



BANKING SUPERVISION ANNUAL REPORT 2024 - HIGHLIGHTS

JUNE 2025



**BANKING SUPERVISION
ANNUAL REPORT 2024 - HIGHLIGHTS**

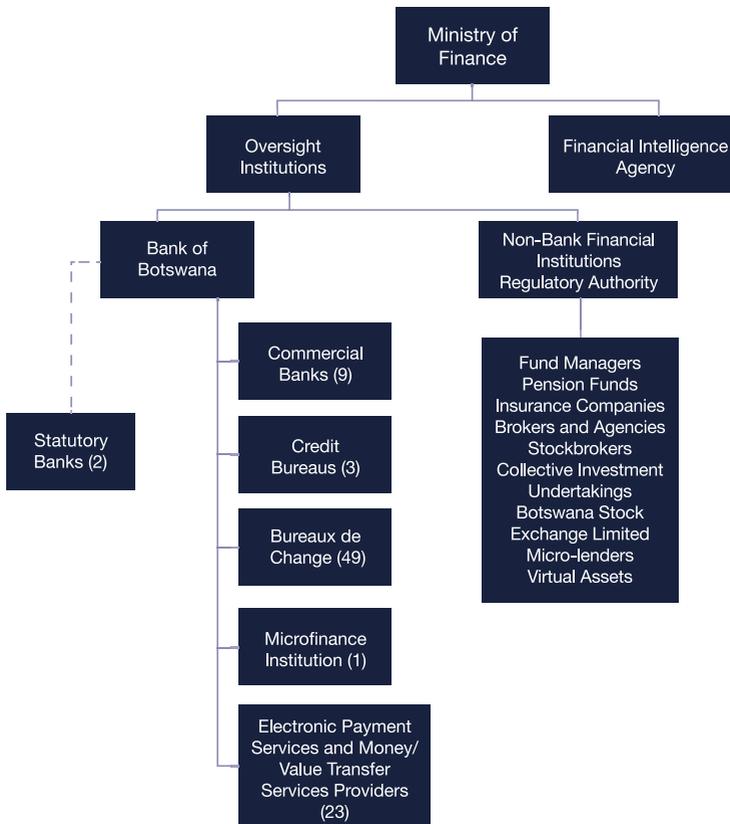
BANK OF BOTSWANA



Structure and Development of the Banking Industry

1.1 The report covers performance and operations of nine commercial banks, two statutory banks, 49 bureaux de change, 23 electronic payments service providers and money or value-transfer-services providers, and three credit bureaus.

Diagram 1: The Regulatory Architecture of the Domestic Financial System



Source: Bank of Botswana.



Structure and Development of the Banking Industry

(Continued)

- 1.2 The Bank received one application for a banking licence. The assessment of the application was ongoing as at the end of 2024. Therefore, there was no new banking licence issued in 2024. Further, in fulfilment of the requirements of section 6(1) of the Credit Information Act, 2021, three credit bureaus: TransUnion (Proprietary) Limited (TransUnion), Micro-Finance Credit Bureau (Pty) Ltd (Micro-Finance) and Credbase (Pty) Ltd (Credbase), which had been in operation, were all issued with credit bureau licences and have begun operations.



Licensing & Regulation - 2024

1

Banking licence applications received

0

Banking licences issued

- 1.3 In 2024, the number of bank branches remained unchanged across all but one bank, which opened one branch and merged three branches, resulting in the number of branches decreasing from 163 in 2023 to 162 in 2024.
- 1.4 To reach out to more customers, especially where banks do not have physical representation, some banks continued to install automated teller machines (ATMs). The number of ATMs increased by 2 percent from 636 in 2023 to 649 in 2024 after installation of ATMs by some banks, whereas operation of seven was discontinued.



Automated Teller Machines (ATMs)

636

2023

649

2024





Structure and Development of the Banking Industry

(Continued)

Table 1: Branches and ATMs: 2022 - 2024

		Branches and Sub-branches			ATMs		
		2022*	2023*	2024	2022	2023	2024
Large Banks	Absa	36	36	35	114	114	127
	Stanchart	15	14	14	74	71	66
	FNBB	27	27	27	243	251	257
	Stanbic	13	13	13	80	79	78
	Sub-total	91	90	89	511	515	528
Small Banks	Access Bank	21	21	21	58	59	58
	Baroda	4	4	4	7	7	7
	Bank Gaborone	12	12	12	21	23	23
	FCB	11	11	11	6	5	5
	BBS Bank	-	10	10	-	10	11
	Sub-total	47	58	58	92	104	104
Total for Commercial Banks		147	148	147	603	619	632
Statutory Banks	BBS Bank	10	-	-	9	-	-
	BSB	11	11	11	17	17	17
	NDB	4	4	4	-	-	-
Total for Statutory Banks		25	15	15	26	17	17
Overall total		164	163	162	629	636	649

*2022 and 2023 figures were updated.

Source: Commercial and Statutory Banks (Statutory Returns submitted to the Bank).

- 1.5 Meanwhile, the number of point-of-sale terminals increased by 10.3 percent from 25 015 in 2023 to 27 586 in 2024.

Table 2: Point-of-Sale Terminals and Ownership: 2022 - 2024

Banks	Point of Sale		
	2022	2023	2024
FNBB	12 163	13 428	14 767
Absa	5 484	5 694	6 291
Stanbic	2 705	3 208	3 155
Bank Gaborone	1 004	1 333	1 166
Access Bank	884	1 352	1 729
FCB	0	0	478
Total	22 240	25 015	27 586

Source: Commercial Banks (Statutory Returns submitted to the Bank).



Structure and Development of the Banking Industry

(Continued)

- 1.6 The banking industry employed 5 293 persons during the review period, an increase of 3.9 percent from 5 094 in 2023. The increase in the number of staff, which was spread across eight banks, reflected expansion of business activities by some banks. Conversely, three banks scaled down the number of employees, mainly owing to increased automation and use of digital channels. Banks continue to leverage technological advances for digital banking by designing digitally enabled financial-product offerings and increasing digitilisation of operational processes, a development that has the potential to drive the financial inclusion agenda.



Employment Snapshot

5 094

2023

5 293

2024



Table 3: Level of Employment by Domestic Banks: 2023 - 2024

	2023			2024		
	Citizens	Expatriates	Total	Citizens	Expatriates	Total
Large banks	3 394	16	3 410	3 536	17	3 553
Small Banks	1 242	25	1 267	1 270	23	1 293
Total for Commercial Banks	4 636	41	4 677	4 806	40	4 846
Total for Statutory Banks	417	0	417	447	0	447
Overall Total	5 053	41	5 094	5 253	40	5 293

Source: Commercial and Statutory Banks (Statutory Returns submitted to the Bank).

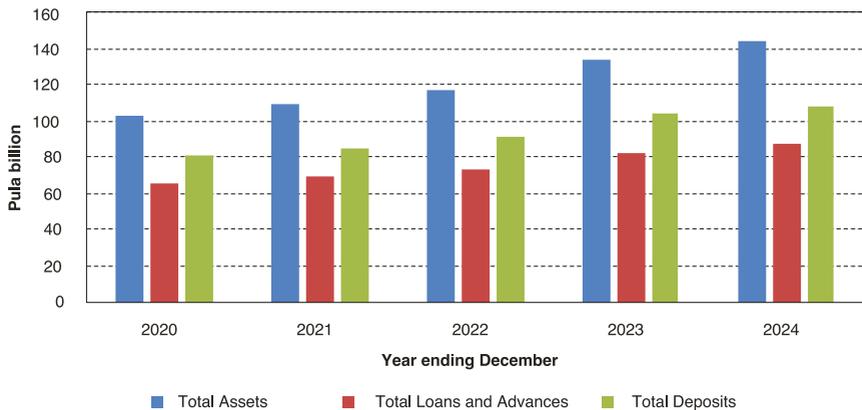


Performance of Banking Industry

Commercial Banks

2.1 Commercial banks remained resilient and continued to fulfil the intermediation role despite the slowdown in economic activity and liquidity challenges in the final quarter of 2024, which were largely due to a downturn in the diamond market. Total assets of commercial banks amounted to P144 billion as at 31 December 2024, an increase of 7.7 percent from the P133.6 billion reported in 2023, reflecting growth in gross loans and advances from P81.8 billion to P87.1 billion in the same period. Customer deposits, which continued to be the main source of funding for asset growth, accounted for 75 percent of the banks' liabilities; the deposits rose by 3 percent from P104.1 billion in 2023 to P107.3 billion in 2024. The financial intermediation ratio increased from 78.6 percent in 2023 to 81.2 percent in 2024.

Chart 1: Commercial Banks: Total Assets, Total Loans and Advances, and Total Deposits: 2020 - 2024 (P billion)



Source: Commercial and Statutory Banks (Statutory Returns submitted to the Bank).

2.2 Commercial banks were adequately capitalised and complied with minimum prudential standards for regulatory capital requirements. All banks reported capital adequacy and common equity Tier 1 capital ratios above the respective minimum prudential limits of 12.5 percent and 4.5 percent.

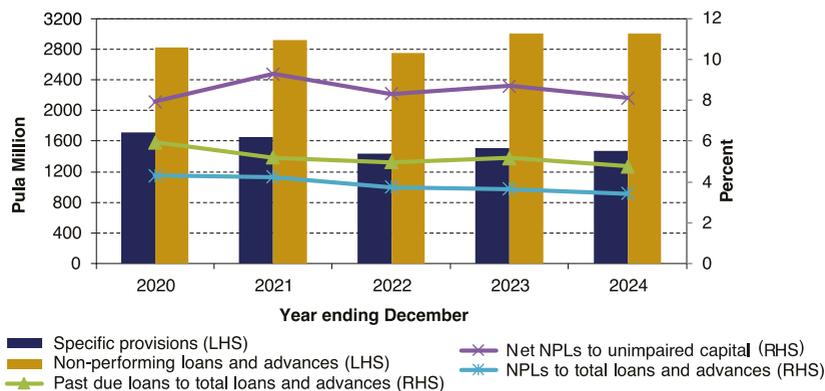


Performance of Banking Industry

(Continued)

2.3 With respect to asset quality, total past due loans (loans in payment arrears) marginally decreased by 1.8 percent from P4.23 billion in 2023 to P4.16 billion in 2024. Consequently, the ratio of NPLs to gross loans and advances declined from 3.7 percent in 2023 to 3.4 percent in 2024 and of net NPLs (net of specific provisions) to unimpaired capital from 8.7 percent to 8.1 percent, indicating improved asset quality of banks and the capacity of banks to cushion themselves against losses from NPLs.

Chart 2: Commercial Banks: Asset Quality Indicators: 2020 - 2024



Note: RHS-Right Hand Side
LHS-Left Hand Side

Source: Commercial Banks (Statutory Returns submitted to the Bank).

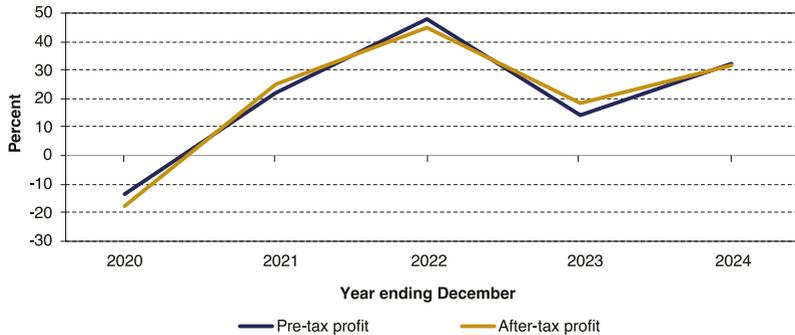
2.4 Net after-tax profit of commercial banks rose by 31.7 percent from P3.1 billion in the year to December 2023 to P4.1 billion in the corresponding period in 2024. In the review period, net after-tax profit increased for all banks. Both the return on equity (RoE) and return on average assets (RoAA) increased from 22.2 percent and 2.5 percent in the year to December 2023 to 27.3 percent and 3 percent, respectively, in the corresponding period in 2024. Meanwhile, the cost-to-income ratio for banks declined from 56.3 percent in the 12 months to December 2023 to 51.6 percent in the year to December 2024.



Performance of Banking Industry

(Continued)

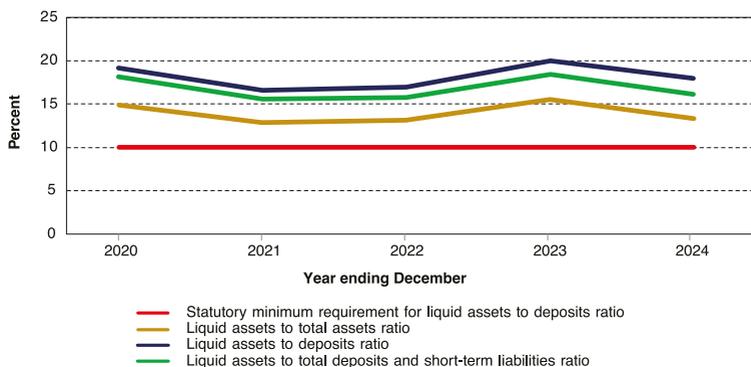
Chart 3: Commercial Banks: Growth Rates of Pre- and After-tax Profit: 2020 - 2024 (Percent)



Source: Commercial and Statutory Banks (Statutory Returns submitted to the Bank).

2.5 Statutory liquid assets decreased by 7.4 percent from P20.8 billion in 2023 to P19.2 billion in 2024, in an environment of liquidity challenges especially in the final quarter of 2024. As a result, the liquid assets to total deposits ratio fell from 20 percent in 2023 to 17.9 percent in 2024, which, however, was above the 10 percent minimum statutory requirement.

Chart 4: Commercial Banks: Liquidity Ratios: 2020 - 2024 (Percent)



Source: Commercial and Statutory Banks (Statutory Returns submitted to the Bank).



Performance of Banking Industry

(Continued)

2.6 Overall, commercial banks were appraised to be safe, sound, stable, adequately capitalised and liquid in 2024.

Statutory Banks

2.7 As at the end of 2024, total assets for the two statutory banks, NDB and BSB amounted to P6.7 billion, representing an increase of 44.6 percent from P4.6 billion in 2023. The balance-sheet growth was largely a result of an increase in BSB's loan book. Customer deposits, the main funding source for BSB, increased by 82.4 percent from P2.4 billion in 2023 to P4.4 billion in 2024.

2.8 The loan book of the two statutory banks grew by 65.6 percent from P3.5 billion in 2023 to P5.8 billion in 2024. Combined NPLs for the two banks decreased by 5.6 percent from P349.8 million in 2023 to P330.1 million in 2024. Consequently, the ratio of NPLs to gross loans and advances for the banks decreased from 10 percent in 2023 to 5.7 percent in 2024.

2.9 The two banks complied with minimum prudential capital-adequacy requirements. The average CAR of the two banks decreased from 32.7 percent in 2023 to 26.4 percent in 2024 but remained above the 12.5 percent minimum prudential requirement for banks.

2.10 The two banks reported an aggregate profit of P55.3 million in the 12 months to December 2024, an improvement from the net loss of P33.4 million in the prior year. BSB's net after-tax profit was P56.6 million in the 12 months to December 2024, several-folds increment from P17.2 million in the same period of 2023. On the other hand, NDB reported an after-tax loss of P1.3 million in the year to December 2024 compared with an after-tax loss of P50.6 million in the corresponding period in 2023.

2.11 RoAA for the two banks increased from -0.7 percent in the 12 months to December 2023 to 1 percent in the corresponding period in 2024, while RoE rose from -3.3 percent to 4.1 percent in the same period. The average cost-to-income ratio for the two banks fell from 99.2 percent in the year to December 2023 to 77.6 percent in the corresponding period in 2024.

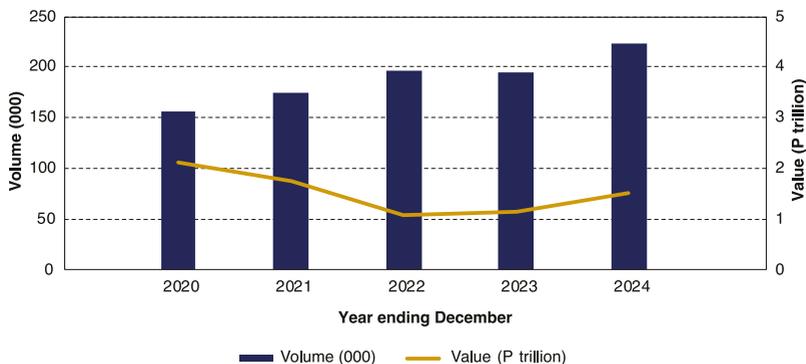
2.12 Liquid assets for statutory banks decreased by 22.4 percent from P1.1 billion in 2023 to P867.6 million in 2024. The liquidity position of the banks was satisfactory as at 31 December 2024.



National Payment System

3.1 Financial market infrastructures (FMIs) operating in Botswana were assessed to be stable and robust, thus supporting and contributing to domestic financial stability. The Botswana Interbank Settlement System (BISS), Botswana Automated Clearing House (BACH), and Central Security Depository Company of Botswana, continued to deliver secure and reliable clearing and settlement services. The volume of transactions settled through BISS increased by 14.8 percent from 194 726 in 2023 to 223 520 in 2024, while the corresponding value of the transactions increased by 38.6 percent from P1.13 trillion to P1.57 trillion in the same period. Similarly, the volume of electronic funds-transfer transactions processed through the BACH system increased by 10.1 percent from 11.3 million in 2023 to 12.5 million transactions in 2024, while the associated value grew by 10.9 percent, from P300.9 billion in 2023 to P333.6 billion in 2024.

Chart 5: Botswana Interbank Settlement System Transactions 2020 - 2024



Source: Bank of Botswana.



Consumer Protection

- 4.1 On the standards of business conduct, banks were found to have complied with the minimum public disclosure and statutory requirements on bank charges by publishing monthly indicative deposit rates on their websites as well as in at least two newspapers widely circulating in Botswana.
- 4.2 In 2024, the Bank received and assessed consumer complaints relating to unauthorised transactions, unfair handling of loans, unsatisfactory service and disputed mortgage or credit-card insurance covers, among others.

Table 4: Commercial Banks' Consumer Complaints in 2024

Nature of Complaint Received	Received	Resolved	Total Outstanding as at 31 December 2024
Unsatisfactory service	7	4	3
Unfair handling of loans	3	1	2
Unauthorised transactions	4	3	1
Disputed mortgage/credit-card insurance covers	5	4	1
Total	19	12	7

Source: Bank of Botswana.

- 4.3 Banks continue to remit to the Bank funds abandoned by customers for administration in compliance with Section 39 of the Banking Act (Cap. 46:04). The net balance of abandoned funds increased by 26.8 percent from P27 088 850 in 2023 to P34 336 420 in 2024.



Illegal Deposit-taking

5.1 Consistent with Section 5 of the Banking Act (Cap. 46:04), the Bank conducted investigations into operations of companies and individuals suspected of being involved in illegal deposit-taking. The Bank investigated operations of Miracle Farm in 2024.

Miracle Farm

5.2 The Bank conducted an investigation of a company operating under the name Miracle Farm, Miracle Farm Capital, or Miracle Farm Management, in February 2024. The company circulated messages on mobile phones and claimed to offer employment and investment opportunities in the agricultural sector, with a daily income of P100 to P1 000. While the investigation was ongoing the Bank became aware that Botswana Police Service (BPS) was also investigating the same matter, resulting in the Bank's halting of the investigation. BPS has since apprehended the promoters of the scheme, and the matter is before the courts of law.

Dafritech Proprietary Limited

5.3 The Bank issued a public notice in December 2023 and in April 2024 requesting members of the public who deposited funds into the Dafritech Proprietary Limited (Dafritech) account held with FNBB to claim their funds. As at 31 December 2024, twenty-six of 116 depositors had been refunded a cumulative amount of P393 261.89 from the Dafritech funds, leaving a balance of P437 982.67.



On-site Examination of Supervised Institutions

6.1 The Bank conducted prudential, consumer and AML/CFT/CPF on-site examination of several banks in 2024. The Bank also conducted on-site examination of non-bank financial institutions supervised by the Bank. The examined entities were found to be generally compliant with the statutory and prudential requirements. Where supervisory concerns were noted, the institutions involved were directed to address them and monetary fines were imposed in some cases, for non-compliance.



Conclusion

7.1 In the review period, 2024, banks were generally compliant with statutory and prudential requirements; in a few cases of non-compliance, appropriate supervisory action, including remedial measures, was implemented in accordance with applicable laws and regulations. Overall, the banking industry remained safe, sound, profitable, adequately capitalised and liquid, while financial market infrastructures performed as expected.



Gaborone Headquarters

17938, Khama Crescent, Gaborone, Botswana



(267) 360 6000



Private Bag 154, Gaborone, Botswana



Francistown Branch

9597, Thapama Circle, Francistown, Botswana



(267) 241 0450 / 240 0400



Private Bag F212, Francistown, Botswana



www.bankofbotswana.bw