

BDC GROUP'S REMARKABLE FINANCIAL PERFORMANCE AMID MARKET VOLATILITY

Gaborone – BDC is pleased to announce yet another year of exceptional financial performance amidst challenging market conditions, demonstrating resilience and strategic acumen in navigating volatility.

The stakeholder briefing session which was held on April 18th, 2024, was officiated by the Minister of Trade and Industry, Honorable Mmusi Kgafela who emphasised the pivotal role of BDC in driving sectoral and economic growth, underscoring its strategic investments and partnerships as fundamental to laying the foundation for a more prosperous future. Citing confidence in the collective potential, the Minister affirmed that the insights shared, and ideas exchanged during the session would inspire and galvanise all key stakeholders toward deliberate action in achieving Botswana's aspirations.

The Corporation reported a total income of BWP 383 million for the fiscal year ending June 30th, 2023, marking a commendable 3% increase over the previous year. This growth underscores BDC's steadfast commitment to delivering value to stakeholders despite market uncertainties. Furthermore, both BDC Company and Group assets exhibited significant growth during the period, rising from BWP 3.5 billion to just under BWP 5 billion and from BWP 4.8 billion to just under BWP 6 billion, respectively. This surge reflects our ongoing investment in strategic ventures. Moreover, despite market turmoil, the quality of the loan book improved over the period, with the NPL (Non-Performing Loan) position declining from 17.9% to 13%.

Speaking at the stakeholder briefing session, BDC Managing Director, Mr. Cross Kgosidiile, stated, "At the heart of our mission lies a dedication to Economic Transformation, inclusivity, and sustainability. We are guided by a set of core values that drive our actions. Our strategic priorities, outlined in the BDC 2021–2026 Strategic Plan, serve as a roadmap for our intention." He further noted that BDC's strategic focus is clear: to create sustainable economic value and wealth for the people of Botswana. Additionally, BDC is well-equipped to play a pivotal role in realising Botswana's vision of becoming a high-income economy by 2036.

Some notable key achievements by the Corporation include:

- New strategic partnerships with climate funding on boarded to the tune of **EURO 50m**.
- Stabilised key investment projects with a positive outlook on the Lobatse economy.
- Stabilisation of loan portfolio with continued growth in debt assets.
- Approval from Government of recapitalisation.

Key financial highlights include a notable 14% increase in interest income, reaching BWP 227 million compared to BWP 200 million in the prior year. This remarkable growth was attributed to strategic investments deployed throughout the year, coupled with favorable market movements in interest rates. Additionally, dividend income increased by 20%, largely driven by special dividends declared by underlying investee companies.



BDC's prudent cost containment measures and the reversal of previous impairments of equity instruments have significantly contributed to our positive overall performance, despite challenges such as fluctuating dollar rates against the Pula. We are pleased to have achieved a profit of BWP 2.2 million and a total comprehensive income of BWP 81 million.

Furthermore, BDC's strategic plan under implementation was highlighted to be the driving force behind the Corporation's ambition as a premier investment partner of choice in the transformation of Botswana's economy. The strategy, places much emphasis on pioneering industries and unlocking value in untapped sectors, integrating Botswana into the world economy through commercial investments and partnerships and most importantly citizen economic inclusion to create an inclusive economy.

Beyond financial success, BDC remains committed to sustainability and social impact. Through initiatives such as eco-friendly practices, community engagement, and conscious consumerism, the Corporation actively contributes to a more sustainable future for Botswana. At BDC, sustainability is not just a buzzword; it is a fundamental aspect of our corporate ethos. The Corporation recognises its responsibility towards the environment and society and is dedicated to making a positive difference through its actions.

Looking ahead, BDC is strategically positioned for continued growth and prosperity. Additionally, the pipeline of mega projects holds the promise of substantial socio-economic benefits for the nation. **–Ends –**

For more information, please contact the following:

Boitshwarelo Lebang-Kgetse

Head - Corporate Affairs

Tel: +267 365 1339

Email : boitshwarelo@bdc.bw

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, Innovation and Technology as well as Agriculture 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.