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P2P Lending Platform Validus Capital Raises Over S\$20 Million to Boost SME Growth in Southeast Asia

SINGAPORE, 7 March 2019 – [Validus Capital](#) (Validus), Singapore’s leading SME financing platform, has successfully raised US\$15.2 million (S\$20.5 million) in an oversubscribed Series B funding round.

Investment in Validus’ Series B round was led by [FMO](#), Netherlands’ public-private development bank. FMO has over 300 investments in banking and financial services institutions (BFSIs). Its investment in Validus marked FMO’s first fintech investment in Southeast Asia, a region which saw over [US\\$5.7 billion](#) in fintech investments in 2017 according to KPMG. Participating investors also include Taiwan’s Cathay Financial Holdings, Singapore’s Openspace Ventures (previously NSI Ventures), Temasek investment arm Vertex Ventures, Thailand’s AddVentures by SCG and Vietnam’s VinaCapital Ventures.

Founded in 2015 in Singapore, Validus brings together accredited individual and institutional lenders and SMEs. It obtained its CMS license from MAS in December 2017. Since then, Validus has successfully topped US\$133.1 million (S\$180 million) in business funding - a record for P2P business lending platforms in Singapore.

Ajit Raikar, Chief Executive Officer and Co-Founder, Validus Capital expressed his confidence in the company’s future and talks about the strong global interest in Validus’ Series B fundraising, “Southeast Asia is one of the fastest growing economic regions globally, where there is a clear need for alternative financing platforms such as Validus to complement the traditional banking and financial infrastructures. Having a strong team, technology and data science capabilities has allowed us to partner with strategic global investors for our next growth stage. This reaffirms that we are well on track to deliver on our strong growth forecasts, and our ambition to become a digital ‘bank-like’ fintech for underserved SMEs is well supported with two leading sovereign funds investing into Validus.”

According to [Deloitte](#), SMEs contribute around 40 per cent of Southeast Asia’s gross domestic product (GDP) and employ 70 per cent of the region’s workforce. Despite the importance of SMEs regionally, support is generally lacking, particularly in terms of business financing. [McKinsey Global Institute](#) reported that 39 million Southeast Asian SMEs (or 51 per cent) lack access to credit. P2P Lending has emerged as a popular alternative financing option for SMEs in Southeast Asia to service this unmet business financing gap. Per [EY](#), around 68 per cent of the region’s SMEs are receptive to tap into alternative financing options, including P2P Lending.

“Validus is particularly well-positioned to lead the P2P Lending industry’s change in Southeast Asia and spearhead financial inclusion among the unbanked and underserved businesses in the Region in a more digital way. Their planned expansion to Indonesia and Vietnam will strongly contribute to job creation by SMEs in these countries. We are excited to embark on this digital journey with Validus and their very strong shareholder base, as they continue on their steady and sustainable growth trajectory,” said Linda Broekhuizen, Chief Investment Officer, FMO.



With fresh funding, Validus is looking to invest heavily in technology innovation, particularly around artificial intelligence and machine learning to help make business financing even more convenient and safe for SMEs. It will also fund their Southeast Asia expansion, starting with Indonesia this year, followed by Vietnam.

Nikhilesh Goel Co-Founder and Chief Operating Officer at Validus Capital, whose background is in private equity shared, “Our strategic approach in fundraising goes deep beyond the size of the investment. We look for partners who share our vision in driving inclusive growth in the region, who are able to offer the value-add and guidance needed. The strong partnerships we’ve built with our investors will not only help us to strengthen our technology and regional expansion but also provide the deep-seated connections and valuable advice across areas like business development, capital funding and recruitment, areas which are vital for the growth of the company.”

Over the past year, Validus has enjoyed a tremendous series of successes where it has become Singapore’s top SME P2P Lending platform. Two new products were introduced, namely Working Capital Financing and Purchase Order Financing. It experienced exponential growth in terms of loans where almost 2,000 loans were disbursed in 2018, representing a 260 per cent increase year-on-year (y-o-y) while disbursement volume increased 350 per cent y-o-y. Overall, over 300,000 Singaporeans were directly and indirectly positively impacted with the Validus platform and their growth numbers forecast a direct impact to the country’s gross domestic product. Manned by an experienced SME lending team that looks beyond financial data, into behavioural patterns, Validus continues to be a beacon of support to growing SMEs across Southeast Asia.

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About Validus Capital

Founded in 2015 and backed by Netherlands’ development bank FMO, as well as Temasek Holdings’ Vertex Ventures, Validus Capital is Singapore’s leading peer-to-business lending platform. Validus connects growing SMEs to accredited investors and financial institutions. It acts as a catalyst of sustainable growth for SMEs.

Validus’ online marketplace is powered by a proprietary platform which leverages a secure and robust cloud infrastructure as a delivery mechanism. In addition, Validus utilises a robust risk algorithm that leverages on artificial intelligence and machine learning to make more informed and responsible lending decisions. Validus is also the first platform in the Region to offer insurance cover for lenders (up to 90 per cent capital principal protection for most invoice financing facilities). Its data-driven, collaborative approach to business lending has helped it to forge strong industry partnerships with many established brands. One such partnership with Visa launched a virtual card-based solution to help SMEs scale their business. A key differentiator for the company is its ability to lend at bank-like rates due to its institutional lenders, which include family offices and funds.

Licensed by the Monetary Authority of Singapore (MAS), Validus is also a member of the Singapore Fintech Association. Please visit www.validus.sg for more details.

About FMO



FMO is the Dutch development bank. FMO has invested in the private sector in developing countries and emerging markets for more than 45 years. Its mission is to empower entrepreneurs to build a better world. FMO invest in sectors where it believes its contribution has the highest long-term impact: financial institutions, energy, and agribusiness. With an investment portfolio of €9.2 billion (S\$14.2 billion) spanning over 85 countries, FMO is one of the larger bilateral private sector development banks globally. **Visit www.fmo.nl**

