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Press Release

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Paris, June 20<sup>th</sup>

**The SFI illustrates its commitment towards microfinance beside PlaNet Finance  
by entering the capital of MicroCred (PlaNet Bank project)**

**Washington, D.C. and Paris, France** — The International Finance Corporation, the private sector arm of the World Bank Group, and PlaNet Finance, an international nonprofit organization dedicated to the development of microfinance, **are pleased to announce a new initiative to reach over 300,000 microentrepreneurs in the next 5 years in some of the most challenging environments in the world.**

**MicroCred, an equity investment company based in Paris, France, will be capitalized at Euro 31.5 million.** IFC, PlaNet Finance and its investment arm, PlaNet Investments, will provide equity and quasi-equity to MicroCred together with private investors such as AXA and Société Générale, as well as bilateral and multilateral agencies.

MicroCred will create or invest in 15 microfinance institutions over the next 5 years. At least 60 percent of these investments will be in Africa, in countries such as Gabon, Mauritania, Guinea, Madagascar, Cote d'Ivoire, Senegal, Togo, RDC Congo and Kenya, while the remainder is expected to be in countries of the network of PlaNet Finance such as Brazil, Argentina, Mexico, India and China.

The initiative contributes to the objectives of the UN Year of Microcredit to promote sustainable access to financial services and encourage innovation and new partnerships to expand the outreach of microfinance. The Project will also support the Millennium Development Goals to cut global poverty in half by providing finance to the bottom of the pyramid in some of the poorest countries in the world. In Togo and the Democratic Republic of Congo, for example, over 70 percent of the population earns less than a dollar a day. Likewise, MicroCred will develop financial institutions to serve the poor in India and China, which together are home to the largest number of the poor on the planet. Of the 2.8 billion poor around the world living on less than 2 dollars a day, only 70 million have access to affordable financial services through microfinance.

MicroCred will build on the strong experience of PlaNet Finance in providing services to microfinance institutions around the world, including IT support, training and capacity building, ratings and funding. PlaNet Finance has a staff of over 150 people in over 15 countries, dedicated to furthering the reach of microfinance, and making the industry more sustainable. PlaNet Finance will provide management services to financed institutions, as well as technical services as needed.

*"This initiative demonstrates IFC's continued commitment and confidence to the microfinance industry, which provides much needed affordable access to financial services by the poor," said **Jyrki Koskelo, Director of Global Financial Markets Department of IFC.** "By helping experienced partners such as PlaNet Finance become shareholders and managers of local microfinance institutions, we believe we can help create a more sustainable, far-reaching microfinance industry with a catalytic impact on the livelihood of some of the world's poorest people."*

**Jacques Attali, President of PlaNet Finance,** stated that MicroCred will *"contribute to complement the services offer of PlaNet Finance, while it will help building a stronger sector by helping existing institutions to transform into full fledged microfinance regulated institutions or by creating new Greenfield microfinance institutions in countries where they are not enough."*

Over the last thirty years, the microfinance industry has expanded rapidly, mainly driven by the commercialization of specialized financial institutions that began as NGOs or donor-funded projects. PlaNet Finance and IFC have played key roles in moving the sector from subsidy dependence to a sustainable business model. PlaNet Finance has worked with over 800 MFIs in the past 7 years to help them reach self-sustainability through its technical assistance and consulting activities as well as to increase MFI's access to the financial market in particular through PlaNet Rating, now an independent spin off of PlaNet Finance. IFC has become one of the largest investors in microfinance activities worldwide.

#### ***About IFC***

The mission of IFC ([www.ifc.org](http://www.ifc.org)) is to promote sustainable private sector investment in emerging markets, helping to reduce poverty and improve people's lives. IFC finances private sector investments in transition and developing countries, mobilizes capital in the international financial markets, helps clients improve social and environmental sustainability, and provides technical assistance and advice to governments and businesses.

#### ***About PlaNet Finance***

PlaNet Finance ([www.planetfinance.org](http://www.planetfinance.org)) is an International Non Profit Organisation, which mission is to fight against poverty worldwide through the development of microfinance.

PlaNet Finance supports Microfinance Institutions and facilitates their growth by providing operational services to allow them to strengthen their capacity, while increasing their access to financial resources.

PlaNet Finance, headquartered in Paris, France has worked in other 60 countries and has set up an international networks with branches in over 15 countries among which Mexico, Brazil, Argentina, Benin, Togo, Senegal, China, India, Italy, Spain, USA, Dubai, Portugal, UK, Spain, Belgium and Japan.

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