



Press Release: KfW invests further EUR 7 million in the ALCB Fund

January 19, 2021 - The ALCB Fund is proud to announce the closing of an additional equity investment of EUR 7 million (USD 8.4 million) by KfW on behalf of the Federal Ministry of Economic Cooperation and Development (BMZ). This brings the total invested capital by KfW to USD 66.2 million.

BMZ has also provided EUR 500,000 in additional grant funding to the ALCB Fund's Technical Assistance Facility (TAF). This funding will enable the TAF to continue to support first-time and innovative issuers in coming to market, as well as broader market development activities.

Dr Jan Martin Witte, Director of Global Equity and Funds at KfW, said:

"KfW is proud to have provided this additional capital contribution to the ALCB Fund. Since its inception, the Fund has played an important role in promoting the development of African capital markets. This investment will enable the Fund to support more African issuers, investors, and intermediaries, bringing new deals to market which will ultimately benefit lower-income households and MSMEs."

ALCB Fund Manager, Clemens Calice, of LHGP Asset Management, said:

"KfW and BMZ's contribution and continued support affirms the ALCB Fund's approach to strengthening local currency bond markets to ensure greater economic opportunities for target beneficiaries. This investment will further strengthen the Fund's balance sheet, allowing it to grow its portfolio throughout the COVID-19 pandemic as well as attract new funding through its EMTN programme."

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The ALCB Fund was founded by KfW in 2012 on behalf of the German Ministry for Economic Cooperation and Development (BMZ). The Fund's mission is to support the development of African capital markets by promoting primary corporate bond issuances in local currency. This is achieved by supporting African issuers, investors, and intermediaries by acting as an anchor investor and providing technical assistance. Sectors of interest include; financial inclusion, infrastructure, agriculture, housing, education, healthcare and renewable energy.

To date, the ALCB Fund has invested in over 35 companies across 17 countries. The Fund is rated Baa2 by Moody's.