

MICROCAPITAL BRIEFS | TOP STORIES

Intelcap Arm Takes Majority Stake in Arohan of India for \$10m

Please see page 3 for coverage of this "MicroCapital Deal of the Month."

IFC Invests \$10m in CoreCo Central America Fund for SMEs

CoreCo Central America Fund I, a private equity fund based in Guatemala that invests in small and medium-sized enterprises (SMEs), recently received an equity investment of USD 10 million from the International Finance Corporation (IFC), the private-investment arm of the World Bank Group. The funds are to be used to develop sectors such as, "healthcare, information technology, retail [and] financial and business services." IFC also intends to encourage the implementation of best-practice corporate governance and environmental and social standards by the companies that CoreCo finances. Founded in 2009, CoreCo now has assets of USD 54 million. October 8, 2012

LeapFrog Pays \$15m for 15% of India's Mahindra Insurance

LeapFrog Investments, a for-profit microinsurance fund based in Mauritius, recently paid the rupee-equivalent of USD 15 million to acquire a 15-percent stake in Mahindra Insurance Brokers Limited, which focuses on serving rural India with asset and loan insurance. Mahindra, which was established in 2004 and has served 2.5 million individuals, hopes to gain from LeapFrog's knowledge of "product design and distribution" methods. Founded in 2007, LeapFrog reports total investments of USD 135 million reaching 8 million people in six African and Asian countries. October 8, 2012

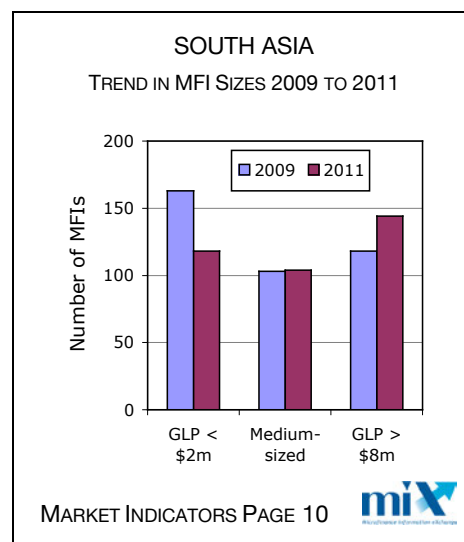
Citibank, OPIC Share Risk on \$18m Loan to Indonesia's Andara

Citibank Indonesia, an arm of US-based financial services conglomerate Citigroup, and the Overseas Private Investment Corporation, a US-based development finance institution, have agreed to share risk on a term loan of USD 18.5 million to Bank Andara of Indonesia to support its wholesale microfinance lending. Bank Andara, which also provides deposit services to wholesale and retail customers, counts among its shareholders Mercy Corps, a US-based nonprofit relief and development agency; International Finance Corporation, a member of the World Bank Group; the Hivos-Triodos Fund, a Dutch microfinance investment vehicle; Cordaid Microfinance Alliance Fund, a Philippines-based vehicle created by US-based Catholic Relief Services; KfW Bankengruppe, a German development bank; and I Wayan Gatha, the founder of Bank Andara. Bank Andara reports total assets equivalent to USD 76 million. October 5, 2012

Social Investment Commitments Made at Clinton Global Initiative

At the eighth annual meeting of the Clinton Global Initiative, which was established by former US President Bill Clinton to motivate global leaders to address issues such as poverty, the environment, health care and education, 150 commitments to various projects were announced including: (1) NGO 2.0 Shaping the Next Generation of Social Entrepreneurs, an effort of the Hult International Business School to encourage university students to start social enterprises; (2) Agri-Fin Mobile: Increasing Small-holder Income Through Mobile, whereby by Mercy Corps and the Swiss Agency for Development and Cooperation aim to expand mobile financial services in Indonesia, Uganda and Zimbabwe; and (3) the Essential Capital Fund, through which Deutsche Bank Americas will provide capital to "socially responsible" investment funds and organizations that support microfinance and other social enterprises. Please refer to <http://MicroCapital.org> for progress reports on previous commitments to the initiative and details on selected winners of the Clinton Global Citizen Awards. September 28, 2012

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MICROCAPITAL BRIEFS

MicroCapital to Cover European Microfinance Week Onsite

We at MicroCapital are pleased to announce that we have been contracted to provide onsite reporting from Microfinance Week 2012, a production of the 130-member European Microfinance Platform. The event will be held in Luxembourg from November 14 through November 16, with multiple postings to be published each day at <http://microcapital.org> and on Twitter @MicroCapital. For more details, you may refer to the ad on page 4 of this newspaper and <http://e-mfp.eu>. October 11, 2012

Sanad Fund for MSME Loans \$1.5m to FINCA Jordan

The Sanad Fund for MSME, an initiative of German development bank KfW Entwicklungsbank that provides debt and equity to financial institutions serving micro-, small and medium-sized enterprises in the Middle East, recently made a local-currency loan equivalent to USD 1.5 million to FINCA Jordan Specialized Microloans, an arm of US-based nonprofit Foundation for International Community Assistance (FINCA) International. FINCA Jordan will use the loan to expand credit services to approximately 3,000 microentrepreneurs. Sanad will also provide technical assistance with the aim of improving the efficiency of the microbank, which reports total assets of USD 9 million, 15,000 clients and branches in seven cities. FINCA International has subsidiaries in 21 countries and total assets of USD 719 million as of 2010. Sanad holds investor commitments of USD 61 million. October 11, 2012

Bangladesh Bank Governor: Financial Inclusion Boosts GDP

Governor Atiur Rahman of Bangladesh Bank, the central bank of the country, reportedly called for stakeholders in the global finance sector to adopt financial inclusion strategies as a means to enhance their countries' gross domestic product (GDP) at the recent Alliance for Financial Inclusion Global Policy Forum that was held in South Africa. In 2011, Bangladesh enjoyed 6-percent growth in real GDP, which Dr Rahman attributes to a financial inclusion campaign launched by the government that year. He also argued that mobile financial services can be a viable solution to reaching the unbanked. Mobile banking transactions in Bangladesh average the equivalent of USD 27 billion daily. October 9, 2012

Etisalat Rolls Out Mobile Money Service in Nigeria

Etisalat Nigeria Limited, the local subsidiary of Emirates Telecommunications Corporation of the United Arab Emirates, recently unveiled its "Easywallet" mobile money system. The service, which can be used in four languages, offers transfers between accounts, airtime top-up and payment for goods and services via mobile phones. Etisalat Nigeria has engaged four banks in Nigeria as implementation partners including First Bank, Guaranty Trust Bank, Stanbic IBTC and Zenith Bank. Etisalat Nigeria has 14 million subscribers, and Emirates Telecommunications has operations in 18 countries. October 5, 2012

The *MicroCapital Monitor* is available to the public by paid subscription. Since 2009, MFIs in developing countries have been receiving the publication at no charge courtesy of:



BIO Financial Education Grant Supports Loan to Banco Solidario

The Belgian Investment Company for Developing Countries (BIO), a public-private partnership established by the Belgian government, recently disbursed a technical assistance grant of undisclosed size to Banco Solidario, an Ecuadorian microfinance institution, to support a financial education course entitled "Cuida Tu Futuro, Usa Bien Tu Dinero," or "Take Care of your Future, Use your Money Well." Solidario plans to deliver the program to 40,000 clients on a preventative basis and to 500 clients who already are considered at risk for over-indebtedness. Earlier this year, BIO loaned USD 8 million to Solidario, which reports total assets of USD 378 million, a gross loan portfolio of USD 260 million, return on assets of 3.2 percent and return on equity of 25 percent. October 5, 2012

India May Require Insurers to Reach All Poor Families

India's Insurance Regulatory and Development Authority reportedly has drafted a proposal that would require insurers to provide coverage against natural catastrophes and accidental death to 100 percent of poor families within five years. The target for each insurer would be determined in proportion to its market share. At least half of the policies would include coverage equivalent to USD 750 to USD 3,800 with terms of 5 to 25 years. The remainder of the policies could be any that are normally offered by the insurers. October 5, 2012

Stakes in India's SKS Change Hands as Non-AP Loans Grow 21%

Despite experiencing average losses per quarter equivalent to USD 37 million during the year ending in March, India's SKS Microfinance recently has borrowed approximately USD 189 million from banks. In Indian states other than Andhra Pradesh, the company's loan portfolio grew at a rate of 21 percent during the quarter ending in June compared with the previous quarter, and the company reportedly believes it will turn a profit in the quarter ending in December. Meanwhile, the Royal Bank of Scotland reportedly has purchased 500 million shares of SKS for USD 11.2 million, and Morgan Stanley Asia, a branch of the US-based financial services firm, acquired 450 million shares for USD 10.3 million. Both companies purchased their stakes from Deutsche Securities Mauritius, which has sold all of its shares in SKS. As of December 2011, SKS reports a gross loan portfolio of USD 328 million, 4.3 million borrowers, return on assets of -49 percent and return on equity of -125 percent. October 4, 2012

Sonata of India Raises \$6m in Equity from Creation, Dell, Others

Sonata Finance Private Limited, a microlender serving India's northern states, recently announced that it has closed a Series D equity raise equivalent to USD 6.7 million from parties including Creation Investments, a US-based investment fund; the Michael and Susan Dell Foundation, a US-based nonprofit; Swaminathan Aiyar, an Indian journalist; and Anup Kumar Singh, promoter and managing director of Sonata. Unitus Capital, an India-based financial advisory firm affiliated with US-based nonprofit Unitus, served as financial adviser to Sonata, which reports total assets of USD 23 million, a gross loan portfolio of USD 20 million and 132,000 borrowers. October 4, 2012

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Please refer to <http://MicroCapital.org> for information sources for all briefs. MicroCapital recognizes the individuals at CGAP, the Microfinance Gateway and the Microfinance Information Exchange for their outstanding work disseminating information on microfinance. Thank you!

ADB Invests \$40m in Vietnam's Microfinance Sector

The Asian Development Bank (ADB), a development finance institution based in the Philippines, recently lent USD 40 million to the government of Vietnam in an effort to improve the country's microfinance sector. As part of ADB's Microfinance Development Program, an initiative focused on microfinance sectors in emerging markets, the disbursement is intended to make financial services more accessible and sustainable, especially in rural areas of Vietnam through "regulatory reforms, supervisory capacity building, institutional development, and financial infrastructure development." Comprising 67 member countries, ADB reports total capitalization of USD 71 billion. October 2, 2012

ResponsAbility Loans \$3m in Cameroon, Senegal

ResponsAbility Social Investments, a Swiss investment company, recently notified MicroCapital that it disbursed the equivalent of USD 1.9 million in subdebt to Advans Cameroun and the equivalent of USD 1.2 million in debt to MicroCred Senegal. Advans Cameroun, which is one of seven microbanks of Luxembourg-registered Advans SA, reports total assets of USD 22 million, a gross loan portfolio of USD 19 million, 9,100 active borrowers, deposits of USD 8.1 million, 21,000 depositors, return on assets (ROA) of -1.4 percent and return on equity (ROE) of -10 percent. MicroCred Senegal, one of five microbank members of PlaNet Finance's Paris-based MicroCred Group, reports total assets of USD 41 million, a gross loan portfolio of USD 34 million, 22,000 borrowers, deposits of USD 19 million, 54,200 depositors, ROA of 2.9 percent and ROE of 18 percent. October 1, 2012

LIC of India, Robi Axiata of Bangladesh Launch Microinsurance

Life Insurance Corporation, which is owned by the Indian government, recently launched Jeevan Deep, its third microinsurance product, which offers death and maturity benefits via monthly, yearly and other payment plans for coverage ranging from the equivalent of USD 90 to USD 570. Bangladeshi mobile phone operator Robi Axiata Limited has launched free life insurance coverage for its subscribers that are between 18 and 60 years of age and use airtime equivalent to at least USD 3 per month. Depending on airtime usage, the coverage ranges up to USD 600. In the first two months, the service reportedly has attracted 80,000 customers, with daily enrollment having risen to 4,000. Robi is a joint venture of Axiata Group Berhad of Malaysia and a service of Japan's Nippon Telegraph and Telephone called DOCOMO (Do Communications Over Mobile Network). September 29, 2012

MIF, Global Partnerships Launch \$1m Health Project in LAC

The Multilateral Investment Fund (MIF), a member of the US-based IDB (Inter-American Development Bank) Group, has agreed to partner with Global Partnerships, a nonprofit with offices in Nicaragua and the US, to support microfinance institutions (MFIs) and cooperatives in offering health services and education to low-income households in Ecuador, Haiti, Honduras and Nicaragua. The project, which has a budget of USD 1 million, is planned to benefit up to 75,000 low-income women and their families over three years. Carrie McKellogg, MIF Unit Chief of Basic Services, said: "Connecting micro credit and savings with health prevention and educational services offers complementary solutions for two intertwined problems faced by millions of people living in poverty." MIF reports disbursing approximately USD 100 million per year in grants, equity and loans. As of 2011, Global Partnerships reported USD 36 million invested in 30 MFIs that serve 972,000 borrowers in eight Latin American countries. September 27, 2012

MicroCapital Deal of the Month

Intellecap Arm Takes Majority Stake in Arohan of India for \$10m

Intellecash Microfinance Network, a subsidiary of Indian social-sector advisory firm Intellectual Capital Advisory Services (Intellecap), reportedly has purchased a 56-percent stake in Arohan Financial Services, an Indian microlender, for the rupee-equivalent of USD 10 million. Live Mint, an Indian news source affiliated with US-based newspaper *The Wall Street Journal*, termed the transaction the "first sizeable acquisition in India's microfinance sector since it ran into a crisis after [the Indian state of] Andhra Pradesh in October 2010 passed a law that restricted the operations of microlenders...". Other stakeholders in Arohan include the Mauritius-based India Financial Inclusion Fund, the US-based Michael and Susan Dell Foundation and the Dutch-Indian social investor Aavishkaar Goodwell. Arohan, which also offers life insurance, reports total assets of USD 10 million, 107,000 borrowers, return on assets of -16 percent and return on equity of -80 percent.

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Absolute's Dual Return Fund Loans \$8m in Asia, Ecuador

Absolute Portfolio Management GmbH, an Austrian investment company that specializes in microfinance, recently told MicroCapital that it has disbursed loans to unspecified microfinance institutions in Asia, Eastern Europe and South America. Within Eurasia, Absolute loaned USD 2 million in Kazakhstan, USD 1 million each in Azerbaijan and Indonesia, and USD 750,000 in Tajikistan. Additionally, Absolute lent USD 2 million and THB 31 million (USD 1 million) in Cambodia. In Ecuador, Absolute provided funding of USD 750,000. These loans were disbursed through the two sub-funds of Absolute's Vision Microfinance: Dual Return Fund-Vision Microfinance and Dual Return Fund-Vision Microfinance Local Currency. The sub-funds report a combined volume equivalent to USD 210 million. September 27, 2012

Milaap, e27 to Raise Funds for Microenterprises in India

Milaap, an online microlending platform with offices in Singapore and India, reportedly has partnered with e27, a Singapore-based media organization, to launch a crowdfunded entrepreneurship development fund with a target size equivalent to USD 40,000, of which one third has been raised so far. The funding will be disbursed as loans in rural India to microentrepreneurs who lack access to traditional bank lending. Individuals who lend to the effort may receive the original amount of their loan back after two years without interest. Interest charged by Milaap is retained to cover its expenses. Milaap allows individuals to lend a minimum of USD 12 to the fund via its website. Milaap reports a total of 1,000 individuals having lent to this and its other programs. September 26, 2012

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190,000 Youth in Rural China Access \$1.6b in Microcredit

According to figures attributed to the China Communist Youth League (CCYL), 190,000 rural businesspeople under the age of 40 participated in a microfinance scheme designed to help participants start businesses in partnership with local financial institutions. In the first half of 2012, CCYL channeled the equivalent of USD 1.6 billion through the scheme as well as USD 63 million in interest subsidies for use in central and western China. September 25, 2012

IDB Guarantees \$2m of Citibank Loan to Microfin of Uruguay

The Inter-American Development Bank (IDB), a US-based funder of projects supporting small and medium-sized enterprises (SMEs) and other sectors, recently issued a local-currency partial credit guarantee equivalent to USD 2.4 million to Microfin, a microlender that serves SMEs in Uruguay. The guarantee is slated to support a loan of unspecified size from US-based Citibank. Microfin intends to use the funds to expand financial services for its existing clients and develop partnerships with SMEs within the food and consumer goods industries. Founded in 2008, Microfin reports total assets of USD 11.9 million, a gross loan portfolio of USD 7.3 million, 2,000 borrowers, return on assets of -5.9 percent and return on equity of -26 percent. As of 2011, IDB reports total assets of USD 89 billion. September 24, 2012

AppZone Offers Branchless Banking Platform to MFIs in Nigeria

AppZone, a Nigeria-based financial technology firm, reportedly has launched the BankOne branchless banking platform, which allows financial institutions to use mobile devices as data-capture terminals. Initially intended to serve traditional financial institutions, AppZone has since customized the service for microfinance providers. BankOne's services include bill payment, debit cards and Internet and short message service (SMS) banking. The price to initiate service begins at USD 1,500 upfront plus USD 30 per staff person per month. AppZone also charges fees when clients use BankOne services, such as a USD 0.60 fee for mobile banking transactions. BankOne has approximately 30 microbank clients, representing 200,000 accounts. September 21, 2012

Desjardins Arms Loan \$1.5m to Fundacion Espoir of Ecuador

Fundacion para el Desarrollo Integral Espoir, a nonprofit microlender and provider of social services to poor women in Ecuador, recently borrowed a total of USD 1.5 million from two members of Canadian cooperative financial institution Desjardins Group: Developpement international Desjardins and the Desjardins Fund for Inclusive Finance. With this funding, Espoir expects to expand its customer outreach and "gain leverage enabling it to approach new investment partners." Espoir reports assets of USD 48 million, a gross loan portfolio of USD 43 million, 71,000 borrowers, return on assets of 4.0 percent and return on equity of 28 percent. The Desjardins Fund for Inclusive Finance, which was established in 2011, reported initial Canadian-dollar funding equivalent to USD 5.1 million. Developpement international Desjardins reports total assets of USD 30 million. September 21, 2012

GATE Global Impact, Unismart Partner on Crowdfunding

GATE (Global Alternative Trading Engine) Global Impact, an Internet-based impact-investing platform from US-based GATE Technologies, is partnering with India's Unismart Capital Software in support of a crowdfunding investment platform, which allows people to pool small amounts of money to fund a small business. Unismart's Funding-roadmap software provides a standardized business plan and due diligence reporting system that entrepreneurs can use to communicate with potential investors. GATE's online platforms facilitate transactions ranging from equity investments to the purchase of items traded by collectors. September 20, 2012

Odotobri of Ghana Expands Branch Network, Service Menu

Odotobri Rural Bank Limited, a publicly traded institution in Ghana, reportedly has opened its seventh branch in the city of Kumasi and plans to open another branch in the same city. Odotobri focuses on providing microfinance to groups of women as well as individuals. Odotobri board chairman Johnny Owusu-Boadi reportedly stated that the bank plans to introduce automated teller machines and mobile banking services. Financial information on Odotobri is unavailable. September 19, 2012

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ResponsAbility Invests \$7m in Kenya, FINCA MF Holdings

ResponsAbility Social Investments of Switzerland has notified MicroCapital that funds it manages recently loaned USD 5 million to Chase Bank of Kenya, USD 1.25 million to the Kenya Women Finance Trust (KWFT) and USD 1.25 million to FINCA Microfinance Holdings (FMH), which was founded in 2011 by US-based nonprofit Foundation for International Community Assistance (FINCA) International. Chase Bank, which is the parent of Rafiki Deposit Taking Microfinance, reports total assets equivalent to USD 425 million, a gross loan portfolio of USD 211 million, USD 289 million in deposits, return on equity (ROE) of 20 percent and return on assets (ROA) of 1.6 percent. KWFT reports total assets of USD 201 million, a gross loan portfolio of USD 135 million, USD 83 million in deposits, ROA of 1.2 percent and ROE of 12 percent. FINCA International, which aims to raise USD 74 million for FMH over three years, provides financial services to poor families in 21 countries and has total assets of USD 719 million. September 19, 2012

EBay, Grameen Foundations Plan Mobile Services for Indonesia

The eBay Foundation, the charitable arm of the US-based online marketplace, and Grameen Foundation, a US-based nonprofit that aims to increase financial and technological opportunities for people in poor countries, have announced they will partner to build the following services in Indonesia: (1) a mobile marketplace for goods and services that can be accessed via mobile phone; and (2) a mobile transaction platform for financial services such as bill payment. The effort supports Grameen Foundation's Mobile Microfranchise initiative, which involves approximately 10,000 female microentrepreneurs in the province of West Java. The program helps women start businesses that offer services such as providing access to a mobile phone or sales of mobile airtime. Grameen Foundation reported total assets of USD 27 million as of 2011, and the eBay Foundation reported total assets of USD 30 million as of 2010. September 19, 2012

Credins Leasing of Albania Borrows \$2m from EBRD

Credins Leasing, an arm of Albania's Credins Bank that provides funding for vehicles and other equipment, recently borrowed the euro-equivalent of USD 2 million from the US-based European Bank for Reconstruction and Development (EBRD), which will also provide technical assistance to Credins staff. With 43 branches, Credins Bank reports the local-currency equivalent of USD 781 million in total assets, a gross loan portfolio of USD 544 million, deposits of USD 662 million, return on assets of 2.1 percent and return on equity of 25 percent. EBRD reports assets equivalent to USD 61 billion and USD 611 million in disbursements to 112 microfinance investments. September 19, 2012

Omtrix Higher Education Fund Disburses \$3m in Guatemala

The Higher Education Finance Fund, which is managed by Omtrix of Costa Rica, has disbursed a loan of USD 3 million with a nine-year term and a four-year grace period to Genesis Empresarial, a Guatemalan NGO. Launched with investments of USD 34 million in 2012, the fund is paired with a technical assistance grant facility that has already been deployed at Genesis, which has agreed to add educational loans to its menu of entrepreneurial and housing loans. Genesis reports assets of USD 87 million and a gross loan portfolio of USD 84 million disbursed to 157,000 borrowers. September 15, 2012

ResponsAbility Loans \$5m in Mexico, Ecuador

ResponsAbility Social Investments of Switzerland has informed MicroCapital that funds it manages lent a local-currency total equivalent to USD 3.6 million to ProCredit Mexico, a microbanking member of Germany's ProCredit Holding. ProCredit Mexico reports total assets of USD 72 million, a gross loan portfolio of USD 56 million, return on assets of -1.24 percent and return on equity of -6.23 percent. Cooperativo de Ahorro y Credito (COAC) Riobamba, a savings and loan cooperative in Ecuador, also borrowed USD 2 million from ResponsAbility funds. Financial information on COAC Riobamba is unavailable. September 14, 2012



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FIELD NOTES

Reflections from FOROMIC 2012:

Who Will Lead Microfinance into the Next Generation?


As I listen to the waves gently gliding across shades of turquoise in the Caribbean Sea, I am swaying on a hammock under some palms, thinking about...*microfinance*? I am taking advantage of American Airlines' delays as I recover from the annual FOROMIC conference in Barbados, which was hosted by the Multilateral Investment Fund/Inter-American Development Bank (MIF/IDB). The conference location reflects some real shifts in thinking about financial access gaps and where donors can make a difference. Unlike most of the places I travel, the roads of Barbados are not peppered with financial service options. I haven't seen pawnshops, microfinance institutions (MFIs), NGOs and cooperatives on every corner. Holding the event in Barbados seemed to symbolize the idea that there is still more to do in financial access. The subtext was that the industry in Latin America has evolved to an extent that there may not be much left for large donors to do here. Today, the microfinance industry in Latin America offers a variety of institutions in most of the region (excluding Barbados and a few other countries) that are doing business with less and less subsidy. These institutions are funded by a variety of commercial (and some non-commercial) vehicles. Of the USD 500 billion invested by microfinance investment vehicles in the sector worldwide, a large part is still placed in the region. So what is left for donors and other stakeholders to do?

The FOROMIC agenda seemed a bit out-of-focus, reflecting the sector's achievements, but not quite assimilating their implications. It suggested the need for leadership in some key areas without mapping the direction for the industry overall. There is a lot to think about in the sector, and many are talking about deconstructing and reconstructing microfinance, which has followed largely the same models for the past 20 years. Parallel to the proceedings, US-based nonprofit Accion held a meeting

of its affiliates challenging them to rise to the task. Some institutions have begun to take on the challenge, and there have been some interesting results. For example, some MFIs have bet on growth through international expansion, both south-to-south, but also south-to-north. Mexico's Financiera Independencia's purchase of a San Francisco-based MFI is one of a growing number of examples. For others, it has meant experimenting with technology and delivery mechanisms to reduce costs in their home countries. I am consistently impressed with the new centralized credit analysis process of Ecuador's Banco Solidario.

At FOROMIC, MIF/IDB proposed that the challenges ahead include: (1) "green" finance - some efforts displayed at the conference made me think green is just around the corner; (2) supporting small and medium-sized enterprises (SMEs) - although I am not convinced we've helped microentrepreneurs enough to move on to SMEs; (3) broadening financial inclusion to savings and insurance - where there is still much work to be done; and (4) supporting consumer protection and transparency within microcredit - which I view as a necessary response to an industry that is ever more focused on the bottom line.

Many institutions still are wondering what's around the corner and are looking for leadership from organizations like MIF/IDB. If government-backed organizations and NGOs choose not to provide this leadership, big commercial players will step in and push through their own agendas, for better or for worse.

About the Author: Ms Barbara Magnoni is President of EA Consultants, a development consulting firm based in New York. She has 15 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](#). 



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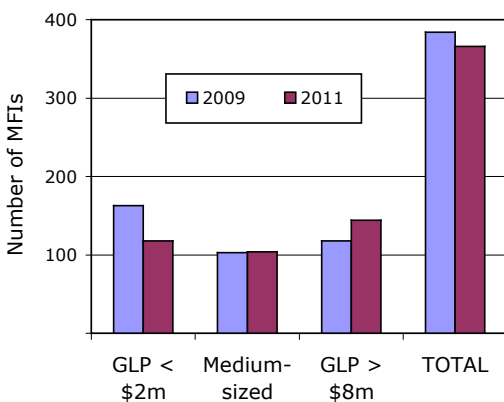
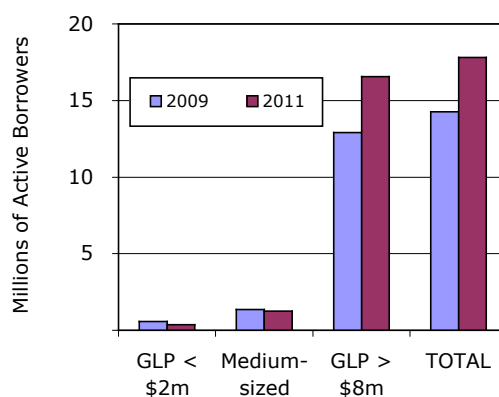
**MICROCAPITAL MARKET INDICATORS****SOUTH ASIA**

188 MICROFINANCE INSTITUTIONS (MFIs) FROM 7 COUNTRIES REPORTING DATA

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

MF I NAME	COUNTRY	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2009	2011
Bandhan	India	200,410,136	49	332,462,204	733,282,475
Shri Kshethra Dharmasthala Rural Development	India	92,626,467	53	136,728,666	321,981,599
Asa	Bangladesh	61,739,433	13	456,298,852	579,777,717
S E Investments Limited	India	47,628,565	49	77,876,659	173,133,789
Ujjivan	India	27,915,906	30	82,447,140	138,278,951
Janalakshmi Financial Services Private Limited	India	27,019,992	115	14,909,024	68,949,007
Sanasa Development Bank Limited	Sri Lanka	24,737,611	24	93,209,522	142,684,743
Share Microfin Limited	India	19,116,943	5	376,593,362	414,827,248
Tameer Microfinance Bank	Pakistan	19,062,389	76	18,244,562	56,369,339
Satin Creditcare Network Limited	India	17,256,543	49	28,420,622	62,933,708

Note: The above data includes all 188 institutions reporting gross loan portfolio data to MIX Market for both 2009 and 2011.

**PERCENT OF MFIs IN MARKET
BY SIZE OF GROSS LOAN PORTFOLIO (GLP)****MARKET SHARE (MILLIONS OF ACTIVE BORROWERS)
BY SIZE OF GROSS LOAN PORTFOLIO**

Note: The above data includes institutions reporting borrower numbers to MIX Market for 2009, 2011 or both.

Source: Microfinance Information Exchange (MIX), October 2012.

UPCOMING EVENTS

Calgary Microcredit Conference 2012

October 13, 2012, Calgary, Canada

This event aims to cover what is and what is not working in both international and Canadian microcredit. The fee to attend is CAD 90, with a student rate of CAD 65 available. Details may be sought from Barb Briggs at [briggsbarb\[at\]gmail.com](mailto:briggsbarb[at]gmail.com) or +1 403 245 2297, or you may visit <http://mc5360.rotaryglobal.net>.

Women's World Banking Capital Markets Conference

October 23 - October 24, 2012, New York, New York, USA

The tenth anniversary edition of this event will focus on investing in "client-focused" microbanks as well as social performance, innovation and investing in women. The registration fee is USD 1,000, with a rate of USD 700 available to nonprofits and microbanks. More information is available from Allegra Palmer at [apalmer\[at\]swwb.org](mailto:apalmer[at]swwb.org) or +1 212 768 8513, or you may visit <http://www.swwb.org/cmc2012>.

Inclusive Financial Services Stakeholders Conference

October 23 - October 24, 2012, Erbil, Iraq

This event will focus on the Iraqi microfinance industry with the underlying theme of "The Path to Economic and Social Advancement." There will be discussions on the Iraqi legal and regulatory environment as well as anticipated opportunities in the country's microfinance industry over the next decade. There is no charge to attend, and more details may be had via <http://imfi.org/en/node/25739>, [mfconference2012\[at\]tjara-iraq.com](mailto:mfconference2012[at]tjara-iraq.com) or +1 202 684 7473.

Family Office & Private Wealth Forum West

October 24 - October 26, 2012, Napa, California, USA

This event is set to explore the challenges and opportunities associated with investing in emerging markets, alternative investments and other asset types. The fee to attend is USD 2,995, although no fee is charged to institutional end-investors. More details are available via <http://www.opalgroup.net/trk/fopwwb1211.html>, +1 212 532 9898 or [info\[at\]opalgroup.net](mailto:info[at]opalgroup.net).

Ninth Annual Conference from Sanabel

October 31 - November 2, 2012, Khartoum, Sudan

Themed "New Decade for Sanabel, New Services from the Microfinance Sector," this event is slated to cover topics in Arab microfinance such as Islamic microfinance, microinsurance, governance, transparent pricing, serving youth, serving rural areas, mobile services; and potential conflicts between client protection and financial sustainability. The fee to register is USD 700 until October 15, with a rate of USD 500 offered to Sanabel members and Sudanese participants. All on-site registrations cost an additional USD 100. Separate pricing applies to attend a five-day "Financial Analysis and SEEP FRAME Tool Training" that begins November 3. For more details, you may email [conference\[at\]sanabelnetwork.org](mailto:conference[at]sanabelnetwork.org), call +20 2 37 60 37 56, or visit <http://www.sanabelconf.org/sanabel-home.html>.

2012 SEEP Annual Conference: Building Inclusive Markets

November 4 - November 8, 2012, Arlington, Virginia, USA

This conference will focus on "innovations that increase scale and impact...expanding access to the basic tools of economic self-determination." The package price of the Global Summit on November 5 and the Annual Conference on November 7 and November 8 is USD 1,275 with a rate of USD 988 for Small Enterprise Education and Promotion (SEEP) Network members. Pricing for other sessions vary, with some free of charge. More details are available via <http://www.seepnetwork.org/seep-2012-pages-97.php>, [annualconference\[at\]seepnetwork.org](mailto:annualconference[at]seepnetwork.org) or +1 202 534 1400.

Eighth International Microinsurance Conference

November 6 - November 8, 2012, Dar es Salaam, Tanzania

This event will cover topics including cooperative insurance, economic analysis, technology and consumer protection. The registration fee for private sector representatives is EUR 1,190. Discounts are available for various categories of organizations and for all registrations received by October 15. Free admission is available for regulators. Inquiries may be directed to Paula Jiménez at [pjimenez\[at\]munichre-foundation.org](mailto:pjimenez[at]munichre-foundation.org) or +49 89 38 91 88 88, or via <http://microinsuranceconference.org/home/Projects/Microinsurance/2012Microinsurance.html>.

Building Sustainable Microfinance in Europe

November 8 - November 9, 2012, Bucharest, Romania

The ninth annual conference of the European Microfinance Network (EMN) will focus on lessons that microfinance providers can learn from their peers. Separately priced training courses will be held November 7. The fee to attend the main conference is EUR 450 with a rate of EUR 360 available to EMN members. For additional information, you may call +32 (0) 222 727 07, email [c.verde\[at\]european-microfinance.org](mailto:c.verde[at]european-microfinance.org) or visit http://www.european-microfinance.org/conference/conference-bucharest-2012_en.php.

TBLI Conference Europe 2012

November 8 - November 9, 2012, Zurich, Switzerland

This event, which will expose attendees to topics related to investing in ways that respect environmental, social and governance factors, is organized by TBLI (Triple Bottom Line Investments) of the Netherlands. Corporate attendees may register for two days for CHF 1,250. Discounts are available for nonprofit and academic representatives as well as for one-day passes. An additional fee applies to on-site registrations. More details may be had via Franks Stevens at +31 (0)20 428 6752 20 or [europe2012\[at\]tbli.org](mailto:europe2012[at]tbli.org), or you may visit <http://www.tbliconference.com/tbli-europe-2012>.

European Microfinance Week

November 14 - November 16, 2012, Luxembourg

Themed "combining strengths - delivering results," the event will cover how to align social and business objectives while maintaining sustainable growth. MicroCapital has been sponsored to provide online coverage of the event multiples times per day during the proceedings. The 4th European Microfinance Award will also be presented during the event, which is hosted by the European Microfinance Platform, a network of 120 organizations and individuals. The fee to attend is EUR 500, with a student rate of EUR 80. For additional information, you may contact Niamh Watters at +352 26 27 13 55 or [contact\[at\]e-mfp.eu](mailto:contact[at]e-mfp.eu). The event website is <http://e-mfp.eu/register-emw2012>.

Impact Investing Summit

November 26 - November 28, 2012, Washington, DC, USA

This event will cover agriculture, education, energy, clean technology and health through case studies and discussions of how to balance risk, select metrics and avoid swapping return for impact. The standard fee to attend is USD 2,099 with a range of discounts is available including **15-percent off for MicroCapital readers indicating the priority code "MicroCapital."** For more information, you may visit <http://impactinvesting-usa.com/>, email [info\[at\]hansonwade.com](mailto:info[at]hansonwade.com) or phone +44 203 141 8700.

MORE DETAILS COMING SOON ON...

Microfinance India Summit

November 27 - November 28, 2012, New Delhi, India

Global Islamic Microfinance Forum - REVISED DATE

December 8, 2012, Dubai, United Arab Emirates

PAPER WRAP-UPS

Emerging Perspectives on Youth Savings

By Tanaya Kilara and Alexia Latortue, published by CGAP (Consultative Group to Assist the Poor), July 2012, 10 pages, available at: <http://www.cgap.org/sites/default/files/CGAP-Focus-Note-Emerging-Perspectives-on-Youth-Savings-Aug-2012.pdf>

The authors of this paper argue in favor of familiarizing poor individuals with savings programs, especially younger people. Although it is difficult for youth from low-income families to save, financial providers can offer tailored savings plans to meet the needs of these groups. This paper examines the potential opportunities and obstacles faced by financial service providers and policymakers that seek to increase the use of savings plans by youth in developing nations. According to the paper, there are 1.2 billion youths worldwide between the ages of 15 and 24, most of whom live in developing countries, indicating an enormous potential for financial service providers who target this group. According to the World Bank's Global Financial Inclusion Database (Findex), approximately 4.2 million youth have access to financial services worldwide as of 2012.

The authors encourage institutions to work to eradicate the idea that youth are "irresponsible, unable to handle money, and risky due to a lack of collateral." Proponents of youth savings stress the importance of starting to save early and argue that youth savings programs can "promote asset-building," teach good financial habits and ultimately improve a country's overall savings rate. Policymakers also need to examine the legal age for youth to enter into contracts, which is a potential obstacle, as well as the widespread lack of identification papers. Financial service providers must also overcome low profitability due to smaller deposits, fewer transactions and fewer product purchases by youth. On the other hand, potential advantages include gaining market share, delivering on corporate social responsibility, building the organization's brand and nurturing a loyal customer base at a young age.

The paper ends with a review of the considerations that policymakers and financial service providers should heed in order to implement youth savings programs optimally. Financial institutions first must look at potential profitability to determine whether it is worth serving youth. If it is, they need to determine if the products they currently offer to adults can meet the needs of youth or if they need to tailor new financial products to this market segment. Lastly, the authors argue that more studies on the social impact of youth savings would help policymakers promote the concept.

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Strategic Framing Work(s): How Microcredit Loans Facilitate Anti-witch-hunt Movements

By Soma Chaudhuri and Anuradha Chakravarty, published by Mobilization, June 2012, 19 pages, available for purchase at: <http://mobilization.metapress.com/link.asp?id=f54x1h0622750028>

This publication summarizes a study of microfinance and its effect on witch hunts in the town of Jalpaiguri in the Indian state of West Bengal. The seven-month study examines self-help groups of eight to 10 local women who were participating in a government program that provided entrepreneurial loans in amounts equivalent to USD 18. The authors of the study found that women participating in the self-help groups have been influential in stopping attacks against women in the town. Witch hunts, which sometimes occur as a reaction to illness or death within the community, often result in the murder of the women accused of being witches. In one case, self-help group members formed a vigil outside the house of a woman accused of being a witch and stopped village members from attacking her. The authors state that increased mobilization against these witch hunts by members of the self-help groups is most likely if two conditions are met: (1) leaders of the self-help groups are able to "tap into" the groups' potential for collective action; and (2) these activists can "use strategic framing to present an argument about the congruence of microcredit and anti-witch-hunt goals."

A Simple Poverty Scorecard for Myanmar

By Mark Schreiner, released July 2012, 152 pages, available at: http://www.microfinance.com/English/Papers/Scoring_Poverty_Myanmar_EN_2009.pdf

This document presents a poverty "scorecard" that can be used to estimate whether a household in Myanmar lives on an income lower than USD 1.25 per day. The scorecard was developed using Myanmar's 2009 - 2010 Integrated Household Living Conditions Assessment and includes 10 questions that are designed to be quick for field workers to collect and verify.

Questions include the number of members in the household, the highest level of education of the heads of household, building materials of the house and appliances used in the house. The publication describes how the scorecard can be used to track changes in poverty over time and to target services for poor people more effectively.

What Are Clients Doing Post the AP MFI Crisis?

By Anjaneyulu Ballem, Denny George et al; May 2012; 5 pages; available at: http://microsave.net/sites/files/technicalBriefs/policybrief/PB_5_What_Clients_Do_Post_AP_MFI_Crisis.pdf

This brief analyzes the impact on microfinance institution (MFI) clients of the downturn in the microfinance sector that occurred in the Indian state of Andhra Pradesh in 2010. The research team used focus group discussions and other "participatory" research methods, relative preference ranking and financial sector trend analysis for July 2011 and August 2011 in three regions of Andhra Pradesh: Telangana, Rayalaseema and Coastal Andhra. Government officials, bank officials and field staff were interviewed, as were MFI borrowers.

Approximately 60 percent of MFI borrowers included in the study had taken loans from moneylenders while MFIs were offering little if any credit. In 66 percent of the participatory research sessions, participants said high interest rates charged by moneylenders and daily finance corporations were the strongest reasons not to take out loans, followed by inadequate loan size. Approximately 90 percent of respondents expressed willingness to repay their pre-crisis loans from MFIs if other clients also repaid and MFIs began disbursing new loans.

When asked about the competitiveness of MFIs, respondents said they like the short loan processing times as well as the relatively low interest rates and "doorstep delivery." On the other hand, many clients stated they dislike the group responsibility model and the lack of flexibility in loan repayments. The authors conclude with recommendations for boosting the sector in the future. ■