

## Raise Africa Investments deal part of FNB's R200m transformational equity pact

In line with its commitment to help drive the transformation of South Africa's investment industry FNB Commercial initiated its Black Business Growth Funding (BBGF) transformational equity initiative.



Source: Freepik.

The programme includes a capital commitment by the bank of R400m to support and enable equity investments by a select panel of Black-owned private equity fund managers, with a particular focus on Black women-owned investment businesses.

Recently, Raise Africa Investments (RAI) became the first such Black-women-owned investment manager to conclude a private equity deal using this capital support provided by FNB.

RAI invested into Africa Weather Group (AWG), an innovative business that provides customised weather risk-management products, solutions, and services to a range of corporate, mining and industrial, insurance, media, government, and consumer markets across the African continent.

AWG intends applying the funding accessible to it through RAI to grow its business and expand its presence in under-serviced African markets.

Daniella Keet, head of private equity at FNB says this first private-equity deal concluded by RAI as part of the FNB Commercial BBGF transformational equity initiative shows the potential of the programme to deliver significant benefits, not only to the private equity managers involved, but also to their investee businesses and their stakeholders.

“RAI was founded by a formidable leadership team that brings a depth of experience and skills to the private-equity environment,” Keet says, “however, while the business had access to several very exciting investment opportunities, they needed an investment partner to take full advantage of these opportunities and FNB is proud to be that partner through our BBGF transformational equity initiative.”

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Andiswa Bata, co-head of SME at FNB explains that “RAI’s challenges in terms of accessing capital mirror the experiences of many of South Africa’s Black-owned private equity investment companies.

She says that the FNB Commercial BBGF initiative seeks to shift this paradigm to support these investment managers through secured access to capital, thereby allowing them to focus on their portfolio management and growth, and helping them to establish a proven deal track record that can then support further capital raising. Moreover, as a financial institution we understand the importance of finding creative ways to partner with Black fund managers.”

Keet adds that, in addition to enabling the growth aspirations of these managers, the initiative also benefits FNB Commercial clients by giving them access to strategic B-BBEE investors actively seeking equity investment opportunities.

“We have a significant number of mid-corporate clients who would qualify for, and benefit from, such private equity investment,” Keet explains, “and by bringing these investors and clients together, we’re creating a self-sustaining investment ecosystem that gives these businesses access to transformational equity ownership solutions to grow their operations and optimise their B-BBEE credentials.”

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