

**BANK
OF
BOTSWANA**

ANNUAL REPORT

2003

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BANK OF BOTSWANA

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March 31, 2004

Honourable B. Gaolathe
Minister of Finance and Development Planning
Private Bag 008
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Honourable Minister

In accordance with Section 57 (1) of the Bank of Botswana Act, 1996, I have the honour to submit, herewith, the Annual Report of the Bank of Botswana for 2003, which covers:

- (i) a report on the operations and other activities of the Bank during 2003;
- (ii) a copy of the Bank's annual accounts for the year ended December 31, 2003 certified by the external auditors and approved by the Board on March 19, 2004; and
- (iii) a review of the economy in 2003, a theme chapter on Competition, Efficiency and Profitability in the Banking Sector, and a statistical section.

Yours sincerely

Linah K. Mohohlo
GOVERNOR

BOARD MEMBERS
as at December 31, 2003



S. S. G. Tumelo
Board Member



L. K. Mohohlo
Governor and Chairman of the Board



D. N. Moroka
Board Member



G. K. Cunliffe
Board Member



R. G. M. Mmutle
Board Member



J. Sentsho
Board Member



B. Moeletsi
Board Member

DEPUTY GOVERNORS



U. Corea
Board Member



O. A. Motshidisi



K. R. Jefferis

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Board Member

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ABBREVIATIONS USED IN THE REPORT

ABC	African Banking Corporation
ABCI	African Banking Corporation International
AC	Advisory Committee
AGOA	African Growth and Opportunity Act
ATA	Average Total Assets
ATM	Automated Teller Machine
BBS	Botswana Building Society
BCCB	Bank of Credit and Commerce Botswana
BDC	Botswana Development Corporation
BIDPA	Botswana Institute for Development Policy Analysis
BMC	Botswana Meat Commission
BoBCs	Bank of Botswana Certificates
BSB	Botswana Savings Bank
BSE	Botswana Stock Exchange
CEDA	Citizen Entrepreneurial Development Agency
CGS	Credit Guarantee Scheme
CPI	Consumer Price Index
CR	Concentration Ratio
CSO	Central Statistics Office
FAP	Financial Assistance Policy
FDI	Foreign Direct Investment
FNBB	First National Bank Botswana
FSA	Financial Services Authority
GDDS	General Data Dissemination System
GDP	Gross Domestic Product
HHI	Hirshmann-Herfindhal Index
ICT	Information and Communications Technology
IFSC	International Financial Services Centre
IIP	International Investment Position
IMF	International Monetary Fund
IT	Information Technology
MES	Minimum Efficient Scale

MFDP	Ministry of Finance and Development Planning
MPC	Monetary Policy Committee
NBFI	Non-Bank Financial Institution
NCSS	National Clearance and Settlement System
NDB	National Development Bank
NDP	National Development Plan
NEER	Nominal Effective Exchange Rate
NIM	Net Interest Margin
NPS	National Payments System
NS	Net Spread
OPEC	Organisation of Petroleum Exporting Countries
PDSF	Public Debt Service Fund
PMP	Privatisation Master Plan
PMS	Performance Management System
PPADB	Public Procurement and Asset Disposal Board
REER	Real Effective Exchange Rate
RER	Real Exchange Rate
ROA	Return on Assets
ROE	Return on Equity
SA	South Africa
SACU	Southern African Customs Union
SACUA	Southern African Customs Union Agreement
SADC	Southern African Development Community
SARS	Severe Acute Respiratory Syndrome
SDR	Special Drawing Right
SLF	Secured Lending Facility
SME	Small and Medium Sized Enterprises
UK	United Kingdom
UKCC	United Kingdom Competition Commission
USA	United States of America
VAT	Value Added Tax

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