



PRESS RELEASE

22 JANUARY 2010

CDC commits US\$10m to ShoreCap II microfinance fund

-Fund expected to support millions of micro-borrowers-

CDC Group plc ("CDC"), the UK's development finance institution is committing US\$10m to fund manager ShoreCap Management's ("ShoreCap") microfinance fund ShoreCap II ("SC II").

ShoreCap seeks to raise US\$100m for SC II and the fund will invest in small business banks and microfinance institutions, which in turn provide financial services and capital to entrepreneurs and small businesses in low-income countries in Africa and Asia.

The investments SC II makes in banks and financial institutions are expected to be between US\$2m to US\$10m, with a preference for those with strong local roots in Africa and Asia.

The commitment of US\$10m by CDC is one of the largest made to the fund and is expected to attract other investors. CDC's commitment to SC II follows an earlier investment of US\$4m in ShoreCap's first microfinance fund, ShoreCap I ("SC I"), in which CDC was the single largest investor.

Last year, half-way through SC I's life, the fund invested in 16 financial institutions across Africa, Asia and Central Asia. These institutions in turn had provided development loans to over 2.5m micro and small business borrowers with an average loan size of US\$3,200.

Hywel Rees-Jones, MD of the Alternative Investments team at CDC commented:

"With our commitment of US\$10m to ShoreCap's successor fund SC II, CDC continues to support micro entrepreneurs and small businesses in Africa and Asia.

"CDC was the largest investor in ShoreCap's first microfinance fund with US\$4m, and the fund is proving to be a great success, generating sustainable returns whilst providing financial services and capital to over 2.5m unbanked borrowers in predominantly low-income countries."

- Ends -

For further information please contact:

CDC

Rhyddid Carter, Communications Manager: T: +44 (0)20 7963 4741
rcarter@cdcgroupp.com

James McVeigh, Communications Executive: T: +44 (0)20 7963 4743
jmcveigh@cdcgroupp.com

Notes to Editors

CDC Group plc

- CDC is the UK government-owned development finance institution.
- CDC operates a fund-of-funds investment model investing in companies through intermediary fund managers.
- CDC has net assets of £2.3bn and uses its own balance sheet to invest primarily in private equity funds focused on the emerging markets of south Asia and sub-Saharan Africa.

For further information please see www.cdcgroup.com