

## Press Release

# Microcred China successfully raises HKD 558,000,000 in capital investment

Hong Kong, March 15<sup>th</sup>, 2016

- **Microcred China announces the successful closing of a new investment round for a total of HKD 558 million**
- **The funds raised will be used for the expansion of Microcred Group in China and the launch and development of an Internet finance strategy**

Microcred China Limited Liability Company, the investment holding company for Microcred Group's activities in China, has successfully launched a new round of equity investment of HKD 558 million led by Microcred Group together with International Finance Corporation (World Bank Group), AXA, one of the world's leading insurance group, and Developing World Markets.

Microcred China was inaugurated in 2007 by Microcred Group and started its operations in Nanchong, Sichuan. Since then, it has provided more than 98,000 loans to hundreds of thousands of Micro, Small & Medium Size Enterprises (MSMEs) in Sichuan. The total amount of loans granted is over RMB 4 billion. As of today, Microcred China has 23 branches & outlets in Sichuan.

This new capital increase will enable Microcred China to continue its growth in China over the next few years, focusing on South West China, both within and outside of its historic footprint in Sichuan Province.

In addition, Microcred China will launch an Internet finance strategy under the name of Baobab (面包树) to allow faster growth and Chinese investors to participate in the development of MSMEs in China.

"Microcred Group is launching in 2016 a new growth strategy aiming at developing its operations significantly in Africa as well as in Asia and embarking into a fintech strategy. The capital increase that has just been achieved in China is not only demonstrating the trust of our partners but will also allow us to implement this strategy smoothly." added **Microcred Group's Founder & Chief Executive Officer, Arnaud Ventura**.

"With over ten years' experience and having demonstrated that it can run profitably with strong financials, Microcred has a mature business model that can now be duplicated and deployed in other

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regions in China thanks to this new investment of HKD 558 million." stated Mr. **He Lianggang, Chief Operating Officer of Microcred China.**

"IFC is pleased to support Microcred China to strengthen its capacity in serving more MSMEs in frontier regions in China. We believe that Microcred's expansion will have a positive impact on local economic growth, job creation and a more enabled environment for MSMEs." said **Simon Andrews, IFC's Country Manager for China, Mongolia and Korea.** "We are committed to work with our clients to further promote inclusive and sustainable growth in China."

"We at DWM look forward to continue backing a talented management team and the expansion of responsible and inclusive financial services in frontier markets of West China." said **Fernanda Lima, Board Member and DWM MD Private Equity** based in Singapore.

### **About Microcred China**

Established in Hong Kong in February 2007 by Microcred Group together with AXA, one of the world's leading insurance group, and IFC (World Bank Group) among other partners, Microcred China is an investment holding company which focuses on providing simple and accessible financial solutions to the Chinese market. Its operations were historically rooted in Sichuan province and are progressively expanding from there. Microcred China became a leader in the province's microfinance industry focusing on the financial inclusion of Micro, Small & Medium Enterprises with more than 98,000 loans disbursed since the beginning of operations in 2007 valued at over RMB 4 billion. Microcred China will now scale up by launching an Internet finance strategy under the name of Baobab (面包树).

### **About International Finance Corporation (IFC)**

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with more than 2,000 businesses worldwide, we use our capital, expertise, and influence, to create opportunity where it's needed most. In 2015, our long-term investments in developing countries rose to nearly \$18 billion, helping the private sector play an essential role in the global effort to end extreme poverty and boost shared prosperity. For more information, visit [www.ifc.org](http://www.ifc.org).

### **About Developing World Markets (DWM)**

Developing World Markets ("DWM") is a US-based, impact investment manager with a mission to improve lives at the base of the economic pyramid. The firm invests exclusively in emerging and frontier markets, having structured or advised on more than USD 1 billion in impact investments in over 165 institutions across 50 countries.

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#### **For more information**

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