

RESPONSE TO THE BOTSWANA GAZETTE QUERY

The Bank has made the decision to impose a two-year moratorium on any upward adjustment of bank charges and fees with effect from January 1, 2014. This means that no bank will be allowed to make any upward adjustment of banking tariffs (bank charges, commissions, and other non-interest fees) for a period of two years. This is with the exception of any Bank Rate linked adjustment of interest rates. In the case of any new product/service to be availed during the period in question, the related fee/charge will not exceed the fee(s) applicable for existing similar products; such fees will be subject to the Bank's prior approval.

The decision is in response to the growing public concern about the perceived high level of bank charges and other fees which are deemed not to be commensurate with the quality of banking services. The current high cost of financial intermediation, including onerous bank charges on savings, discourage public savings and, in general, the use of the banking system. These charges are a disincentive to savings mobilisation in the country.

During the moratorium period, the Bank will take such measures as deemed necessary to streamline bank charges and, in consultation with appropriate stakeholders, determine the way forward.

January 10, 2014.