



*Creating Markets, Creating Opportunities*

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**IFC Bond Funds Botswana Building Society Expansion to Promote Financial Inclusion**

**Gaborone, Botswana, December 13, 2017**—IFC, a sister organization of the World Bank and a member of the World Bank Group, today announced its debut Kgalagadi Bond to finance a \$25 million investment in the Botswana Building Society. IFC's support to the Building Society will promote financial inclusion and access to housing finance in the country.

IFC investment in the Botswana Building Society comprises a senior loan equivalent to 260 Million Pula. The long-term funding will support the transformation of the Society into a full-service commercial bank financing underserved clients, including small and medium enterprises.

The Kgalagadi Bond, which was over-subscribed, is funding the investment. It is the first local currency bond issued by a non-resident issuer in Botswana and also the first by a AAA rated institution in the country. This is the first amortizing bond in the market, and forms part of the IFC Pan African Domestic Medium Term Note Program.

BBS is a leading domestically owned financial institution and the largest residential mortgage lender in Botswana. The transformation of BBS will ensure that the envisaged commercial bank enhances both its financial inclusion and housing finance initiatives and help it to compete more effectively against larger local commercial banks. The IFC investment will help to strengthen BBS's financial stability and assist the demutualised Society to introduce new products and services for under-served market segments, including Small and Medium Enterprises.

Pius Molefe, Managing Director of Botswana Building Society said, "We welcome IFC's support to our transformation strategy. The financing will enable us to offer conventional banking products at more competitive rates, making us a stronger player in the market."

IFC supports clients by mobilizing private capital to create, deepen and expand markets. Financial inclusion and growing SMEs are a key focus of IFC interventions, job creation and their significant impact in reshaping markets.

Oumar Seydi, IFC Regional Director for Africa said, "IFC financing to Botswana Building Society will improve access to finance for job-creating small and medium enterprises. The bond issuance will mobilize long-term funds in the capital market and channel them to BBS, consistent with our strategy to create markets that promote growth."

IFC and BBS recognize that home ownership is a key source of wealth creation for low and medium income earners, however, in Sub-Saharan Africa, access to mortgages and other forms of financing for purchasing homes is limited. In Botswana, only two percent of the population has used housing finance, as most households still use non-mortgage credit. IFC is providing long-term funding and eliminating obstacles to the development of an enabling environment for affordable housing by supporting mortgage refinancing companies across the continent.

**About IFC**

IFC, a sister organization of the World Bank and a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with more than 2,000 businesses worldwide, we use our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In FY17, we delivered a record \$19.3 billion in long-term financing for developing countries, leveraging the power of the private sector to help end poverty and boost shared prosperity. For more information, visit [www.ifc.org](http://www.ifc.org)

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