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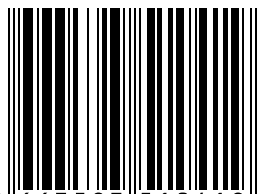
NEWS

ISSUE NO. 22 • APRIL - JUNE 2023

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Welcome to the 22nd Edition on the BSE News!

“I trust that like the previous editions, this edition will be beneficial in entrenching awareness about the various tenets of the capital market.”

The International Women’s Day (IWD) global theme, **DigitAll: Innovation & Technology for Gender Equality**, reminded us to renew our commitment to advancing equity, diversity and inclusion, in and beyond the digital space. Along with the campaign theme, #EmbraceEquity, we are reminded that equity, over and above gender equality needs to be embedded in our DNA as a society. The campaign challenges us to reflect on why equal opportunities are not enough, it re-iterates the reality that equity isn’t just a nice-to-have but a must-have, and that we need to think about, know, value and embrace equity as equity is not the same as equality.

The BSE celebrated IWD on 8th March, under the global theme, which was an opportunity for the women at the BSE and the female innovators in the technology industry to unpack the unprecedented opportunities

presented by technology, and to call onto all stakeholders to promote a safer, inclusive and equitable digital world. A more in-depth coverage of this day and the audacious perspectives of the strong women in our organisation and society is included in this edition.

The BSE has made strides over the years in deliberately advancing gender equality and the empowerment of women. This edition highlights certain statistics pointing to how this is integrated in our organisational architecture and culture. However, it is worth admitting that there is more to be done, and that we aim to gradually achieve some of the milestones we have set for ourselves to advance equity.

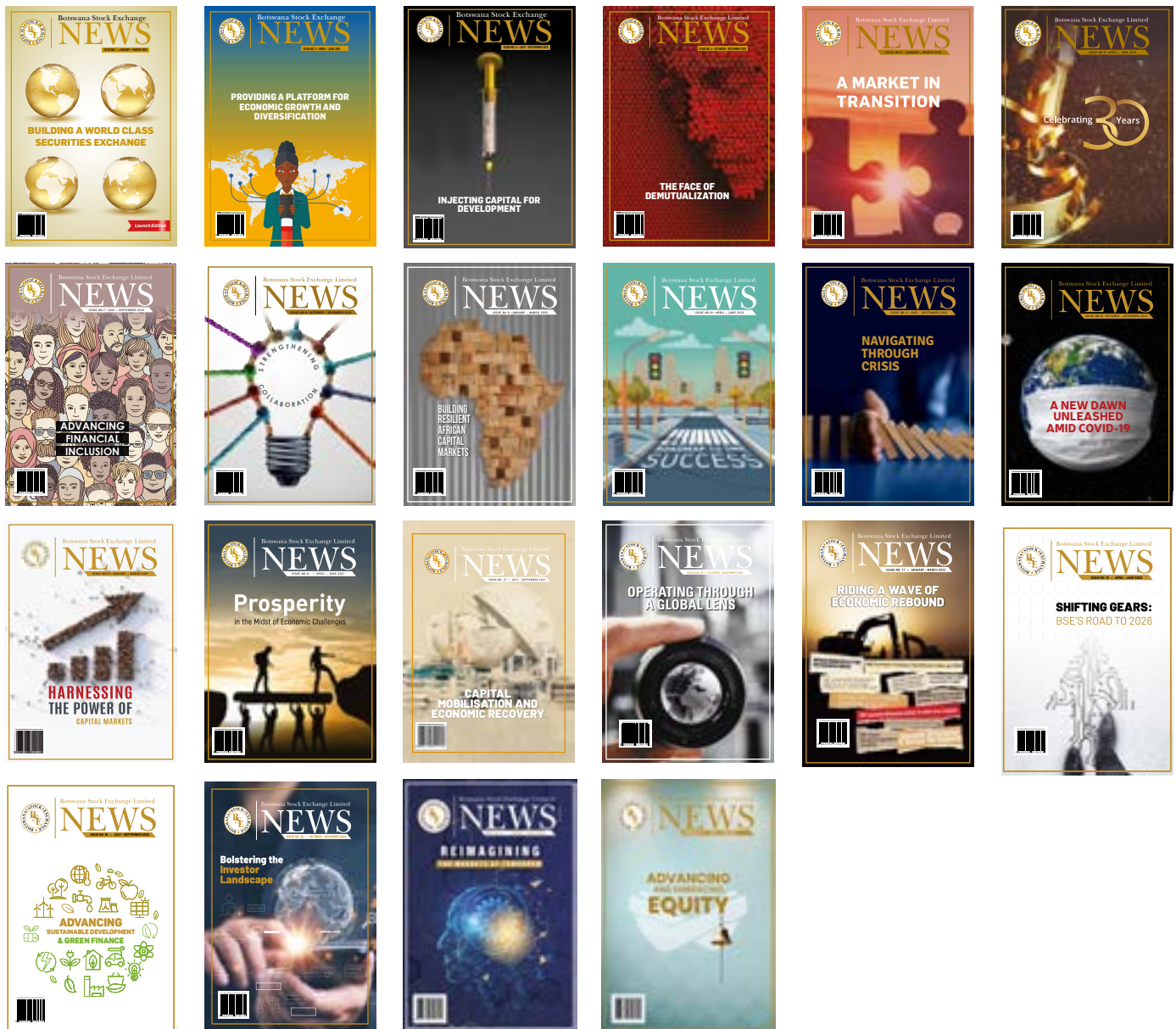
In this second quarter of the year, we are exhilarated as we continue to advance our flagship inclusion programme, the Tshipidi Mentorship Programme (TMP) to democratize access to finance and especially for Small Medium Enterprises (SMEs). We have gone a step further and we will host the inaugural Tshipidi Investment Forum on 1st June 2023. This is an opportunity to advance dialogue in trying to create a conducive environment for SMEs to access finance through public markets, and to mobilize various stakeholders such as fund managers to play a leading role in capacitating SMEs, to wet the appetite of institutional investors and get them involved in hand-holding SMEs to position themselves for investment allocations.

In terms of deepening the retail participation, the month of May will be our Investor Month and we, along with the brokers, have set aside resources to assist members of the public and the investors to fully access the BSE and its members to open accounts, get more enlightenment about investing and see to it that every and any query they have is fully addressed. A number of educational activities are planned for this period, and it is also a time that we are anticipating to have launched the Retail Investor Module that will give investors access to their CSD accounts.

I trust that like the previous editions, this edition will be beneficial in entrenching awareness about the various tenets of the capital market. It covers momentous topics including the promotion of equity in the capital markets, embracing and advancing fintech, and how the BSE strategic initiatives have been instrumental in giving women and youth owned enterprises capacity to position themselves for access to finance. Therefore, I invite you to indulge and engage – happy reading.

“Your Partner in Wealth Creation”

Thapelo Tsheole
Chief Executive Officer



HIGHLIGHTS FROM THE PREVIOUS EDITION

- MARKET PERFORMANCE FOR THE PERIOD 1 JANUARY TO 31 MARCH 2023.
- HOW SUSTAINABILITY IS RE-IMAGINING THE MARKETS OF TOMORROW
- BOTSWANA'S FINANCIAL MARKETS MAY RECORD A SURGE IN CYBER ATTACKS
- ACUTE CORPORATE GOVERNANCE TACTICS - WHERE DO LISTED COMPANIES START?

ESTABLISHED IN 2018

Published by:

The Botswana Stock Exchange Limited

Physical Address:

4th Floor, Fairscape Precinct, Plot 70667, Fairgrounds, Gaborone, Botswana

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MARKET PERFORMANCE REPORT

1ST JANUARY TO 31ST MARCH 2023



KNOW YOUR STOCK MARKET TERMS

- **Absolute Return**

The absolute return is a measure of the gain or loss on an investment portfolio expressed as a percentage of the capital invested.

- **Ask Price**

The price a seller is willing to accept for a security, also known as the offer price or the selling price.

- **Bullion**

Precious metals in bulk that are traded on commodity markets.

- **Choppy Market**

A condition of the stock market where prices swing up and down without resulting in actual price movement in either direction.

- **Cyclical Stock**

A company stock that is sensitive to business cycles and whose performance is strongly tied to the performance of the overall economy.

- **Decoupling**

Decoupling refers to instances in which the correlation between the prices of securities changes.

- **Initial Public Offering (IPO)**

The first sale of a stock by a company to the public.

- **Liquidity Ratio**

Liquidity ratio measure a company's ability to meet short term debt obligations based on the liquidity of its stocks or other income producing assets.

- **Outstanding Shares**

The shares in a company that are currently held by its shareholders and are available for trade.

- **Premium Bond**

A premium bond is a bond whose selling price is higher than its par value.

Source: unpacking jargon-fourth edition-2015



Information On The BSE Investor Compensation Fund



What is an Investor Compensation Fund?

- A Compensation Fund concerning financial markets is a rescue fund established to grant investors compensation for financial losses suffered due to a Participant's failure to meet their contractual obligations.

What is the purpose of the Investor Compensation Fund?

- To grant compensation to clients for losses suffered because of non-fulfilment of contractual obligations due to dishonesty, insolvency, default, or liquidation of a Participant;
- To protect securities investors' investment interests.
- To ensure financial integrity in the securities market in Botswana.
- To enhance investors' confidence in the securities market of Botswana.

What is the scope of Investor Compensation Fund?

- The Investor Compensation Fund covers transactions and dealings of securities traded on the BSE.
- Where a claimant suffers loss arising from a contractual or statutory obligation placed on any other participant besides a Member as defined under the Rules.

NB: The Investor Compensation Fund DOES NOT COVER default obligations, shortfalls, deficiencies and/or any other defaults during the clearing and settlement of trade transactions by CSDB. This type of protection is provided by the Settlement Guarantee Fund Rules

Who is eligible to claim from the Investor Compensation Fund?

- All securities' investors, with eligible claims in terms of the Rules, excluding institutional investors, who have suffered loss because of a Participant's failure to meet their contractual obligations.

What is a legitimate claim?

A Claim that proves:

- that the claimant has suffered loss and the loss was a direct result of malpractice, negligence, or error on the part of the Participant;
- that the claimant has suffered loss and the loss was a direct result of insolvency on the part of the Participant;
- that the claimant gave money or property or authority to a Participant or a person who the claimant believed was a Participant or acting on behalf of the Participant;
- proof that the money or property or authority was given to the Participant in connection with effecting a transaction covered by the provisions of the Members Rules, the Equity

Listings Requirements, Automated Trading System Debt Trading Requirements and other applicable Rules and Requirements relating to transactions effected through the Exchange.

How to make a claim from the Investor Compensation Fund.

- Make an application addressed to the Chief Executive Officer of the BSE through the prescribed application form within 3 years from the date of default.

Ensure the application contains the following:

- the names of the parties involved
- addresses of the parties involved
- the details of the transaction
- If an investor is successful, their claim will be paid within 6 months from the date of application.

What are the grounds for rejecting a claim?

- If the investor has contributed in any way to the financial difficulties of the Participant in default.
- If the application is found to contain any inaccuracy or omission, unless this is clearly immaterial or is shown by the investor to be wholly innocent; or
- Where the investor has so conducted himself in his dealings with a Participant in default, as to be in breach of applicable law or regulations, including these Rules.



Botswana expected to record growth in fintech developments

By Tshiamo Tabane

Like other countries Botswana has adopted financial technology, commonly referred to as fintech, to improve service delivery as well as for regulatory and supervisory purposes. Recent trends show that while financial technology developments in Botswana are still at infancy stage, there are notable fintech developments in the country. Some of the developments include the introduction of mobile electronic money services made possible by the partnership between some commercial banks and mobile telecommunications service providers. In Botswana it has emerged that fintech services which

allows mobile payments and facilitates access to financial and banking services by the unbanked communities include Orange Money introduced by Orange Botswana, MyZaka by Mascom and Smega by Botswana Telecommunication Corporation. With improved access to mobile phones in the country, the mobile payment services are widely used.

The United Nations Conference on Trade and Development (UNCTD) has estimated that almost 95 per cent of households in Botswana have access to a mobile phone, and slightly more than 40 percent have accessed the internet

at home. A large proportion of the population has access to and is using internet services through smartphones and other wireless technologies as operators continue to increase mobile broadband coverage, according to UNCTD which added that the use of mobile technology has surpassed the use of fixed technology, reportedly due to its convenience. "Coverage with mobile broadband technologies such as 3G and 4G/LTE is mostly prevalent in urban areas," said UNCTD in its recent update on mobile phone and internet usage in Botswana.

Botswana Expected To Record Growth Fintech Developments (cont'd)

Bank of Botswana indicated that in this environment, characterized by improved access to mobile phones and internet, the use of Fintech related devices and platforms is now widespread in the management of bank accounts, remittances and payments for a variety of services. The outbreak of COVID 19 resulted with many finance related activities and services moving to online platforms and to mobile phones, according to Bank of Botswana. In the latest Banking Supervision annual report, the Central Bank noted that it recently approved 29 new products and services covering a wide range of banking services, including enhancement of existing products by adding digital features to reduce visits to bank branches. "Most of these products and services target retail customers, with a view to retaining clients and attracting others to broaden the customer base," said the Bank in the report.

Commenting on fintech developments in Botswana, one of the largest commercial banks in this country, First National Bank of Botswana (FNBB), noted that following the rise in fintech in this country, competition for banking customers is expected to increase as new competitors enter and gain traction in the Botswana financial services sector. "Advances in financial technology (Fintech) are disrupting the traditional delivery of financial services and creating opportunities for non-banking businesses to provide payment and other financial services. The bank will continue protecting its market share by continuously improving the service that we offer our customers."

ABSA Bank Botswana Limited stated that the evolution of the banking sector is characterized by accelerated leading-edge technology which transformed how the bank interacts with its customers and conduct business daily. The bank stated that the increased availability of data, analytics and artificial intelligence ("AI"), the continued adoption of cloud computing, and new technologies are rapidly transforming banking operations. The bank noted that technology is a primary enabler in building a digitally powered business. "Our competitive landscape is rapidly expanding, with many digital-only providers and other non-banking competitors. Our 2021 digital book of work comprised various projects, with 80% of the initiatives geared towards accelerating investment in digital transformation and partnerships

and meeting regulatory and mandatory obligations."

Latest figures by Statista, an international business consultancy and statistics company, shows that as a result of increased use of fintech, digital investment and payments in Botswana are projected to rise in the next four years. According to the figures digital investment is expected to increase from US\$151.30 million in 2022 to US\$425.20 million in 2027 while digital payments are expected to rise from US\$773.10 million to US\$1,343.00 million during the same period. "Total transaction value in the digital payments segment is projected to reach US\$846.90 million in 2023. Total transaction value is expected to show an annual growth rate of 12.22 percent resulting in a projected total amount of US\$1,343.00 million by 2027. The market largest segment is mobile POS Payments with a projected total transaction value of US\$498.80 in 2023."

In addition to the use of fintech in delivery of financial services, there is increased use of fintech intended to improve carrying out of regulatory and supervision activities by regulatory authorities in the financial services sector, according to Bank of Botswana. "Beyond the use of fintech in financial services offering, the continually evolving financial regulatory landscape has given rise to the greater use of technology aimed at improving regulatory reporting and compliance (regulatory technology (regtech) and overall supervision of financial institutions (supervisory technology (suptech))."

When explaining the implications of adopting financial technology for regulatory and supervisory processes, the Central Bank stated regtech and suptech solutions are subsets of fintech that automate regulatory and supervisory activities, respectively. According to the Bank, regtech focuses on technologies that facilitate the delivery of regulatory requirements more efficiently and effectively while suptech uses innovative technology to support supervision of financial institutions.

The Bank noted that regulatory requirements placed on financial institutions have significantly increased in the last decade and added that these were mainly driven by market failures during the Global Financial Crisis as well as the increased complexity of financial services. "In response, a

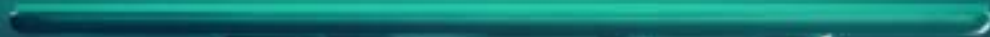
number of supervised entities seek to leverage digital technology to assist with regulatory compliance. The use of regtech offers solutions for financial institutions," said the Bank which added that to ensure continuous compliance, regulatory requirements can be embedded into information technology. "This approach allows for changes in regulations to be readily identified and incorporated into the IT systems to assist institutions to stay up to date with regulatory requirements, identify potential financial crimes and maintain effective financial-risk monitoring and reporting systems."

On the benefits of the adopting regtech and suptech, the bank emphasized that the successful implementation of regtech could result in automated and improved processes for fraud detection, regulatory reporting, data collection and risk management. "Furthermore, the use of suptech reduces manual intervention, thus resulting in enhanced effectiveness, reduced costs and improved capabilities. Suptech reduces the operational risk arising from collecting data through reports submitted in documentary form.

In addition, digitized validation, storage and analysis of data assists in assessing the implementation of recommended supervisory action plan aimed at improving business conditions and the health of financial institutions. Supervisors would also be able to enforce pre-emptive and early-supervisory actions to avert materialization of potential problems."

The Bank meanwhile noted that despite the benefits of regtech and suptech, these technologies also introduce inevitable risks to the financial system. According to the Bank it is imperative to understand the risks associated with the use of these financial technologies as that will allow entities to establish mitigating factors. "At the centre of fintech, and by extension, regtech and suptech, is the use of large amounts of digital data (big data) made possible by the development of advanced data analytics and processing capacity.

The downside, however, is that the use of big data raises concern over data protection and privacy, bank secrecy, cyber security, and data management risks of fraud and unfair and discriminatory uses of data," said the Central Bank.




MARKET PERFORMANCE REPORT


1ST JANUARY TO 31ST MARCH 2023


DCI:
 **3.0%**


DCTRI:
 **4.0%**

FCI:
 **0.1%**

Equity Turnover:
 **33%**
 (2023: P273.5Mn vs 2022: P407.8Mn)

Domestic Companies Market Cap:
 **10%**
 (2023: P42.3Bn vs 2022: P38.5Bn)

Bonds Market Cap:
 **9%**
 (2023: P26.2Bn vs 2022: P23.8Bn)

Bonds Turnover:
 **27%**



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Botswana Stock Exchange



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Market Performance Report

FOR THE PERIOD 1ST JANUARY TO 31ST MARCH 2023

1. EQUITY MARKET PERFORMANCE

1.1. Analysis of Equity Market Indices

During Quarter 1 of 2023, the Domestic Company Index (DCI) appreciated by 3.0% in comparison to an increase of 3.3% during the corresponding period in 2022 and the Domestic Company Total Return Index (DCTRI) appreciated by

4.0% in comparison to 4.3% during the same quarter in 2022.

The Foreign Company Index (FCI) increased by 0.1% on a year-to-date basis in 2023 in comparison to the

corresponding period in 2022 when the FCI was almost flat.

A synopsis of the overall performance of the market is presented in Figure 1.

Figure 1: Equity Market Performance Statistics

	1 Jan to 31 Mar 2022	1 Jan to 31 Mar 2023
Index Performance		
DCI	7,242.6	7,953.9
% Change	3.3	3.0
DCTRI	1,929.3	2,277.8
% Change	4.3	4.0
FCI	1,548.9	1,564.3
% Change	0.0	0.1
Liquidity		
Turnover (P' Million)	407.8	273.5
Average Daily Turnover (P' Million)	6.6	4.3
No. of Shares Traded (Million)	177.6	94.4
Market Capitalization		
Domestic Companies (P' Million)	38,452.2	42,287.5
Foreign Companies (P' Million)	349,890.7	349,104.9
Total (P' Million)	388,342.9	391,392.4
Market Indicators		
P/E Ratio (times)	12.3	13.3
Dividend Yield (%)	4.9	5.3
Price/Book Value (times)	1.3	1.3

1.2. Comparative Analysis of Equity Turnover

Trading activity during the review period in 2023 amounted to P273.5 Million in comparison to P407.8 Million in the corresponding period in 2022. Though lower than the amount recorded in 2022, current year-to-date turnover

levels are above the 2020 (P185.0 Million) and 2021 (P113.7 Million) levels. Similarly, the Average Daily Turnover (ADT) recorded in 2023 though lower than that in 2022 is significantly higher than in 2020 and 2021.

As shown in Figure 2 & Figure 3, during the corresponding period in 2022 a total equity turnover of P407.8 Million and a total volume of 177.6 Million shares traded were recorded.

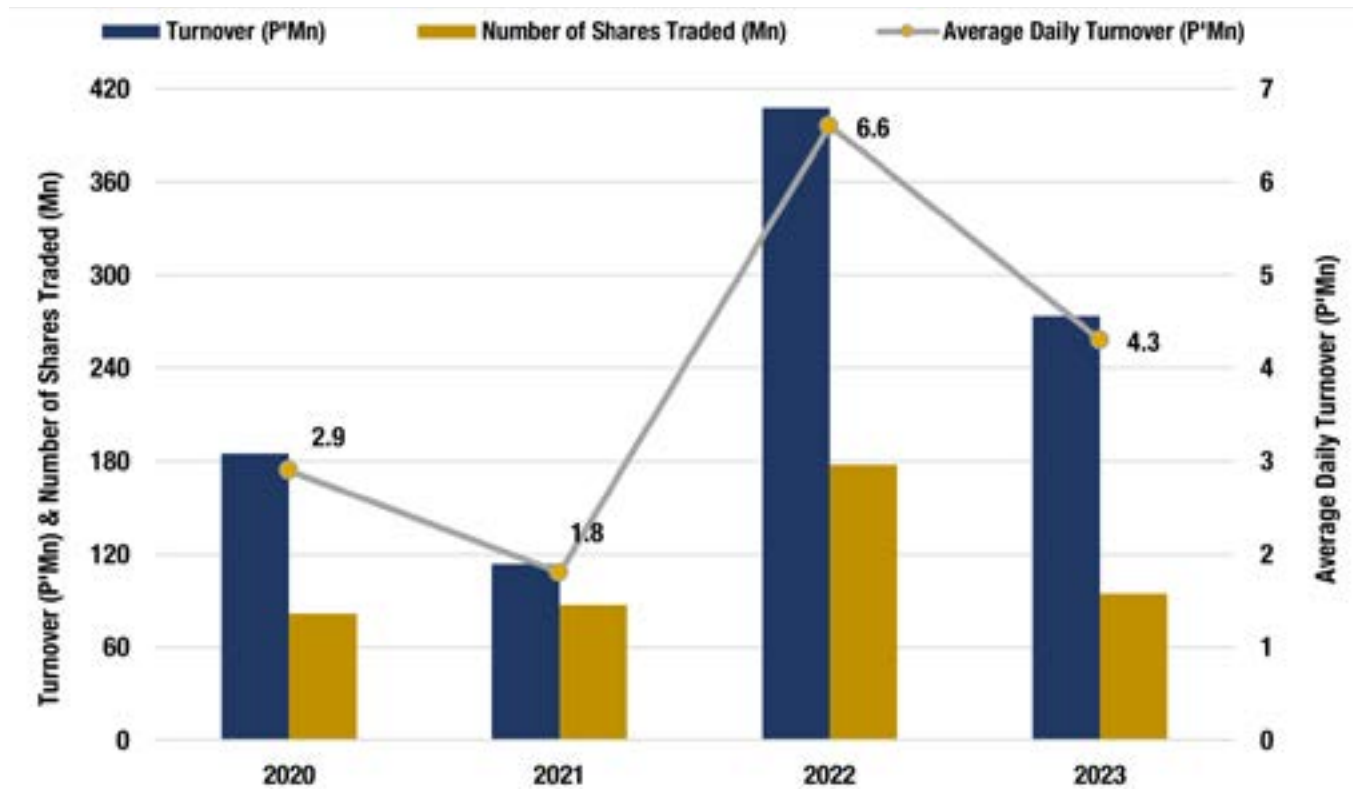
Market Performance Report for the Period 1st January to 31st March 2023 (cont'd)

Figure 2: Liquidity: 2020-2023

Liquidity ^{NOTE}	2020	2021	2022	2023
Equity Turnover (P' Million)	185.0	113.7	407.8	273.5
Average Daily Turnover (P' Million)	2.9	1.8	6.6	4.3
No. of Shares Traded (Million)	81.8	87.5	177.6	94.4

Note: Year to 31st March

Figure 3: Trend in Liquidity, Equities: Year-to-31st March



Source: BSE

Market Performance Report for the Period 1st January to 31st March 2023 (cont'd)

1.3. Companies Ranked by Turnover

The top 3 traded companies during the period under review were Letlole La Rona (P109.7 Million), Far Property Company (P25.9 Million) and RDC Properties (P24.9 Million). The total turnover from these 3 companies accounted for 58.6%

of total equity turnover, with the leading counter Letlole La Rona accounting for 40.1% of total equity turnover.

In comparison to the same period in 2022, the top 3 traded companies

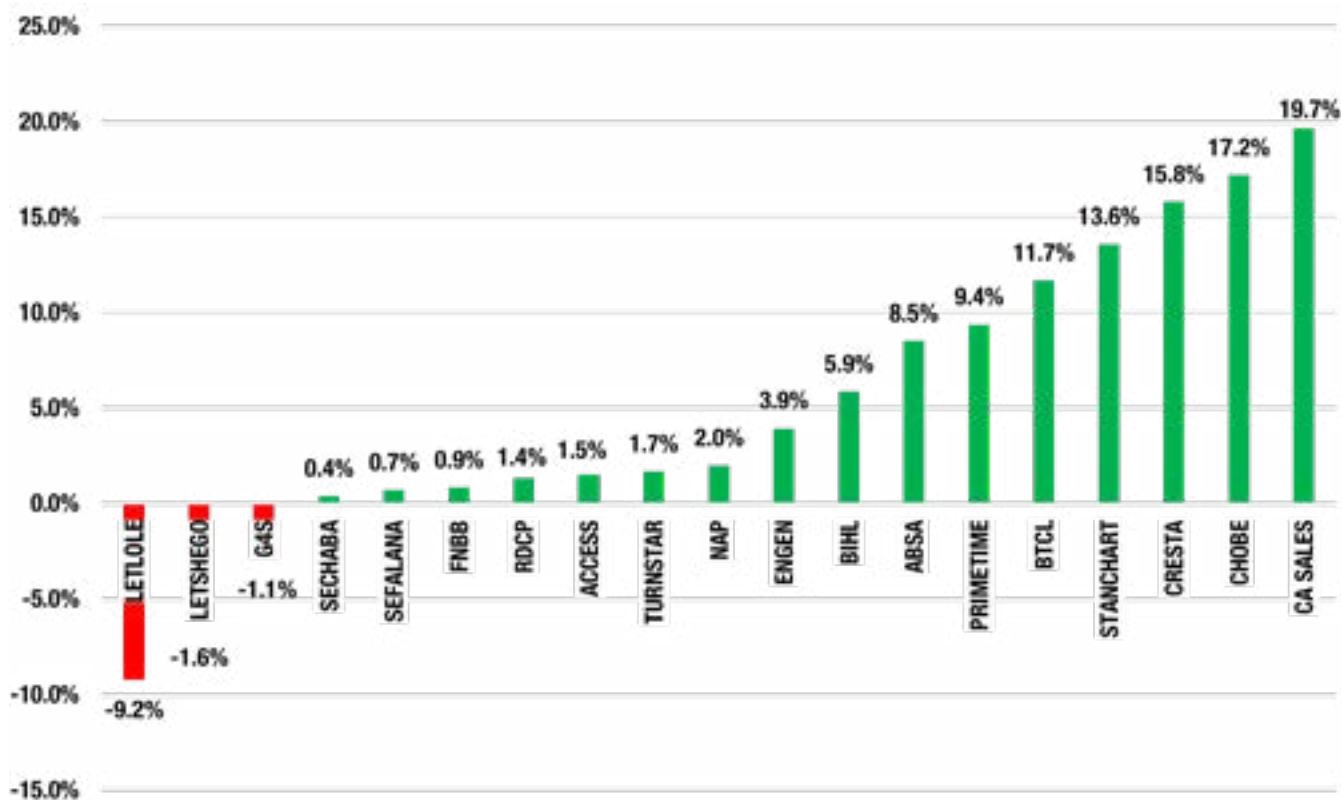
accounted for 85.9% of total equity turnover with the leading counter Letshego accounting for 62.4% (P254.6 Million) of total equity turnover. The rankings of companies by turnover thus far in 2023 is shown in Figure 4.

Figure 4: Companies Ranked by Turnover (BWP): Year-to-31st March 2023

Company	January Turnover	February Turnover	March Turnover	Total Turnover
LETLOLE	1,513.80	46,922,725.18	62,734,665.49	109,658,904.47
FPC	-	-	25,862,743.20	25,862,743.20
RDCP	16,156,765.50	2,106,121.50	6,594,045.75	24,856,932.75
PRIMETIME	5,556.80	45,421.56	17,429,716.50	17,480,694.86
ABSA	11,944,765.97	202,633.80	3,228,895.18	15,376,294.95
SECHABA	11,369,186.75	98,237.84	2,731,743.16	14,199,167.75
BIHL	5,226,079.32	221,127.07	6,321,379.58	11,768,585.97
ACCESS	21,812.72	33,052.15	10,541,087.70	10,595,952.57
FNBB	638,645.00	994,531.46	7,635,781.19	9,268,957.65
SEFALANA	3,766,249.94	372,850.08	3,462,619.39	7,601,719.41
BTCL	872,661.79	966,092.82	2,921,864.60	4,760,619.21
CA SALES	374,505.64	30,000.00	4,170,872.75	4,575,378.39
NAP	78,300.00	47,756.29	3,826,966.90	3,953,023.19
SEED Co	2,525,053.50	494,307.90	-	3,019,361.40
CRESTA	1,398,004.50	2,100.00	1,169,172.00	2,569,276.50
LETSHEGO	430,688.75	365,837.50	1,366,761.97	2,163,288.22
G4S	760,834.80	1,929.84	1,183,675.84	1,946,440.48
ENGEN	93,994.45	-	910,568.58	1,004,563.03
CHOBE	63,156.31	208,066.30	524,254.95	795,477.56
BBS	241,036.50	196,489.50	206,123.00	643,649.00
TURNSTAR	7,198.59	260,492.40	340,882.20	608,573.19
STANCHART	223,746.25	60,488.35	109,118.00	393,352.60
CHOPPIES	34,032.24	112,325.50	112,850.93	259,208.67
MINERGY	19,724.40	-	61,865.60	81,590.00
INVESTEC	-	-	65,948.89	65,948.89
LUCARA	1,243.00	-	29,645.55	30,888.55
TLOU	-	-	4,000.00	4,000.00
OLYMPIA	854.36	-	520.00	1,374.36
BOD	140.00	140.00	-	280.00
ANGLO	-	-	-	-
SHUMBA	-	-	-	-
TOTAL	56,255,750.88	53,742,727.04	163,547,768.90	273,546,246.82

Market Performance Report for the Period 1st January to 31st March 2023 (cont'd)

Figure 5: Share Price Performance: 1st January – 31st March 2023



Note: Companies that did not experience share price movement are excluded from graph

Figure 5 shows the share price performance of listed companies during the period under review. Of the 31 listed companies including BBS on the Serala OTC Board, 3 depreciated in share price,

16 appreciated in share price while 12 experienced no share price change.

The top three gainers in the first quarter were CA Sales with a 19.7% growth in

share price, followed by Chobe and Cresta with gains of 17.2% and 15.8% respectively.

1.4. Investor Contribution to Equity Turnover

As can be observed in Figure 6, local companies contributed 72.5% to total equity turnover or P198.3 Million in monetary terms while local

individuals contributed 4.0% during this period or P11.0 Million in monetary terms. Foreign companies contributed 23.0% or P63.0 Million to total equity

turnover while foreign individuals and brokers contributed 0.4% (P1.2 Million) and 0.0% (P0.03 Million) to equity turnover respectively.

Figure 6: Investor Contribution to Turnover: 1st January – 31st March 2023

Investor Category	Turnover (Pula)	Equity Turnover Contribution
Foreign Companies	62,974,345.95	23.0%
Foreign Individuals	1,230,200.22	0.4%
Local Individuals	10,967,370.38	4.0%
Local Companies	198,343,433.51	72.5%
Brokers	30,896.78	0.0%
Total	273,546,246.82	100.0%

Source: CSDB

Market Performance Report for the Period 1st January to 31st March 2023 (cont'd)

2. EXCHANGE TRADED FUNDS (ETFs) MARKET

During Quarter 1 of 2023 the BASBI ETF and BAMIB50 ETF delisted from the BSE Exchange Traded Funds Board. Further, NewFunds (RF) Proprietary Limited

retired as manager of the NewFunds ILBI ETF and Satrix Managers (RF) Pty Limited was appointed the new manager. The appointment resulted in

the name change of the NewFunds ILBI ETF to Satrix ILBI ETF (STXILF).

2.1. Analysis of Exchange Traded Funds (ETFs) Market Performance

During the period under review, ETFs turnover amounted to approximately P564,170 recorded from 2,988 units traded. This was in comparison to P30.9

Million recorded from 159,555 units. The NewGold ETF gained 10.0% while the Satrix ILBI ETF and ADBF ETF lost 1.1% and 5.1% respectively in 2023.

Figure 7 summarises the comparable ETF performance for 2022 and 2023 on a year-to-date basis.

Figure 7: Performance of ETFs: Year-to-31st March 2023

ETF		Turnover (P'Mn)	Units Traded	Price Change (%)
NewGold	2023	0.518	2,242	10.0
NewPlat		-	-	-
STXILF		0.044	724	(1.1)
NewPall		-	-	-
BASBI		Delisted	Delisted	Delisted
BAMIB50		Delisted	Delisted	Delisted
ADBF		0.002	22	(5.1)
Total		0.564	2,988	
NewGold	2022	30.9	155,960	3.8
NewPlat		0.0001	1	1.5
STXILF		0.0250	398	5.0
NewPall		-	-	-
BASBI		0.0042	50	-
BAMIB50		0.0172	3,146	(12.0)
ADBF		Not listed	Not listed	Not listed
Total		30.9	159,555	

Source: BSE



Market Performance Report for the Period 1st January to 31st March 2023 (cont'd)

3. BOND MARKET PERFORMANCE

As can be observed in Figure 8 the value of bonds traded during the review period was P564.2 Million

compared to P444.5 Million traded during the same period in 2022. As at end of March 2023, the market

capitalisation of listed bonds stood at P26.2 Billion.

Figure 8: Analysis of Bond Market Performance

Category	2022	2023
Liquidity (P'Mn)		
Government Bonds	444.5	560.0
Corporate Bonds ^{Note 1}	1.0	4.2
Commercial Paper	-	-
Total	445.5	564.2
Market Capitalization (P'Bn)		
Government Bonds	18.5	22.0
Corporate Bonds	5.2	4.1
Commercial Paper	0.1	0.1
Total	23.8	26.2
Number of Bonds Listed		
Government Bonds	7	7
Corporate Bonds	35	37
Commercial Paper	1	2
Total	43	46

Source: BSE





BSE PRODUCTS

At present, products that can be listed and accessed by investors on the BSE include Shares, Bonds, Exchange Traded Funds (ETFs), Botswana Depository Receipts (BDRs) and Commercial Paper (CP). These products have different risk profiles offering different returns to satisfy the needs of various investors.

BSE Listed Products		Benefits
1	Shares are intangible assets that represent ownership in a company.	<ul style="list-style-type: none"> ✔ An investor has a claim to the profits of the company through dividend payments ✔ As a shareholder, you have the right to vote matters that are pertinent to the performance of the company. This is usually during a company's Annual General Meeting (AGM) ✔ Profits by benefitting from capital gains (share price appreciation) ✔ Ease of buying and selling through the assistance of BSE licensed Brokers
2	A Bond is a fixed-income instrument that represents a loan agreement made by an investor to a borrower.	<ul style="list-style-type: none"> ✔ Receives regular cash flow through interest payments ✔ Compared to shares, bonds are a safer investment option because the principle amount is paid back once the bonds matures ✔ Bondholders have a higher claim on the issuer's assets in case of bankruptcy.
3	Exchange Traded Funds (ETFs) are instruments that track an index, price of a commodity or basket of assets and are listed on an Exchange. The instrument is backed by the underlying assets.	<ul style="list-style-type: none"> ✔ Diversification - ETFs give you an efficient way to diversify your portfolio, without having to select individual stocks or bonds. They cover most major asset classes and sectors, offering you a broad selection ✔ Transparent - ETFs assume the risks of the underlying asset ✔ Cost Effective - Low management fees, no upfront fees or exit charges ✔ Liquid - Availability of Market-Makers ensure that there is constant tradability of ETFs ✔ Secure - ETFs are regulated & governed by the BSE Listings Requirements ✔ Trading Flexibility - ETFs are very versatile, letting you easily move money between specific asset classes, like stocks, bonds, or commodities. ✔ They trade like stocks, meaning you can trade them anytime during market hours. ✔ All commodity ETFs (NewGold ETF, NewPlat ETF & NewPalladium ETF) comply with Shariah Law
4	Botswana Depository Receipts (BDRs) - A Depository Receipt is an investment instrument that represents shares of a foreign company.	<ul style="list-style-type: none"> ✔ BDRs offer local investors access to global investment opportunities without having to bear most of the trading and custodial costs which are normally associated with such cross-border transactions ✔ Investors are buying shares of a foreign listed company in their local market, of which they are aware of the processes and are familiar with trading, clearance and settlement procedures ✔ BDRs facilitate diversification into non-Botswana securities without many of the obstacles investors may have in purchasing and holding securities outside of the local market ✔ BDRs allow easy comparison to securities or similar companies trading on the BSE ✔ Distributions such as dividends can be paid out in foreign currency and the BDR itself can be listed and traded in foreign currency ✔ Right to receive distributions such as dividends accruing to the underlying shares represented by the BDRs ✔ BDRs enhance accessibility of research and of price and trading information of the underlying security ✔ Ability to exercise the voting rights directly under Sponsored BDR programs
5	Commercial Paper (CP) - Is a short-term debt instrument issues with a tenor of less than 1 year and it is primarily used to raise working capital for shorter periods of time.	<ul style="list-style-type: none"> ✔ CP can be issued at short-notice ✔ CP diversifies the funding base for a corporation ✔ CP is often cheaper than equivalent bank funding ✔ CP programs can be arranged to provide borrowings of various maturities ✔ For investors yields on CP are market-determined and are often high than instruments of similar maturities

DISCLAIMER FOR INVESTING: All forms of investment involve an element of risk. Past performance is not a guarantee of future returns, as such, information provided should not be misconstrued as financial advice.

To invest in any BSE Products, please contact any of the below BSE licensed brokers:

- Imara Capital Securities: **(+267) 3188886/ enquiriesbots@imara.com**
- Motswedi Securities: **(+267) 3188627/ motswedi@motswedi.co.bw**
- Stockbrokers Botswana: **(+267) 3957900/ info@sbb.bw**

For information on BSE Products, please contact the BSE at **marketdev@bse.co.bw** or **+267 3674400**.



DRIVING GENDER EQUALITY AND DIVERSITY AT THE BSE

The International Women's Day Celebration is dedicated to recognizing every woman's social, economic, cultural, and even political achievements. Since 1911 the celebrations have been commemorated on March 8 every year. To promote gender parity, the day acts as a reminder of the key milestone in the advancement of women's equality, with the day belonging to everyone, worldwide. The UN explains, "Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world. The goal is that by 2030, "end all forms of discrimination against all women and girls everywhere."

In the Sustainable Development Goals, Goal 5 in particular, looks into Achieving gender equality and empowering all women and girls. As such, the BSE has a culture that inherently promotes and support work place gender equality. It recognizes the importance of embracing the capability of all employees based on merit and not on gender. Employees in the BSE are afforded opportunities on the basis of their experience, competency and capability to deliver on the project deliverables. To achieve this, Botswana Stock Exchange has put in place policies and procedures to enforce gender equality for all employees in line with the SDG goals as follows:

SDG Indicator 5.1.1

- Legal frameworks for gender equality and non-discrimination

Definition: Indicator 5.1.1 is whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex. There are various legal frameworks which can

be applied to promote and enforce non-discrimination on the basis of sex. This is assessed here in the SDG Tracker – see also the 'additional charts' – across various measures, including hiring, equal pay, marital rape and property rights, among others.

Goal: By 2030 end all forms of discrimination against all women and girls everywhere.

BSE: Employees are awarded remuneration on the basis of a remuneration structure that looks at total cost to the company on the basis of job grading of each position in the BSE structure. It also provides for benefits such as maternity leave that ensures paid salary during pregnancy for female employees.

Employees are awarded training, promotion, benefits and other workplace opportunities on the basis of job requirements such as qualifications, experience, competency, skills gaps and BSE strategy objective prioritization. The recruitment policy is applied equally on all genders as candidates are assessed for job fitness on the basis of qualifications, years of experience and competencies outlined in each job profile. The selection process is based purely on the candidate's performance during job interviews and all candidates are treated equally during the recruitment and selection process.

SDG Indicator 5.2.2

- Violence against women from persons other than an intimate partner

Definition: Indicator 5.2.2 is the proportion of women and girls aged 15 years and older

subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence.

Goal: By 2030 eliminate all forms of violence against all women and girls.

BSE: The BSE has conceptualized a number of policies to safeguard and promote gender-balance such as the Sexual Harassment Policy

SDG Indicator 5.5.2

- Women in managerial positions

Definition: Indicator 5.5.2 is the proportion of women in managerial positions. This is measured as the percentage of firms in any given country with a female as the top manager, and the share of middle or senior management positions filled by a female.

Goal: By 2030 ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political life.

BSE: The BSE has ensured that close to 50% of its Senior Management positions are occupied by women (5 males and 4 females) while 63% of women make up the entire staff complement (10 males and 17 females). Lastly, the BSE recognizes special occasions and international days set aside to acknowledge issues affecting both genders. These considerations will continue to be part of the BSE culture as we aim to include women in our journey towards building a world class securities exchange.

In summary, the BSE recognizes special occasions and international days set aside to acknowledge issues affecting both genders. These considerations will continue to be part of the BSE culture as we aim to include women in our journey towards building a world class securities exchange. Like other international stock exchanges, Botswana Stock Exchange is among the 123 stock exchanges listed under World Federation of Stock Exchanges (WFE) that take part in ringing the bell for gender equality annually. As such, here at the Botswana Stock Exchange (BSE), we take heed of international milestones and honors and ensure that we conform to standards or exceed par.





THE BOTSWANA STOCK EXCHANGE (BSE) IS HOSTING AN INVESTOR MONTH FOR YOUR INVESTMENT NEEDS FROM 2nd TO 23rd MAY, 2023

1. Do you want to learn about the BSE's investment products?
2. Do you want to open a CSD account and start investing?
3. Have you not submitted your KYC documents?
4. Have you not dematerialized your shares?
5. Do you have any queries related to investing?

The Botswana Stock Exchange (BSE) kindly invites members of the public to participate in the first-ever BSE Investor Month by visiting the BSE offices from 2nd May – 23rd May, 2023 between 0900hrs - 1600hrs to address the above concerns. Joining us on this initiative will be the BSE licensed Brokers - Imara Capital Securities, Motswedi Securities & Stockbrokers Botswana.

For Account Opening, KYC and dematerialization bring the following documents;

INDIVIDUAL	BODY CORPORATE
Copy of ID/Copy of Valid Passport	Copy of the Certificate of Incorporation & Copies of ID/Passport of the Directors
Proof of Residence (Utility Bill/Lease Agreement /Affidavit)	Proof of Address (Utility Bill/Lease Agreement)
Proof of income (Payslip and /or Bank Statement)	Proof of Income(Bank Statement)
	Constitution ² or Resolution/ letter of Consent from the Board of Directors

For more information, please contact the Market Development Department via e-mail on marketdev@bse.co.bw or call **(+267) 3674400**



Equity Financing: A handy hack to tip the scales of SMEs to finally hold their own

By: Tlotlo Lemmenyane

Who is left behind?

When the word “SMEs” becomes a conversation point, various connotations are attached to it. Despite that luminaries have coined and formalized a definition on what SMEs represent, it would appear a common reference largely points to their “smallness”. It is not entirely inaccurate but it is to some degree devoid of the solid ground they have built beneath them. They may be lagging behind but SMEs are proving to command a sturdier emphasis. To support this submission, a paper by BIDPA (2011) found that Botswana’s SME sector absorbed more than 30 percent workforce and contributed between 15-30 percent of the country’s total output. These numbers suggest that SMEs are not the ‘underdogs’ they are often perceived to be.

To tip the scales, both in perception and in actuality, it will take a deliberate and unwavering gusto for them to break out of their “smallness” mound. Literature on SMEs depicts numerous challenges facing them. One which is highly pronounced is that they contend with limited resources, which by extension, grounds them to playing at grassroots level. Over the years, a myriad of efforts has been taken to boost the financial standing of SMEs,

one such being debt financing across banks and similar financing schemes. It has demonstrated to be necessary but also to be insufficient. Kapunda et. al (2007) submitted that government finance schemes (such as CEDA) have not solved the problem of limited access to credit, particularly for female owned small and micro enterprises. This is indicative that there remain gaps in addressing the limitations of SMEs, suggesting that no single intervention is the panacea.

Can equity financing close the gaps?

Before advancing an answer, it is first important to expound what the term SMEs encompasses, specifically in reference to Botswana. According to a study on Determinants of SME growth in Botswana by Okurut et al. (2015) SMEs are grouped into micro, small and medium sized enterprises. This categorization is based on one, the number of employees an enterprise has absorbed and two, the annual turnover generated. Below is what each component of the sector constitutes. Botswana’s SME Sector

Source: Okurut et al.

It further states that the majority of enterprises, being those at micro

level, are unregistered and unlicensed hence regarded as the informal sector. Enterprises in the informal sector are predominantly owned by women. Additionally, micro and small sized enterprises have the biggest pool of the private workforce absorbed at a share of more than 87 percent of total employment provided by the SME sector. That put forward, in addition to several existing interventions that have been advanced to the SME sector, particularly relating to improving their access to financing, there is an available option which it would seem presents itself as the handy hack that could potentially close the gaps.

In 2019 the Botswana Stock Exchange (BSE) heralded the Tshipidi Mentorship Program (TMP) as a means through which the SME sector can leverage its available tools to set their poise into opportunities for growth. “The structure of the program entails a thorough needs assessment of each company, practical training offered by industry experts with regards to key elements of corporatization, capital structure and commercial law and training on regulations and governance requirements.

Further, advisors in the listings ecosystem provide an overview of



Equity Financing: A handy hack to tip the scales of SMEs to finally hold their own (cont'd)

their roles in the listings process and provide a high-level orientation on how applicants can prepare for a listing," details the local bourse. The subsequent listing in the Tshipidi SME Board is postulated to thrust SMEs into pools of capital from which the outcome is expected to be growth and expansion potential. Put simply, TMP is a function of equity financing targeted specifically at the SME sector out of which the enterprises offer an ownership stake in exchange for capital. The Tshipidi SME Board applies less stringent conditions for listing in favor of the unique nature of the enterprises involved.

Is equity financing the magic wand?

It would be remiss to deem it as such but the opportunities it presents can offer a major shift. Okurut et al. (2015) posited that internal firm characteristics play a significant role in the growth of SMEs in Botswana. "The capital structure of the SME, its physical and productivity of its human capital are paramount in influencing the growth of these firms." The structure and requirements of TMP appear to decisively take into account these determinants of growth. For one, TMP specifies that persons at the helm of the enterprises (CEO or CFO) must attend all modules as well as a maximum of two (2) delegates per enterprise.

The involvement of such persons speaks to ensuring that the training and knowledge garnered positively influences the output of the enterprise given that useful information will be put to practice. Two, TMP guides SMEs into 'corporatizing' which generally implies change in the structure of the enterprise to comprise of a board of directors, management and shareholders. Studies have largely found that SMEs operate as sole proprietors, which in consideration of growth potential presents a limitation in that "they are usually risk averse and more often prefer to investing in low risk projects which attract low rates of return." Conversely, corporatizing as a form of readying enterprises to list on the local bourse opens up the expanse of risk, and as is the general rule, enterprises will trade more risk in exchange for aggressive growth potential.

Since the inception of TMP four years ago, nearly 50 enterprises have graduated from the programme with yet a single listing to be registered. From a number's perspective, it can be deduced

that only 42 percent (small - 32% and medium - 10%) of the SMEs is eligible to participate in TMP. This is the pool from which the local bourse has access to; but one can infer that a spill-off based on the eventual success of small and medium sized enterprises listings on the Tshipidi Board will steer the 58 percent of unregistered enterprises into shaping up to ready themselves to follow suit. Moreover, unlike the main board, Tshipidi board does not require enterprises to have prior operational history. This means that viable enterprises with fresh ink on their registration certificates can apply to participate in TMP.

Now to finally answer the question of whether equity financing can close the gaps, it is worth noting that Botswana currently does not provide a solid demonstration. What it does indicate is that it is on course to making a firm case. One can posit that it is only a matter of time that from the graduates of TMP a listing will emerge with more likely to trickle into the future. However just across the border in South Africa the Johannesburg Stock Exchange's SME listing Board referred to as AltX proves that giving equity financing a shot as a propeller does make SMEs rise to the occasion.

A publication titled "leveraging capital markets for SME financing in Rwanda" (2013) shares the regional and international experiences of SME access to capital markets.

Source: leveraging capital markets for SME financing in Rwanda (2013)

According to the publication as at 2009 the number of listed SMEs on AltX was over 70 with several reported to have been in the pipeline for listing. The first listing was registered in January 2004, hardly two months after the board was introduced in October 2003.

An article by Mwakaneno Gakweli titled 'lessons from the JSE:AltX an alternative exchange for medium sized companies' published in African News cited that "AltX has the highest migration rate globally, with 38 firms having moved from AltX to JSE's main board since its inception in 2003." As at 2019, it had 44 companies listed. It had a total Market capitalization of R18.09 billion having raised R64.24 billion since its launch. Market capitalization refers to the total value of companies on the open market.

In comparison to South Africa, Kenya, Uganda and Tanzania the introduction of an alternative listing board catered to the SME sector in Botswana came a little late to the party. But as the quote goes, 'many will start fast, few will finish strong.' What is important is that it is evident that equity financing does work in assisting the SME sector to make the grade and Botswana has set itself up for the same kind of success. It has likewise taken on an active role to advance and embrace equity for the SME sector.





EMBRACING AND ADVANCING EQUITY THROUGH THE TSHIPIDI MENTORSHIP PROGRAMME

• **Background:**

According to a recent study by the Botswana Institute of Development Policy Analysis (2022), small medium-sized enterprises remain the cornerstone of Botswana economy as they account for 50% of private sector employment and contribute 15% – 20% of Botswana's Gross Domestic Product. On the global stage, they play a significant role in most economies, particularly in emerging markets. This is attributed to the fact that they represent about 90% of businesses and more than 50% of employment worldwide according to statistics from the World Bank (2022).

From these figures, formal SMEs contribute up to 40% of national income in emerging economies and these numbers are significantly higher when informal SMEs are considered. According to a recent study by the World Bank, nearly 600 million jobs will be needed by 2030 to absorb the growing global workforce, which makes SME development a high priority for many governments globally. In emerging markets, most formal jobs are generated by SMEs, which create 7 out of 10 jobs. However, access to finance remains a key constraint to SME growth, it is the most cited obstacle facing SMEs to grow their businesses in emerging markets and developing countries.

From a local context, the role of Government in stimulating economic development remains a national priority. SMEs and the private sector as a whole, contribute towards the promotion of a robust and vibrant Economy through improved productivity, creation of jobs, improvements in infrastructure, increase in household income, development of skilled

and semi-skilled workers and opportunities for developing and adapting technological innovation, among others. In addition, SMEs are also attractive because of the simplicity of their establishment and administrative structure since a relatively small amount of capital is needed for initial foundation and operation - the limited liability allows them to exit the market with little significant impact.

However, for SMEs to realise their full potential as an engine of growth, it is important to create a favourable environment that allows them to expand and realise their potential. To date, financial constraints to SMEs have had the negative effect of stifling the growth of potential businesses, thereby dampening the economic diversification and employment creation drive. However, access to capital or formal credit markets is pivotal to the survival of such enterprises.

Traditionally, access to financing has been dominated by commercial banks, which are the major suppliers of credit to households and private businesses in Botswana. While much of the focus, appropriately, is on enhancing lending to SMEs, there is growing emphasis on the need to diversify the range of financing options that are available to SMEs, and consequently the potential role of capital markets in SME financing. Avenues like the stock exchange have not been fully utilised as there remains an opportunity for access to equity market finance.

• **Establishment of the Tshipidi Mentorship Program:**

In terms of education, throughout the years, the BSE has led the way to bridge the gap and to educate

the private sector on the listings value proposition through numerous market development initiatives. These include the Annual Listings & Investment Conference, annual Open Days, Listings Refresher Workshops, one-on-one presentations with prospective issuers, educational webinars development of educational brochures, radio and social media, amongst a few. However, despite these efforts, a key observation that was cited was that a number of SMEs have indicated their dismay at the potential costs of listing to access equity finance. These issues, having been diagnosed by the Exchange, were attributed to a lack of corporatization exhibited by SMEs in Botswana.

This is because the total costs of listing are inflated by the pre-listing work facilitated by local advisers. This relates particularly to the work that goes into the "preparation" and "corporatization" of a company ahead of submitting a listing application to the BSE. As such, if more companies within Botswana's private sector are able to operate as corporates, then the costs of advisory services associated with corporatization would be substantially lower. Due to the aforementioned, the BSE took a strategic decision in 2029 to establish the **Tshipidi Mentorship Program (TMP)**.

The Tshipidi Mentorship Program was introduced primarily to sensitize and educate the private sector on the listings value proposition and process. Hence, it serves as a way of grooming companies that could potentially raise capital, improve governance and leverage from the BSE as a springboard for growth. The objective of the Program is to provide practical training through a comprehensive and interactive

Embracing and Advancing Equity through the Tshipidi Mentorship Programme (cont'd)

program that covers the key themes necessary to prepare and position a company to list on the BSE.

This training is offered by industry experts (advisors in the listings ecosystem) with regards to key elements of corporatization, capital structure, financial reporting, commercial law, listing requirements and corporate governance. In terms of facilitation, the TMP is conducted over a three (3) months period, with each month allocated a single day of facilitation.

• Youth-Owned Businesses, Tshipidi Mentorship Program & Impact Investing

Since the establishment of the Program, the BSE has hosted a total of forty-seven (47) companies - seventeen (17) companies in 2019, eleven (11) companies in 2021 and twenty (20) companies in 2022. These companies represent a host of sectors that have included energy, financial services, property, mining, manufacturing, agriculture, education, ICT, retail, amongst a few. From these companies, majority of them have been youth-owned businesses which supports the narrative that younger people are positioning themselves into entrepreneurship than ever before.

According to the African Development Bank, approximately 62% of Africa's population was below the age of 25 in 2019. Although this demographic is expected to slightly fall to 59% in 2030 and decline further to around 52% in 2050, this large, dynamic youth cohort could be an asset if unemployment, education, and rising inequality are addressed. The United Nations Population Fund estimates that GDP for the continent could grow by \$500 billion per year for 30 years if Sub-Saharan Africa invests in its human capital. The Bank projects that Africa will need to create 20 million jobs annually through 2030 just to keep the current unemployment levels constant. While economic growth has been strong in Africa, there is an urgent need to promote inclusive economic transformation.

Representing 95% of all firms and generating 80% of jobs across Africa, SMEs are a powerful

conduit for addressing the growing youth unemployment bulge. Youth entrepreneurs make up an important segment of the private sector. Young people are more likely to employ their peers and are usually active in high-growth sectors, according to the World Bank. With the right knowledge, skills, mentorship, financial resources and enabling policies, youth-led enterprises can grow economies and create job opportunities. Based on the aforementioned, it is critically important that Botswana is able to provide a conducive environment for youth-owned enterprises to thrive in these difficult economic times. Synergies amongst relevant stakeholders should be fostered to support the growth of the enterprises through capacity building initiatives to provide technical assistance, policy and regulatory reforms to ease the constraints of doing business and provide various access to sustainable and cheap finance to operate and expand.

On a regional level, the African Development Bank launched **The Youth Entrepreneurship and Innovation Multi-Donor Trust Fund** an initiative that supports Africa's entrepreneurship ecosystem in 2017. The Fund promotes the creation of sustainable jobs for young Africans by equipping youth and women-led startups as well as micro, small and medium enterprises with the skills, financial support and enabling environments to run bankable businesses. Initial contributions came from Denmark and Norway in 2017. In 2018, the Fund welcomed the Governments of Sweden, the Netherlands and Italy as additional donors, and now has nearly \$40 million. The Fund's initial lifespan is from 2017 through 2025.

On this vein, the introduction of an Impact Fund could also ease the constraints for SMEs operating in Botswana. An Impact Fund is essentially a fund whose goal is to implement investments that generate a measurable, beneficial social and/or environmental impact, in addition to a financial return, according to IGI Global. Many of the notably global Funds that promote impact investing include The Gates Foundation (focused on healthcare, education and gender equality with

\$2.5 Billion under management), Soros Economic Development Fund (\$90 Million invested impact ventures), the Ford Foundation (\$16 Billion under management to support ventures aligned with the values of the Foundation), etc.

These Funds adopt various investment strategies that serve to optimize a goal other than profits. This might include investments in clean energy, education, or microfinance. Globally, Impact Funds & Investing are a part becoming a trend for socially responsible investing to reduce some negative impacts of conventional business activities. Hence, this is an initiative/solution that could be adopted by the Government of Botswana through soliciting donors to support this Fund and disperse funds through a structured investment approach focused on key sectors. This would act as a springboard for companies to upscale which will likely promote listings on the BSE in the long-run.

• Conclusion:

Listing on a public market like the BSE and accessing equity finance is also associated with several other benefits. From a financing standpoint, SMEs are given the access to a wider potential investor base and the cost of equity capital can be lower than other forms of finance. In addition, once listed, secondary offerings are easier to make.

As equity finance does not impose specific repayment requirements, it is less of a financial burden during times of economic stress. Further, listing avails existing shareholders with a means of exiting the company as well as enhance the profile of the company with potential employees, suppliers and clients. Moreover, listing assists with facilitating the use of company shares for future acquisitions through the valuation process.

Since introduction, the TMP has transformed the perception of private sector towards listing. In Botswana, the BSE will remain the barometer of economic health as access to capital remains the sustenance of all businesses. Hence, it will continue to address the needs of issuers seeking finance at a reasonable cost and of

Embracing and Advancing Equity through the Tshipidi Mentorship Programme (cont'd)

investors willing to provide the finance according to their perception of risk and return. By doing so, providing a

platform for long-term funding at the point of issuing the securities for the first time and at any other point in

future. Thus, empowering Batswana and contributing towards the growth of Botswana's Economy.



Group Picture - TMP 2022 Cohort, BSE Chairperson, Lt. Gen. Tebogo C. Masire, Chairman of Motor Holdings Botswana & Director of Stockbrokers Botswana, Mr. Charles Tibone and BSE CEO, Mr. Thapelo Tsheole

Botswana Stock Exchange (BSE) celebrates International Women's Day 2023

On 8th March, 2023 the Botswana Stock Exchange (BSE), in conjunction with CFA Society South Africa Society South Africa, held a commemorative Ceremony to celebrate International Women's Day under the global theme, **'DigitAll: Innovation & Technology for Gender Equality'** at the BSE offices from 0900hrs to 1030hrs.

During this Ceremony, the BSE, like all securities exchanges around the world, set the tone by conducting this event to acknowledge the important role that women play in society and celebrating their contributions by facilitating an engaging panel discussion to deliberate on this year's theme by unpacking how innovation & technology can promote gender equality in our society today. The theme, **'DigitAll: Innovation & Technology for Gender Equality'**, recognized and celebrates the women and girls who are championing the advancement of transformative technology and digital education.

As such, this year's theme explored the impact of the digital gender gap on widening economic and social inequalities. In addition, this theme also shed light on the importance of protecting the rights of women and girls in digital spaces and addressing online and ICT-facilitated gender-based violence.

In support of this year's theme, BSE Board Member, Mrs. Lekono Phiri said in her Welcome Remarks, "Digital technology is opening new doors for the global empowerment of women, girls and other marginalized groups. From gender-responsive digital learning to tech-facilitated sexual and reproductive healthcare, the digital age represents an unprecedented opportunity to eliminate all forms of disparity and inequality. As such, today – 8th March 2023, we are calling on governments, activists and the private sector alike to power on in their efforts to make the digital world safer, more inclusive and more equitable.



Embracing and Advancing Equity through the Tshipidi Mentorship Programme (cont'd)

Facing a multiplicity of global crises, we have a chance to create a better future—not just for women and girls, but for all humanity and all life on Earth. In due time, I trust our collective efforts will steer the tide towards a more gender-balanced world.”

She further went to highlight the BSE’s efforts in promoting a gender balanced environment in the workplace, “I am happy to inform valued stakeholders of our efforts in promoting gender equality in the workplace. Firstly, the BSE has conceptualized a number of policies to safeguard and promote gender-balance such as the Sexual Harassment Policy, Remuneration Policy which advocates for equal benefits and the Maternity/ Paternity Leave Policy that ensures paid salary during pregnancy for female employees. Further, the BSE has ensured that 50% of its Senior Management positions are occupied by women while 62% of women make up the entire staff complement. Lastly, the BSE recognizes special occasions and international days set aside to acknowledge issues affecting both genders. These considerations will continue to be part of the BSE culture as we aim to include women in our journey towards building a world class securities exchange.”

To continue deliberations on the subject matter, the BSE invited ladies operating in the ICT space to share their insights into how technology and innovation can tilt the gender inequalities. This included Gosmartvalue Founder & Managing Director, Ms. Sethebe Manake, Seipone AI Co-Founder & Chief Executive Officer, Ms. Nomsa Makgabenyana and Eskom

Pension and Provident Fund, Assistant Portfolio Manager, Ms. Lungile Luvuno to engage in an interactive panel discussion moderated by the BSE Head of Clearing & Settlement, Ms. Masego Pheto-Lentswe.

Subsequent to these discussions, the following were highlighted by our distinguished speakers;

- Governments & corporates need to make a commitment towards adopting gender responsive technology and conceptualize frameworks to support this
- Governments & corporates need to design innovative solutions with women placed high on the priority as end users
- Governments & corporates need to implement innovative solutions that meet the needs of women
- Governments & corporates need to evaluate gender responsive impacts by using data-driven approaches
- Governments and corporates need to scale innovations that can sustainable solutions to meet the needs of women and girls.

In her Closing Remarks CSDB Board Member, Ms. Pascaline Sefawe, emphasized the need for change. She said, “From a holistic view, women and men should be able to enjoy the same privileges. Thankfully, the global perception is changing slowly but steadily. People are now becoming more aware of their rights and what they can do in a free society. It has been found that when women and men hold the same position and participate equally, society

progresses exclusively and creates a landmark. When a community reaches gender equality, everyone enjoys the same privileges and gets similar scopes in education, health, occupation, and politics. Even in the family, when both male and female members are treated in the same way, it is the best place to grow, learn, and add great value.”

In addition, she also urged Batswana and the opposite gender to continue in the personal capacities to promote the gender equality, “As Batswana, we need to value every gender equally to progress at the right place. A society attains better development in all aspects when both genders are entitled to similar opportunities. Equal rights in decision making, health, politics, infrastructure, profession, etc. will surely advance our society to a new level. The social stigma of women staying inside the house has changed. Nowadays, girls are equally competing with boys in school. They are also creating landmark development in their respective professions. Evidently though, from a global context, it is pleasing to see so many members of the opposite gender being a part of the conversation in driving and promoting gender-equality for the betterment of our world and future generations. Let us maintain the same momentum and our efforts will eventually bear fruit.”

This event was attended by over one-hundred and fifty (150) people which included key figures in society who advocate for gender equality (predominately women), capital market experts, entrepreneurs, members of the media and members of the public.



Embracing and Advancing Equity through the Tshipidi Mentorship Programme (cont'd)



Botswana Stock Exchange (BSE) celebrates International Women's Day 2023

- | | | |
|---|---|--|
| <p>01. Master of Ceremony - Ms. Duduetsang Babitseng, guiding proceedings.</p> <p>02. BSE Board Members, Ms. Lekono Phiri delivering the Welcome Remarks</p> <p>03. Members of the audience</p> <p>04. Panelists (left to right) - Seipone AI, Co-Founder & Chief Executive Officer, Ms. Nomsa Makgabenyana, Eskom Pension and Provident Fund, Assistant Portfolio Manager, Ms. Lungile Luvuno, CFA (joined virtually) & Gosmartvalue,</p> | <p>Founder & Managing Director, Ms. Sethebe Manake</p> <p>05. BSE Head of Market Development, Ms. Thapelo Moribame delivering the Market Updates.</p> <p>06. Moderator - BSE Head of Clearing & Settlement, Ms. Masego Pheto-Lentswe</p> <p>07. Official Belling Ringing (left to right) - Seipone AI, Co-Founder & Chief Executive Officer, Ms. Nomsa Makgabenyana, CSDB Board Member, Ms. Pascaline</p> | <p>Sefawe, BSE Board Member, Ms. Lekono Phiri, Gosmartvalue, Founder & Managing Director, Ms. Sethebe Manake, BSE Head of Clearing & Settlement, Ms. Masego Pheto-Lentswe and BSE Head of Market Development, Ms. Thapelo Moribame</p> <p>08. Group Picture - BSE Staff (ladies) plus our distinguished speakers</p> <p>09. CSDB Board Member, Ms. Pascaline Sefawe delivering the Closing Remarks</p> |
|---|---|--|

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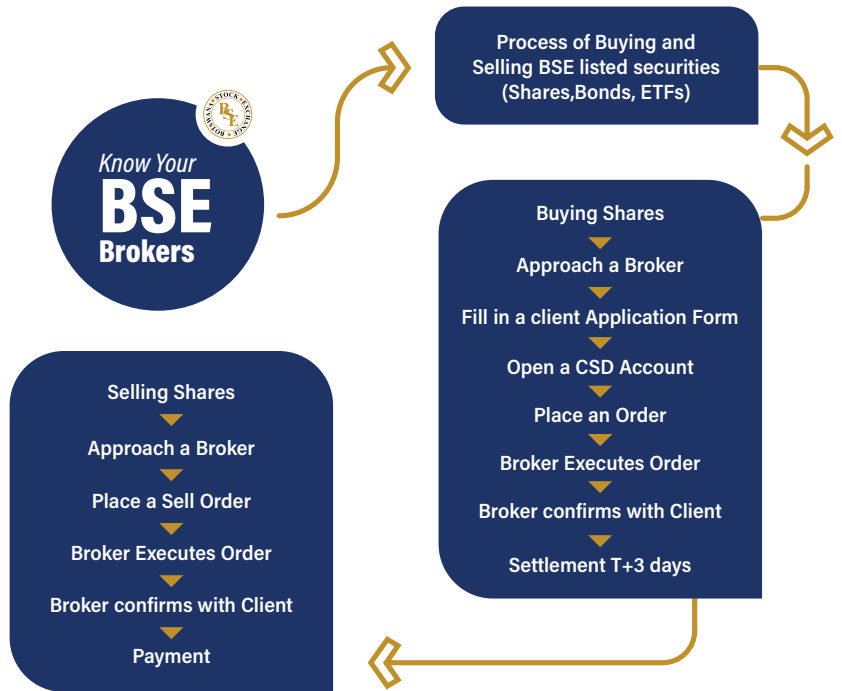
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KNOW YOUR BSE BROKERS

The first step to buying and selling shares is approaching a licensed BSE Broker. Brokers are licensed agents given authorisation to buy and sell shares on your behalf as an investor. Over and above facilitating the transaction (buying or selling) of shares, Brokers also provide financial advice on which stock to buy or sell.

All Brokers are required to meet specific standards such as acquiring appropriate qualification (e.g. Registered Persons Examinations or RPEs), experience and must comply with the BSE Member Rules.



THE THREE LICENSED BSE BROKERS ARE:

• StockBrokers Botswana

Acting CEO: Mr. Kennedy Kgomanyane
 Tel: (+267) 395 7900
 Fax: (+267) 395 7901
 Email: info@sbb.bw
 Website: www.stockbrokersbotswana.co.bw

Stockbrokers Botswana is a registered member of the BSE and provides stockbroking services that cover a wide range of products listed on the BSE, including equities, bonds, and Exchange Traded Funds. Established in 1989 as the first stockbroking firm, the company has been instrumental in developing Botswana's capital market.

In addition, the company has established strong and lasting relationships with domestic institutional and individual investors and the largest active emerging market investors in the SADC region.



• Imara Capital Securities

CEO: Mr. Gregory Matsake
 Tel: (+267) 318 8886
 Fax: (+267) 318 8887
 Email: enquiriesbots@imara.com
 Website: www.imara.com

Imara Capital Securities (Pty) Ltd (formerly Capital Securities) was established in 1999 and started stockbroking operations in March 2000 as part of the Capital Group of companies.

Imara Capital Securities became a part of the Imara Group of companies following Imara Holdings Ltd, the Pan-African financial services provider's purchase of a majority stake in the company.



• Motswedi Securities

CEO: Mr. Martin Makgatlhe
 Tel: (+267) 318 8627
 Fax: (+267) 318 8629
 Email: motswedi@motswedi.co.bw
 Website: www.motswedi.co.bw

Motswedi Securities is a leading Botswana citizen-owned stock brokerage firm. Formerly known as Investec Securities (Botswana) (Pty) Limited, Motswedi Securities were the second stock brokerage firm registered in Botswana, with trading activities commencing in 1998.

As member of the BSE, they offer quality service to individuals and institutions who seek to gain wealth by:

- Trading of listed equities, primarily on the Botswana Stock Exchange.
- Trading other BSE listed securities such as corporate and Botswana Government bonds and ETFs.
- Providing clients with research on market performance.

On the primary issuance side, they pride themselves in having brought many quality listings to the BSE and continue to do so at present.



PROCESS OF LISTING ON THE BSE

Listing a company on the BSE begins with appointing a Sponsoring Broker among one of the licensed brokers. All submissions and applications to the BSE for a listing, are submitted through a Sponsoring Broker.

The Sponsoring Broker also assists the applicant with assembling a team of advisors who will be involved in the process of listing, and these include:

- Lawyers;
- Reporting accountants;
- Corporate finance experts;
- Auditors

Step 1:

Issuer meets with and appoints a Sponsoring Broker whose duty is to facilitate the listing process, acting as a conduit between the issuer and the BSE.

Step 2:

Sponsoring Broker assists the issuer in appointing a team of advisors on the transaction, including lawyers, reporting accountants, auditors, corporate finance advisers, etc.

Step 3:

Issuer makes the first submission to the BSE through the Sponsoring Broker. BSE evaluates the application and responds within five working days.

Step 4:

If there are amendments to be made to the first submission, the issuer is required to re-submit the application. Again, the BSE responds within five working days from the date of each re-

submission.

- If the Issuer applies for waivers in respect of the Equity Listing Requirements, the application and recommendation shall be made to the BSE Board, and a response from the Board will respond within an additional five working days.
- This submission and evaluation processes are repeated until the submission is compliant with the BSE Listings Requirements.

Step 5:

Once the submission is fully compliant, the Issuer submits the final documents for formal consideration. BSE responds within two working days of the submission with a formal approval to list.

Step 6:

BSE Board's provisional approval is obtained. A provisional listing approval is a "green light" for the applicant to commence the offer process while working towards satisfying conditional requirements, if any, to earn a permanent listing.

- After a provisional approval of listing has been granted, the applicant will have to undertake a series of events in order to issue the shares. The applicant is expected to adhere to the time table of events outlined in the BSE Equity Listings Requirements.
- Simultaneously, following provisional approval, the administrative processes are instituted in

preparation for the listing. These include, but are not limited to, transfer secretary administration and internal BSE system administration to create the security and prepare for listing.

Step 7:

The listing takes place on the BSE, and the security begins to trade on the effective listing date.

Step 8:

The Issuer is required to maintain compliance with the BSE Listings Requirements on an on-going basis once listed.

For more information on the process of listing on the BSE, please contact the Market Development Department via e-mail at marketdev@bse.co.bw.



Guide to Listing on the BSE booklet can be accessed on the BSE website - www.bse.co.bw

VARIOUS METHODS OF LISTING ON THE BOTSWANA STOCK EXCHANGE

Introduction:

This is a method of listing a company without the company offering new or existing shares to the public. A company will use this method if the required number of shareholders already complies with the BSE Equity Listings Requirements. With this method, there is no capital inflow to the company or its shareholders arising from the listing.

Offer for Sale:

An offer for sale is a method of listing where existing shareholders of a company invite the public to subscribe to their shares already in issue. Offer for sale does not result in new issuance of shares but rather, already existing shareholders re-sell some of the shares they hold. This, is usually done to restructure the company shareholding so that the company can meet the public float or shareholding requirements

of the BSE. It can also be used as an avenue for founding shareholders to cash in on their investment by reducing their shareholding in the company.

Offer for Subscription:

This is an invitation by the company to the public to subscribe for shares in the company. With this method, the company issues new shares and sells them to new investors other than its existing shareholders. This way the shareholding structure of a company is adjusted and the proceeds from the transaction accrue to the company as equity capital. This is employed by companies that list in order to raise capital to expand their operations.

Placing:

Placing is a method of listing a company that involves marketing shares already in issue but not listed, to specified

investors and does not involve an offer to the public or existing shareholders. It differs from Offer for Sale and Offer for Subscription in that the shares are offered to a select group of investors and not to the general public. Usually, placing is undertaken through a private placement with institutional investors as opposed to an Initial Public Offering (IPO).

Initial Public Offering:

An IPO is when the securities of a company are offered to the public for the first time.

Private Placement:

Private placement is an offer of securities to a small number of select and private investors as a way of raising capital.



BSE'S NEW WEBSITE AND MOBILE APPLICATION

DID YOU KNOW?

The Botswana Stock Exchange (BSE) has a newly designed website and mobile application. A new website was necessary to create a more user-friendly, browsing experience for current and prospective clients with respect to accessing market information.

Some of the notable new features of this site include a stock market ticker displaying real-time price & indices movements, a watchlist function to monitor selected securities, an optimized search engine for easy navigation and integrated social media buttons, amongst others.

To coincide with new website, the BSE also introduced a mobile application to suit the needs of clients-on-the-go in accessing market information and interacting with the Exchange. The mobile app carries most of the features that are part of the website and will act as an easier channel for users to buy customized data to meet their diverse requirements. The mobile app can be downloaded from the App Store & Google Play Store.



Given their modernized look and feel, as well as the interactive functionalities, the new website and the mobile app are expected to significantly increase the visibility of the BSE, including listed companies, products and services, the reach of market data and the vibrancy in the stock market.

URL: www.bse.co.bw

For more information on the BSE website and mobile application, please contact the Market Development Department via **e-mail on: marketdev@bse.co.bw**

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Artificial Intelligence's Implications on Corporate Governance – Terror or Triumph?

By Dumisani F. Ntini

Our global economy faces unprecedented developments and exciting times birthed by a wide range of anomalies, bearing in mind the 4th Industrial Revolution and advancements in Artificial Intelligence (AI). Economic actors such as governments, firms and households have met this unique phenomenon with mixed feelings, some with apprehension, such as individuals and households questioning their employment and livelihoods. Others, such as firms and institutions, face it with a hint of optimism with the opportunities for changes (more specifically, reductions) in their economic costs. Considering the plethora of opinions and reactions in this regard, our exploration of AI's implications on corporate governance will be from two perspectives, firstly, realistic (incorporating both positive and negative applications and implications) and secondly, sceptical, which entails an acutely cynical viewpoint that deems AI as being overly harmful, out of control and having the capacity to 'conquer mankind'.

AI proponents purport that it wields great potential to improve data governance, disclosure and transparency. Governance designates can benefit immensely from AI's deep-learning capacity with respect to data accumulation and processing. Furthermore, AI presents an opportunity for boards and executives to discover possible avenues for changes in their data disclosure approaches, in congruence with international best practice and standards as discovered through AI's intensive research capabilities. Where financial analysis and integrated reporting are concerned, there is room for betterment if governance designates discover ways to incorporate and integrate AI in the applications and systems utilized for financial services and accounting. There are ample opportunities for improvements in the accuracy and relevance of data and information disseminated to the organisation's stakeholders. This is beneficial for governance designates in that it reflects more vivid, open and transparent disclosure and for the reduction of information asymmetry.

With regard to organizational structures as agreed upon by boards and

executives during strategy sessions as well as the particular human capital components of the organisation, there is ample opportunity for enhancement of research, training and development of staff that can be brought about by AI. Firms can better understand their workforces' behaviours and inclinations through the use of AI, consequently aiding in human resource decision-making. There is also room for improvement of employee performance and competence, for the reduction of human resource related costs, and for improvement of efficiencies. AI also presents avenues for governance designates to make decisions on how to direct their human resource departments on job enhancement.

As governance designates have strategic planning within their purview, it is important to note that the incorporation of AI tools into business strategy retreats, board meetings as well as review sessions can be of utmost assistance. Data can be sourced on market predictions, for instance, which would underpin several strategic precepts as agreed upon by boards and executives, prior to being communicated to lower organizational levels. Besides its ability to strengthen decision-making through provision of thoroughly researched information attained from deep-learning and pertinent to their business scenarios, AI can fortify feedback assessment for firms during the review of operations, further assessing whether these operations are aligned to pre-set objectives and performance indicators. It is crucial to note that board member independence can be enhanced by AI.

Its provision of unbiased data as well as rigorous analysis and recommendations can strengthen existing opinions and perspectives that independent trustees and members may already have for the boards on which they serve. This consequently assists decision-making and alleviates conflicts and biases in boardrooms. AI presents directors and executives with more objective evaluations of corporate, management and board performance through analysis of numerous aspects ranging from member participation, meeting attendance and contribution as well

as managerial input and effectiveness towards achievement of set objectives. This is crucial where questions relating to accountability are concerned.

On the sceptical side, we respect that there are ample potential risks within the AI-corporate governance interlink. One such risk is the possibility of AI pervading the control of its creators, humans, and the ultimate creation of autonomous legal entities. Autonomous entities run completely on AI systems would potentially alter the global economy's workforce landscape, deeming humans less necessary for economic activity and hampering mankind's capacity to learn and grow. There have been numerous calls and concerted efforts from experts in the field calling for a halt in development of AI systems. They highlight the importance of us as a global village first ascertaining, as extensively as possible, the ramifications of AI and ensuring its overall safety to mankind prior to widespread implementation and making it fully open.

From a corporate governance perspective, we are aware of the existence of shareholders, directors and executives who may not necessarily use AI and harness its potential in the best interests of organisations, stakeholders and society. Many hold the view that its human-competitive intelligence and potential could have implications for directorship and control, board structure and independence as well as ESG considerations, which will doubtless be interesting to witness. Nonetheless, as we watch its progression, we maintain that there are considerable benefits to board and executive efforts in establishing AI-corporate governance interlinks within organisations. A question of note - Which organisations will best apply AI in the enhancement of their competitive edges? We watch with great anticipation.

The views and opinions expressed in this article are those of the author, Dumisani F. Ntini - Governance and Strategy Practitioner. Contact dntini@governancegroup.org.



PRESS RELEASE

62ND BI-ANNUAL MEETING OF SADC STOCK EXCHANGES

The Zimbabwe Stock Exchange (ZSE) hosted the 62nd CoSSE Bi-Annual Meeting on 11 April 2023, chaired by the Chairperson of CoSSE, CEO of Botswana Stock Exchange, and the President of ASEA, Mr. Thapelo Tsheole. Following the meeting, CoSSE members participated in the 11th Building African Financial Markets (BAFM) Seminar on April 12 -14, 2023 at Elephant Hills Resort, Victoria Falls, Zimbabwe.

There were 12 CoSSE Member Exchanges in attendance, including Botswana Stock Exchange, Zimbabwe Stock Exchange, Mozambique Stock Exchange, Malawi Stock Exchange, Eswatini Stock Exchange, Lusaka Stock Exchange, Maseru Securities Market of Lesotho, Stock Exchange of Mauritius, Namibian Stock Exchange, Johannesburg Stock Exchange, BODIVA, and FINSEC. The SADC Secretariat's Mr. Hamilton Thomas and FSD Africa's Mr. Vimal Parmer, were also present as guest speakers.

During the 62nd Meeting, the Member Stock Exchanges represented by their CEOs or Executive Management deliberated on among others, operational and regulatory issues as well as salient strategic initiatives related to the SADC capital markets. This included progress updates and discussions on the Macroeconomic Convergence and Financial Integration project funded by AFDB, the SADC Green Bond Programme funded by FSD, and the SADC-EU Support for Improving Business Environment (SIBE) Project. In order to respond to the current market needs of the region, CoSSE reflected on the challenges faced, lessons learnt, and areas of improvement in realizing the committee's 5-year strategic plan. The reflections emphasized among others, the need for a harmonized securities market environment, and the promotion of climate change mitigation and resilience/adaptation investments within the SADC region.

The subsequent 11th ASEA BAFM Seminar convened under the theme "Managing Risk in Turbulent Times", sought to build capacity of market players empowering them to effectively address existing and emerging risks and opportunities facing African financial markets. The seminar featured industry experts and leaders across the continent as well as key stakeholders in the development of African financial markets.

In their opening remarks, the ZSE Board Chairperson, Mrs. Caroline Sandura, ZSE CEO, Mr. Justin Bgoni, ASEA President, Mr. Thapelo Tsheole, and the Permanent Secretary in the Ministry of Finance and Economic Development of Zimbabwe, Dr. J. Kateera, mutually emphasized the significance of harmonizing our capital markets through Public-Private Partnerships (PPP) to mobilize resources for regional projects.

In closing, speakers cited a quote from His Excellency, Emmerson Mnangagwa, the President of Zimbabwe, and urged capital market players to build and develop the region's capital markets "brick by brick, stone upon stone" in order to support a robust and sustainable economy in the region.

CoSSE is made up of 14 Stock Exchanges in SADC, operating in 13 SADC member states.

Members of CoSSE:

- Stock Exchange of Angola (BODIVA)
- Botswana Stock Exchange (BSE)
- Stock Exchange of Mozambique (BVM)
- Dar es Salaam Stock Exchange (DSE)
- Eswatini Stock Exchange (ESE)
- Financial Securities Exchange (FINSEC)
- Johannesburg Stock Exchange (JSE)
- Lusaka Stock Exchange (LuSE)
- Seychelles Stock Exchange (MERJ)
- Malawi Stock Exchange (MSE)
- Maseru Securities Exchange (MSM)
- Namibian Stock Exchange (NSX)
- Stock Exchange of Mauritius (SEM)
- Zimbabwe Stock Exchange (ZSE)



For more information about CoSSE, visit our website at www.cosse.africa, or contact the Secretariat via telephone at +267 3674421, or email us at cossesecretariat@bse.co.bw




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IN-PERSON SUSTAINABLE/GREEN BONDS REGIONAL WORKSHOP- CoSSE IN PARTNERSHIP WITH FSD AFRICA

The Committee of SADC Stock Exchanges (CoSSE) in partnership with FSD Africa, facilitated a three-day in-person sustainable green bonds regional workshop from February 20-22, 2023 in Cresta Mowana Safari Resort and Spa, Kasane, Botswana. This was a significant capacity building initiative made possible through the SADC Green Bond Programme launched in 2021.

There were 73 industry experts from the SADC region's capital market ecosystem in attendance, including SADC stock exchanges, central banks, capital markets regulators, intermediaries and potential issuers. The objective of this regional workshop was to improve the regulator, market capacity and knowledge on sustainable investments thus contributing to a sustainable future in the SADC Region, by facilitating climate change mitigation and resilience/adaptation investments.

The workshop was opened with remarks from Mr. Thapelo Tsheole, Chairperson of the Committee of SADC Stock Exchanges (CoSSE); and proceeded for three (3) days of interactive sessions that advanced prominent discussions around the process, opportunity, limitations and recommendations pertaining to the issuing of sustainable/green Bonds. There was also opening remarks from FSD Africa by Mr. Vimal Parmar, Senior Capital Markets Specialist. Workshop facilitation was from Ms. Cecilia Bjerborn Murai, SADC Green Bond Programme Manager and Mr. Vimal Parmar. The

first session (1), included discussions around sustainable finance and the sustainable bonds market emphasizing the significance of sustainable bond issuance. Presentations on various topics aimed at improving participants' understanding of the sustainable/green bond market.

The session included a guest presenter from Standard Bank Namibia- Mr. Danie Rourke, and sensitized the participants on the issues of taxonomies, standards, guidelines and the sustainable bond issuance process. Mr. Rourke also shared their Bank's processes, experiences and learnings in listing green bonds on the Namibian Stock Exchange.

Key learnings and insights from the discussions emanating from the session included the following but not limited to:

1. Fostering economic growth by greening the financial system;
2. Building on the agenda of decarbonization in the energy sector, industries and manufacturing; and
3. Leveraging innovative ideas on technology, to achieve the necessary climate action.

Session two (2) focused on the verification and reporting process of reviewing the green, social, blue sector standards; and what makes a bond sustainable. The session also provided insightful discussions on

the legal compliance and green bond listing requirements that are expected from regulators. One of the areas of concern raised was the possibility of greenwashing in climate action, where businesses may be using the label of "eco-friendly" for ulterior purposes such as advertising. The main question addressed regarding this issue was how to guard against greenwashing in this programme, so as to ensure that sustainable bonds are utilized specifically for developing climate resilient and sustainable economies in the SADC region.

Key learnings and insights emanating from the second session included the following but not limited to:

1. Accountability towards committing to reducing emission and enhancing resilience through verified bonds issuances; and
2. Sustaining regulators and investors' confidence through compliance and period reporting of sustainability linked- indicators.

On the last day, a session on regulator-verifier was conducted. Discussions took a deep dive into the roles and requirements of an external verifier. Attendees were apprised of the most recent specifications of an external verifier status, including a set of examples of capacity building for local verifiers.

In-Person Sustainable/Green Bonds Regional Workshop- CoSSE In Partnership With FSD Africa (cont'd)

Intensive discussions on the role and function of external reviewers, lead transaction advisors, sponsoring brokers, reporting accountants and other technical advisors; were initiated through case study presentations and group exercises, on the review of external verification reports-the interaction amongst advisors, issuers, verifiers and regulators.

The following, among others, were the significant insights and takeaways from the second session:

1. An opportunity to develop and support local verifiers from the SADC member countries; and
2. Appreciation of awareness creation through the workshop in enhancing the knowledge on sustainable/green bonds issuances for all key players from both public and private sectors.

Outcomes of the Workshop

The workshop identified 19 potential interested issuers forming the SADC Green Bond pipeline for the month of February 2023; in priority regional sectors such as renewable energy, green hydrogen projects, reforestation projects and water utility, among others. Subject to the identified pipeline and

engagements with potential issuers of sustainable/green bonds, the participants were informed that FSD Africa is available to provide tools and resources to drive large-scale change in financial markets and support sustainable economic development in the SADC Region. The support includes technical and financial support for the green verification of bond issuances, portfolio reviews for the financial sector firms and impact reporting.

Next Steps

Based on the discussions held throughout the three (3) days of the workshop, a recommendation endorsed by both FSD Africa and CoSSE was put forward, to respond to all pipeline inquiries that may come through after the workshop. An initiative to be undertaken in close coordination with the country stock exchanges and also facilitate a follow up workshop to track progress on the same. The issuer pipeline will then be reported at aggregate level at each PSC meeting for the committee to monitor progress on the pipeline of issuers.

Participants were also informed that all types of relevant institutions, including CoSSE Member Exchanges, would be

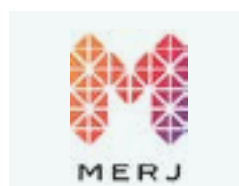
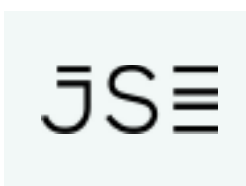
welcomed to join the project steering committee (PSC) of the SADC green bond programme, with the requirement that members would be expected to actively participate in the monthly meetings of the PSC and contribute to the objectives of the SADC green bond programme.

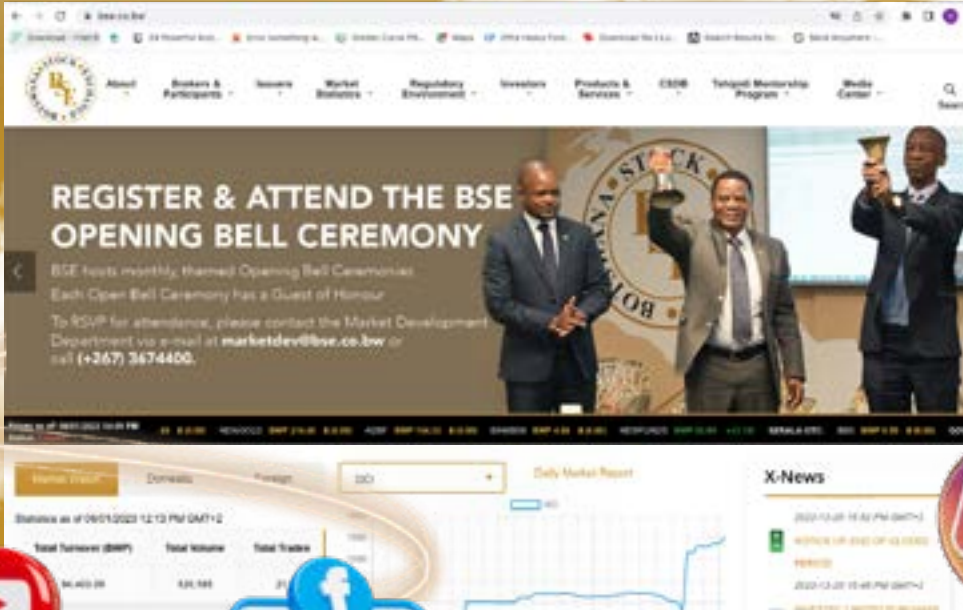
About CoSSE

Formed in 1997, CoSSE is a collective and cooperative body of the 14 stock exchanges in the Southern African Development Community (SADC) region. CoSSE is mandated to accelerate the development of the SADC capital markets through cooperation and collaboration between SADC stock exchanges and other key SADC institutions and stakeholders. The Botswana Stock Exchange hosts the CoSSE Secretariat, which has close working relations with the SADC Secretariat, and SADC Structures such as the Committee of Central Bank of Governors (CCBG), Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA), the Committee of Ministers of Finance and Investment (CoMFI) and the Committee of Senior Treasury Officials (CoSTO).

For More Information About CoSSE

Visit our website at www.cosse.africa, or contact the Secretariat via telephone at **(+267) 367 4421**, or email us at cossesecretariat@bse.co.bw





BSE Social Media Icons

By being a disclosure-based entity, the Botswana Stock Exchange (BSE) advocates for open channels of communication and information dissemination with all our stakeholders. As such, the BSE is always active on the following social media platforms to engage with the followers around the world;



Botswana Stock Exchange



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