OFFICIAL OPENING OF FIRST NATIONAL BANK OF BOTSWANA LIMITED TUTUME BRANCH

Keynote Speech

by

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Director of Ceremonies, distinguished guests, ladies and gentlemen, good morning.

It is a great pleasure and privilege to join you for the official opening and launch of the Tutume branch of FNBB. This occasion is more than the opening of a banking outlet; it is a practical step towards bringing secure, affordable and convenient financial services closer to households, farmers, entrepreneurs, workers and communities in Tutume and the surrounding villages.

For the Bank of Botswana, this opening is significant because it strengthens access to banking services for residents of Tutume and neighbouring villages. It will provide greater convenience for local customers, reduce the need to travel to Francistown for routine banking, and ease congestion at the Francistown branch, which has for many years served customers from the city and the wider surrounding area.

In this way, the new branch, together with FNBB's other service-delivery channels, contributes directly to the expansion of financial inclusion, one of Botswana's important national financial-sector goals. The latest financial inclusion indicators show an increase from 86 percent in 2024 to 90.2 percent in 2025, indicating growing use of banking and financial services. However, this progress must continue until Batswana everywhere have convenient, affordable and safe access to financial services. I therefore challenge FNBB to take the lead in ensuring that Batswana benefit from the economies of scale as the bank expands its branch network and customer base.

Ladies and Gentlemen, the importance of this development becomes clearer when we consider what financial and economic inclusion mean in practice. In my view, inclusion is fundamentally about supporting communities, individuals and businesses to participate meaningfully in economic activity and to use available resources productively. Financial inclusion has four practical dimensions.

- **First**, it enables access to safe savings products that preserve and grow value or wealth.
- **Second**, it enables access to credit, which supports projects, asset acquisition, working capital, business innovation and, for individuals, consumption smoothing over the life cycle.
- **Third**, it enables access to insurance products that help households and businesses manage risk.

- **Fourth**, it facilitates payments through platforms that are efficient, cost effective, practical and connected to the wider economy.

These dimensions are especially relevant to Tutume, where livelihoods have long been supported by subsistence arable and pastoral farming, while nearby economic activity such as mining in Sowa Town continues to shape business opportunities. Against this background, the theme of my remarks today is: **"Broadening Financial Inclusion as a Way to Accelerate Botswana's Economic Growth and Achieve High-Income Status by 2036."** I will therefore highlight how financial infrastructure, inclusive economic growth and Botswana's high-income aspirations reinforce one another.

Distinguished Ladies and Gentlemen, viewed from this perspective, improved access to financial services in Tutume represents more than convenience. It is a structural shift with the potential to raise economic activity for individuals, farmers, businesses and the wider region. In this context, economic growth means unlocking income-earning opportunities, expanding production, sustaining employment and supporting new areas of enterprise. This shift is consistent with Botswana's economic diversification objectives under National Development Plan 12, the Botswana Economic Transformation Programme and Vision 2036.

Ladies and Gentlemen, FNBB's decision to invest in Tutume is part of a longer story of commitment to Botswana. Since commencing banking business in the country in 1991, FNBB has demonstrated resilience and remained profitable through periods of economic difficulty, including droughts, the 2008 Global Financial Crisis, the COVID-19 pandemic and, more recently, subdued growth associated with weaker diamond-mining performance and slower growth in the non-mining sectors. As FNBB celebrates 35 years of operations in Botswana, the opening of this branch is therefore a fitting sign of a respected institution that continues to support individuals, businesses and communities while advancing financial inclusion and economic growth. **FNBB ele thofofaletsa go boloka madi fa lo rekisitse leruo, thobo, phane le tse dingwe fela jalo jalo. Se jaanong se raya gore le emise go baya madi mo matlung, mme lo a ise ko bankeng.**

It is also worth noting that FNBB's 35th anniversary coincides with the Bank of Botswana's 50th anniversary of the introduction of the Botswana Pula and Thebe, a symbol of the nation's monetary sovereignty, resilience and progress, which was celebrated last week (24 August 2026) in Kanye, with FNBB's participation. Later this month, Botswana will mark 60-years of Independence. The people of Tutume and surrounding areas will, therefore, remember 2026 as the year that brought banking services to their doorstep.

Beyond its banking operations, FNBB has also shown that it is firmly rooted in communities, as demonstrated by sponsorship initiatives such as the FNBB Botswana Premier League, the FNBB Kazungula

Bridge Marathon and other initiatives through the FNBB Foundation. This community orientation is also reflected in the banking sector's broader partnership with the Bank of Botswana. Like other banks operating in Botswana, FNBB has responded positively to interventions by the central bank, including the existing directive instructing commercial banks not to increase their prime lending rates in line with monetary policy decisions. The primary purpose of this directive is to ensure that the newly introduced adjustment measures support monetary policy transmission without increasing the cost of credit in an environment of declining economic fundamentals.

The scale of FNBB's contribution is also evident in its national footprint. As at December 2025, FNBB had a network of 30 branches, including service centres, 259 automated teller machines (ATMs), and 1 621 employees, of whom 1 618 were Batswana. Over the past 10 years, the bank mobilised customer deposits, which increased from P16.4 billion in 2015 to P25.6 billion in 2025, while total assets grew by 67.3 percent, from P20.8 billion to P34.8 billion. The opening of the Tutume branch therefore reflects FNBB's recognition of the potential of this region and its people to contribute to value-adding economic activity now and into the long term.

Ladies and Gentlemen, it would be remiss of me not to recognise the effort required, as well as the financial resources involved, in setting up and running a bank branch, especially in rural areas. Experience has shown that branches in rural areas may not always be profitable, unlike those in towns and cities, although the hope is that this one will be. In the case of Tutume, the transition from a sub-district to a fully-fledged independent council, as part of the national decentralisation programme undertaken in 2022, as well as the Botash mine in Sowa Town, is expected to bolster the branch's business activity, leading to a positive return on investment. **Fa ke botsa FNBB le ba bangwe ba re Batswana ba santse ba tlhaela ka go boloka madi mo dibankeng. Go bothokwa gore le mo lwapeng o kabakanye itsholelo ka go etla o rekisa leruo le tse dingwe go boloka madi mo dibankeng.**

For this investment to deliver its full value, I urge FNBB to study carefully the needs of the people of Tutume, surrounding villages and settlements, and the local business community. In particular, I encourage the bank to understand local financial needs, design appropriate products for farmers and small businesses, and strengthen financial literacy and fraud-awareness initiatives. Given the importance of agriculture in Tutume and mining activity in Sowa Town, this branch can improve access to credit and other services that help businesses scale up production, expand services and take advantage of market opportunities supported by improved infrastructure, roads and technology in the region.

By extending services beyond cities and towns, FNBB is demonstrating commitment to Botswana's transformative and financial-inclusion objectives. The branch is also expected to create employment opportunities for people in Tutume District. For this exemplary initiative, I commend FNBB. Please give yourselves a round of applause.

As we celebrate improved access, we must also recognise that wider access brings greater responsibility. Director of Ceremonies, the recent rise in financial crime in Botswana is a matter of concern to all of us. Members of the public are increasingly targeted by scams, including false claims made by people pretending to represent mobile-money providers, fraudulent competition messages, identity theft, phishing and misuse of personal information. These schemes can deprive people of their hard-earned money, including pensions and savings.

This calls for continuous effort by banks to educate customers about fraud risks and safe use of financial services. I urge members of the public to remain alert, verify suspicious claims, protect personal information and seek advice before parting with money or responding to offers that appear too good to be true.

A related responsibility is to ensure that innovation serves customers safely and inclusively. Distinguished Ladies and Gentlemen, financial technology and innovation continue to reshape banking services across the world. Within the requirements of banking licences and sound regulation, the Bank of Botswana supports responsible digitalisation. I therefore note with satisfaction FNBB's early shift towards digital banking platforms, which make transactions more convenient, especially for customers in Tutume and surrounding villages who may otherwise need to travel long distances for banking services.

At the same time, the opening of this branch demonstrates that digital platforms and physical branches should complement one another. Digital channels provide convenience and speed, while the Tutume branch provides trust, advice, face-to-face service and support for customers who need personal assistance as they adapt to digital banking.

Distinguished guests, ladies and gentlemen, this balanced approach matters because banker-customer relationships remain crucial for a sustainable banking environment. The transition to digital channels should therefore be undertaken at a measured pace that considers customer capability and preferences, as well as the availability of the necessary infrastructure and connectivity. The shift towards digital platforms should not result in the abrupt closure of brick-and-mortar branches without proper alternative channels for high-quality banking services. In that regard, FNBB's decision to open a physical branch in this region ensures a continued physical presence, which will facilitate a well-paced transition aligned with customer adaptation to digital platforms and help create a fully integrated, convenient and accessible banking ecosystem. The Bank of Botswana has requested that, before proposing the closure of any physical branch, banks ensure that, in addition to electronic services, branch-based customer services will continue to be available within a reasonable distance. Thus, all branch-closure applications are assessed on a case-by-case basis, having regard to the interests of all stakeholders.

Ladies and Gentlemen, while digital banking expands access, it also introduces risks, including phishing, malware and other cyber threats. Consumers therefore have an important responsibility to transact safely, protect passwords and personal information, and honour financial obligations according to agreed terms and conditions. Banks, in turn, must provide secure systems, clear customer education and reliable support when customers need assistance. **Betsho, go bothokwa go le bolelela gore bontsi jwa tsietso kgotsa bogodu bo rotoediwa ke lona. Go akanya gore motho o ka go okeletsa madi, kgotsa gore o ka wina o ise o ipone o tsenelela kgaisano epe hela ke go tlhoka boikarabelo o le Motswana. Le reetsa magodu, le ba neela Pin Codes, account details le passwords, etswa banka e go boleletse gore dilo tse ke sephiri sa gago. A re thusaneng go lwantsha borukuthi jo betsho.**

At this juncture, Director of Ceremonies, ladies and gentlemen, I wish to emphasise that strong compliance protects the financial system from being used for crime. Banks must comply with business-conduct and fair-practice requirements, as well as anti-money laundering, combating the financing of terrorism, counter-proliferation financing and due-diligence obligations. They are required to put in place stringent measures to detect and prevent fraudsters from abusing Botswana's financial system. Vigilance and collaboration are essential, particularly as Botswana prepares for the 2027 AML/CFT/CPF mutual evaluation. All stakeholders, including banks and the public, must play their part to ensure that Botswana remains a trusted and well-regulated financial centre.

These issues of access, safety and affordability are central to the Bank of Botswana's mandate. The Bank continues to monitor developments closely and implement appropriate policy actions to maintain price stability and safeguard financial-system stability. Financial inclusion also strengthens policy transmission because monetary policy is more effective when more households and businesses participate in the formal financial system. For that reason, the Bank continuously monitors banking charges and fees, and their effect on access to and use of banking services. Banks must always find a balance between their need to be profitable and the cost of banking to customers, which, if not checked, could have unintended consequences.

Director of Ceremonies, allow me to conclude by returning to the broader policy objective. The Bank of Botswana's focus is to harness every opportunity to raise living standards, increase economic efficiency and support sustainable development. We want growth that reaches every community, brings those at the margins into productive economic activity and creates opportunity for many. Such progress must take place in an orderly, safe and stable financial environment so that it has a positive and lasting impact on social and economic development.

When more businesses and individuals use formal financial services, macroeconomic policy becomes more effective, financial-sector information improves, and risks can be identified and managed more quickly. Banks must therefore continue to conduct rigorous risk assessments as they adopt digital transformation, ensuring that their products and services remain safe, reliable and resilient against cyber-crime, money laundering, financing of terrorism and other risks.

Distinguished guests, ladies and gentlemen, as I close, I take this opportunity to express my sincere gratitude to the Board and Management of FNBB for continuing to support the development aspirations of Botswana by promoting financial inclusion, offering a wide variety of banking products and facilitating digitalisation, which, in turn, contributes to trade and economic development.

May this branch become a trusted doorway to opportunities for the people of Tutume and the surrounding communities. It is now my pleasure and honour to declare the FNBB Tutume branch officially opened. I thank you for your kind attention and for being part of this historic occasion.

Thank you, ke a leboga, nda boka!