



# Lending potential in Africa

There's huge potential for home-grown peer-to-peer (P2P) lending platforms, according to a recently released report on alternative financing vehicles.

According to the [Africa and Middle East Alternative Finance Benchmarking Report](#), Kenya and South Africa are leading the P2P business lending market in Africa. However, 90% of online alternative finance originated from platforms headquartered outside of Africa.



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P2P business is the third-largest model in Africa was peer-to-peer business, which totalled \$16m in volume over a two-year period between 2014 and 2015. This model experienced rapid growth, starting at a modest \$2m in 2014, and reaching a sizable \$14m in 2015.

It states that Kenya and South Africa raised \$16.7m and \$15m respectively from online channels in 2015. They had a much lower average deal size of \$41,000, with an average of 24 lenders per fundraiser.

Furthermore, the East Africa region has the largest market share of the African alternative finance market. In 2015, East Africa accounted for 41% of total African market share, while West Africa accounted for 24% and Southern Africa accounted for 19%.

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