

## MicroCred Nanchong Capital Increase

### American International Group, Inc (AIG), KfW Entwicklungsbank, and IFC join MicroCred S.A. in MicroCred Nanchong's Capital Structure

Paris, September 4, 2008.

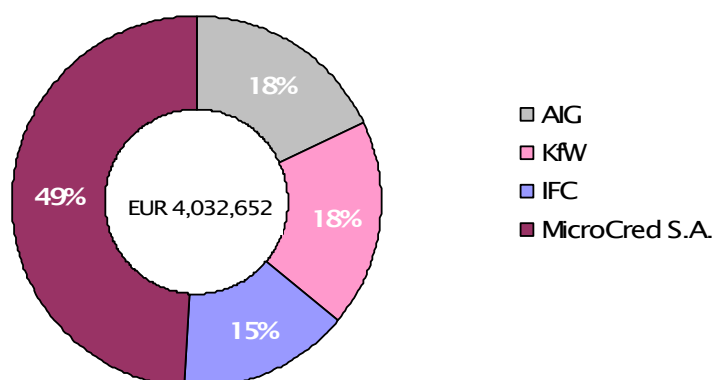
On September 4, the General Meeting of MicroCred Nanchong, formally approved the capital increase proposed by the Management Board and welcomed the American International Group Inc (AIG), KfW Entwicklungsbank, and IFC to join MicroCred S.A. in the capital structure of MicroCred Nanchong. The aforementioned shareholders will invest a combined approximately HKD 49.9 million (approximately EUR 3.2 million) in MicroCred Nanchong's equity to augment MicroCred S.A.'s initial investment in October 2007. MicroCred Nanchong is the first wholly foreign owned microcredit company in China.

Of the news, MicroCred Nanchong's Chief Executive Officer, Frank Li, remarked, "We are pleased about the trust that our shareholders put in us by investing in MicroCred Nanchong's capital, and we feel very fortunate to have AIG, KfW and IFC with us as partners in our capital structure."

MicroCred Nanchong began operations in October of 2007 and currently offers a micro loan product with an average loan size of approximately RMB 25,000 (approximately USD 2,900) to micro and small entrepreneurs throughout the Nanchong municipality and plans to introduce a small business loan product with an average loan size of approximately RMB 75,000 (approximately USD 11,000) later in 2008. As of the end of June, the company had 528 active clients and a gross outstanding loan portfolio of EUR 876,897. The company has one branch and main office in the Jialing district of Nanchong municipality.

Arnaud Ventura, President of the MicroCred S.A. Management Board is confident that the partnerships with AIG, KfW and IFC will enable MicroCred Nanchong to realize its goals and build a network of branches and service points through which it will reach unserved and underserved micro and small borrowers to give them access to important financial resources to help grow their businesses and improve the standard of living of their families.

MicroCred Nanchong Shareholding Structure as of July 7, 2008



**About American International Group:**

American International Group, Inc. (AIG), a world leader in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.

[www.aig.com](http://www.aig.com)

**About MicroCred S.A.:**

MicroCred S.A. is an investment company that aims to create a group of companies and banks specialized in microfinance. MicroCred has developed an innovative model to provide microentrepreneurs excluded from the traditional banking system access to financial services. PlaNet Finance, Société Générale, Axa Belgium, the International Finance Corporation, (World Bank Group) the French Development Agency (AFD) and the European Investment Bank are among its shareholders. MicroCred S.A. holds 49% of the capital and will be responsible for the management of MicroCred Nanchong.

[www.microcredgroup.com](http://www.microcredgroup.com)

**About KfW Entwicklungsbank**

KfW Entwicklungsbank is a competent and strategic advisor on current development issues. Reducing poverty, securing peace, protecting natural resources and helping to shape globalization are the main priorities of KfW Entwicklungsbank.

On behalf of the German Federal Government it finances reforms, infrastructure and financial systems for socially and ecologically compatible economic growth. As part of KfW Bankengruppe it is a worldwide financing partner, and it also employs funds of its own for development projects. It actively seeks to cooperate with German and International partners in order to further enhance the developmental effectiveness and efficiency of its activities. KfW holds 18% of the capital of MicroCred Nanchong.

[www.kfw-entwicklungsbank.de](http://www.kfw-entwicklungsbank.de)

**About IFC:**

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing private capital in local and international financial markets, and providing advisory and risk mitigation services to businesses and governments. IFC's vision is that people should have the opportunity to escape poverty and improve their lives. In FY07, IFC committed \$8.2 billion and mobilized an additional \$3.9 billion through syndications and structured finance for 299 investments in 69 developing countries. IFC also provided advisory services in 97 countries. For more information, visit [www.ifc.org](http://www.ifc.org). IFC holds 15% of the capital of MicroCred Nanchong.

[www.ifc.org](http://www.ifc.org)