paper on Climate risk and sustainability during the period.
- It has approved risk appetite and tolerable levels.
- It receives minutes of Management level committees' minutes and compliance report at each Board meeting.
- The Board received the risk management process assurance from internal audit conducted on 30.11.2023, and is satisfied that risk assessments, responses, and interventions are effective. Further there is no any undue, unexpected or unusual risks and any material losses.

4.3. GOVERNANCE NOMINATION AND REMUNERATION COMMITTEE

The Bank has a Governance nomination and remuneration committee. It has a charter approved by the Board on 28/2/2023.

The purpose of the committee is to assist the Board in planning the Board's composition, evaluating the competencies required of prospective directors (both non-executive and executive), identifying those prospective directors, establishing their degree of independence, developing succession plans for the Board, CEO, and other key management, and making recommendations to the Board accordingly.

The Committee is also responsible for recommending appropriate remuneration for Directors and all other staff to the Board for approval.

During the current period it has performed the following,

- Recommended for approval of three directors
- Current year staff salary increases.
- Recommended to Board for increase in sitting fees & base fees of Independent Non-Executive directors
- Approval of Corporate Social responsibility budget
- Submit Recommendation to board for any changes required in reconstitution of various Board level sub-committee

4.4. DIRECTOR CREDIT COMMITTEE

The Bank has a Director Credit committee. It has a charter approved by the Board on 28/2/2023.

The role of this committee is to ensure that effective frameworks for credit governance are in place in the Bank. This involves ensuring that the credit management committee and the credit function operate according to clearly defined mandates and delegated authority, and providing for the adequate management, measurement, monitoring and control of credit risk. The committee reports to the Board on credit portfolios, adequacy of provisions and status of non-performing loans.

The purpose of the Director Credit Committee is to take decisions in respect of credit proposals which are beyond the discretionary lending powers of Botswana Credit Committee headed by Managing Director. More specifically in furtherance of its responsibilities, the Director Credit Committee will have responsibility for approval of issues beyond the Discretionary Powers of Botswana Credit Committee.

5. BOARD OF DIRECTORS AND COMMITTEE ATTENANCE REGISTER

Key	Details
INED	Independent Non-Executive Director
NED (R)	Non-Executive Director (Related Party)
MD	Managing Director
ED	Executive Director

Corporate Governance

Board Meetings						
Directors	Status	Board Meeting conducted	Period	Meeting held during his/her tenure	Meeting Attended	% attendance
Mr. Seretse Bagopi	INED	4	01.04.23 to 23.08.23	1	1	100%
Mr. Golekanye Setume	INED	4	01.04.23 to 31.03.24	4	4	100%
Ms. Anamika Singh	INED	4	01.04.23 to 31.03.24	4	4	100%
Mr. Joy deep Dutta Roy	NED (R)	3	01.04.23 to 30.01.24	3	3	100%
Mr. Shathiso Toto Nlebgwa	INED	4	01.04.23 to 31.03.24	4	4	100%
Mr. Suresh Vishwanath	INED	4	01.04.23 to 31.03.24	4	4	100%
Mr. Veerbhadra Prasad Pallapothu	INED	4	25.04.23 to 31.03.24	4	4	100%
Mr. Collen Ndlovu	INED	4	25.04.23 to 31.03.24	4	4	100%
Mr. Sanjay Joshi	MD	4	01.04.23 to 31.03.24	4	4	100%
Ms. Todzani Matatu	INED	4	15.12.23 to 31.03.24	2	2	100%
Mr. Gomolemo Tshupo	ED	4	01.11.23 to 31.03.24	2	2	100%

Board Audit Committee						
Directors	Status	Total Audit committee Meetings conducted in (2023-24)	(Period Directors were members in committee)	Meeting held during his/her tenure	Meeting Attended	% attendance
Mr. Shathiso Toto Nlebgwa (Chair up to 28.06.2023)	INED	3	01.04.23 to 28.06.23	2	2	100%
Mr. Golekanye Setume	INED	3	01.04.23 to 28.06.23	2	2	100%
Ms. Anamika Singh	INED	3	01.04.23 to 28.06.23	2	2	100%
Mr. Suresh Vishwanath (Chairman since 29.06.23)	INED	3	01.04.23 to 31.03.24	3	3	100%
Mr. Collen Ndlovu	INED	3	29.06.23 to 31.03.24	1	1	100%
Mr. Veerbhadra Prasad Pallapothu	INED	3	29.06.23 to 31.03.24	1	1	100%

Board Risk Management Committee						
Directors	Status	Total Risk Management Committee Meetings conducted in (2023-24)	Period	Meeting held during his/her tenure	Meeting Attended	% attendance
Mr. Golekanye Setume (Chair up to 25.09.24)	INED	2	01.04.23 to 31.03.24	2	2	100%
Ms. Anamika Singh (Chair Lady since 26.09.24)	INED	2	01.04.23 to 31.03.24	2	2	100%
Mr. Joy deep Dutta Roy	NED (R)	2	01.04.23 to 30.01.24	2	2	100%

Corporate Governance

Mr. Shathiso Toto Nlebgwa	INED	2	01.04.23 to 31.03.24	2	2	100%
Mr. Sanjay Joshi	MD	2	01.04.23 to 31.03.24	2	2	100%

Directors Credit Committee						
Directors	Status	Board Meeting conducted	Period	Meeting held during his/her tenure	Meeting Attended	% attendance
Mr. Shathiso Toto Nlebgwa (Chair since 26.09.23)	INED	1	01.04.23 to 31.03.24	1	1	100%
Ms. Anamika Singh	INED	1	01.04.23 to 31.03.24	1	1	100%
Mr. Joy deep Dutta Roy (Chair up to 25.09.23)	NED (R)	1	01.04.23 to 30.01.24	1	1	100%
Mr. Sanjay Joshi	MD	1	01.04.23 to 31.03.24	1	1	100%

Board Governance, Nomination & Remuneration Committee						
Directors	Status	Board Meeting conducted	Period	Meeting held during his/her tenure	Meeting Attended	% attendance
Mr. Joy deep Dutta Roy (Chair since 26.09.23)	NED (R)	2	01.04.23 to 30.01.24	1	1	100%
Mr. Seretse Bagopi	INED	2	01.04.23 to 23.08.23	1	1	100%
Mr. Golekanye Setume	INED	2	01.04.23 to 31.03.24	2	2	100%
Ms. Anamika Singh (Chair up to 25.09.23)	INED	2	01.04.23 to 31.03.24	2	2	100%

Summarized Financial Statement

Bank of Baroda (Botswana) Limited: - (Registration number BW00000570268)

Summarized Annual financial statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Commercial Banking
Directors:	
1. G Setume	Board Chairman and Independent Non-Executive director
2. Ms. Anamika Singh	Independent Non-Executive Director and Deputy Chairperson
3. S T Nlebgwa	Independent Non-Executive Director
4. Joydeep Dutta Roy (Resigned on 30.01.2024)	Non-Executive Director
5. S Bagopi (Superannuated on 23.08.2023)	Independent Non-Executive Director, Ex-Chairperson
6. Sanjay Joshi	Managing Director
7. Vishwanath Suresh	Independent Non-Executive Director
8. V P Pallapothu (Appointed on 25.04.2023)	Independent Non-Executive Director
9. C Ndlovu (Appointed on 25.04.2023)	Independent Non-Executive Director
10. G Tshupo (Appointed on 01.11.2023)	Executive Director
11. T Matutu ((Appointed on 15.12.2023)	Independent Non-Executive Director
Registered office	Plot 50370, Acumen Park Fairgrounds Gaborone Botswana
Business address	Plot 14456, Kamoshungo Road G West Industrial Gaborone Botswana
Holding company name and Address	Bank of Baroda, incorporated in India Baroda Corporate Center C26, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai - 400051
Independent Auditors	Grant Thornton
Secretary	R K Accountants (Proprietary) Limited
Bank registration number	BW00000570268
Date of incorporation	17 August 2000
Currency	BWP
Branches details	<ol style="list-style-type: none"> 1. Main Mall Branch: AKD house, Plot no. 1108, Main mall Gaborone 2. Francis Town Branch: Plot No.31966, New Haskins Building Baines Avenue, Francistown 3. Gwest Branch: Plot no. 14456, Kamoshungo Road, near Nokia Circle, Gaborone 4. Palapye Branch: Lot no. 18769 (23), Madhiba Center, Pvt. Bag No. 11, Palapye
ATM Details	<ol style="list-style-type: none"> 1. Main Mall (Onsite ATM) 2. Gwest Branch (Onsite ATM) 3. Francis Town (Onsite ATM) 4. Palapye (Onsite ATM) 5. Westgate mall (Offsite ATM) 6. Riverwalk mall (Offsite ATM) 7. University of Botswana (Offsite ATM)

Director's Report

Director's Report

The Directors have the pleasure of presenting to the shareholders our 24th Annual Financial Statements of the Bank for the year ended 31 March 2024.

Real gross domestic product (GDP) is estimated to have expanded by 3.2 per cent in 2023, compared to 5.5 per cent in 2022. The slowdown is mainly attributable to subdued mining activity. Botswana's real GDP is projected to expand by 4.2 per cent in 2024, from an estimated 3.2 per cent in 2023.

Headline inflation increased from 3.5 percent in December 2023 to 3.9 percent in January 2024, remaining within the medium-term objective range of 3 – 6 per cent. The increase in inflation was mainly due to the diminishing impact of the decrease in domestic fuel prices in the corresponding period in 2023 (base effects).

The decrease of the MoPR (Monetary Policy Rate) which became policy in place of the earlier Bank Rate by a cumulative 0.25 percentage points to 2.40 per cent in 2023, has resulted in the decrease of the prime lending rate of the Bank 6.76 per cent to 6.41 per cent in the period.

The Central Bank (Bank of Botswana) maintained an accommodative monetary policy stance during 2023 in view of the positive inflation outlook in the medium term.

1. Background

Bank of Baroda (Botswana) Limited was incorporated in Botswana on 17 August 2000 as a Company with limited liability under the Companies Act (CAP 42:01) and was licensed as a Commercial Bank on 06 September 2000 under Section 6 of the Banking Act, 1995. The Bank is wholly owned subsidiary of Bank of Baroda, India. It started its operations by opening its first branch at Acumen Park, Plot 50370, Fairgrounds, Gaborone, Botswana on 26 March 2001. The Bank shifted to the existing premises at A.K.D. House, Lot 1108, The Main Mall, Gaborone in January 2005. The second branch of the Bank was opened in Francistown on 5 Dec.2007. The third branch of the Bank was opened in Gaborone Industrial Area (G-West) on 22 Feb 2013. The fourth branch of the Bank was opened in Palapye on 16 Mar 2020.

2. Activities

The Bank continues to be engaged in the business of commercial banking and provides a wide array of financial services.

3. Business performance

The business of the Bank reported a positive growth of about 14.32 % during the year. The growth remains comparatively high to the previous year due to higher growth in Credit and Term Deposits.

This year net profit of the Bank stood at P 93.67 mn for the year as compared to P 73.42 mn during the previous year showing a positive growth over last year mainly due to an increase in interest income in loans and advances and controlling cost.

The bank's asset quality witnessed a decline over the year. The gross NPLs to total advances was 1.34% in March 2023-24 as against 0.45 % in March 2022-23. The Bank is able to put a mechanism to monitor the past due accounts, accordingly total number of past due accounts have reduced substantially.

Key financials during 2023-24.

- The total business of the Bank grew by 14.32% during the year.
- The total deposit grew from P2289.11 mn to P2659.12 mn during FY 2023-24 up by 16.16%.
- The total advances grew from P1862.10 mn to P2086.69 mn during the FY 2023-24 up by 12.06%.
- CD ratio is 78.47 % as of 31 March 2024.
- The Capital Adequacy Ratio (CAR) stood at 23.68% against the regulatory requirement of 12.50%
- The cost of deposits has stood as 3.93% in March 2024 as compared to 3.14% during the year.
- The yield on advances was at 9.24% in March 2024 as against 8.83% last year.
- Net worth of the Bank as on 31 March 2024 is P587.80 mn.
- Business per employee has increased to P75.33 mn as on 31.03.2024 from P63.86 mn on 31.03.2023.
- Gross profits of the Bank reported growth of 35.90% and reached to P133.67mn in March 2024 against last year's figure of P98.36 mn.

Director's Report

- Net profit of the Bank has increased to P93.67 mn in 2023-24 from P73.42 Mn in last year i.e. a growth of 27.58 %
- Net Interest Margin was 4.44% in the year 2023-24 as against 4.31% in 2022-23.
- The cost to income ratio has decreased to 24.26% against 29.78 % last year.
- Banks NPL provisions coverage ratio is 100%.

New Initiatives during the Year:

- Upgraded the existing 4 ATMs out of 7 ATMs to new versions in order to provide more security features in our ATM.
- Rolled out Cash-on-Mobile facilities for the customers to withdraw cash up to a certain limit from the ATM without a debit card.
- Implemented CRP modules in the new Alert Monitoring System AMLOCK in our Bank.
- Various new features added in Mobile banking and Internet banking.
- Introduced Chatbot in website with enhanced features.
- Enabled self-registration process for Internet Banking and Cross currency transfers through Mobile Banking.

Full details of the financial position, results of operations and cash flows of the bank are set out in these annual financial statements.

4. Regulatory

Compliance Capital Adequacy:

Given a capital adequacy ratio of 23.68 % as at 31 March 2024 as against the regulatory requirement of 12.50%, the Bank is in a comfortable position and has the requisite risk-bearing capacity. It is keen on improving it further to expand its assets base.

Liquidity:

Bank has been monitoring maintenance of liquidity ratio on a daily basis and has been in compliance of the mandatory requirement of 10%. Bank has also complied with the maintenance of Primary Reserve Requirement (PRR) stipulated by Bank of Botswana from time to time.

Reporting to FIA

Bank has complied with the reporting requirements of Financial Intelligence Agency (FIA) and is reporting cash transactions and IFTs, EFTs to FIA as per the Agency's requirements.

Statement of Financial Position

Statement of Financial Position as at 31 March 2024

(Figures in Pula thousand)

Figures in Pula thousand	2024	2023
Assets		
Cash and cash equivalents	93 500	62 462
Balances with other banks	492 902	777 812
Financial assets – Investments	1 029 556	454 896
Loans and advances	2 174 703	1 803 591
Other assets	5 745	7 845
Right of use assets	10 091	13 245
Deferred tax	10	10
Property, plant and equipment	2 596	3 584
Total Assets	3 652 103	3 123 445
Equity and Liabilities		
Equity		
Stated capital	181 000	181 000
Retained income	402 726	325 630
	586 726	506 630
Liabilities		
Balances due to other banks	365 209	291 513
Deposit due to customers	2 672 890	2 299 670
Payables and accruals	16 162	11 210
Lease liabilities	11 116	14 422
	3 065 377	2 616 815
Total Equity and Liabilities	3 652 103	3 123 445

Statement of Profit & Loss & Change in Equity

Statement of Profit or Loss and Other Comprehensive Income

(Figures in Pula thousand)

Particulars	2024	2023
Effective interest and similar income	237 530	172 950
Effective interest and similar expenditure	(95 076)	(63 161)
Net interest income	142 454	109 789
Non-interest income	34 029	30 278
Other operating gains	-	-
Movement in credit loss allowances	(13 110)	(6 012)
Other operating expenses	(41 202)	(39 324)
Profit before taxation	122 171	94 731
Income tax expenses	(28 500)	(21 309)
Profit for the year	93 671	73 422
Other comprehensive income	-	-
Total comprehensive income for the year	93 671	73 422

Statement of Changes in Equity

(Figures in Pula thousand)

Particulars	Stated capital	Retained income	Total equity
Balance at 01 April 2022	181 000	261 258	442 258
Profit for the year	-	73 422	73 422
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	73 422	73 422
Dividends	-	(9 050)	(9 050)
Total distributions to owners of company recognized directly in equity	-	(9 050)	(9 050)
Balance at 01 April 2022	181 000	325 630	506 630
Profit for the year	-	93 671	93 671
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	93 671	93 671
Dividends	-	(13 575)	(13 575)
Total distributions to owners of company recognized directly in equity	-	(13 575)	(13 575)
Balance at 31 March 2024	181 000	405 726	586 726

Statement of Cash flows

Statement of Cash Flows

(Figures in Pula thousand)

Particulars	2024	2023
Cash flows from operating activities		
Cash generated from operations	287 996	274 209
Interest and similar income	(237 530)	(172 950)
Interest and similar expenditure	95 076	63 161
Interest received	236 423	174 890
Interest paid	(90 793)	(71 464)
Interest charges on lease liabilities	-	-
Income tax received/(paid)	(28 500)	(21 309)
Net cash from operating activities	262 672	246 537
Cash flows from investing activities		
Purchase of property, plant and equipment	(232)	(507)
Sale of property, plant and equipment	-	-
Purchase of investments	(348 763)	(246 729)
Net cash from investing activities	(348 995)	(247 236)
Cash flows from financing activities		
Lease payments	(3 307)	(1 150)
Dividends paid	(13 575)	(9 050)
Net cash from financing activities	(17 329)	(12 165)
Total cash movement for the year	(103 652)	(12 864)
Cash at the beginning of the year	695 680	706 223
Effect of exchange rate movement on cash balances	1 981	2 321
Total cash at end of the year	594 009	695 680

Statement of Cash flows

Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Banking Act (46:04).

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Pula, which is the bank's functional currency and rounded off to the nearest thousands.

These accounting policies are consistent with the previous period.

Capital Composition

(Figures in Pula thousand)

Particulars	2024	2023
Issued Ordinary (181000000 shares at no par value and fully paid up)	181 000	181 000
Capital adequacy Core capital (Tier 1) Stated capital	181 000	181 000
Retained earnings- Beginning of the year	325 630	261 258
Dividends	(13 575)	(9 050)
Current year audited profits	93 671	73 422
	586 726	506 630
Supplementary capital (Tier 2) General provision (Capped at 1.25% of CRWA)	32 697	28 299
Total eligible capital (Unimpaired capital) - Tier 1 + Tier 2	619 423	534 929
Risk weighted assets Credit risk	2 525 582	2 263 880
Operational risk	75 896	61 661
Market risk	14 277	10 968
Total risk adjusted exposure	2 615 755	2 336 509
Minimum capital required as per Bank of Botswana guidelines (12.5% (2023:12.5%) of Risk adjusted exposure)	326 969	292 064
Excess capital over minimum required	292 454	242 865
Capital adequacy ratio	23.68 %	22.89 %
Bank of Botswana required minimum ratio	12.50 %	12.50 %
Excess over the minimum required (%)	10.18 %	10.39 %

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Welcome to Baroda, a home of
**GIGANTIC
BANKING
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• Savings Accounts • Fixed Accounts • Current Accounts

Banking at low cost.
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