

Press release

The BOA shows its involvement in microfinance along with MicroCred S.A. by taking stake in the capital of MicroCred Madagascar.

Antananarivo, December 18th, 2006

BANK OF AFRICA-MADAGASCAR (BOA-MADAGASCAR) is known as being the leader of the microfinance sector in Madagascar. The institution, which took over the former BTM seven years ago, played an active part in the rural development for more than two decades. Today the BOA-Madagascar provides refinancing products to microcredit institutions settled in Madagascar as well as many individual loans to people from rural sector thanks to its 53 offices mostly settled in rural areas.

By taking stake in the capital of MicroCred Madagascar, the BOA-MADAGASCAR shows its desire to address the urban sector, where microentrepreneurs still have little access to traditional financial services.

Mr. Michel Iams, MicroCred's Madagascar Managing Director, declared with enthusiasm, "MicroCred Madagascar launched its operations on December the 6th and granted its first loan to a clothing company of 135,000 ar. Within the same day some disbursements even reached an amount of 10 million ariaries and after one week, more than 120 loans were disbursed."

MicroCred Madagascar, the second institution of the MicroCred Group, aims to propose financial services to micro, small, and medium-sized companies by implementing an innovative model. It provides Malgasy entrepreneurs with advice and funds necessary to the implementation of their projects as well as the development of their business.

New partners, along which international institutions such as the International Finance Corporation, the Belgium investment company B.I.O., as well as the BFV-SG (Société Générale Group), are working on new projects to support MicroCred's action.

Furthermore, MicroCred has established relations with members of the United Nations Development Program (UNDP) and the Millennium Challenge Account in order to obtain technical assistance enabling the intervention into the different areas of the country.

Similar institutions are being created in China, Senegal and North Africa. The MicroCred Group may have at least six institutions by 2007, which would increase microentrepreneurs' access to financing worldwide.

For further information :

www.boa.mg
www.bank-of-africa.net
www.microcred.org
www.microcred.mg

Press Contact:

BOA - Henri RANDRIAMANANTENA
Henri5@boa.mg
00 32 025 65 54
MicroCred S.A.- Audrey Le Blanc
aleblanc@microcred.org
00 33 1 49 21 26 47

About the BOA-MADAGASCAR :

The BOA-MADAGASCAR was created November 18, 1999 when the BANK OF AFRICA Group took over the former National Bank BTM.

It has the same activities as a commercial bank and aims at all types of clients. The BANK OF AFRICA Group relies on diversified private investments and International institutional partners strongly engaged in Africa such as the subsidiary of the AFD PROPARCO, the MFO, the IFC and the BOA.

Since privatization, which led to the transfer of activities to the BOA-MADAGASCAR, it has reorganized, developed and optimized its network. Today, the bank has more than 53 branches with 12 in the capital city and 41 in the country, where it has no rivals in 21 towns.

Thus the major advantage of the BOA is that it benefits from the largest banking system in Madagascar. Existing infrastructures and equipments have been modernized and new devices have been settled in order to better serve clients. Awareness about quality control has been raised among employees and the financial structures have been reinforced, notably through a significant increase of the capital in 2005, assessed from 8 to 18 billion MGA.

About MicroCred :

MicroCred is an investment company which aims at creating a group of companies and banks specialised in microfinance. MicroCred develops an innovative model which provides microentrepreneurs, who are excluded from the traditional banking system, access to financial services. MicroCred intends to create or to take stakes in 15 microfinance institutions by 2011. PlaNet Finance, Société Générale, Axa Belgium and the International Financial Corporation, (World Bank Group), are among the shareholders of MicroCred Holding.