

Advans Myanmar receives its MFI licence

The Advans Group is pleased to announce that its tenth affiliate and ninth greenfield, Advans Myanmar, has received its temporary licence from the Microfinance Supervisory Committee of the Ministry of Finance of the Republic of the Union of Myanmar and will start operations in the next six months.



Advans Myanmar, incorporated in 2015, was founded by Advans SA, Norfund, the Norwegian development bank, and Amret. Advans SA is majority shareholder, holding 50% of the share capital, with Norfund holding 40% and Amret holding 10%. Advans tenth institution is unique in that it will have regional partnership with Amret, the largest MFI in the Advans Group and one of the leading MFIs in Cambodia. The Advans group will provide technical assistance to the new greenfield, with Amret acting as secondary technical partner.

Myanmar has a population of around 54 million, with 66% of inhabitants living in rural areas, its 2016 real GDP growth was 7% (World Bank Data). In terms of financial inclusion, the 2014 Global FINDEX Report found that only 23% of adults in Myanmar declared to have an account at a formal institution with only 17% of women and 16% of the poorest people having an account. The Microfinance Law of 2011 has boosted the expansion of microfinance services in the country, with several new local and foreign players investing in the Myanmar microfinance sector in recent years.

“We are very excited about our new venture in Myanmar, the new institution will combine Advans and Amret’s technical know-how and experience”.

Claude Falgon, Group CEO

With its headquarters in the city of Mandalay Advans will launch a network of provincial hubs and points of sale in the Mandalay and Sagaing regions of the country, replicating Amret’s successful village banking model. This methodology, which enables clients to use group collateral and relies on the collective engagement of members to repay, is particularly well adapted to the rural and agricultural population in Myanmar due to the fact that land ownership is not always established and there are strong community ties. Individual lending and small group lending will also be rolled out in urban areas but Advans

Myanmar’s activity will be predominantly rural.

Claude Falgon, Group CEO and Advans SA Board Member says: *“We are very excited about our new venture in Myanmar, it’s the first time that we have partnered with one of our affiliates to create a new institution which will combine Advans and Amret’s technical know-how and experience”.* Kjell Roland, Norfund CEO says *“Norfund invests in financial institutions, such as Advans Myanmar, to strengthen their ability to supply capital and financial services to small companies and to unbanked people. This is essential for contributing to economic growth and poverty reduction in poor countries. Partnering with experienced and like-minded investors such as Advans and Amret will ensure bringing high microfinance knowledge to Myanmar. Norfund has a long-term perspective in this investment, and we look forward to contributing also with our expertise as an active, strategic minority investor in Advans Myanmar.”*

In providing simple and effective lending solutions to clients with little or no access to formal lending services, Advans Myanmar aims to accelerate financial inclusion in its areas of operation and have a positive impact on economic and social expansion in Myanmar.

About Advans SA: Advans SA was created in August 2005 by Advans International (formerly known as Horus Development Finance) alongside EIB, KfW, FMO, CDC Group plc, AFD Group and IFC. Its mission is to build a network of microfinance institutions (MFIs) in developing and emerging countries to respond to the need for financial services of Micro, Small and Medium-sized Enterprises (MSMEs) and other populations who have ill-adapted, limited or no access to formal financial services. The Advans network currently spans nine countries: Cambodia, Cameroon, Ghana, the Democratic Republic of Congo, Tanzania, Côte d'Ivoire, Pakistan, Nigeria and Tunisia, with operations due to start in Myanmar in 2017. Headquartered in Luxembourg, Advans SA has a share capital of EUR 65.9 million. For more information, please visit www.advansgroup.com.

About Amret: Amret is a leading microfinance institution in Cambodia serving MSMEs and low and middle-income populations with a focus on rural areas, agriculture and district and provincial cities. Amret offers a wide range of loan and deposit services including group credits, individual credits, SME loans, savings accounts and term deposits. Amret currently has over 3,500 staff and serves over 420,000 clients from 145 branches across Cambodia, with over EUR 250 million in outstanding deposits and over EUR 470 million in outstanding loans. For more information, please visit www.amret.com.kh.

About Norfund: Norfund - the Norwegian Investment Fund for Developing Countries - is owned by the Ministry of Foreign Affairs and serves as an instrument in Norwegian development assistance policy. The fund contributes to poverty reduction and economic development through investments in profitable businesses and transfer of knowledge and technology. The fund always invests together with partners (Norwegian or international). The three main business areas for investments are Financial Institutions, Clean Energy, and Food & Agribusiness. Regarding investments in Financial Institutions, Norfund invests primarily in commercial banks and microfinance institutions, but also in leasing, housing finance, factoring, and fintech. Our focus is particularly to support institutions and business models that target SMEs and mass market financial inclusion. Sub-Saharan Africa is Norfund's main geographic investment area. In addition, Norfund invests in selected countries in Asia and Latin America, with a regional offices in Bangkok and in Costa Rica. Norfund has 68 employees world-wide and USD 1.8 billion in committed investments in 2015. For more information, see www.norfund.no.

Contacts:

Advans SA

Claude Falgon, Group CEO, Director, Advans SA
SICAR

Steven Duchatelle, Group Deputy CEO

Amanda Hannan, Group Deputy CEO

T: +33 1 53 32 75 75

E: cfalgon@advansgroup.com

sduchatelle@advansgroup.com

ahannan@advansgroup.com

Amret

Dinn Dos, Deputy CEO

E: dinn.dos@amret.com.kh

Norfund

Inger B-A Nygaard, Communication Manager

T: +47 47 70 12 48

E: inger.nygaard@norfund.no

Fay Chetnakarnkul, Investment Director & Head of
Asia Region

T: +66 8 59 08 91 60

E: fay.chetna@norfund.no