



FSD Africa Investments commits \$4.5 million to a new fund supporting MSMEs through pandemic recovery

The investment will strengthen debt facilities by Lendable Inc. while offering increased security to micro, small and medium enterprises recovering from the pandemic

NAIROBI, December 15, 2020 – FSD Africa Investments (FSDAi), the investment arm of FSD Africa, has today announced a \$4.5million commitment to Funds set up by Lendable Inc. (Lendable). This will boost the capacity of alternative financial service providers in sub-Saharan Africa to provide credit to micro, small and medium enterprises (MSMEs) recovering from the effects of the pandemic.

Lendable is a fintech startup which provides structured finance to alternative lenders in frontier and emerging markets. By providing funds to support the lending capacity of alternative financial service providers, these providers will, in turn, provide much needed capital to MSMEs. This is at a time when MSMEs need help in fueling their recovery from the effects of the pandemic – and when credit from other sources may be difficult to raise.

FSDAi's investment will strengthen two new funds set up by Lendable to lend to MSMEs. The first will provide capital of at least \$31 million to eight financial service providers lending to MSMEs across sub-Saharan Africa. The second aims to provide \$100 million in support to fintech companies lending to MSMEs in Africa and other emerging markets. FSDAi's initial \$4.5 million investment into the larger fund in the first quarter of 2021.

FSDAi and Lendable also expect the funds to highlight sub-Saharan Africa as a viable investment destination for global commercial investors. The funds have the potential to channel even more capital to the continent, further expanding credit markets and access to financial services.

Anne-Marie Chidzero, Chief Investment Officer, FSD Africa Investments said:

“The adverse economic effects brought on by COVID-19 have hit micro, small and medium-sized enterprises particularly hard. Our support to the Lendable funds will meet two pivotal goals of providing small and medium businesses easier access to much needed capital while accelerating broader financial inclusion on the continent.”

Mark Napier, CEO, FSD Africa added:

“FSD Africa is proud to be working with Lendable. Together, we are offering a timely solution to strengthening sub-Saharan Africa's financial markets at a time when they need it most. The added liquidity that Lendable's new fund will supply to credit providers will amplify the impact fintech and micro lenders in Africa have already had in speeding up financial access.”



Daniel Goldfarb, Lendable CEO, stated: “We’re incredibly excited about FSD Africa’s investment and the liquidity it will enable for fintechs providing financial services during this critical time. Digital financial services have become a critical lifeline for so many Africans. FSD Africa’s commitment to continuing to provide catalytic capital to the African market throughout COVID is a testament to their leadership in the sector, and we are proud to solidify our partnership with their investment in Lendable’s facilities.”

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About FSD Africa Investments

FSD Africa is a specialist development agency working to reduce poverty by strengthening financial markets across sub-Saharan Africa. FSD Africa Investments is the investing arm of FSD Africa. Based in Nairobi, FSD Africa’s team of financial sector and investment experts work alongside governments, business leaders, regulators and policy makers to design and build ambitious programmes that make financial markets work better for everyone. FSDAi invests in the financial firms and intermediaries whose strategies could lead to transformative change in financial markets. Established in 2012, FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya, and FSDAi as a Kenyan investment company. Both are funded by UK aid from the UK government.

About Lendable Inc.

Established in 2014, Lendable Inc. (Lendable) is a FinTech start-up based in the US, Kenya, UK, and Singapore which operates a capital markets platform to provide structured finance to alternative lenders in frontier and emerging markets. To date the manager has financed 12 fintech companies to the tune of USD 35m across 57 transactions delivering consistent positive returns to investors. Core to Lendable’s underwriting process is a bottom up data driven approach powered by a proprietary risk engine that utilizes machine learning technology. Lendable is committed to responsible lending and has incorporated, in its due diligence and legal documentation, processes and provisions that ensure client protection by alternative financial service providers.