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## Funding Deal for U.K. Online Lender Shows Brexit No Deterrent

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By Edward Robinson

(Bloomberg) -- When it comes to the U.K.'s peer-to-peer lending industry, institutional investors appear to be undaunted by uncertainty around Brexit.

Banco BNI Europa is providing 45 million pounds (\$58 million) to MarketInvoice Ltd., an online lending startup, to fund loans for British small businesses over the next 12 months, the Lisbon-based digital bank said Monday.

The deal is the latest in a series of investments by overseas institutions in Britain's burgeoning online lending market. In March, Waterfall Asset Management LLC, a New York-based investment firm, provided 100 million pounds in funding for loans on a platform called Lendable.

And in January, the venture capital firm Accel Partners led a \$100 million equity investment round in Funding Circle Ltd., the No. 1 British P2P lender with 2.2 billion pounds of loans originated in the U.K.<sup>4</sup>

"The U.K. isn't going to disappear with Brexit," said Pedro Coelho, the executive chairman of Banco BNI Europa, which is owned by Angolan lender Banco de Negocios Internacional SA. "At the end of the day, business and common sense will prevail and there will be a reasonable agreement between the EU and Great Britain. That's our bet."

MarketInvoice, which secures short-term loans for companies with their accounts receivable, has seen its volume surge 29 percent since the referendum last June 23. But net lending across the industry may be tapering off.

MarketInvoice, which has arranged 1.2 billion pounds in funding to businesses in the U.K. since its inception in 2011, recently unveiled a service that opens a credit line to businesses secured against their outstanding invoice book.

Institutional investors fund 60 percent of the loans on its platform, which is delivering a 4.3 percent annualized return as of April 28, according to data from AltFi Data Ltd., a London-based research firm.

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