

Russian Billionaire Controls Half of Micro-Finance Company

By [The Moscow Times](#)

April 12, 2012



Alexander Mamut **Sergei Porter**

Billionaire Alexander Mamut controls 50 percent of micro-financing organization Migcredit, Vedomosti reported Thursday.

Migcredit began operations last spring. The company was founded by Direct Group, which has been operating in Russia for over a decade. Its projects include online store Ozon.ru, Rusfinance Bank, and online shoe store Sapato.

Migcredit gives micro loans to people who can't get credit from banks. The company describes its target clients as "families with low incomes that live from paycheck to paycheck, who take micro loans to pay for living expenses, medical services and to remodel their apartments," the Vedomosti report said.

The company has two main products: loans from 3,000 to 12,000 rubles (\$100 to \$400)

for 25 or 35 days, or 5,000 to 25,000 rubles for 12 or 24 weeks. The maximum effective interest rate on these loans is more than 360 percent.

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