

India's Financial inclusion leader IFMR Holdings raises \$25m from Accion, LeapFrog and Lok

- *The investment boosts India's drive to financial inclusion*
- *The new capital will expand IFMR Holding's footprint and product range in India*
- *IFMR Holding's three businesses already benefit some 15m people, reaching deep into India's rural districts*

Chennai / Cambridge, MA / Singapore, August 13, 2015 – IFMR Holdings, a leading financial inclusion platform in India, today announced that they have raised US\$ 25 million in equity from Accion, a financial inclusion pioneer, LeapFrog Investments, a specialist investor in emerging-market financial services, and Lok Capital, an Indian impact investment firm.

The new capital will allow IFMR Holdings to accelerate its ground-breaking financial inclusion work across India. This is a vast challenge. 86% of Indians do not borrow from a formal source, only one out of every two Indians has a savings account, and insurance penetration is barely 4%.

IFMR Holdings already serves millions of financially excluded households and enterprises through three businesses: IFMR Capital – a debt capital markets platform for 75 originators offering micro-loans, small business finance, affordable housing and commercial vehicles finance, and reaching over 15 million financially excluded people; IFMR Rural Finance – a technology licensor that developed the Kshetriya Gramin Financial Services (KGFS) model for remote rural markets; and IFMR Rural Channels – a credit, insurance and pensions provider to over 600,000 clients through 242 branches in rural areas.

Bindu Ananth, Chair of IFMR Trust, the promoters of IFMR Holdings, said, "This comes at an important inflection point for IFMR Holdings. Against the backdrop of a very favourable policy environment for financial inclusion, we are accelerating growth across all our businesses. We intend being at the forefront of business models combining scale and high-quality financial services for many millions of Indians."

Accion is investing \$12.5 million of the total, LeapFrog Investments \$9 million and Lok Capital \$3.5 million. "IFMR Holdings is a pioneer and leader in the world of financial inclusion," said Accion CEO and President Michael Schlein. "They are tackling some of the most important issues facing India today by reaching millions of financially excluded households and enterprises, especially in extremely rural areas not served by the banking system. As a result, more people are able to create and grow businesses, insure themselves and their families, and build better lives. We share their vision and are thrilled to be their partner."

LeapFrog Partner and co-head Asia, Michael Fernandes said, "LeapFrog is close to IFMR through our direct investment in IFMR Capital. We're also investing in the holding company because the leadership team truly understands how to reach those parts of India that others don't reach. This is an outstanding platform to reach emerging consumers with a wide range of empowering financial tools. And we share a vision: achieving financial inclusion for all in India."

IFMR Holdings CEO, Sucharita Mukherjee said, "Our belief is that access to finance, supported by well-functioning markets, is critically important for low-income households. This exciting partnership with like-minded investors such as Accion, LeapFrog and Lok brings the benefit of international best practice and a wide range of global insights to this work in India."

About Accion

Accion is a global nonprofit dedicated to building a financially inclusive world with economic opportunity for all, by giving people the financial tools they need to improve their lives. We are building the next generation of top-tier microfinance institutions, and over the last 50 years have helped create 65 such institutions in 32 countries on four continents that today reach millions of clients. Our impact investing initiatives are pushing beyond microfinance to catalyze more than 20 innovative start-ups dedicated to improving the efficiency, reach and scope of financial services for the poor. And our Center for Financial Inclusion is helping to build a stronger industry with high standards. Currently, our work spans nearly two dozen countries, including the U.S., where we are the nation's largest nonprofit microfinance network. Accion Technical Advisors India provides management and technical training to microfinance industry professionals through Accion's Global Training Center in Bangalore. For further information, visit www.accion.org.

About LeapFrog Investments

LeapFrog invests in extraordinary businesses in Asia and Africa. We partner with their leaders to achieve leaps of growth, profitability and impact. Today, LeapFrog's portfolio companies reach 48 million people across 20 emerging markets. 33 million are emerging consumers, often accessing insurance, savings, pensions or credit for the first time. We call this distinctive approach profit with purpose, because it generates strong results while changing many lives. Leading global investors share this vision and have put hundreds of millions of dollars behind LeapFrog's funds.

About IFMR Holdings

IFMR Holdings invests in, and operates financial institutions in India with the mission of ensuring that every individual and every enterprise has complete access to financial services. We operate a network of branches in remote rural India, providing a complete set of financial products and services to households and enterprises through a unique branch-based business model, known as the 'Kshetriya Gramin Financial Services' (KGFS). We also provide complete access to debt capital markets for high quality financial institutions that serve financially excluded households and enterprises. As at March 2015, IFMR Holdings and its group companies, had reached over 15 million people in India, working through its own network and that of its partner originators.

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