

SPEECH FOR THE OFFICIAL OPENING OF TSABONG BARCLAYS BANK BRANCH

by

Linah K Mohohlo

Governor, Bank of Botswana

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Master of Ceremonies

Kgosi Toto II

District Commissioner

Council Secretary

Chairman of the Board of Barclays Bank, Mr Tibone

Managing Director of Barclays Bank, Mr Mlazier

Batlotlegi botlhe ba lo fano

Distinguished Guests

Ladies and Gentlemen

It is an honour that I have been invited to be a part of this momentous occasion to mark the official opening of the Tsabong Branch of Barclays Bank of Botswana Limited. The opening of this branch in the Kgalagadi District clearly demonstrates Barclays Bank's continuing commitment as a partner in the economic and financial development of all corners of Botswana. About three years ago, I officiated at another Barclays Bank function in the northern part of Botswana when the Barclays Plaza Money Shop in Francistown was launched, and I am informed that the facility continues to serve Barclays Bank customers there very well. Customers elsewhere in the country trust that this and other related facilities would be extended to their localities by Barclays Bank, the long term corporate citizen of Botswana, of course by the other banks as well.

Speaking of the long term relationship Barclays Bank has with this country, I am reminded of the history of the bank which goes back to 1950, when an agency was established in Lobatse. At independence in 1966, the bank had four full branches in Gaborone, Lobatse, Mahalapye and Francistown. Barclays Bank expanded and grew over time to become the largest bank in Botswana in a number of respects; its asset base, deposits and advances are the largest today. The bank employs nearly 800 Batswana and has a branch network consisting of 33 outlets countrywide, which include main branches, satellite outlets, prestige centres and 38 automated teller machines (popularly known as ATMs).

Master of Ceremonies, distinguished guests, you will recall that the evolution of Barclays Bank Botswana led to the registration of a fully antonymous subsidiary in the 1970s. Batswana and Botswana incorporated companies were ultimately able to obtain a 25 percent stake in the bank through purchasing Barclays Bank shares in the Botswana Stock Exchange. I have no doubt the commitment to Botswana of the UK based parent entity, Barclays Bank plc, will get stronger and continue well into the future, as it conducts rewarding business in this country, and as it makes a meaningful contribution to the development of an effective, efficient and sustainable financial sector. Indeed putting up structures such as the impressive bank building in Tsabong and other areas of Botswana is testimony to this fact.

As you are aware, Barclays Bank has had a presence in Tsabong for many years in the form of an agency. The agency was mainly used to facilitate the payment of salaries at month-end for people in Tsabong and surrounding areas, particularly Government and Council employees. In the advent of the agency having been upgraded to a full-fledged branch, Batswana and other residents of the Kgalagadi District now have access to a wide range of banking services and facilities. These include current, savings and deposit accounts, various forms of lending, as well as foreign exchange and money transfer facilities. These modern banking services and facilities are provided in this monumental building which, I am told, was put up at a cost of approximately P2.2 million, a worthwhile investment indeed which will be the envy of other regions of the country. Barclays Bank deserves commendations for this undertaking.

I hasten to add, however, that the benefits of this investment to the people of Tsabong will only be realized when customers receive the standard and quality of service to which they are entitled. While it is appreciated that the cost of providing banking facilities and infrastructure in a vast but sparsely populated country such as ours can be significant, it is important that the level of banking charges should be seen to be commensurate with the quality of service. Striking a satisfactory balance between bank profitability on the one hand, and the provision of good banking service to all sectors of the community on the other hand, is a challenge on which the commercial banks and the Bank of Botswana must work together immediately.

This was a central issue in the recent survey on the quality of banking services in Botswana which the Bank of Botswana conducted in response to a public outcry on the cost and quality of financial intermediation, which was coupled with public perceptions of lack of transparency, particularly with respect to bank charges. As a corollary, Barclays Bank and the other banks will need to work in earnest towards instilling positive attitudes in their staff and in creating an enabling environment for international exposure for staff so that they can be in a position to meet modern day customer expectations with confidence. I am confident that Barclays Bank will not spare anything in living up to expectations, given its vision which was adopted in 1999, which goes as follows: "To be recognized as the Best Provider of Service in Botswana". We in Botswana pride ourselves of a sound, profitable and solvent banking system which ranks among the best in Africa. We must build on this good foundation in all facets of our business and aim at providing excellent service. May be the bank's vision could be changed to read "To be recognized as the Best Provider of Excellent Service to Botswana".

I believe we are moving in the right direction as the Bank of Botswana and the financial institutions work in unison towards a common objective. In fact a number of initiatives have been undertaken to underscore this position. For instance, the Bank of Botswana has promulgated a "Policy on Disclosure of Bank Charges", which seeks to ensure that there is greater transparency in bank charges and that customers should receive adequate notice whenever there are changes in banking tariffs. In turn, the initiative by the Bankers Association, of which Barclays Bank is a member, to embrace the establishment of a "Code of Good Banking Practices" is most welcome. This should facilitate, among others, the appointment of a Banking Ombudsman who will, among other responsibilities, mediate on operational problems, with a view to ensure that they are resolved speedily and amicably in the interests of developing a good relationship between customers and the banks. The ongoing project on public education on banking, which is supported by the Bank of Botswana and all financial institutions, is a

shining example of cooperation, and should bear fruit over time. The idea behind the banking week is to sensitise the public about banking matters which include the benefits of saving.

Mr Master of Ceremonies, distinguished guests, now that I have spoken at length about Barclays Bank and banking issues in general, I wish to direct a few remarks to the residents of Tsabong and those of the neighbouring areas who will no doubt have access to the facilities provided by this branch of Barclays Bank. Bagaetsho, this is your bank and I urge you to make use of it. Barclays Bank has not only improved the landscape of Tsabong with this magnificent building, it has brought modern banking facilities to your doorstep. Use them to your maximum benefit. Put your hard earned money in the bank's safe custody and earn a good rate of return so that the value of your money can increase. At a broader level, putting money in savings accounts contributes to the development of the economy, as the banks will have a pool of resources from which to lend to people or businesses for investment purposes, and this in itself will create employment opportunities for Batswana.

I know I am speaking to the converted when I say that keeping money under pillows or mattresses is not only unsafe, it is old fashion and antiquated, and can only be compared with an unwise and archaic decision not to send the girl child to school and, therefore, closing all possible avenues of tapping on her latent potential, as it used to be the case in the days gone by. Furthermore, the banks facilitate the ease of accessing money irrespective of a person's locus. If one travels from place to place throughout Botswana and even outside the country, and one's account is in the bank here in Tsabong, one can obtain funds at a stroke of a pen in case of need.

It would be remiss of me if I did not make reference to the HIV/AIDS pandemic that has left no institution unscathed. All institutions or employers have no choice but to intensify the fight against HIV/AIDS which is threatening to wipe off a significant number of the people of our country. The banking industry, like all other sectors of the economy, is not spared the wrath of this scourge. The industry is affected in many ways; it is affected directly as the health of employees deteriorates and, inextricably, as productivity declines. Non-performing loans are likely to rise due to an increasing number of customers who will not be able to meet their financial obligations to the banks because of ill health.

I wish to commend Barclays Bank and the other banks in Botswana for having taken positive steps in addressing this problem. I am informed that Barclays Bank has a non-discriminatory HIV/AIDS policy which focuses on the provision of pertinent information to staff. The staff of the bank are treated fairly irrespective of their HIV/AIDS status.

On a more positive note, it is noteworthy that the bank takes keen interest in community affairs. I am told that there is a budget for deserving community projects, and that this budget is in excess of P1 million for 2001. Therefore, the people of Tsabong and of the entire District can justifiably tap on this pool of resources. You will have no one to blame if you do not avail yourself of it; after all it is available to you too.

Master of Ceremonies, distinguished guests, ladies and gentlemen, with the words I have just shared with you, it only remains for me to applaud the Board, Management and staff of Barclays Bank of Botswana Limited for the tireless efforts towards availing world class convenient banking services and facilities to Batswana throughout the country.

It is with pleasure that I declare this magnificent and impressive premises of Tsabong Barclays Bank Branch officially opened.

I thank you for your attention.

Pula!