



## PRESS RELEASE

# IDH Farmfit Fund invests in LendXS to jointly accelerate smallholder finance

*Supporting rural lenders build viable investment portfolios, by combining de-risking capital with digital solutions*

Utrecht, 1 June 2021 – Today the IDH Farmfit Fund signed an agreement to acquire a 21% ownership stake in fintech scale-up company LendXS BV. The investment marks the start of a unique collaboration of the IDH Farmfit Fund, the catalysing smallholder finance facility of IDH, the Sustainable Trade Initiative and LendXS, a fin-tech start-up by the Financial Access Group. An estimated 270 million smallholder farmers in the world live in poverty because they lack the financial means to invest in their farms to make them more profitable. Many financial Institutions are reluctant to invest in smallholders because of the perceived high risks. In return these risks drive up interest rates, making loans unaffordable for the majority of smallholder farmers. The investment in LendXS marks the start of a unique and paramount collaboration. Roel Messie, CEO of the IDH Farmfit Fund: *'We are very pleased with the investment and partnership with LendXS, because it creates a synergy that is expected to unlock access to credit for many farmers. LendXS will enable rural lenders to better assess the risk and lower the costs of providing credit to farmers. The IDH Farmfit Fund will be able to support these lenders with funding and risk mitigation.'*

### LendXS

LendXS was founded in 2019 and has operations in Kenya, Ghana, Uganda and Cote d'Ivoire. The company was established by Financial Access Consulting Services BV (FACS), the former ING Bank emerging markets banking advisory subsidiary. *'Few banks are willing to provide credit in smallholder farmers because of the high costs and credit risks. This is one of the vicious circles that keeps farmers poor'*, says Eelko Bronkhorst, CEO of LendXS: *'Transaction costs of smallholder finance account on average for around 60% of the interest rates charged. Our long-time experience with financial transactions enables us to design fintech solutions and advisory services that bring down these costs significantly. This will improve rural MFIs' (Micro Finance Institutions) bottom line profits and will make loans more affordable for smallholder farmers, creating self-propelling change. The investment by the IDH Farmfit Fund brings LendXS to the scale that is needed to play this transformative role.'*

### Investable Solution

With the objective of contributing to better incomes of farmers in its supply chains, JDE Peet's is one of the investors in the IDH Farmfit Fund. The investment in LendXS is commodity agnostic, highly scalable and expected to benefit farmers in for instance the coffee supply chain at scale. In the foreseeable future LendXS aims to reach at least 280,000 smallholder farmers.

### About IDH, The Sustainable Trade Initiative

IDH, The Sustainable Trade Initiative restores flourishing markets with better jobs, better incomes and a better environment. When IDH is successful, companies rebalance the relationships between the workers they employ, the customers they serve and the planet that serves all of us.

IDH achieves this by creating public-private partnerships, and by using data to design, test and invest in more

**IDH Farmfit Fund – making investments in smallholder farming attractive, creating real SDG impact**



sustainable ways of doing business. IDH is headquartered in the Netherlands, with over 250 employees globally, operating in 20 value chains and sourcing regions with over 600 public and private partners. In 12 years of operation, IDH has generated over 390 M in private sector investment and support for new business models that create positive impact. This has reached 4 M farmers with access to finance or good agricultural practices; supported protection, restoration and sustainable rehabilitation of over 550,000 hectares of agrarian landscapes; improved the working conditions and wages of over 580,500 laborers.

The IDH Farmfit Fund is part of IDH, funding businesses to catalyse smallholder finance on a financially sustainable basis. Investors in the IDH Farmfit Fund are the Dutch government, JDE Peet's, FMO, Mondelēz and Unilever.

IDH's work is made possible because of the funding and trust of multiple European governments and private foundations. For more information, go to [www.idhsustainabletrade.com](http://www.idhsustainabletrade.com) or follow [@IDHTrade](https://twitter.com/IDHTrade) on Twitter and [LinkedIn](https://www.linkedin.com/company/idh).

### **About LendXS**

LendXS BV is a Netherlands-based fintech company that provides financial institutions in developing markets with low-cost, high-impact digital process and risk solutions. LendXS was established in 2019 and has operations in Kenya, Ghana, Uganda and Cote d'Ivoire. The company was established by Financial Access Consulting Services BV (FACS), the former ING Bank emerging markets banking advisory subsidiary. For the development of its digital solutions LendXS has entered into a partnership with Incentro Africa Ltd, the Kenya-based affiliate of Dutch technology company Incentro BV.

The main objective of LendXS is to improve rural access to finance through affordable digital technology. The LendXS tools include easy-to-use workflow management and digital data collection and loan monitoring technology, as well as crop-specific credit scoring tools. The LendXS tools allow rural and other lenders to improve their credit risk analyses and to make faster, better-informed loan decisions.

The LendXS solutions are tailored to the client acceptance, risk policy, product, IT and process requirements of financial institutions. They will reduce new client onboarding costs and result in better managed, lower risk rural and agri loan portfolios.