

HBL Inks Landmark Investment in Finja, Pakistan's Leading Digital SME Lending Fintech



Muhammad Aurangzeb, President & CEO - HBL (Left) and Qasif Shahid, CEO and Co-Founder (seated on Right) signing the agreement between the two organizations. Umer Munawer, COO and Co-Founder and Monis Rahman, Chairman and Co-Founder (standing Left to Right) were also present at the occasion.

Karachi - 27 May 2021: HBL becomes the first bank in Pakistan to invest in a digital fintech startup with its Rs. 176 Million (USD 1.15 Million) participation in the last tranche of Finja's Rs. 1.56 billion (USD10.15 Million) Series A1 round. HBL joins an impressive list of leading global fintech funds that have invested in Finja including BeeNext, Vostok Emerging Finance, Quona Capital, and ICU Ventures. All investors from previous rounds topped up their investment in Finja's Series A1 round.

For HBL, an investment in Finja serves two of the bank's strategic priorities, namely, making investments into Digital Financial Inclusion and Development Finance companies, especially ones making an impact in agriculture and SMEs as these are the backbone of the economy, and proactively reinventing HBL to become a "technology company with a banking license".

Since the beginning of the Covid-19 pandemic in April last year, Finja has scaled its digital lending portfolio by 550% disbursing over 50,000 digital loans to Micro, Small and Medium Enterprises (MSMEs). Despite being the backbone of the economy, small businesses in Pakistan have traditionally not been able to obtain credit to grow.

“We are elated to have HBL participate in this funding round. Our ground-breaking success in digitally scoring undocumented small businesses has resulted in a 64% month-on-month portfolio growth for us since the outbreak of the pandemic earlier this year. Undoubtedly, HBL’s financial clout, massive network and progressive leadership will help us elevate the country’s most important segment, the SMEs,” said Qasif Shahid, CEO and Co-Founder Finja.

“These loans are critical for Pakistan’s economic growth. Our productive loans result in a 40% increase in SME revenue with less than a 1% default rate,” added Monis Rahman, Chairman and Co-Founder Finja.

Muhammad Aurangzeb, President & CEO – HBL, commenting on the occasion said, “We are delighted to be investing in FINJA. Pakistan’s fintech landscape has immense opportunities. At HBL we believe that by making this investment we are not only developing the Startup ecosystem, but it will also pave the way for Pakistan to play a bigger role in the fintech space globally. SME lending is the future and therefore we are investing in Finja which enjoys a first mover advantage over the market in digitally lending to SMEs in this country.”