

Validus Secures Up to US\$50M Facility from HSBC to Strengthen Digital Lending for MSMEs in Indonesia

Validus has secured a debt facility of up to US\$50 million from HSBC under the ASEAN Growth Fund strategy to support financial inclusion for Indonesian MSMEs.

SINGAPORE, September 2, 2024 /EINPresswire.com/ -- [Validus](#), a leading digital SME lending platform headquartered in Singapore, today announced the establishment of a debt facility of up to US\$50 million from HSBC under the ASEAN Growth Fund strategy and is aimed to support financial inclusion for micro, small and medium enterprises (MSMEs) in Indonesia, addressing their challenges in accessing financial resources.



The facility will be deployed through Validus' Indonesian subsidiary, Batumbu, which is currently the largest digital SME financing platform in Indonesia. Batumbu has seen growing profits for over two years and has consistently achieved EBITDA margins exceeding 50%.

By offering more accessible financing options, this debt facility will be purposed for supporting Indonesian MSMEs in overcoming financial barriers and enhancing their role in driving the country's economic development, while also addressing the financing gap in Indonesia.

According to a [press release](#) from Indonesia's Ministry For Economic Affairs, there are currently 64.2 million MSMEs that contribute 61 percent of Indonesia's GDP, absorbing 97 percent of the total workforce in the country. While a [World Bank](#) report highlights that Indonesian MSMEs face major challenges in securing financing due to the stringent requirements imposed by banks. Despite various government initiatives, MSME loans account for only about 20 percent of total bank loans. The International Finance Corporation estimates that the financing gap for MSMEs stands at approximately US\$234 billion.

Nikhilesh Goel, Co-founder and Group CEO of Validus said “This long-term partnership with HSBC builds on our ongoing efforts to bridge the financing gap for MSMEs in Indonesia. We will continue to pioneer innovations and drive advancements in the lending space. By leveraging Batumbu's unique position as the largest and only profitable digital SME financing platform in the country, we are committed to unlocking new opportunities for businesses, driving economic growth, and enhancing financial inclusion. We are honoured to work with HSBC on this pivotal initiative, which will enable Validus to make a larger impact on the Indonesian economy.”.

Harish Venkatesan, Head of Corporate and Business Banking, HSBC Singapore said “As one of the leading MSME digital financing players in the ASEAN region, we are pleased to support Validus in playing an instrumental role in promoting financial inclusion to underserved small businesses in this region. MSMEs play a key role contributing to the long-term economic success in the ASEAN region and beyond. We look forward to supporting Validus in their mission to drive regional growth through the HSBC ASEAN growth fund.”

Since 2021, Validus has quintupled its total funds disbursed, reaching S\$5.17 billion. Headquartered in Singapore, Validus has established its presence in Indonesia (Batumbu), Vietnam (Validus Vietnam), and Thailand (Siam Validus). The company is backed by strategic investors and VCs, including Vertex Ventures Southeast Asia and India, Vertex Growth, FMO, 01Fintech, NongHyup Financial Group, Norinchukin Bank, Aizawa Asset Management, Lotte F&L, AddVentures by SCG, VinaCapital Ventures, SEA Frontier Fund, K3 Ventures, and Openspace Ventures.

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About Validus

Founded in 2015 to address the unmet financing needs of SMEs, Validus is today the largest SME lending marketplace in Southeast Asia, headquartered in Singapore, with a strong presence across Indonesia, Vietnam, and Thailand. An award-winning Fintech, Validus uses Data Analytics and AI to drive growth financing to the underserved SME sector via funds from individual and institutional investors. Validus holds a Capital Markets Services Licence by the Monetary Authority of Singapore (MAS) and has also received regulatory approval in Indonesia (OJK) and Thailand (SEC and BOT). For more information, please visit www.validus.sg.

About HSBC

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 60 countries and territories. With assets of US\$2,975bn at 30 June 2024, HSBC is one of the world's largest banking and financial services organisations.

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