

BDC DEPLOYS USD10 MILLION IMPACT FACILITY TO LETSHEGO AFRICA HOLDINGS TO ACCELERATE INCLUSIVE GROWTH AND PROGRAMMATIC LENDING

Gaborone, Botswana – Botswana Development Corporation (BDC) has approved a 7 year term loan facility of USD10 million to Letshego Africa Holdings Limited (LAHL), a pan-African retail financial services group headquartered in Botswana and listed on the Botswana Stock Exchange. This transaction marks a significant step in BDC's "Impact " investment strategy, deploying catalytic capital to support programmatic lending in key social sectors including affordable housing, education, healthcare, and micro-and-small enterprise (MSE) financing.

Letshego Africa Holdings is one of Botswana's most established indigenous financial services institutions, with operations across 11 African markets. The Group is widely recognised for its deduction-at-source lending model and offers a range of financial products and services, including consumer loans, payments, insurance and digital financial solutions. The approved facility is specifically structured to accelerate the Group's " Financial Inclusion" strategy. By channelling funds into these high-impact portfolios, the partnership aims to drive financial inclusion beyond simple access to credit, focusing instead on funding that builds household assets, improves social welfare, and enhances economic resilience for underserved populations across Africa.

The transaction aligns with BDC's evolving role as a commercially disciplined and market-responsive development finance institution, focused on deploying capital into scalable, income-generating investments that strengthen Botswana-anchored enterprises with regional reach. It also reflects BDC's commitment to ensuring that viable financial institutions are able to continue extending credit responsibly, particularly in a market environment where access to affordable funding remains constrained.

Through this facility, Letshego will be able to sustain lending activity within its lower-risk payroll-deduction portfolios and programmatic lending products, including education, housing and essential consumer finance. These lending products play an important role in supporting household stability, access to opportunity and broader economic participation.

From BDC's perspective, the transaction supports the Corporation's strategic repositioning towards a more active balance sheet, increased deployment into yield-enhancing debt instruments, and deeper participation in transactions that combine commercial returns with system-wide economic impact. The facility enables BDC to deploy competitively priced capital into a regulated and cash-generative institution, while strengthening recurring income streams following recent portfolio restructuring and divestments.

The term loan facility further reinforces BDC's commitment to supporting Botswana-based companies that are deeply embedded in the local economy, while contributing to financial inclusion and economic activity across the region.



Commenting on the transaction, BDC Managing Director, Mr Oteng Keabetswe, said "This facility is more than a funding agreement; it is an investment in the resilience of the African household. As BDC pivots towards a more impact-centric investment model, we are prioritising partnerships that deliver 'double-bottom-line' returns—financial sustainability alongside tangible social progress. By backing Letshego's programmatic lending, we are ensuring that Botswana capital is put to work solving critical development challenges—from housing deficits to educational access—both at home and across the continent."

This investment demonstrates how BDC is repositioning itself to be more responsive to market conditions while remaining firmly anchored to its mandate. We are deploying capital in a way that strengthens our earnings base, supports strong Botswana-rooted institutions and helps sustain the flow of credit into the economy. Letshego has a resilient core business, and this facility allows us to balance commercial discipline with long-term developmental impact."

Letshego Africa Holdings Group Chief Executive Officer Ms Reinette van der Merwe noted that the facility enhances liquidity flexibility at an important phase of the Group's growth and recovery. "We value BDC's confidence in our strategy to drive access to funding to the marginalised members of society and to create long-term value for our customers. This USD10 million facility strengthens our ability to weather macroeconomic cycles while staying true to our purpose of Improving Lives. It allows us to deepen our support for the education, housing, and small business sectors—areas where access to capital makes the difference between stagnation and opportunity for millions of Africans."

Overall, the transaction reflects BDC's role as a strategic and counter-cyclical investor, deploying capital where it can support market stability, strengthen Botswana-based institutions and contribute to sustainable economic progress, both locally and across the region. **-ENDS-**

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NOTES TO THE EDITOR

ABOUT BDC

Botswana Development Corporation Limited, or 'BDC,' is the country's main agency for commercial and industrial development. Established in 1970, under the Companies Act, BDC is a company Limited by Shares and fully owned by the Government of Botswana. BDC is mandated to provide, facilitate and support funding of commercially viable enterprises that contribute towards building a sustainable and diversified Botswana economy; stimulate the growth of the private sector; to invest in the region and internationally; whilst generating wealth for the Shareholder.



The Corporation invests in commercially viable projects across all sectors of the economy except large-scale diamond mining. These include Energy, Manufacturing, Industry, Property, Services, Tourism, and Technology locally.

Throughout, BDC intends to promote best practices in business, governance and environmental standards in the funds or companies they choose to invest in. BDC conducts its business on a commercial basis and exercises special care and regard to economic and commercial merits.