



PRESS RELEASE – 18 September 2019

USD 100+ million capital increase for TCX

Shareholders support strong growth and financial innovations of the only global provider of local currency solutions in frontier markets

The Currency Exchange Fund (TCX) is pleased to announce that five of its shareholders have decided to increase their existing equity investment in TCX. The investments are undertaken by the Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V. (FMO), the Kreditanstalt für Wiederaufbau (KfW), and the European Bank for Reconstruction and Development (EBRD), as well as the Ecumenical Development Cooperative Society U.A. (OIKOCREDIT) and the Blue Orchard Microfinance Fund (BOMF). In total, this means a capital increase of well over USD 100 million. Several other shareholders are expected to follow still.

Ruurd Brouwer, CEO of TCX: “This capital increase is extremely welcome in a time where global uncertainty and economic volatility are on the rise. Whether it is a trade war or an oil price rise, the poorest countries are always hit hardest, and they lack reserves to withstand external shocks. The resulting devaluation of their currency can have devastating effects on the many households and enterprises that have borrowed in hard currency. Based on this additional investment TCX will increase its risk bearing capacity to remove the currency risk from its shareholders’ clients in developing countries.”

The underlying transactions finance development projects across Africa, Asia, Latin America and the Middle East. Projects range from financing microfinance and SME activities to large-scale infrastructure investments providing on- and off-grid renewable energy.

Background information

TCX is a global development finance initiative which offers long term currency swaps and forwards in 80+ financial markets where such products are not available or poorly accessible. The Fund started operations in 2007 and has since then provided hedging instruments with a total volume of USD 6.5 billion, spread over 3000 transactions. Today the fund has a total exposure of over USD 4 billion on 60 frontier market currencies. By ‘selling’ this exposure it creates markets and gives frontier countries access to the international capital market.

Press contact: Amadeus Bringmann a.bringmann@tcxfund.com

