

MicroCapital Monitor

The Candid Voice for Microfinance Investment

MICROCAPITAL BRIEFS

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Top Stories December:

ICICI Plans Total Domination of Indian Market

ICICI, India's largest private commercial bank and the second largest bank overall, plans to partner with about 200 microfinance institutions (MFIs) and expand its reach into over 600 districts in India by 2010, according to a working paper presented by deputy managing director Nachiket Mor at the NGO Global Executive Forum at Talloires, France. The bank seeks to grow its microfinance clientele from 3 million as of March 2006 to 25 million by 2010, with total assets outstanding growing to USD 10bn, thus the plan's name "10 by 10". By some estimates, the demand for total credit in India amongst its 75 million poor households is between INR 255bn and INR 500bn (USD 5.6bn and USD 11bn). On the other hand, ICICI expects its 200-partnered MFIs to serve a million households each. Even after taking into account differences in estimation, ICICI seems to plan to capture a large portion of the Indian microfinance market, if not all of it. Besides, the 'partnership model' where ICICI lends directly to the borrowers using MFIs as the point of sale, it has also united with three venture capital funds (Bellwether, Aavishkaar & Lok Capital) to extend equity financing to MFI start-ups. It has also set up specialized support and research institutions in the form of Centre for Microfinance Research and Center for Insurance and Risk Management. In July of this year, it incubated and launched an independent technology startup called Financial Information Network & Operations Pvt. Ltd. (FINO), which will offer core banking software and services to MFIs. ICICI's plan makes no mention of market saturation. **November 17, 2006**

Unprecedented Amount of Media Coverage

November recorded the most news ever published on microfinance, according to Topix.net, an internet news tracking service. The busiest news day had been October 13th the day of the Nobel Peace Prize announcement, however, November 30th saw even greater wire activity. And December is on pace to eclipse November. The rush is on.

Great Month for Information

Although the generalist news this month on microfinance was a mile wide and an inch thin, we also saw a wealth of important, specialized information anchored by the MicroCredit Summit's commissioned papers and the Microfinance Information eXchange's annual benchmarking of microbank performance. Please see our specially extended Paper Wrap Up section below for paper summaries.

Grameen Seeks 3,000 Partner Microbanks

Mohammed Yunus has announced a tie-up between the International Telecommunications Union (ITU), a global trade association, and Grameen to extend ICT (Information and Communication Technologies) to microcredit users. Grameen intends to reach out to over 3,000 microfinance institutions and 100 million borrowers worldwide. Grameen will partner with ITU members Qualcomm, Cisco Systems and Enclusion, a consortium newly formed for this purpose. Cisco is the only group so far to make a public commitment, pledging USD 1mn. The ITU, meanwhile, hopes to leverage the support from its 191 member states and 650 private sector members worldwide. Grameen runs several ICT organizations, the most famous of which is Grameen Phone which is the second largest telecommunication provider in South Asia and the largest in Bangladesh, with over 10 million subscribers. Grameen Phone, whose shareholding is 68% Telenor, a Norwegian company, and 32% Grameen, continues to make news over disagreements about earnings distribution. Mr. Yunus insisting that more earnings be ploughed back into the company. **December 6, 2006**

Top Story November: Nobel Peace Prize to M. Yunus and Grameen Bank

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Ujjivan Finance Company, India

MicroCapital.org would like to recognize the individuals at CGAP, theMIX.org, and microfinancegateway.org for their outstanding work disseminating information on microfinance. Thank you!

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I&P Lends Edpyme Alternativa of Peru USD 250,000

Edpyme Alternativa of Peru borrowed \$250,000 from Investisseur et Partenaire pour le Développement (I&P). Edpyme Alternativa is a non-bank financial institution that was established in 2001. At the end of 2005 it had 5,709 active borrowers, total assets were \$3.44 million, the gross loan portfolio equaled \$2.34 million, return on assets was 4.40%, return on equity was 13.53%, and the debt to equity ratio was 301.18%. I&P is a private finance company that was established in 2002; it is based in France. As of September 2006, fund assets equaled \$12.67 million. I&P currently has 8 active microfinance investments in the countries of Cambodia, Madagascar, Mexico, Nicaragua, Uganda, Cameroon, Peru, and Kenya. Seventy-five percent of its total direct microfinance investments are in the form of loans and debt securities, the remaining twenty-five percent are in the form of equity. **December 12, 2006**

Impulse Fund Lends USD 3.35mn

Incofin, a social investment company based in Belgium, and four Belgian financial groups launched Impulse Microfinance Investment Fund in 2004. As of the end of 2005, its fund assets were \$15.4 million and it had 6 active microfinance investments in Bolivia, Ecuador, Peru, Tanzania, and Nicaragua. We are reporting on three deals. First, Nigeria's **Lift Above Poverty Organisation (LAPO)**, a non-governmental organization (NGO) has received a EUR 300,000 (about USD 393,960) credit line. LAPO was established in 1987 and its gross loan portfolio at the end of 2005 was \$3.4 million, total assets were \$5.3 million, debt to equity ratio was 138.04%, return on assets was 12.01%, return on equity was 25.90%, and it had 43,699 active borrowers. Second, **EDPYME Edyficar** of Peru has been extended a EUR 1 million (USD 1.2 million) credit line. The Empresa de Desarrollo de la Pequeña y Micro Empresa, EDPYME Edyficar S.A., is a non-bank financial institution in Peru that was established in 1997. It began as a project of CARE Peru, a nonprofit private international organization. As of the end of 2005 Edyficar had 65,202 active borrowers, a gross loan portfolio of \$55 million, total assets of \$68.1 million, a debt to equity ratio of 519.45%, return on assets was 4.80%, and its return on equity was 29.34%. Third, **AMC of El Salvador** has been extended a USD 750,000 credit line. Sociedad Cooperativa de Ahorro y Crédito de R.L. is a credit union based established in 2001. It has 8,783 active borrowers as recorded at the end of 2005. For the same year, its total assets equaled \$8.56 million and its gross loan portfolio equaled \$6.57 million, with a return on assets of 2.41% and a return on equity 8.40%. **December 11, December 8, November 9, 2006**

Grama Vidiyal Borrows USD 1mn from Citibank India

Grama Vidiyal, mega microfinance institution ASA's Indian operation, has received a INR 45mn (about USD 1mn) loan from Citibank India. This loan has guarantees from Unitus (USD 750,000) and Dignity Fund (USD 300,000). Grama Vidiyal, which was started in 1986 as a public charitable trust, operates in the southern Indian state of Tamil Nadu with 54 branch offices. As of October 2006, it has a total loan portfolio of USD 10.63mn and 147,360 members. Unitus is a US nonprofit fund which provides financing and technical assistance to MFIs. As of December 2005, it had assets worth about USD 9.4mn. Dignity Fund is a US private investor that provides debt financing and loan guarantees to MFIs. As of mid-2006, it has USD 5mn allocated to microfinance investments. **December 8, 2006**

IFC Buys USD 1mn of Equity in BRAC Afghanistan

The International Finance Corporation (IFC) has bought a 16% stake in BRAC Afghanistan in an equity deal worth USD 1mn. As reported last month, BRAC Afghanistan, was recently founded by microfinance institution Bangladesh Rural Advancement Committee (BRAC), one of the world's largest MFIs. BRAC Afghanistan received a USD 2mn equity investment by Triodos-Doen and ShoreCap. It had a gross loan portfolio of

USD 7.46mn on a total asset base of USD 14.5mn and served 87,153 active borrowers. The CEO of this new bank Ehsanul Haq was earlier the CEO of BRAC in Bangladesh. IFC is a member of the World Bank Group. **December 7, 2006**

Indian MDMSB Partners with HSBC

The Mann Deshi Mahila Sahakari Bank (MDMSB), a microfinance institution (MFI) based in the Indian city of Mhaswad, recently announced that it signed an agreement with the Hong Kong and Shanghai Banking Corporation (HSBC). Under the agreement the MFI will act as HSBC's "corresponding bank" in the region and screen potential borrowers for microfinance loans. In return, HSBC will provide the institution with a new cash management system, as well as extend a line of credit. Additionally, HSBC has granted MDMSB USD 100,000 for microfinance loans. MDMSB was founded in 1997 and, as of March 2005, it has 24,244 clients, a USD 962,000 gross loan portfolio, and a return on equity of 3.44%. In addition to credit services, it offers savings products, microinsurance schemes, and business education to its clients. HSBC is a large international bank with 9,500 offices in 76 countries. Previously, it has engaged in several microfinance pilot projects with MFIs in Brazil, India, Mexico, the Philippines, and Russia, with the total capital designated for these projects about USD 62.5mn. **December 7, 2006**

New Finethic Fund Advised by Symbiotics

Finethic is a Luxembourg-based investment company established in July 2006. Its mission is to channel investments from institutional investors into microfinance organizations globally. Finethic aims to keep intermediation costs at 3-4% and targets an annual return of at least 6.5%. The 0.5% management fee charged by the fund goes directly to the Finethic Foundation, a separate nonprofit organization. Geneva-based Symbiotics acts as Finethic's investment adviser. **December 7, 2006**

Triodos Group Invests USD 2.5mn

The Triodos microfinance investment group, managed by Triodos International Fund Management BV, recently closed three significant deals. First, **Prodem** of Bolivia received a syndicated loan of USD 1.5mn from Triodos-Doen and Triodos Fair Share Fund. Fondo Financiero Privado PRODEM is a non-bank financial institution based in Bolivia, established in 1986. As of 2005, it has 68,792 active borrowers, 178,601 active savers, total assets of \$138.73 million, gross loan portfolio of \$108.94 million, return on assets of 1.88%, return on equity of 22.24%. Second, **FIE** of Bolivia sold shares worth BOB 3.9mn (USD 516,352) to Triodos-Doen, Hivos-Triodos Fund and Triodos Fair Share Fund. FIE (Fondo Financiero Privado para el Fomento a Iniciativas Economicas) was established in 1985. At the end of 2005 it had 56,446 active borrowers, total assets of \$86.89 million, gross loan portfolio of \$73.85 million, return on assets of 2.68%, return on equity of 22.46%, and a debt to equity ratio of 771.84%. Third, **FINDESA** of Nicaragua received two loans for the total amount of USD 250,000 from Triodos-Doen and Triodos Fair Share Fund. Financiera Nicaraguense de Desarrollo S.A. (FINDESA) is a non-bank financial institution established in 1993. Its gross loan portfolio as of the end of 2005 was \$57.8 million. Its total assets were \$76.4 million, its debt to equity ratio was 825.89%, and its return on assets was 3.53%. **December 6, November 9, 2006**

EBRD Lends Armenian Inecobank USD 5mn

The European Bank for Reconstruction and Development (EBRD) will be lending USD 5mn to Armenia's CJSC Inecobank. EBRD, with support from United States Agency for International Development (USAID), will also contribute technical training to improve the bank's lending operations. In 2005, the EBRD lent Inecobank USD 1mn to start up its microlending branch. Inecobank, as of the end of 2005, has a gross loan portfolio of USD 21mn, a return on equity of 26.38%, and a debt-equity ratio of 226.52%. It services 30,000 borrowers with an average loan size of USD 713. **December 6, 2006**

EBRD Committed to Georgian Microfinance

The President of the European Bank for Reconstruction and Development (EBRD), Jean Lemierre, has highlighted his institution's plans for Georgia's microfinance and small and medium enterprise banking sectors. In 2005 EBRD started the ETC Non-Bank MFI Framework to assist MFIs in Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Moldova, Tajikistan, and Uzbekistan. The total amount lent out through the project will eventually come to USD 10mn. There are currently ten Georgian MFIs reporting to the MIX Market, the microfinance information clearing house, with a total reported gross loan portfolio of USD 174mn. The majority of this (USD 160mn) is held by ProCredit Georgia, a regulated bank which is a subsidiary of German ProCredit Holding. **December 5. 2006**

BusinessWeek Praises "Tech Elite"

US periodical BusinessWeek featured the "tech elite" in the microfinance sector, specifically focusing on the actions of Bill and Melinda Gates, Michael and Susan Dell, and Pierre and Pam Omidyar, whose foundations have granted and invested hundreds of millions of dollars in the industry. Such investments have tended towards helping microfinance institutions (MFIs) become profitable. Pierre Omidyar is especially focused on this goal, and is quoted as saying, "to scale [up], to get to 500 million people, I believe, is going to come from the for-profit side, because there isn't enough nonprofit capital to get there." **December 4. 2006**

ResponsAbility Launches New Fund, Invests USD 5.8mn

ResponsAbility has launched its second microfinance fund, the ResponsAbility Microfinance Leaders Fund. The fund has an initial volume of USD 100mn. The press release states that, "The fund's primary purpose is to offer debt capital to leading microfinance institutions (MFIs) in the form of loans with maturities of up to five years. It may also invest in MFI equity to a limited extent. The new vehicle is a response to the growing need for local currency financing, also providing local currency funding and hedging options often not available to MFIs. In addition, the fund's flexible investment concept enables it to participate in securitizations, bond issues and other financial instruments. The fund may also buy different types of securities on the secondary market." ResponsAbility Social Investment Services Ltd. (ResponsAbility) was established in 2003 and is based in Zurich, Switzerland. It also manages the ResponsAbility Global Microfinance Fund, which was founded in 2003 and has a total fund volume of \$79.2 million, the 83% of which is invested in loans to MFIs. Its annualized monthly return is 5.04%, and the total return since the fund's inception is 9.06%. We are reporting on seven deals. First, the fund invested USD 1mn in **Forus Bank** of Russia. As of November 2006, the fund's position in Forus Bank was the largest it had in any single institution, composing 3.2% of its portfolio, totaling USD 2.5mn. It originally provided the bank with a USD 2mn loan in October 2005. FORA is a closed stock company started in 1993 by the NGO, Opportunity International, and it is now the largest non-bank microfinance organization in Russia. As of the of 2005, it had a gross loan portfolio of USD 28mn, total assets of USD 41mn, a return on assets of 3.62%, and a debt-equity ratio of 2.1. The fund also made six other investments, all loans, as follows: **Edpyme Crear Arequipa** of Peru (USD \$1mn), **AgroCapital** of Bolivia (USD 500,000), **Compartamos** of Mexico (USD 1.47mn), **Banco ProCredit** of Ecuador (USD 1mn), **Cecocafen** of Nicaragua (USD 500,000), and **Credivision** of Peru (USD 300,000). **December 4, December 11, December 11. 2006**

Caterpillar Gives USD 1.2mn to Opportunity

Caterpillar Inc. has granted USD 1.2mn to Opportunity International through its Caterpillar Foundation. USD 750,000 will go towards Opportunity International's programs in China, where an office was opened in 2003. The remainder of the grant will be distributed equally to Opportunity International's programs in Kenya, Uganda, Ghana, Mozambique, Malawi, and Rwanda. **December 1. 2006**

Is Microfinance the "Third Way"?

In yet another example of microfinance being portrayed as the "the silver bullet" above reproach, Time magazine, while covering the recent presidential races in Latin America, positions it as a battle between the "statist" policies of the Latin American left and Washington's agenda of globalization. Given Latin America's history of swinging between oligarchy and populist socialism, Time identifies a 'third way' - a European style mix of socialist and capitalist policymaking, something that will address the needs of the poor while not bleeding the nations dry. The example Time cites, and it is the only example provided, is microfinance. **December 1. 2006**

Is Microfinance Overheated?

There is a trend among the world's biggest banks - more and more are entering microfinance, reports Tavia Grant for Bell Globemedia Publishing, a Canadian online news service. Institutions including Barclay Banks, Goldman Sachs, and Visa International are getting involved. In September, both U.S. pension plan giant TIAA-CREF and the largest US bank Citibank announced USD 100mn commitments. However, studies show that most funding goes to just 250 top microbanks. Peter Wall, head of the Microfinance Information eXchange, worries a financial bubble may result from the microfinance sector, as programs grow too fast and defaults and losses increase. According to his figures, about USD 1bn has flowed into the sector from international banks, pension funds, government agencies and individual investors. He figures that number will swell to USD 6bn in the next five years. **November 29. 2006**

Unitus Partners with Filipino Lifebank Foundation

Unitus, a US non-profit organization, is entering into a new partnership with the Filipino microfinance institution (MFI) Lifebank Foundation. Over the last two years Lifebank has doubled its client base to 55,000. Its operations are based on the system used by the large Bangladeshi MFI, ASA, but further financial information is not publicly available. Unitus will provide the organization with a USD 250,000 grant, as well as consulting services. The partnership will expedite the conversion to a for-profit bank. Unitus will also take a seat on Lifebank's board of directors. Unitus was founded in 2000 and assists in "capacity building" for its 11 partner MFIs. **November 28. 2006**

Four Players Win Social Capitalist Award

Several microfinance organizations were selected as winners of the 2007 Fast Company/Monitor Group Social Capitalist Award. The Calvert Social Investment Foundation, Grameen Foundation USA, Unitus Inc., and ACCION International were among a group of 43 winners chosen out of a pool of 314 nominees. **November 27. 2006**

Indian Social Entrepreneur of the Year Award

Vikram Akula, the CEO and Founder of SKS Microfinance was awarded the 2006 India Social Entrepreneur of the year award at the India Economic Summit. This is yet another significant recognition for Mr. Akula. SKS microfinance has a current outstanding loan portfolio of USD 38.7mn with 170 branches servicing 370,198 customers. It has clocked a 161% growth rate over the last year and aims to reach 700,000 clients by March 2007. **November 27. 2006**

Feed the Children Uganda Launches PEARL Microfinance Limited

Feed the Children Uganda (FTCU) launched a new company, PEARL Microfinance Limited, to manage the original Community Banking Programme began by Feed the Children Uganda nine years ago. FTCU has distributed a cumulative loan amount of 40 bn shillings (USD 22mn) and has received a B rating from the Association of Micro-Finance Institutions in Uganda. Feed the Children Uganda is an affiliate of Feed the Children

International, based in Oklahoma, USA. In 2005 Feed the Children International committed USD 746mn, 89% of its total expenditures, to its programs. Its total assets, as audited at the end of 2005, equaled USD 177.8mn. **November 27. 2006**

MicroCredit Enterprises Lends USD 800k

Microcredit Enterprises, a US non-profit which provides loans to microfinance institutions (MFIs), altered its lending criteria towards "MFIs who operate comprehensive social service programs, such as women's empowerment, health education or business training for micro-entrepreneurs." It will also focus on those institutions which offer lower interest rates. Additionally, the organization offers a new internet loan application that it hopes will eventually be used as a "common application" to be used by all lenders to MFIs. MicroCredit Enterprises was established in 2005 and is based in Sacramento, California, USA. Since its inception it has guaranteed over USD 4.8mn in microloans. As of October 2006, it has seven active microfinance investments in Bolivia, Cambodia, Ecuador, Nigeria, Peru, Tajikistan, and Azerbaijan. We are reporting two investments. First, USD 300,000 was lent to CREDIT of Cambodia, a non-bank financial institution that was established in 2000 by World Relief. As recorded at the end of 2005, it reached 11,451 active borrowers, 97% of whom are women, its gross loan portfolio equaled USD 2.56mn and its total assets USD 2.93mn. Its return on assets was 1.37% and its return on equity was 1.84%. Second, USD 500,000 was lent to Norwegian Microcredit (Normicro) of Azerbaijan, a non-bank financial institution started in 1998 by the Norwegian Refugee Council. It was originally established to serve internally displaced persons (IDPs) and almost 50% of its current clients are IDPs. At the end of 2005, Normicro reached 4,613 active borrowers. Its total assets for 2005 equaled USD 1.75mn and its gross loan portfolio was USD 1.59mn. Its debt to equity ratio was 44.67% and total equity was \$1,209,944. Its return on assets was 7.78% and its return on equity was 10.88% at the end of 2005. **November 22. 2006, November 30. 2006**

BP and ERBD Commit to USD 6mn in Loans in Azerbaijan

British Petroleum (BP), the international petroleum corporation, on behalf of its Azeri subsidiaries, and the European Bank for Reconstruction and Development (ERBD), a development bank owned by 60 governments, will each contribute approximately USD 5.25mn to a three-year program in the form of low interest loans to two local microfinance institutions (MFIs), Rabitabank and FINCA Azerbaijan. FINCA Azerbaijan, established in 1998, reported a gross loan portfolio of USD 7.3mn, total assets of USD 8.1mn, total equity of USD 4.9mn, and a return on assets of 9.8%. USD 313 was the average loan balance per borrower. Rabitabank was founded in 1993, as a commercial bank focusing on investments in the communication and construction sectors. Its financial information is not available publicly. **November 21. 2006**

WOCCU's Remittance Services in Kenya

The World Council of Credit Unions (WOCCU), the world's largest support organization for credit unions, is working with the US Electronic Funds Transfer Company Vigo to expand remittance services into Kenya. Linking remittance services to credit unions permits the development of a whole new generation of micro-savers. Vigo money transfers will be sent to World Council member Kenya Union of Savings and Credit Cooperatives (KUSCCO) through WOCCU's International Remittance platform IRNet, marking the first time this platform will be used Africa. KUSCCO is the association of credit unions in Kenya, where credit unions are called Savings and Credit Cooperatives (SACCOs). Year end 2004, there were 4,000 active SACCOs in Kenya with a membership of about 3.0 million. The share capital and deposits stood at Kshs. 94bn (about USD 1.3bn) while the loans outstanding were Kshs. 64bn (about USD 0.9bn). **November 20. 2006**

Grameen LABS of India Trains 65,000 Youth

Grameen LABS (Livelihood Advancement Business School) project will provide specialized vocational training to an additional 5,000 below-poverty-level rural youth in the state of Gujarat, India. Since July 2006, the program has trained 64,642 youth and has expanded to 86 LABS centers in 13 states in India. It has expanded internationally as well, with a center in Vietnam and plans to establish centers in Sri Lanka and Indonesia. **November 20. 2006**

Yes Bank Considers Subsidiary, ACCION Advises

Yes Bank of India is considering starting a non-deposit taking microfinance subsidiary as a Non-Banking Finance Company (NBFC). Yes Bank already has a contract with US based microfinance agency ACCION International, a non-profit. While Yes Bank submits a proposal to start-up a subsidiary to the Reserve Bank of India and awaits approval, the bank plans on first starting a microfinance unit within the bank. "Initially, say in the first six months, our target will be on increasing the number of clients, however, in the next two years, we expect to have a business of Rs 150 to Rs 200 crore (USD 33mn to USD 44mn) from the microfinance division." Yes Bank began operations August 2004 and is based in Mumbai, India. Total income mid-year 2006 was up 182.2% to Rs. 166.0 crore (USD 36.6mn) compared to Rs. 58.8 crore (USD 12.3mn) mid-year 2006. It had return on assets of 1.5% and return on equity of 14.2% mid-year 2005. ACCION was founded in 1961 and now partners with organizations that provide loans in 22 countries across the globe. At the end of 2005, its total assets amounted to USD 45mn, whereas the total loan portfolio for all of its partners was USD 1.34bn. **November 16. 2006**

Micro Policies for Health Insurance in India

David Dror, a professor at Erasmus University Rotterdam has been studying micro health insurance in India. His research shows that the poor are willing to pay an average of 600 rupees (USD 13.40) per year, or a little over 1 percent of their income, for their family's premium. This amount is actually more than what many micro insurance programs currently charge; these programs often depend on subsidies such as grants to make up the difference. The programs attempt to keep costs low through a variety of means: "Some require patients to seek care at government hospitals, which are already highly subsidized. Others curb their administrative costs by asking volunteers from the community to handle duties such as processing claims. The more limited plans cover only hospitalization expenses, while broader plans offer outpatient and drug benefits." Most exclude those with preexisting and chronic illnesses. **November 15. 2006**

Grameen Foundation's Open Source Platform

Mifos is an open source platform for microfinance information technology. Mifos is a universal, flexible and scalable software platform for information management available for free. It is a browser-based system, customizable locally which can be used for multiple information management requirements (loan portfolio management, internal and external reporting, client profiling and tracking, lending and savings methodologies, etc). Thus, under an Open Source Platform, the software can be customized to meet each micro-lender's needs as well as cater to language, currency and other regional requirements with the help of local software developers. Microfinance's bane has traditionally been high operational costs and lack of scalability. Another key feature of the initiative is the incorporation of data standards designed to share data with a centralized credit bureau, for example, or for other external reporting requirements. The Mifos platform, which has been driven by Seattle-based Grameen Technology Center, is currently in the beta testing phase with MFIs in Tunisia and India. The Global Markets Institute at Goldman Sachs, the Omidyar Network, Cisco Systems and other partners have provided funding and support. **November 14. 2006**

MicroCred Launches in Madagascar

Microcred, an investment company founded by Planet Finance, International Finance Corporation, Societe Generale and AXA Belgium has announced the launch of its country operations in Madagascar. As we reported in July 2006, IFC and the International Development Association (IDA) had established a USD 25mn loan facility with the local arms of Societe Generale and Credit Lyonnais wherein IFC and IDA would guarantee half the amount (USD 12.5mn). Assuming the joint risk-sharing structure also applies to MicroCred, along with Societe Generale's local presence, provides backing for MicroCred in Madagascar. MicroCred was created as a Planet Finance project in July 2005 with a total initial capital of EUR 31.5mn, of which Societe Generale, one of the largest European Banks with nearly EUR 400bn under management, contributed EUR 3mn. The other significant for-profit shareholder, AXA Belgium specializes in life, property and casualty insurance. Earlier, in January 2006, MicroCred founded its first microfinance institution in Mexico and launched operations on March 1. As of October 31, 2006, MicroCred Mexico has an active loan portfolio of EUR 886,000 (about USD 1.14mn) with 2,240 borrowers and 4 offices. **November 10, 2006**

ADB Lends USD 100mn to Nepal

A loan and grant package of as much as USD 100mn has been announced by the Asian Development Bank to expand and improve rural financial services in Nepal. A USD 56mn loan is being offered to recapitalize the Agricultural Development Bank Ltd (ADB), which is the third largest bank in Nepal and the primary provider of rural services. The loan has a 24-year term, an 8-year grace period, 1% annual interest rate during the grace period and a 1.5% annual interest rate thereafter. There is also a USD 8.7mn grant associated with the package, part of which will be used to establish a training institute in banking and finance and support process innovations. A second loan of as much as USD 35mn will be offered in 2009 on successful completion of reforms by 2008. The total outstanding microfinance institution loan portfolio in Nepal is NRS 6581mn (about USD 92.33mn) for Nepal's total population of 23.2mn. The ADB holds USD 50.2bn in assets in 2005, and revenues from its portfolio of loans and other activities amounted to USD 1.4bn. **November 10, 2006**

Gates Gives USD 8.7mn to WOCCU

The Gates Foundation granted USD 6.7mn to the World Council of Credit Unions (WOCCU) and USD 2mn to WOCCU's Worldwide Foundation for Credit Unions to support growth and product development. Ten credit unions in Rwanda will be pilots for French-speaking African credit unions; ten Colombian credit unions will serve as test cases for Latin America; and up to seven credit unions in Kenya will pilot the English-speaking African program. The World Council of Credit Union, Inc. (WOCCU) is a nonprofit trade association and an international credit union development organization; it is based in Madison, Wisconsin, USA. It has 42,616 member credit unions that serve more than 157 million people worldwide. WOCCU established the Worldwide Foundation of Credit Unions, Inc. to conduct charitable activities associated with credit unions and other microfinance institutions. **November 10, 2006**

Tanzanian Microbank Profits Grow 55%

The National Microfinance Bank of Tanzania (NMB) for fiscal year 2006 stated before-tax profit of USD 31.9mn, a 55% gain over last year's USD 20.7mn figure. The bank's CEO, Ben Christiaanse also noted that interest income increased by 55% to USD 49.7mn, non-interest income increased 17%, and customer deposits increased to USD 520mn, up 16%. NMB has the largest microfinance branch network in Tanzania, with 115 locations. It employs 30% of all employees in the Tanzanian banking sector. In October 2005, the Tanzanian government sold 49% of its shares in the MFI to a consortium led by Dutch Rabobank for USD 29.4mn. In October 2006, the government announced that it would sell the 21% stake it still owns through an initial public offering by March 2007. **December 9, 2006**

Gray Ghost Buys Equity in Three Microbanks

The Antares Fund, a microfinance equity fund which is owned by Grey Ghost, another microfinance fund, recently announced several secondary market equity deals. In August, it purchased 965 shares in Financiera de Desarrollo S.A. (FINDESA), a microfinance institution (MFI) based in Nicaragua. The shares compose 4.5% of the MFI's total equity. FINDESA had a gross loan portfolio of USD 57.8mn, total assets of USD 76.4mn, a return on assets of 3.53% and a return on equity of 32.1% as of the end of 2005. Second, the fund purchased 3,861 shares, or 2.42% of total equity, in **Edpyme Confianza**, a Peruvian MFI, which had a gross loan portfolio of USD 22.1mn, total assets of USD 28.5mn, a return on assets of 3.72% and a return on equity of 21.30%, as of the end of 2005. Third, the fund acquired an 8.42% equity interest in **Edpyme Crear Tacna** of Peru, which has a gross loan portfolio of USD 8.66mn and total assets of USD 9.6mn at the end of 2005, with a return on assets 4.61%, and return on equity, 20.63%.

November 8, 2006

Visa Offers Services to Microbanks

Representatives from Visa, the world's largest electronic payment company, argued at the Dubai Microfinance Conference that the upfront cost of expanding its services into the microfinance market can be minimized by setting up single accounts at the commercial banks for each microbank. Visa is owned by 21,000 member banks and has total assets of USD 1.77bn, as of September 2005. In 2004, it teamed up with FINCA and USAID to determine the best way to utilize electronic payment technology in the microfinance sector. **November 8, 2006**

GCMC Lends USD 6.5mn to Edpyme Confianza, ODEF, Banco Solidario

The Global Commercial Microfinance Consortium is a USD 75mn multi-tiered commercial fund that provides local currency financing to microfinance institutions (MFI) globally. It was established November 2005 and is comprised of a diverse investor group of which includes Agence Francaise de Developpement, Calvert Social Investment Fund, Deutsche Bank, Merrill Lynch, U.K. Department of International Development, and the U.S. Agency for International Development, among many others. We are reporting on three deals. First, **Edpyme Confianza**, Peru, received a USD 1mn standby letter of credit. Please see previous story above for details on Confianza. Second, **ODEF** of Honduras received a USD 1.5mn standby letter of credit. ODEF (Organización de Desarrollo Empresarial Feminino) is a Honduran non-profit microfinance institution that was established in 1992. As of the end of 2005, it reached 13,826 active borrowers and 8,101 savers, with a gross loan portfolio equaled to USD 7.9mn, total assets of USD 10.3mn, and its return on assets was 2.02%. Third, **Banco Solidario** of Ecuador received a USD 4mn loan. Established in 1995, its gross loan portfolio was USD 207mn, total assets equaled USD 297.6mn, return on assets was 1.42%, debt to equity ratio was 1,153.64%, and the total number of active borrowers at year's end 2005 was 153,452. **November 7, 2006**

Oikocredit Lends USD 1.8mn in Latin America

Oikocredit is a privately owned cooperative society that is based in the Netherlands. Oikocredit began in 1975 as the Oikocredit Ecumenical Development Cooperative Society U.A. It was established to provide churches and related organizations an alternative means of investment, one that contained a component of social justice. Total fund assets at the end of 2005 equaled USD 304mn. We are reporting on four deals. First, the **Cooperativa de Desarrollo Comunal Indígena** of Ecuador received a 4-year USD 300,000 loan. No further information is publicly available for this organization. Second, **Enlace** of El Salvador received a 5-year USD 400,000 loan. Enlace was established in 1997 in the city of Apopa, El Salvador, and now consists of five offices with a total of 14,446 active borrowers, 84% of which are women. Its gross loan portfolio equaled USD 2.9mn and its total assets equaled USD 3.2mn at the end of 2005. Its debt to equity ratio was 74.56%, its return on assets equaled 3.53% and its return on equity was 6.41%. Third, **Fundeser** of Nicaragua received a 5-year USD 600,000 loan.

Fundeser (Fundación para el Desarrollo Socioeconómico Rural), at the end of 2005, had a gross loan portfolio of USD 4.3mn, total assets of USD 4.99mn, a debt to equity ratio of 329.83%, a return on assets of 2.25%, a return on equity of 9.09%, and 7,244 active borrowers. Fourth, the **Cooperativa de Servicios Múltiples 20 de Abril** of Nicaragua received a USD 500,000 loan. It is located in the municipality of Quilali, in the northern region of Nicaragua. It has 4,231 clients and a portfolio of USD 3,726,700. **November 7, 2006**



PAPER WRAP UP

Track Research and Recommendations

Harnessing Enterprise to Fight Poverty

Edited by Tom Clougherty, published by the Globalisation Institute, Nov 2006, 25 pages, download here: <http://www.globalisationinstitute.org/publications/microfinance.pdf>

The paper starts with a foreword by former British High Commissioner to Uganda, Mike Cook CMG. He bemoans the fact that the DFID's fund distribution does not directly involve the poor and contrasts the institution's projects with the success of microfinance. The report then argues that microfinance is a key to establishing better governance and property rights in the developing world, and provides several case studies. Plenty of donor money available to microfinance institutions (MFIs), but ultimately, they must find commercial funding to meet global demand. Finally, the report argues that the DFID has not done enough to support microfinance. It says that development agencies should focus their funds at "contributing to the start-up costs and fostering the establishment of truly self-sustaining microfinance institutions." However, they warn policymakers to be wary of "throwing money" at microfinance or believing that one variety of microfinance can work globally. Ultimately, the report laments the fact that the DFID prefers to "support 'big name' development charities instead." Now that microfinance is one of the "big names," we can imagine how state development organizations, such as the DFID, will react.

Mobile Phone Banking and Low-Income Customers: Evidence from South Africa

By Gautam Ivatury and Mark Pickens, published by the Consultative Group to Assist the Poor/The World Bank and the United Nations Foundation, Nov 2006, 19 pages, download here: <http://www.cgap.org/publications/mobilephonebanking.pdf>

The study was based on a survey of 515 low-income South Africans, 215 whom used the mobile phone-based banking (m-banking) service, WIZZIT, and 300 who did not. The first section of the paper introduces WIZZIT, which is a division of the South African Bank of Athens, specifically targeting South Africa's "unbanked population." It was launched in December 2004 and currently has 50,000 customers. The m-banking accounts allow customers to make bill payments, check their account balances, and make transactions using their mobile phones. Additionally, the customers are provided with debit cards which they can use to withdraw money from any ATM. WIZZIT accounts have no minimum balance requirements and charge a per-transaction fee. The second section of the paper reports the findings of the survey. The authors note that low-income customers are pleased with WIZZIT's service because it is safe, convenient, fast, and cheaper than alternative banking methods. The data also showed that WIZZIT's low-income customers were better off, as well as more financially sophisticated than low-income non-users prior to using the service. Both customers and non-customers said they were willing to try new technology, but human interaction was still important to them. Finally, the study showed that most non-users had not heard of WIZZIT. The third, and final, part of the paper draws general conclusions from the research findings. It encourages other m-banking providers to build greater

awareness of their services and emphasizes the ability of m-banking to provide financial services to the poor in developing countries.

MixMarket 2005 Benchmarking Asia

A report from the Microfinance Information Exchange Inc, Nov 2006, 12 pages, download here: http://www.mixmarket.org/medialibrary/mixmarket/MIX_Benchmarking_Asia_n_Microfinance_2005.pdf

The Asia microfinance market is the largest in the world, offering in 2005, over USD 4bn in loans to 22.5 million borrowers. The most significant aspect of the development of microfinance in Asia has been the scaling up of MFIs. Bangladesh, now the mother country of microfinance, has always had Microfinance Institutions (MFIs) with the highest customer base in the world in ASA, Grameen and BRAC. The fourth largest MFI is the Indonesian BRI (Bank Rakyat Indonesia). Amongst the MFIs surveyed, the current average customer outreach is 330,000. India is quickly catching up as well, with average outreach crossing 100,000 at a 100% growth rate. The lowest outreach was observed in Philippines with an average outreach of 10,000 borrowers per MFI. While significant progress in outreach has been made, Asian MFIs, in general, do not offer a diversified range of services. Thus, non-diversified services coupled with extensive microfinance activity in some regions are causing client overlap and that should be taken into account while examining the large client outreach numbers. Asia also has the lowest average loan balance per customer at USD 115. Asian MFIs are highly leveraged, borrowing heavily especially in the significant microfinance markets of India and the Philippines. At the end of 2005, Indian MFIs debt serviced as much as 12 times their capital with on and off-balance sheet financing. Overall, commercial funding has funded the majority of the debt in Asia. Profitability is yet to make its mark in this region with an average of 0.7% asset base loss. While MFIs in India and Bangladesh have adopted a low cost, low yield strategy, their counterparts in Cambodia and Philippines have focused on higher yields through increased lending rates to reach profitability. On the other hand, nations new to microfinance, like Pakistan, have exceptionally high costs and low average lending rates at 22% leading to extremely low portfolio yields. In 2005, Grameen had over 5mn active borrowers and a gross loan portfolio of over USD 424mn. BRAC had about 4.1mn active borrowers on a gross loan portfolio of nearly 268mn. ASA, the third largest MFI had nearly 4.2mn active borrowers on a total loan portfolio of about 255mn. The largest non-Bangladeshi MFI in terms of outreach, Indonesia's BRI, had over 3.3mn active borrowers in a gross loan portfolio of USD 2,321mn.

MixMarket 2005 Benchmarking Africa

A report from the Microfinance Information eXchange, Nov 2006, 12 pages.

This Africa study across 71 institutions in 23 countries found that Microfinance continues to struggle in Africa with unfavorable macroeconomic conditions, high operating costs, increasing competition and little access to commercial funding. Microloan clients in the institutions surveyed have actually shrunk by 2% since 2004. However, demand for deposit services has been high and a savings outreach grew by 150% from 2004. Microfinance Institutions in Africa have normally relied on local debt (from their deposits) and equity from donations for their financing needs. Leverage ratios have been low but that is changing with expansion of deposit services and investor interest in the region. Overall, African banks still have lower than global average leverage ratios (D/E of 2.8) while cooperatives fund almost all their lending through customer deposits. NGOs and other organizations prohibited from accepting client deposits are almost entirely funded by donor subsidies. African MFIs on the whole are not profitable though there has been a marginal improvement in profitability since 2004. The primary reason is higher than average operating costs due to weak infrastructure, high labor costs and high financial costs due to inflationary environment. Cooperatives have been able to manage costs better, though they are not profitable yet. They have lower salary expenses since uncompensated elected members manage them. Financing costs are low because they have access to cheap funding from the low interest rate deposit facilities they run. On the other hand NGOs, have

even higher operating costs because they seek to reach remote areas and poorer clients. High levels of default risk due to poor portfolio quality and recovery mechanisms imply that African MFIs will continue to struggle to manage their assets.

MixMarket 2005 Benchmarking Latin America

A report from the Microfinance Information eXchange Inc, Nov 2006, 12 pages.

In a survey of 150 MFIs with 50 of them tracked over three years MixMarket reports that Latin America has had healthy increases in outreach rates, lower operating costs, increased access to commercial funding and lower portfolio delinquency. However, profitability has decreased from 2004 with Adjusted Return on Assets (AROA) not crossing the 2.0% mark. The outreach growth rate has held steady at 20% reaching a total of about 5.2 million borrowers with a loan portfolio of USD 5 billion. While banks and non-bank financial intermediaries (NBFIs) have grown by 17% and 35% respectively in 2005, non governmental organizations (NGOs) have shrunk by 3%. MFIs here continue to reach the lowest income sectors of the society with average loan balance relative to per capita remaining around 40%. Commercially priced funding has become the dominant source of funding for micro-credit in Latin America. In 2005, over 75% of the loan portfolios have been funded at commercial rates with USD 2.2 billion from borrowings and USD 3 billion in deposits. Portfolio delinquency risk continued to drop with the 2005 rate at 2.7% for over 30 days. While commercial banks and NBFIs cleaned up their portfolios, NGOs and cooperatives showed little improvement in their continuing high delinquency levels. Steady growth rates, lowered costs and ability to leverage have increased competition in the market. Banks especially, slashed their interest rates to gain market share that resulted in a 10% decrease in their nominal portfolio yield. However, because an increasing portion of the invested capital is debt financed, Adjusted ROE (Return on Equity) growth has remained positive and in fact, accelerated. As of 2005, it stands at over 11% from about 10% in 2004. In 2005, Mexico's Caja Popular Mexicana and Compartamos are the two largest MFIs in Latin America in terms of the number of active borrowers (554,244 and 453,131 respectively). Caja Popular Mexicana, a cooperative, has a gross loan portfolio of USD 792mn while Compartamos, a bank has nearly USD 180mn in gross loans. Bantra, a Peruvian bank (gross loans USD 315mn and outreach of 450,182) is the only other MFI with active borrowers greater than 200,000. Peru's Banco Estada (USD 397mn/168,829 borrowers), Cofac of Uruguay (USD 230mn/101,099 borrowers), Peru's MiBanco (USD 207mn/154,541 borrowers) and Ecuador's Banco Solidaro (USD 207mn/153,452 borrowers) are the other organizations with loan portfolios greater than USD 200mn. Latin America has always been one of the most mature microfinance markets.

MixMarket 2005 Benchmarking Arab World

A report from the Microfinance Information eXchange Inc, Nov 2006, 12 pages.

In a survey of 23 Microfinance Institutions in the Arab World, combined with 2 year panel data for 19 institutions, highlights the rapid growth experienced by this young microfinance region. The article states that a stable economy in the Arab states, low market penetration rates and access to concessional funds is permitting rapid outreach increases for the MFIs in this region. In 2005, the MFIs surveyed had a total loan portfolio of USD 246mn and 890,000 borrowers. Median outreach crossed the 10,000-borrower mark to settle at just under 13,000 borrowers. However, unlike Africa and Latin America, deposit services were negligible due to government restrictions. This region also showed significant productivity increases with the number of borrowers per staff member at 156 being better than all other regions surveyed. However, this productivity increase on a small staff base - 80, which is 20% less than the global median. As they grow rapidly, training costs for additional staffing is likely to lower productivity. While commending the growth of Arab MFIs, it must be noted that they have a very different financial structure. Unlike Africa, which

mobilizes its deposits or Asia, which has developed access to commercial funding, Arab MFIs are highly subsidized through donations, grants and soft loans. Commercial funds make up only 25% of their portfolio compared to the global median of 60%. However, Arab MFIs have made some progress in this regard with capitalization dropping by 14% to 2/3rds of their assets. This inexpensive funding structure is also perhaps partly responsible for the healthy profitability (2.8% return on assets) this region is showing. They are able to thus breakeven at just 23% interest rates. However most of this profitability is based on the extremely strong results of Moroccan MFIs who, with high staff productivity and greater portfolio yields have revenues at 29% of assets, which is 10 points above the global norm. Egyptian MFIs, on the other hand have been loss making. Egypt and Morocco seem to have capital structures and large-scale institutions more akin to Asian MFIs. Egyptian MFIs fund fully 4/5th of their portfolio with commercial debt, exceeding the global norm while Moroccan MFIs source over 40% of their assets from commercial funds. 4 out of 6 institutions surveyed in Morocco had average outreach exceeding 30,000 while two passed the 100,000 mark. Egyptian MFIs follow their Moroccan counterparts closely with 49,000 borrowers in 2005. In 2005, the three largest MFIs in this region in terms of number of active borrowers were all Moroccan MFIs - Al Amana (gross loan portfolio USD 82.6mn/number of active borrowers 249,531), Zakoura (gross loan portfolio USD 29.6mn/number of active borrowers 198,301) and FBPMC (gross loan portfolio USD 31.8mn/number of active borrowers 82,649).

MixMarket 2005 Benchmarking Eastern Europe and Central Asia

A report from the Microfinance Information eXchange Inc, Nov 2006, 12 pages.

The definitive word in micro-bank performance is out, published annually. MixMarket, in a survey of 108 participating microfinance institutions (MFIs), highlights the challenges of competing with formal financial sector, a situation unique due to the macroeconomic profile and financial sector development of the Eastern Europe and Central Asia (ECA) region. This region, one of the youngest microfinance sectors, has the smallest number of borrowers and makes loans twice as large as any other region. The microfinance sector here is dominated by banks and increased transparency and wide spread adoption of reporting standards has been reported in the region. Microfinance focused banks in this region, in general, lie on the blurred line between microfinance and Small and Medium Enterprises (SME) financing with average loan balances three times the global median and only about half of the banks with loan balances below 250% of Gross National Income per capita. Only banks in Armenia and Mongolia have average loan balances at 100% of GNP per capita indicating reach into down-market sectors. Similar to the formal financial sector, the MFI banks here are able to leverage scale, seek commercial funding and reduce costs per loan though they may not be able to reach the poorest of the poor. These MFI banks compete against downscaling banks from the formal commercial sector (under-represented in the sample due to difficulty of separating microfinance from non-microfinance operations). Like the formal financial sector, banks here have loan portfolios that are completely commercially funded. However, depth of commercial financing seems to have an inverse relation to depth of outreach with such banks having the lowest depth of outreach compared to other institutions. Credit Unions, with 5:1 debt/equity ratios meet global norms while NGOs are almost wholly funded by equity. Those banks that reach low-income groups show the strongest performance. Competition with the formal financial sector squeezes profit margins from MFI banks in spite of low operating costs from disbursement of relatively large loans. However, a high degree of leverage has helped these banks render strong equity returns. Overall, costs are highest at NGOs, about 23% of the total budget, with about half of the cost personnel expenses even though they have the highest productivity both in terms of customers per personnel and per dollar of expenses. While costs per loan are highest at banks, the relatively larger size of the loans offsets the additional costs. Regionally, personnel expenses were higher in Central Asia and the Caucasus due to the premium on skilled labor. The

largest MFIs in this region are the ProCredit banks which happen to be 9 of the 12 largest banks in terms of loan portfolio. The two largest of these ProCredit banks are ProCredit Serbia (as of mid 2006, gross loan portfolio USD 320 mn/number of active borrowers 70,072) and ProCredit Georgia (as of mid 2006, gross loan portfolio USD 161 mn/number of active borrowers 50,582). In terms of number of borrowers, the two largest MFIs are the Mongolian Khan bank (as of 2005, gross loan portfolio USD 107 mn/number of active borrowers 177,581) and Xac bank (as of 2005, gross loan portfolio USD 30 mn/number of active borrowers 50,101). ❖

UPCOMING EVENTS

Towards the Mainstream: Capital Structuring for Sustainable Microfinance

8 Jan 2007 - 12 Jan 2007, Hyderabad, India

Intellectual Capital Advisory Services Pvt. Ltd. (Intellectap), a full service Indian consulting firm, offers this course focusing "on equipping participants with the knowledge and skills to help them align their institution's capital structure in a manner that maximizes its social and financial returns. At the end of the course, the participants would be able to: Discuss the relevance of capital structuring decisions in growth-oriented microfinance operations, Discuss implications of financing environment, business strategies, regulations and stakeholder value propositions, Explain and apply the objectives and considerations involved in capital structuring decisions, Adopt informed strategies to finance microfinance operations."

Fees are as follows: For a national MFI participant - Rs. 30,000, For a national non-MFI participant - Rs. 40,000, For an international MFI participant - USD 900, For an international non-MFI participant - USD1100. For more information see www.intellecap.net or call/email Ms. Manju Mary George at +91-40-23222461, +91-98850-13361 or training@intellecap.net or manju@intellecap.net.

Microfinance and the Capital Markets: A Global Exchange

16 Jan 2007 - 17 Jan 2007, New York, New York

The event is sponsored by Women's World Banking and Goldman, Sachs and is by invitation only. It "will feature perspectives from microfinance institutions (MFIs), investors, and ratings agencies and cover MFIs penetration into both local and international capital markets." For more information, contact Nandini Pandhi at 212-7688513 ext.187 or npandhi@swwb.org.

MicroCredit Enterprises Fact-Finding Mission

January 13-20, 2007, Guatemala

Hosted by MicroCredit Enterprises, LLC, the Fact-Finding Study Mission to Guatemala aims at: Learning about microcredit self-help programs for impoverished families; visiting operational village banks run by women struggling against poverty; meeting local micro-entrepreneurs. Cost of Mission (per person double occupancy) is \$2,700 (with an optional Single Room Supplement for another \$895) not including airfare (prices available on request). Contact Destinations and Adventures International for more information, see www.daitravel.com, email GailB@DAITravel.com, or call at (323) 650-7267 or (800) 659-4599.

CGAP Donor Training: Building Financial Systems for the Poor: How Donors Can Make a Difference

5 Feb 2007 - 9 Feb 2007, Mali, Africa

"The course targets development and government specialists who focus on areas such as pro-poor policies, poverty reduction, economic development, private sector and business development, livelihoods, employment promotion, and gender. It is equally useful for specialists in crisis prevention and recovery, environment and health who seek a better understanding of how financial services are related to their spheres of work. The course will be conducted in French." Fee is USD 1500. For more information see

http://cgap.org/direct/docs/MaliDonorCourseBrochure_2007.pdf or contact Natasa Goronja at ngoronja@worldbank.org, no phone available.

Cracking the Capital Markets II

19 Mar 20 Mar 2007, New York, New York

"The second ACCION conference on microfinance investment brings together money managers, hedge funds, institutional and private investors, bankers, and rating agencies, many as yet unfamiliar with microfinance, to discuss the challenges, realities and opportunities of making microfinance a commercial asset class. Due to technical constraints our online registration will not open until December 12th. We apologize for any inconvenience." The conference will be held at The Waldorf Astoria, 301 Park Avenue, New York, NY 10022, 212-872-4800. For more information see http://ga1.org/accion_international/events/cracking_the_capital_markets_clone_753002/details.tcl or contact Robin Ratcliffe, at rratcliffe@accion.org or 617-625-7080.

HBS-ACCION Strategic Leadership for Microfinance

9 Apr 2007 - 14 Apr 2007, Cambridge, Massachusetts USA

ACCION International and the Harvard Business School team up to "provide management and leadership training to the microfinance industry's CEOs, executives, and key sector protagonists. The program will address issues confronting microfinance leaders, including: Succeeding in highly competitive markets; Maintaining a social focus in a commercial setting; Working with equity investors and accessing commercial capital markets; Reaching new business segments and evolving products. The fee is USD \$5,300. For more information see <http://www.accion.org/hbs.asp> or contact hbsaccion@accion.org, no name or phone available, ACCION International's general number in Boston is 617-625-7080.

Microfinance in a Banking Environment: Models, Experiences and the Way Forward

25 Apr 2007 - 27 Apr 2007, Berlin, Germany

The European Microfinance Network fourth annual conference "will focus on the relation between microfinance and the banking sector in Europe and how microfinance can develop within this strong developed sector." Fee information is to be announced. For more information call Maria Franco at EMN at +33 (0)1 56 03 59 68 or m.franco@european-microfinance.org or see www.european-microfinance.org. ❖

WHO'S WHO IN MICROCAPITAL

Ujjivan Finance Company, India

Ujjivan Finance Company primarily services customers in rural India. The Executive Team is comprised of Samit Ghosh, Ajit Grewal, Santosh Kumar Roy, Carol Furtado, T.M. Viswanathan, Kiran Prakash T.K., Sarat Tripathy, Srikrishna K.R. and Pravin Kumar. Samit Ghosh is currently Ujjivan's CEO and Managing Director, and was a pioneer of consumer banking in India with Ravindra Bahl & Jaitrth Rao at Citibank, in the Middle East and South Asia with Standard Chartared and in India with HDFC Bank. He has served as CEO, India for Bank Muscat. Mr. Ghosh is a graduate of Jadavpur University and the Wharton School of Business. Ajit Singh Grewal is Ujjivan's current Executive Director and is a veteran banker and who has been employed by Citibank, Chase Manhattan, BCCI and Devcon Merchant Bank. Mr. Grewal holds a B.E. and M.S. from IT, Chennai. Santosh Kumar Roy comes to Ujjivan having held a variety of positions within Grameen Bank, including Technical Advisor and Area Manager. Carol Furtado is currently Head of Operations. She has served as a banker with ANZ Grindlays Bank and Bank Muscat. Ms. Furtado holds an M.B.A. from Mount Carmel Institute of Management, Bangalore. T.M. Viswanathan is Ujjivan's present Manager of Credit. He has extensive experience in priority sector lending at UCO Bank, and holds a Masters in Agriculture from the University of Kerala. Kiran Prakash T.K. presently serves Ujjivan as Manager of Information Technology. He has previous experience with Wipro Infotech and is a graduate of Bangalore University. Sarat Tripathy is Ujjivan's Manager of Human Resources, and has previously worked in human resources with Share Microfin. Mr. Tripathy holds an M.B.A. in Personnel Management from the National Institute of Personnel Management, India. Srikrishna K.R. presently serves as Ujjivan's Business Manager. He holds a degree in Engineering from R.V. College of Engineering, Bangalore. Pravin Kumar is currently Manager of Marketing and Business Development. He has previous experience in the area with Share Microfin, Ltd. in Hyderabad. Mr. Kumar holds an M.B.A. from Xavier's Institute of Management, Bhubaneswar.

Ujjivan's Board of Director positions are currently filled by Mr. K.R. Ramamoorthy, Ravindra Bahl, Vishnu R. Dusad, Elizabeth Funk, Caitlin Baron, S Viswanatha Prasad, Vijay K. Sood, and Bhaskar Menon. Mr. K.R. Ramamoorthy has been Managing Director/CEO of both Corporation Bank and Vysya Bank. He has also served as advisor to CRISIL, and has most recently been an independent consultant through his firm, BankConsult, to the World Bank, IMF and IFC. Ravindra Bahl is the present Managing Director of ChrysCapital. He has worked within the international banking sector in India, the Middle East and the Far East. Mr. Bahl is a graduate of Presidency College and IIM, Kolkata and is now based in New Delhi. Vishnu D. Dusad is the Founder and Managing Director of Nucleus Software Exports Limited, his experience lying technology for banking and financial services. Mr. Dusad is a graduate from the Indian Institute of Technology, New Delhi. Elizabeth Funk Elizabeth Funk is the present Chairperson and CEO of the Dignity fund and CEO of CML Global Capital, Vice-Chairman of Unitus, Chairman of the Executive Committee of the Peace Action Network, and founder of the YPO Microcredit Forum. She holds an undergraduate degree in international relations and economics with honors from Stanford University and an M.B.A. from Harvard Business School, where she graduated as a Baker Scholar. Caitlin Baron is the present Director of the Michael and Susan Dell Foundation's (MSDF) Global Microfinance Initiative. Prior to her work with MSDF, Ms. Baron served Women's World Banking as Manager of Strategy Services and served Monitor Company as a strategy consultant in Boston, Johannesburg and Tel Aviv. Ms. Baron holds a degree in Political Science from the University of California, Los Angeles, and resides in Bangalore, India. S Viswanatha Prasad is a co-founder of The Bellwether Microfinance Fund

and also promotes Caspian Advisors, Bellwether's Fund Manager. Mr. Prasad was previously associated with India's first regulated MFI, Bhartiya Samruddhi Finance Limited, where he served as COO and CEO. Vijay K. Sood is currently a management consultant for banks in South Asia, and is a veteran of Citibank with experience in international risk management. Mr. Sood is now based in New Delhi. Bhaskar Menon is the current President of Mphasis, and previously worked in banking with both CitiBank and Merrill Lynch. Mr. Menon holds an M.B.A. from Symbiosis, Pune



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