

Lesotho PostBank teams up with Norsad Capital

Recognising their common goals, the Lesotho PostBank (LPB) has joined forces with Norsad Capital, a provider of private credit to businesses in a growth stage.



Source: Supplied. Nathaniel Nyika Norsad chief investment officer; Kenny Nwosu Norsad chief executive officer; Molefi Leqhaoe Lesotho PostBank managing director, and Nare Matsoha Lesotho PostBank director of wholesale banking.

This partnership was announced at a ceremonial event in Maseru, Lesotho, on 17 February 2023.

LPB was set up by the government of Lesotho with the goal of providing financial services to the many unbanked and underbanked Basotho in the country.

To overcome the negative impact of financial exclusion, the bank targets both rural and urban parts of the country for the expansion of its services.

Both LPB and Norsad Capital focus on providing much-needed capital to businesses, which can be used to promote economic growth and improve the lives of people on the continent of Africa.

“We recognise that we share common objectives in terms of private-sector development in Lesotho, and this is what drives our decision to collaborate with each other,” explains Molefi Leqhaoe, the managing director of LPB.

The parties have signed a memorandum of understanding which sets out the terms of the partnership. According to Kenny

Nwosu, chief executive officer of Norsad Capital: “In line with Norsad's growth strategy of deepening investments in SADC, the MOU paves the way for Norsad to increase its investment activities in Lesotho through leveraging off the local presence of LPB.”

Backing each other up

In terms of the agreement, the two parties will share contacts for potential business; assist each other when putting together sizable deals; and share an investment opportunity should the amount required exceed the limits available for funding by each party.

“In addition to the various benefits, it will be helpful for us to have a partner on the ground in Lesotho who has local knowledge and can provide us with insights, for instance, about a business located in the country that we are considering doing business with,” Nwosu says.



Postbank plans for state bank underway

Katja Hamilton 12 Jan 2023



From a regional perspective, the deal fits in perfectly with the Norsad Capital focus on the Southern African Development Community (SADC), since Lesotho is one of the 16 states that make up this region.

“This is a region most under-served by financial institutions, yet there is enormous business opportunity in the area,” says Nwosu, explaining the reason for the company’s focus.

Solving for environmental challenges

Identifying itself as an impact investor with a particular focus on the United Nations Sustainable Development Goals (SDGs), Norsad Capital aims to be a thematic impact investor that selects investments which clearly contribute to solving social and environmental challenges.

This objective aligns with the overarching aim of the LPB: to improve the quality of life of the citizens of Lesotho. Many of the sectors that are of importance to Norsad Capital are equally significant for the LPB, namely: improving access to finance and allowing for greater financial inclusion, agriculture, promoting infrastructure development, and tourism and hospitality.

All in all, this partnership augurs well for the future of the economy of Lesotho. Likely to make more capital available to growth-stage businesses in the country, this relationship will promote economic growth in the region.

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