Early Warning System

IFC-40226

JD Finance Loan

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Quick Facts

Countries	China
Specific Location	Chongqing City
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2018-03-16
Borrower	CHONGQING LIANGJIANGXINQU SHENGJI MICROFINANCE COMPANY
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 92.20 million
Loan Amount (USD)	$ 92.20 million
Project Cost (USD)	$ 44.00 million

Project Description

The proposed investment entails a 3-year, up to RMB 300 million (USD 44 million) LCY senior loan to JD Chongqing Microcredit Company (“JD CQ MCC”), which is the dedicated lending company for the agri-loans under JD Finance. The investment will be secured by the guarantee from its ultimate parent and controller – Beijing JD Financial Technology Holding Co., Ltd. (“JD Finance”).

(i) Expand financial access to the most underserved agricultural MSMEs;
(ii) Promote big data based agri-lending: through introducing the advanced internet and mobile based financial services to agricultural MSMEs, and accumulating the necessary data for framers and MSMEs along the supply chain, the proposed business model could potentially bring revolutionary change to the traditional rural finance service approach and lay a solid ground for the future big data based agri-lending;
(iii) Serve as a pilot program and catalyst to encourage other FIs and ecommerce companies to explore the feasible service model for China rural market.

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 LIANGJIANG NEW AREA SHENGJI MICRO-LOAN CO., LTD. (Financial Intermediary)

Private Actors Description

JD CQ MCC was established in January 2016, wholly owned by JD Finance. As of May 31, 2017, its registered capital was RMB600 million (US$88 million); its total asset was RMB1.2 billion (US$170 million); and its outstanding loans of RMB1.1 billion (US$166 million).

JD Finance was established in 2013 by JD.com. JD Finance has several business sectors including supply-chain finance, agri-finance, consumer finance, payment, crowd-funding, wealth management, etc. JD.com was founded in 2004 and becomes the largest online B2C merchant in China.

Contact Information

Project Contact: Ms. Hao, Qiujing
Funding Manager, JD Chongqing Microcredit Company
Telephone No.: +861089189140
Email Address: haoqiujing@jd.com
Office Address: Level 17, Tower A, No. 18 Kechuang-11 Street, Yizhuang, Beijing, China
Website: http://jr.jd.com/

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/