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# Investment Committee Memorandum: Investment Memorandum – BB.Borrower Ltd. – $150m Senior Secured Term Loan Facility

Date: March 2025  
Prepared by: Bank A Structured Finance Team

## 1. Executive Summary

* **Transaction**: Bank 1, Bank 2, and Bank 3 are jointly providing a $150 million senior secured sustainability-linked term loan facility to BB.Borrower Ltd., with each Bank committing $50 million on a pari passu basis.
* **Use of Proceeds**: The facility will be used to (i) refinance existing debt, and (ii) fund the expansion of BB.Borrower’s lending activities across its core markets: Uganda, Tanzania, Kenya, Nigeria, and Senegal.
* **Structure**: Senior secured sustainability-linked term loan with a 5-year tenor.
* **Security**: First-ranking security over BB.Borrower eligible receivables, defined as performing receivables (i.e., not more than 180 days overdue).
* **Sustainability Link:** Linked to (a) achieving at least 50% women clients and (b) reducing portfolio-related CO₂ emissions intensity by 15% by year 3.
* **Covenants:**
  + Debt / Equity ≤ 2.25x
  + Portfolio Performance Covenant (PAR30) ≤ 20%
  + Loan-to-Value (LTV) ≤ 80%

## 2. Borrower Overview

* **Borrower**: BB.Borrower Ltd.
* **Business Model**: Consumer asset financing via pay-as-you-go (PAYG) model, focusing on underserved low to middle-income consumers.
* **Markets**: Uganda, Tanzania, Kenya, Nigeria, and Senegal.
* **Ownership**: Owned by Equity Investor A and several development-focused investors.
* **Group Structure**:
  + Parent: BB.Borrower Global Holdings Ltd. (UK)
  + Regional Subsidiaries: BB.Borrower Kenya Ltd., BB.Borrower Uganda Ltd., BB.Borrower Nigeria Ltd., BB.Borrower Tanzania Ltd., BB.Borrower Senegal Ltd.

## 3. Management Team

* Jane Marasi (CEO): Ugandan, Nairobi-based, ex-Global Capital Partners.
* Thomas Biko (CFO): Kenyan, Nairobi-based, ex-East African Payment Solutions.
* Amina Doumbia (Senegal): Ex-Orange Money.
* David Okoye (Nigeria): Ex-FinBank Nigeria.
* Grace Tumusiime (Uganda): Ex-Kampala Microfinance Trust.
* Patrick Mwambura (Tanzania): Ex-Equity Bank Tanzania.

## 4. Facility Overview

* Facility Amount: $150 million
* Lenders: Bank 1 (Agent), Bank 2, Bank 3
* Pricing: SOFR + 2.00%
* Tenor: 5 years
* Security:
  + First-ranking security over eligible receivables defined as performing loans not more than 180 days overdue.
* Sustainability-Linked: Women inclusion, CO₂ reduction
* Repayment:
  + Quarterly amortization as outlined in Schedule A.
  + Final balloon payment due at maturity.
* Events of Default: Standard events of default, including payment default, covenant breach, insolvency, material adverse change.
* Fees: Arrangement fee of 1.25%, commitment fee of 0.50% on undrawn amounts.
* Governing Law: This Agreement shall be governed by English Law.

## 5. Financial Overview

### Balance Sheet Highlights (USD millions)

| **Item** | **FY2023** | **FY2024 Forecast** |
| --- | --- | --- |
| Total Assets | 520 | 600 |
| Equity | 180 | 200 |
| Debt (Pro Forma) | 297 | 320 |
| Loan Book | 430 | 500 |
| Eligible Receivables | 370 | 450 |
| Debt / Equity | 1.65x | 1.60x |
| LTV | 68% | 71% |

### Income Statement Summary (USD millions)

| Item | FY2023 | FY2024 Forecast |
| --- | --- | --- |
| Revenue | 130 | 155 |
| Interest Income | 115 | 135 |
| Operating Expenses | -60 | -70 |
| Loan Loss Provisions | -15 | -18 |
| EBITDA | 55 | 67 |
| Interest Expense | -25 | -30 |
| Net Income | 30 | 37 |

### Cash Flow Summary (USD millions)

| Item | FY2023 | FY2024 Forecast |
| --- | --- | --- |
| Operating Cash Flow | 55 | 65 |
| Debt Service | -25 | -30 |
| Net Cash Flow | 30 | 35 |

## 6. Covenant Package

1. Debt / Equity: ≤ 2.25x
2. Portfolio PAR30: ≤ 20%
3. LTV: ≤ 80%

## 7. Recommendation

Approval recommended for Bank 1 to commit $50 million subject to final documentation, due diligence, and conditions precedent.