

MICROCAPITAL BRIEFS | TOP STORIES

India's Spandana Sphoorty Raises \$167m in IPO

Please see page 2 for coverage of this MicroCapital Deal of the Month.

Bank of Ghana Revokes Licenses of 23 Microfinance Banks

The Bank of Ghana recently revoked the licenses of 23 microfinance banks (MFBs) that became insolvent and remained so despite being given "grace periods" to seek fresh capital from investors. The MFBs reportedly have the means to refund customer deposits over the course of several rounds, with a maximum equivalent to USD 1,830 per depositor in the first round. However, some depositors have voiced concern that their banks only plan to repay principal, without accrued interest. August 30, 2019

Government of India May Waive Microfinance Debt for "Small Distressed Borrowers"

The Indian government reportedly is planning a debt waiver program for "small distressed borrowers" within the country's insolvency and bankruptcy code. While the criteria under which a borrower would qualify for the program remain under discussion, potential parameters include: a gross annual income less than the equivalent of USD 837, assets of less than USD 278 and debt of less than USD 486. It is unclear whether or how a borrower would be required to document hardship in order to secure a waiver. Those receiving the waiver, however, would be barred from receiving another waiver for five years. Corporate Affairs Secretary Injeti Srinivas was quoted as saying, "We had discussions with [the] microfinance industry, and their concerns are being duly factored in." August 24, 2019

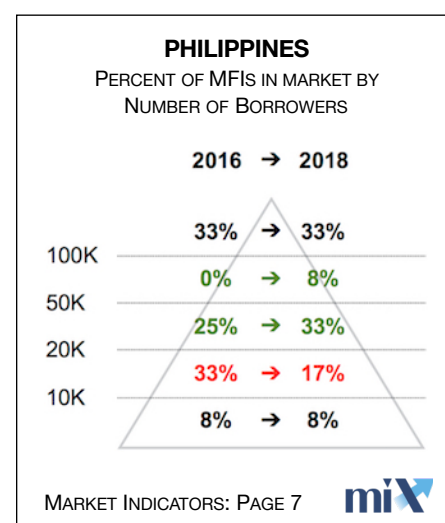
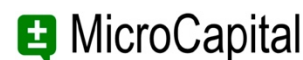
EIB to Loan \$5.6m to Cut Emissions in the Dominican Republic

The EU's European Investment Bank recently pledged to loan a total equivalent to USD 5.6 million to two related entities in the Dominican Republic to fund loans for renewable energy equipment and energy efficiency improvements. Fondo para el Desarrollo (FONDESA), an NGO focused on educational finance, will borrow USD 1.6 million to fund energy efficiency upgrades for schools and universities. Banco de Ahorro y Credito Fondesa (BANFONDESA), a microfinance unit of FONDESA, will borrow USD 4 million to fund similar upgrades for small and medium-sized enterprises (SMEs), microenterprises, and households with low and medium incomes. BANFONDESA President Cristian Reyna said, "Through this financing programme, we expect to reach around 1,600 families and more than 200 SMEs and agro-producers in the Dominican Republic, reiterating our social commitment to contribute to preserving the climate." FONDESA, a nonprofit institution that was established in 1982, founded BANFONDESA in 2015. The organizations report combined assets of USD 105 million, a loan portfolio of USD 83 million and deposits of USD 29 million. August 16, 2019

Schroders Buying Controlling Stake in BlueOrchard

Schroders, a UK-based asset manager with the equivalent of USD 538 billion in assets under management, recently agreed to acquire a majority holding in BlueOrchard Finance, a Switzerland-based firm with USD 3.5 billion in microfinance and other "impact" assets under management. The terms of the deal remain confidential. BlueOrchard Chairman Peter Fanconi commented, "With Schroders we have found the ideal strategic partner with whom we will further increase our impact and jointly contribute to the achievement of the UN Sustainable Development Goals." The CEO of BlueOrchard, Patrick Scheurle, said, "Schroders' stable ownership structure and heritage, which is closely aligned with BlueOrchard's long-term investment philosophy, makes them an excellent partner for our business." BlueOrchard was founded in 2011. Its investees serve 39 million micro-entrepreneurs, of whom 58 percent are women. In addition to microfinance, it invests in areas such as education and initiatives that mitigate climate change. August 1, 2019

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MICROCAPITAL BRIEFS

India's Spandana Spahoorty Raises \$167m in IPO

Spandana Spahoorty Financial Limited, a microlender focused on serving rural women in India, recently held its IPO, achieving a subscription rate of 1.05 and meeting its goal of raising the equivalent of USD 167 million to boost its capital base and fund general operations. According to Centrum Wealth Research, the firm's "successful exit from corporate debt restructuring... in March 2017, consistent profits, along with a healthy asset book, builds confidence in [its] prospects." The firm was founded by Padmaja Reddy in 1998 and is backed by Mumbai-based Kedaara Capital. It reports a gross loan portfolio of USD 442 million and 1.59 million borrowers served via 694 offices. August 30, 2019

India's Ujjivan Small Finance Bank to Seek \$167m via IPO

India's Ujjivan Small Finance Bank recently filed paperwork in preparation for an IPO, through which it seeks to raise the equivalent of USD 167 million, valuing the bank at USD 280 million. A "small finance bank" is defined by Indian regulation as an institution that provides basic banking services for traditionally underserved populations. Ujjivan serves 4.7 million customers in 24 Indian states via 474 branches as well as the internet and a mobile banking app. Its target population is the "economically active poor." It reports total assets of USD 2.0 billion, a gross loan portfolio of USD 1.6 billion, total deposits of USD 1.1 billion and return on assets of 2.7 percent. August 30, 2019

IFC Loans \$35m to Bank of Georgia for MSMEs

The World Bank Group's International Finance Corporation (IFC) recently announced it is lending the local-currency equivalent of USD 35 million to the Bank of Georgia, a commercial bank owned by the UK-based Bank of Georgia Group, for on-lending to micro-, small and medium-sized enterprises. The Women Entrepreneurs Opportunity Facility, which is cosponsored by IFC and the US-based Goldman Sachs Foundation, is supporting the transaction, with the agreement that one quarter of the total loan value will be directed to women entrepreneurs. The Bank of Georgia Group offers microfinance and conventional financial services in Georgia, Ukraine and Belarus. With assets of USD 5.1 billion, it serves 2.4 million clients via 276 branches. August 27, 2019

NilePay, Zain to Launch Mobile Money Service in South Sudan

NilePay PLC, an electronic financial services company in South Sudan, and the local member of the Zain Group, a Kuwait-based mobile telecommunications firm, are launching a licensed mobile money service in South Sudan. The service will allow customers to transfer money to individuals via their mobile phones domestically and internationally, as well as deposit or withdraw funds from registered agents in South Sudan. Founded in 1983, Zain serves 49 million subscribers in Bahrain, Iraq, Jordan, Kuwait, Lebanon, Saudi Arabia, South Sudan and Sudan, including 815,000 in South Sudan. For the first half of 2019, Zain generated revenues equivalent to USD 2.7 billion. August 26, 2019

ADB Loans \$25m to Kashf to Support Women in Pakistan

The Asian Development Bank, a Philippines-based multilateral institution, recently approved a loan of USD 25 million to support Kashf Foundation, a microfinance provider in Pakistan. The loan is intended to help expand access to credit for and otherwise boost the economic empowerment of women as well as women-led micro-, small and medium-sized enterprises. In addition to financial services, Kashf provides training in developing marketable skills, managing finances and safeguarding children against abuse. The organization also has established Kashf School Sarmaya, which offers loans for tuition to private schools and capacity building training for school staff. Kashf has a network of 291 branches and serves 414,000 clients. It has total assets equivalent to USD 90 million and a gross loan portfolio of USD 66 million. The organization does not accept deposits. August 25, 2019

IIV Mikrofinanzfonds Lends \$21m to MFIs in Bolivia, Eurasia

Germany-based Invest in Visions (IIV) recently announced it has loaned the equivalent of USD 11.1 million to Eskhata Bank, a provider of microfinance and conventional financial services in Tajikistan, in an effort to stimulate economic development in the country, including in rural areas. The investment is one of a group of loans totaling USD 21.4 million that IIV recently disbursed from its microfinance investment vehicle IIV Mikrofinanzfonds. The other recipients of this funding include unidentified microfinance institutions in Bolivia, Cambodia, Kosovo and Moldova. Founded in 1994, Eskhata Bank provides microfinance, trade finance, investment banking and asset management to 293,000 customers from 22 branches. It has total assets amounting to USD 207 million, a gross loan portfolio of USD 130 million and USD 102 million in customer deposits. August 24, 2019

Goldman Sachs Launching Sustainable Finance Group

US-based investment bank Goldman Sachs recently announced the formation of a Sustainable Finance Group to provide investing, financing, risk management and asset management services related to solving community and environmental challenges. John Goldstein, a co-founder of US-based sustainable investing firm Imprint Capital, which Goldman Sachs recently acquired, will head the group's steering committee. Among the group's goals is to continue the work of existing company initiatives such as 10,000 Women; 10,000 Small Businesses; Launch With GS; and the Urban Investment Group. Goldman Sachs reports total assets of USD 933 billion. August 22, 2019

Activa, AXA Cameroon, IFC Launching Index Insurance for Crops

The World Bank Group's International Finance Corporation recently granted a total equivalent to USD 460,000 to two insurance companies in Cameroon to create agricultural index insurance products. These products offer payments to covered individuals when weather or other conditions exceed pre-established limits, rather than based on individuals' losses. The firms, Activa Assurance, a Cameroon-based insurance group operating in five West African countries, and AXA Cameroon, a subsidiary of France-based AXA Group, will develop the products for rural borrowers for distribution through organizations such as commercial banks, microfinance institutions, cooperatives and retailers of agricultural supplies. The goal is for the firms to sell a total of 135,000 index insurance contracts over two years. August 19, 2019

Sahmati to Allow Indians to Share Credit Histories with Lenders

Financial regulators in India recently began work on Sahmati, a digital account aggregator (AA) platform through which loan applicants will be able to transmit their credit histories, income levels and tax payment histories to lenders. Arundhati Bhattacharya, a former chairman of the Reserve Bank of India, said, "The AA is a huge step forward because it places the user at the centre of the data ecosystem and gives her meaningful control over her data.... I would urge financial service providers to embrace the AA model at the earliest because it will enable them to become extremely efficient in processing large data sets, provide better customer service and enable financial inclusion by lowering transaction costs and reducing the possibility of fraud." August 15, 2019

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Please refer to <http://MicroCapital.org> for the sources of information appearing in this publication. Among these, MicroCapital recognizes CGAP, its FinDev Gateway and the Microfinance Information Exchange for their outstanding work disseminating information on microfinance. Thank you!

Malaysia Launches National Strategy for Financial Literacy

Malaysia recently launched a National Strategy for Financial Literacy for the years 2019 through 2023. The plan includes designing financial education tools for youth and self-employed adults as well as promoting avenues for long-term saving, income diversification and risk management. On the motivations for the strategy, Prime Minister Mahathir of Malaysia commented, “Knowledge of financial management is very important to avoid over-indebtedness.” August 14, 2019

Kaoun's Flouci App to Offer M-banking, E-signatures in Tunisia

Tunisia-based startup Kaoun is planning to roll out a mobile banking application called Flouci, which will let customers use mobile phones to create mobile wallets that connect to their bank accounts, thus allowing payments to merchants and peer-to-peer transfers. The app will also allow users to sign documents electronically, for purposes such as accessing government services. Kaoun will charge percentage-based fees on financial transactions and flat fees on bill payments. Kaoun co-founder Anis Kallel said, “Our goal is to digitise financial and governmental services to reduce barriers to entry for adoption, such as wait times, cost of transactions and distance to bank branches and government offices.” Kaoun, which was established in 2018, is also developing Botkeji, a software system for integrating Flouci with additional banking services, and Flouci Business, a mobile banking app to allow businesses to execute transactions, track invoices and perform analytics. August 13, 2019

GGF Loans \$1.7m to Alter Modus for Efficiency in Montenegro

Alter Modus, a microlender in Montenegro, recently agreed to borrow the equivalent of USD 1.67 million from the Green for Growth Fund (GGF), a public-private partnership based in Luxembourg, to finance energy efficiency products for homes and businesses. GGF will also provide Alter Modus with technical assistance relating to the products. Alter Modus CEO Ana Kentera said, “[W]e affirm our position as a socially responsible institution that has recognized the importance of energy efficiency in raising the quality of life in Montenegro.” Founded in 1999, Alter Modus offers loans ranging in size from USD 1,130 to USD 56,600 from 18 offices in Montenegro. It has a loan portfolio of USD 52.5 million outstanding to 21,000 customers, mainly micro-entrepreneurs, small enterprises, salaried employees and pensioners. August 12, 2019

MFIs in 14 Countries Borrow \$45m from Dual Return Vision Funds

During June and July, 18 microfinance institutions (MFIs) in 14 countries closed on new loans totaling the equivalent of USD 45 million from the Dual Return Vision Microfinance Funds, which are managed by C-Quadrat Asset Management. C-Quadrat, a member of the Austria-based CQ Investment Group, tells MicroCapital that the MFIs have “a strong focus on their social mission, customer protection, transparency and community involvement.” The names of the MFIs and their locations remain confidential. The Dual Return Vision Microfinance and Dual Return Vision Microfinance-Local Currency sub-funds hold assets valued at an aggregate of USD 615 million. The CQ Investment Group, which was founded in 1991, manages USD 11 billion in assets and has operations in 20 countries in Eurasia. August 9, 2019

BNP Paribas Loans \$7m to Madura Micro Finance of India

BNP Paribas, a France-based bank, recently informed MicroCapital that it has issued a loan to Madura Micro Finance of India for the first time. The bank lent the rupee-equivalent of USD 7 million to the Chennai-based microfinance institution (MFI), which is scheduled to repay the loan in eight quarterly installments. Madura, founded in 2005, is licensed as a non-bank finance company-MFI and mainly lends to women's self-help groups. From 350 branches, it serves 960,000 people with a portfolio of USD 275 million. Its yearly return on managed assets is 4.7 percent, and its return on net worth is 29 percent. Its top shareholder, with a 32-percent stake, is the MFI's managing director, Dr Tara Thiagarajan. August 7, 2019

Flutterwave, Alipay to Offer E-payments Between Africa, China

Flutterwave, a business-to-business payments service that focuses on Africa, recently began collaborating with Alipay, a payments unit of the Chinese technology conglomerate Alibaba Group, to provide digital payments between Africa and China. Flutterwave charges a fee of 3.8 percent on each transaction. Founded in 2016, Flutterwave is a US-based financial technology firm with offices in Ghana, Kenya, Nigeria and South Africa. The company offers a payments service, Rave, as well as a mobile app for budgeting called Barter. Flutterwave has 60,000 merchants on its Rave platform as well as 50 bank partners. The firm has processed 100 million payments worth a total of USD 2.5 billion since its inception. Alipay reports having 1 billion users. Alibaba Group, the owner of the Chinese e-commerce company Alibaba, has total assets equivalent to USD 144 billion and total equity of USD 91 billion. August 7, 2019

MCE Funding \$3.3m Loan from Yoma to Proximity of Myanmar

Myanmar-based Yoma Bank recently agreed to lend the equivalent of USD 3.3 million to Proximity Finance, a microlender operating in Myanmar. MCE Social Capital, a US-based NGO, is funding the three-year loan. Proximity Finance CEO Hedvig Sundberg said, “This back-to-back structure of funding allows more investment into Myanmar in hard currency while allowing microfinance institutions to repay in local currency.” The proceeds of the transaction are slated to fund local-currency loans to 12,800 farming families. Proximity Finance is a unit of Proximity Designs, a US-registered NGO that exclusively serves Myanmar. Proximity Designs, which reports a gross loan portfolio of USD 18 million, offers technical assistance and research services as well as - through Proximity Finance - loans for farming, raising livestock, relocation and small business. Founded in 2006 as MicroCredit Enterprises, MCE Social Capital raises money largely via guarantees secured from other NGOs and accredited investors, which it uses as collateral to borrow from third-party lenders. August 5, 2019

IFAD to Expand Mobile Banking, Financial Literacy in Mozambique

The UN's International Fund for Agricultural Development (IFAD) recently launched the Rural Enterprise Finance Project in Mozambique, with the aim of improving access to national and regional markets for people in rural areas. The project includes entrepreneurship training, financial literacy training, and the development of digital financial services that are specific to agricultural and other rural needs. The project budget comprises USD 62 million paid by IFAD, USD 5 million to come from the private sector, USD 4.3 million paid by the government of Mozambique and USD 1.1 million from fees charged to beneficiaries. Robson Mutandi, IFAD's country director in Mozambique, commented, “This new project supported by IFAD will focus on the poor and disadvantaged to ensure that rural finance services reach the underserved communities and financially excluded groups.” August 4, 2019

Juhudi Kilimo of Kenya Raises \$2.4m in Equity Sale to Incofin

Incofin CVSO, a cooperative fund managed by Belgium-based Incofin Investment Management, recently purchased an ownership stake of unspecified size in Juhudi Kilimo, a for-profit microfinance institution in Kenya, for the equivalent of USD 2.4 million. Juhudi, which mainly serves rural areas, intends to use the new funding to expand its geographic range, grow its menu of products, strengthen its social performance management and “improve employee welfare.” Launched in 2004 as part of the Kenyan nonprofit K-Rep Development Agency, Juhudi Kilimo operates 34 branches and has a loan portfolio of USD 22 million deployed for purchases of livestock, seeds, fertilizer and farming equipment. Its loans are 90-percent disbursed via mobile phone. The institution's 45,000 customers include 67 percent women and 39 percent youth. Juhudi's other investors are the following US-based entities: Acumen Fund, the Grameen Foundation and Soros Economic Development Fund. August 3, 2019

SPECIAL REPORT

*This vignette is part of a sponsored series demonstrating the value of SAM (the French acronym for African Microfinance Week), a major conference dedicated to financial inclusion in Africa. **The next SAM will take place in Ouagadougou, Burkina Faso, from October 21-25, 2019.** The first three SAMs were in Tanzania in 2013, Senegal in 2015 and Ethiopia in 2017.*

The goal of SAM is to provide a unified platform for addressing issues facing microfinance in Africa by bringing together investors, microfinance institutions (MFIs), researchers, banks, networks, innovators, governments and other stakeholders.

The 2017 SAM hosted 700 participants from 58 (mostly African) countries, including representatives of 200 MFIs; 25 exhibitors at the Innovation Fair; and 26 investors, who made 170 MFI contacts at the Investor's Fair. The proceedings also included conference sessions presented by 60 speakers plus 20 training programs.

Al-Fal Boosts Rural, Interest-free, Value Chain Microfinance in Sudan, 1 of 34 African Countries Engaged at SAM, the Pan-African Conference on Financial Inclusion

Two years ago, Elkhidir Elamin Mohammed (pictured below), the managing director of Al-Fal Microfinance, was the only attendee from Sudan at the SAM conference in Addis Ababa. Because Al-Fal lends in compliance with Islamic law, Mr Elkhidir was keen to network with others on the topic of interest-free lending. As a result of meeting Dr Mebrahtu Meles, Ethiopia's Minister of Industry, Mr Elkhidir connected with the 34-member Association of Ethiopian Microfinance Institutions (AEMFI). Representatives of the association were able to leverage Mr Elkhidir's advice to help AEMFI members expand their interest-free lending in Ethiopia.

Also at SAM, Mr Elkhidir met representatives of several financial and advisory firms that helped him improve the way his institution works with farmers in particular and rural communities in general. This included strategies for assessing social impact, implementing digital financial services, and conducting financial planning and analysis. Use of these strategies resulted in Al-Fal's clients increasing their agricultural productivity, thus improving their food security as well as their overall social and economic development.

In addition to sharing information from SAM with his institution, Mr Elkhidir also met with staff of other Sudanese financial services providers (FSPs) and the Central Bank of Sudan. He relayed content from a risk management training as well as a presentation on value chain finance by the UN's Food and Agricultural Organization. This eventually led to small-scale wheat farmers boosting their productivity to 1.8 tons per acre, as well as - for the first time in Sudan - the disbursal of microloans for processing crops, such as milling wheat and ginning

cotton. The Central Bank of Sudan and Mr Elkhidir have encouraged FSPs in the country to build on these knowledge-sharing successes by engaging with the 109-member African Rural and Agricultural Credit Association (AFRACA), one of the five members of the SAM steering committee.

Another way that farmers in Sudan may benefit from SAM is via Harvesting, the winner of the EUR 10,000 Fintech for Microfinance prize, which was given in Addis by the Dutch development bank FMO. Founder Ruchit Garg describes the work of Harvesting as "enabling financial inclusion for farmers by providing actionable insights to financial institutions via... global data sets, such as weather, satellite, agronomic data... to help reduce risks for crop insurance and lending companies." Mr Elkhidir and Mr Garg discussed the possibility of Harvesting expanding its work to Sudan, and Mr Elkhidir expects that a partnership will form soon.

"This ultimately led to... - for the first time in Sudan - the disbursal of microloans for processing crops, such as milling wheat and ginning cotton."

As a result of these successes, Mr Elkhidir will return to SAM in Ouagadougou this October accompanied by nine colleagues from various institutions in Sudan!

Al-Fal is owned by Aljazeera Jordanian Sudanese Bank and the AFI Group, a provider of farming, automotive and health equipment in Sudan. Since 2017, the microbank has been providing farmers with Shariah-compliant group loans coupled with both mandatory and voluntary savings services. It offers loan products designed for trading, farming, education, housing, consumption, energy efficiency, raising livestock and cooperatives. It also partners with third-party organizations to train its members on topics such as leadership, health, sanitation and business development. Mr Elkhidir is a member of the SAM 2019 Preparatory Committee.

ADA, an NGO based in Luxembourg, co-organizes SAM every two years with the support of Luxembourg's Ministry for Development Cooperation and Humanitarian Affairs. The SAM steering committee members are: ADA, Luxembourg's Ministry of Foreign and European Affairs, the Microfinance African Institutions Network, the African Rural and Agricultural Credit Association, and the Fédération des Associations Professionnelles des Systèmes Financiers Décentralisés de l'Union Economique et Monétaire Ouest Africaine. We invite you to learn more about SAM at <http://www.sam.africa>. 



EAR TO THE GROUND

Trust Matters: Don't Blow It!

Americans are known for being trusting. When I moved to this country and got my first green card, it was literally a green cardboard card. My mom's US driver's license was on even flimsier paper, and some years later, downtown nightclubs let me in on just a smile before I was 18 (perhaps this was due to the influence of the likes of Jeffrey Epstein, but I prefer not to think about that...). I recently opened a photo album where I found my college ID and discovered it has my social security number printed on it. (It has been tucked away more safely ever since!) This country historically has been a trust-based society, standing on relatively independent, strong legal and judicial systems.

But America's trust-based institutions show signs of anachronism. The latest annual Chicago Booth/Kellogg School Financial Trust Index survey indicates that just 41 percent of Americans trust banks. While that's nothing to boast about, banks still fare well compared to journalists (28 percent), corporations (16 percent) and politicians (5 percent). The 41-percent figure also seems high considering that data on 60 million credit cards were breached in 2018, according to a study by Gemini Advisory. I anticipate that our trust in banks will get worse before it gets better. Just last month, Capital One announced that a data breach compromised another 100 million credit card applications.

When we look abroad, the figures are surprisingly more encouraging. In Mexico, a whopping 78 percent of surveyed adults trust the financial sector, according to a 2018 survey by the Mexican government's ENIF. This is in a country where 7 percent of credit or debit card users say their cards had been cloned in the past three years. Another 4 percent of credit and debit card users had suffered identity theft or other forms of financial fraud during the same time period. Yet even among these victims, only 29 percent distrust the banks, according to government data. The other 71 percent still seem to have faith!

In Nigeria, a country known for high-profile swindles, an Intermedia survey in 2014 showed that 53 percent of respondents trust private banks. That's lower than in Mexico but still more than in the US. Why do Nigerians and Mexicans trust their banks more? I suspect it's because they don't interact with them very much. More Americans have accounts, including those with low and middle incomes. As such, they are more exposed to hidden fees, sneaky overdraft charges and minimum balances that hit low- and middle-income consumers by surprise more often than in developing countries. This is partially because banked folks in developing countries tend to have more money.

A 2019 study by Accenture covering 47,000 financial service consumers worldwide suggests that people are willing to trade a little security and privacy for more accessible products. Fifty-nine percent of people surveyed said they would share more information in exchange for lower prices; 53 percent would do so in return for a faster, easier loan approval process; and 53 percent said they'd be fine with their bank tracking their location to offer personalized offers. What customers do *not* seem fine with is higher pricing. The same study indicates that the trigger most likely to scare folks away from a given provider would be an "increase in costs or that the bank no longer is offering competitive prices." Banks in emerging markets should beware that they need to come up with models that respect this price sensitivity and refrain from sneaking in fees if they want to meet their oft-stated goal of inclusivity. This is a golden opportunity to build rather than erode consumer trust, while keeping ahead of US banks in this critical respect!

About the Author: Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has 25 years of international finance and development experience and has worked with organizations including Goldman Sachs, Chase and BBVA and has advised institutions such as the International Finance Corporation, the US Agency for International Development and the International Labour Organization. She may be reached at +1 212 734 6461 or [bmagnoni\[at\]eac-global.com](mailto:bmagnoni[at]eac-global.com), or you may follow her on Twitter at [BarbaraatEA](https://twitter.com/BarbaraatEA).






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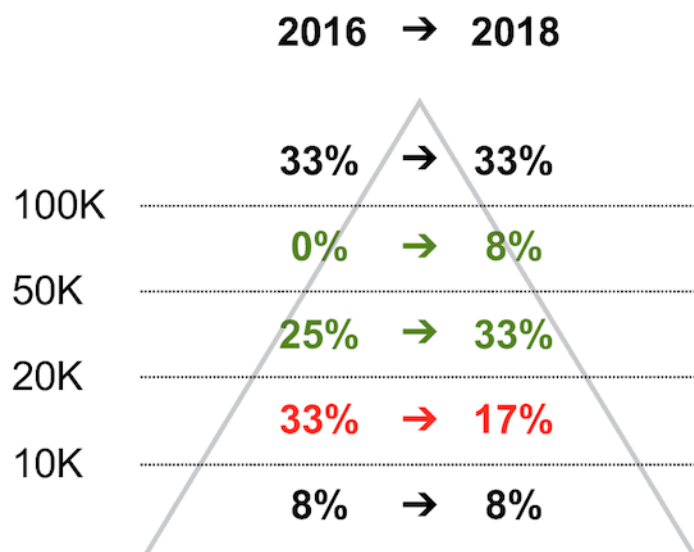


12 MICROFINANCE INSTITUTIONS (MFIs) REPORTING*

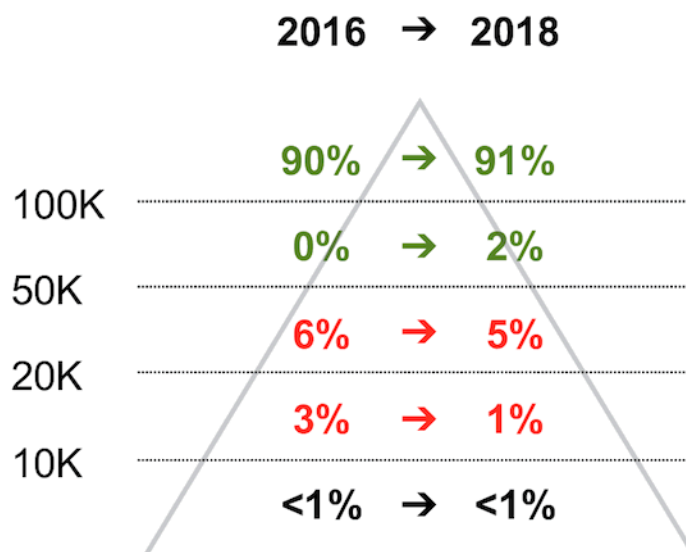
TOP MFIs BY GROWTH IN GROSS LOAN PORTFOLIO: CHANGE IN USD

MFI NAME	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2016	2018
ASA Philippines Foundation Inc	79 million	37	178 million	336 million
Negros Women for Tomorrow Foundation Inc	9.6 million	20	43 million	63 million
1st Valley Bank	8.3 million	7	116 million	133 million
Bangko Kabayan	4.3 million	14	27 million	36 million
Kabalikat Para sa Maunlad na Buhay Inc (KMBI)	3.1 million	20	14 million	20 million
Rural Bank of Camalig	1.7 million	12	13 million	17 million
Community Economic Ventures Inc (CEVI)	512,000	6	7.7 million	8.8 million
Bangko Mabuhay	349,000	3	10 million	11 million
Rangtay sa Pagrang-ay Microfinance Inc (RPMI)	228,000	5	4.4 million	4.8 million
JMH Microfinance Inc	115,000	5	2.2 million	2.4 million

PERCENT OF MFIs IN MARKET BY SIZE (NUMBER OF ACTIVE BORROWERS)



MARKET SHARE BY MFI SIZE (NUMBER OF ACTIVE BORROWERS)



*Includes only MFIs that reported data for both 2016 and 2018 to the Microfinance Information Exchange (MIX) Market

Source: MIX, August 2019



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- Digital Finance
- Agricultural Finance
- Sustainable Finance
- Masterclass on Blockchain in Business Strategy



Leveraging on Alternative Delivery Channels (ADC) is key to achieving cost-effectiveness and greater outreach.

Fern's ADC integration capabilities enable inclusive financial institutions to connect to established mobile money services, ATM networks and mobile devices to increase outreach and improve efficiency.

TOTAL BANKING SOLUTIONS
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East Africa 2018



USD 9 M
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Debt Capital Raise

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UPCOMING EVENTS

Convergences World Forum

September 5 - September 6, 2019; Paris, France

The twelfth edition of this event again focuses on meeting the UN's sustainable development goals and creating a society with "zero exclusion, zero carbon and zero poverty." In addition to conference sessions, a 3Zero Village will showcase the work of organizations that are "building tomorrow's sustainable solutions." The standard fee to attend is USD 350 for one day or USD 500 for two, but a range of discounts is available. More details may be sought via Paul Constantin at +33 (0)1 42 65 78 83 or paul.constantin[at]convergences.org, or you may visit <http://www.convergences.org/>.

Sa-Dhan National Conference

September 16 - September 17, 2019; New Delhi, India

This event will address how microfinance dovetails with topics such as clean energy, sanitation, clean water, urbanization, mobile services and good governance. The maximum fee to attend is INR 8,000 for domestic delegates or USD 500 for international delegates, but a range of discounts is offered. More details are available via conference[at]sa-dhan.org, +91 11 47174400 or <https://sadhannationalconference.wordpress.com>.

FINNOSUMMIT: The Fintech and Insurtech Innovator Summit

September 10 - September 13, 2019; Mexico City, Mexico

This eighth iteration of this event includes speakers, panels and workshops, as well as a set of pitches by startups in the financial technology (fintech) and insurance technology (insurtech) sectors. The winner in each category will receive mentorship and preferred access to finance and partnerships. The fee to attend is MXN 9,290, with discounts offered to startups and those attending only certain days of the conference. For more information, you may contact <https://www.finnovista.com/event/mexico-2019/>, +52 (55) 84212568 or info[at]finnovista.com.

2nd Annual Africa Agri-Finance Forum

September 17 - September 18, 2019; Nairobi, Kenya

This second annual conference on financing agriculture in Africa will present solutions to close the "productivity gap" including how to increase yields, save water, improve soil health and harness renewable energy. A trade show will run alongside the conference sessions to showcase relevant technologies. The cost to register is USD 500, although that is scheduled to increase to an unspecified price on September 1. More information is available via +254 20 2218114, agri-finance[at]aidembs.com or https://aidembs.com/aidembs-upcoming-conferences/?event_id1=13.

MENAFIF (Middle East & North Africa Financial Institutions Forum)

September 24 - September 25, 2019; Dubai, UAE

The goal of MENAFIF is to connect investors and financial institutions to "catalyze debt raising, equity investments and technical assistance programs" to support private sector growth and increase financial inclusion. The forum offers sessions on the status of the region's financial markets, "Microfinance Institutions in a Changing Landscape," and how to reach unbanked groups as well as small and medium-sized enterprises. The fee to register is USD 350, but it will rise to USD 495 in mid-September. For more details, you may visit <https://www.menafif.com/>, email info[at]afiforum.com or call +971 4 230 8555.

13th Annual Global Youth Economic Opportunities Summit

October 1 - October 4, 2019; Silver Spring, Maryland, USA

The thirteenth iteration of this summit will focus on the following topic areas: (1) skill-building for "a changing world of work;" (2) transitioning into the workforce; (3) self-employment; and (4) the "future of work." The fee to attend is USD 895 until September 6 and USD 950 thereafter. Discounted rates for certain groups, as well as add-on trainings are also available. For additional information, you may call +1 202 783 4090, visit <https://www.youtheosummit.org> or email summit[at]makingcents.com.

MORE DETAILS COMING SOON ON:

Banking on the Last Mile Conference

October 1 - October 3, 2019; Kampala, Uganda

Global Money Transfer Summit

October 2 - October 3, 2019; London, UK

Global Impact Investing Network Investor Forum

October 2 - October 3, 2019; Amsterdam, the Netherlands

9th Annual Central Asian and Caucasus Microfinance Forum

October 3 - October 4, 2019; Tbilisi, Georgia

Global SME Finance Forum

October 7 - October 9, 2019; Amsterdam, the Netherlands

Opportunity Collaboration

October 13 - October 18, 2019; Cancún, Mexico

Cracking the Nut

October 14 - October 15, 2019; Dakar, Senegal

SEEP Annual Conference

October 21 - October 23, 2019; Washington, DC, USA

SAM (Semaine Africaine de la Microfinance)

October 21 - October 25, 2019; Ouagadougou, Burkina Faso

Making Finance Work for Women 2019

October 22 - October 23, 2019; Singapore

2nd Annual Asia Pacific Microfinance Forum

October 22 - October 23, 2019; Singapore

SOCAP19

October 22 - October 25, 2019; San Francisco, California, USA

Social Enterprise World Forum

October 23 - October 25, 2019; Addis Ababa, Ethiopia

FOROMIC: Reinventing Inclusion

October 30 - November 1, 2019; Punta Cana, Dominican Republic

Inclusive Insurance for Emerging Markets

November 5 - November 7, 2019; Dhaka, Bangladesh

3rd Asia Finance Forum: The Future of Inclusive Finance

November 6 - November 7, 2019; Manila, the Philippines

European Microfinance Week

November 20 - November 22, 2019; Luxembourg

Sankalp Global Summit

November 26 - November 27, 2019; Mumbai, India

Inclusive Finance India Summit

December 4 - December 5, 2019; New Delhi, India

Livelihoods India Conference

December 12 - 13, 2019; New Delhi, India

AFIF (Asia Financial Institutions Forum)

January 22 - January 23, 2020; Bangkok, Thailand

FINTEX Africa 2020

February 12 - February 13, 2020, Kigali, Rwanda 🇷🇼

PAPER WRAP-UPS

Leveraging Technologies to Improve the Quality and Maximize the Productivity of Agent Models

By Jacqueline Foelster and Amin Khairy, published by the Center for Financial Inclusion, June 2019, 20 pages, available at <https://www.centerforfinancialinclusion.org/leveraging-technologies-to-improve-the-quality-and-maximize-the-productivity-of-agent-models>

As financial services providers (FSPs) seek new ways to meet the needs of underserved customers at low cost, the authors observe a trend toward the use of agents. Through various agent models, financial institutions “designate authority and responsibility to banking agents to deliver financial products and services.” Banking agents may include entities such as third-party financial service providers, mobile network operators, retailers and contracted individuals.

Among the ways FSPs are using technology to enhance agent models is the use of apps for mobile phones. One example is using apps to train agents. Another is to enable a customer to “act as an automatic teller machine (ATM)” by matching customers who need cash with those who have extra cash. FSPs also are using data analytics in efforts to decrease agents’ loan-processing time and otherwise boost their productivity.

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Smallholder Households: Distinct Segments, Different Needs

By Jamie Anderson, Ramesh Karrupusamy, Paul Enrico Neumann, Howard Miller and Ram Tamara; published by CGAP (Consultative Group to Assist the Poor); April 2019; 12 pages; available at https://www.cgap.org/sites/default/files/publications/2019_04_Focus_Note_Smallholder_Households_Distinct_Segments_Different_Needs.pdf

The authors argue that financial services providers active in rural areas should consider smallholder households as falling into the following segments: (1) “subsisting” households, which tend to need microinsurance and other basic services; (2) “commercializing” farmers, who tend to need loans specific to agriculture; and (3) “diversifying” entities, which are most likely to benefit from traditional financial services.

A G7 Partnership for Women’s Digital Financial Inclusion in Africa

Published by the Bill and Melinda Gates Foundation, July 2019, 24 pages, available at https://docs.gatesfoundation.org/Documents/WomensDigitalFinancialInclusioninAfrica_English.pdf

This report proposes the following ways in which G7 countries can contribute to making digital financial services more accessible to women in Africa: (1) enabling interoperability; (2) expanding methods of digital identification; (3) encouraging regulatory environments that support the growth of digital financial services that are adapted to local contexts; (4) supporting the “assessment of digital readiness” and providing guidance on overcoming the challenges identified; and (5) encouraging research on how digital financial services can advance gender equality. 🗨️

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