Early Warning System

IFC-38237

Baidu MCC Loan

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Quick Facts

Countries	China
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2016-10-04
Borrower	CHONGQING BAIDU MICROLOAN CO LTD
Sectors	Education and Health, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 73.82 million
Project Cost (USD)	$ 74.38 million

Project Description

Chongqing Baidu Micro-Loan Company Ltd (“Baidu CQ MCC” or the “Company”), wholly owned by Baidu Inc., was established in October 2015 and registered in Chongqing. It mainly provides financing to young people to support their vocational education, by using big data-based credit assessment methodology.

The proposed investment will provide mid-term local currency financing to Baidu CQ MCC to help it expand lending business to support young people to access vocational education, and contribute to both access to finance and access to education in China.

Founded in January 2000 by Robin Li and Eric Xu, Baidu Inc. is a leading Chinese web service company headquartered in Beijing, China and was listed in NASDAQ in 2005. Baidu offers various kinds of web services, including search engine, user generated-content-based knowledge community, social networking, software, mobile related products and services and others. Baidu CQ MCC is indirectly wholly owned by Baidu Inc., through Baidu Holdings Ltd and Baidu (Hong Kong) Ltd.

Expected Development Impact
Increase Access to Finance in China: the proposed investment is expected to increase access to finance for vocational education students who lack of long working experience or existing wealth/properties and therefore have limited access to bank loans, and also help them establish credit records.

Promote Big Data-based Credit Assessment Methodology: the proposed investment is also expected to promote the usage of big data based lending methodology, which can help improve the efficiency and coverage of financing.

Increase Access to Education in China: the proposed investment is expected to enable more young people in China, who has vocational education needs but has limited financial capacity to pay tuitions at once, to access quality vocational education.
Improve the Employability and Productivity for Young People: through participating the vocational educations, the students can equip themselves with knowledge and skillset urgently needed for employment or productivity improvement.

Investment Description

- International Finance Corporation (IFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Chongqing Digital China Huicong Micro-Credit Co., Ltd. (Financial Intermediary)

Private Actors Description

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/