LIBREVILLE, October 11 (Infosplusgabon) - Tugende, the innovative fintech platform for MSME credit and asset-financing in East Africa, closed in Q2 pre-Series B equity funding from existing shareholders led by Partech and two new investors, including Women's World Banking. The new investors add to the diversity of Tugende's shareholding and complement the experience and skills that each contribute to Tugende's growth.

Along with a recent debt closing, the combined USD 10 million investment further strengthens Tugende's balance sheet, allowing it to increase portfolio growth and address a significant credit demand amongst MSMEs, particularly after the strict lockdowns of 2020 and 2021. Tugende continues to deliver this MSME support with award winning positive social impact to its clients and their beneficiaries. On May 25th, 2022, Tugende received the Financial Inclusion award at the annual African Banker Awards ceremony, held in Accra, Ghana.

CJ Juhasz, Chief Investment Officer of Women's World Banking Asset Management ("WAM"), states: "We're excited to join Tugende's journey. Tugende is a leader in reaching and de-risking underserved individuals and businesses for financial services to grow and create jobs. Women's World Banking is dedicated to economic empowerment, and we are particularly keen on investing at the intersection of mobility and finance, as the empowerment potential for individuals, especially women, is multiplied. Tugende's leadership is visionary, cares deeply about its mission, and brings the experience to achieve its ambitious plans. We look forward to teaming up with Tugende as it drives financial inclusion pan-Africa and increases the number of women served in its business ecosystem."

WAM invests in innovative inclusive finance companies in the emerging markets, guiding them to capture the substantial market share of financially under-served women and the substantial talent pool of women staff and leaders. WAM's first fund was a pioneer of gender-focused impact investing in inclusive financial service providers. WWBCP II expands the gender-focused investment strategy in innovative financial service providers, with a dedicated technical assistance facility to help portfolio companies achieve strategic objectives toward gender inclusion.

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businesses to build better futures

Michael Wilkerson, co-founder and CEO of Tugende, comments: “Tugende is committed to innovation and partnerships that remove barriers for people and businesses to build better futures. With partners such as WWB on board, Tugende will benefit from the added expertise in delivering Tugende’s Gender Action Plan and activating more women entrepreneurs in Tugende’s ecosystem.”

The pre-Series B equity investment builds on debt financing Tugende closed from Cordaid Investment Management, a leading European impact investor whose mandate is to support the growth of MSMEs across the African continent. Tugende is in the process of drawing down existing debt funding commitments from a variety of leading impact and MSME-focused investors.

Tugende’s business has emerged from the COVID-19 crisis on a strong and steady footing and is back on its high-growth trajectory. The MSME credit gap across sub-Saharan Africa amounts to more than USD 331 billion, with a gap of USD 37 billion in East Africa alone. Tugende is tackling this using asset finance, technology, and industry leading data analytics to unlock growth for informal and formalizing businesses. The company continues to expand its footprint in Uganda and Kenya and, in addition to its strong core package for motorcycle taxis, has increased its exposure to a broader range of income generating assets including four-wheeled vehicles, outboard motors (boat engines), and appliances—all for business use. All client financing packages include comprehensive insurance (product, medical, life), safety equipment, ongoing support, and a digital credit profile which enables successful clients and their communities to earn new opportunities such as top-up loans and enhanced insurance.

More than 900 employees ensure the company remains the go-to provider of credit to MSMEs and help keep Tugende’s market leading portfolio quality and cost of risk strong.

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