

BANK OF BOTSWANA

PRESS RELEASE

STANDARD & POOR'S BOTSWANA'S 2011 SOVEREIGN CREDIT RATING

Today, November 23, 2011, Standard & Poor's (S & P) announced the results of a recent re-assessment of Botswana's 2011 sovereign credit rating, following recent changes in the methodology through which it determines ratings. Similar reviews are being progressively undertaken for other country sovereign ratings issued by S & P. One of the main consequences of these changes is to align local and foreign currency sovereign ratings more closely.

As a result of the review for Botswana, the foreign currency ratings are once more retained at A-/A-2 (long-term/short-term), and the stable outlook is also affirmed. This reflects the continued confidence in the authorities' management of the economy.

Consistent with the new criteria, the domestic currency rating has been lowered to A-/A-2 to be in line with the foreign currency rating. Explaining the adjustment, S & P highlighted the exchange rate framework and relatively underdeveloped domestic debt market as factors. Nonetheless, this adjustment notwithstanding, S & P have continued to emphasise the track record of political stability, implementation of prudent macroeconomic policies (which includes the combination of monetary, fiscal and exchange rate policies) together with a high level of transparency regarding policy implementation, all of which are strong by emerging markets' standards and bode well for Botswana's future economic prospects.

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