

MICROCAPITAL BRIEFS | TOP STORIES

Grameen Credit Agricole Takes 20% Stake in Senegal's SFA

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

ResponsAbility Loans \$5m to Edpyme Raiz of Peru

Switzerland-based ResponsAbility Investments recently notified MicroCapital that it has issued a senior loan of USD 5 million to Edpyme Raiz, a microlender in Peru. Raiz reports total assets of USD 183 million, a gross loan portfolio of USD 163 million, return on assets of 0.54 percent, return on equity of 2.1 percent and 97,600 borrowers. The institution, which has 48 branches, is in the process of transforming into a *financiera* so it can accept deposits. ResponsAbility reports USD 1.4 billion in assets under management. November 6, 2013

Turkey's Sekerbank Borrows \$146m from EFSE, EBRD, IFC

Sekerbank, a Turkish private bank, has borrowed the equivalent of USD 82 million from the UK-based European Bank for Reconstruction and Development, USD 50 million from the World Bank Group's International Finance Corporation, and USD 14 million from the Luxembourg-based European Fund for Southeast Europe. The funding is intended for on-lending to micro-, small and medium-sized enterprises that involve agriculture as well as non-agricultural businesses owned by rural women. As part of its investment, EBRD will provide technical assistance to Sekerbank relating to developing unspecified new products. Sekerbank reports total assets of USD 7.3 billion, deposits of USD 5.1 billion, return on assets of 1.7 percent and return on equity of 13 percent. October 25, 2013

Goodwell West Africa Invests Equity in Nigeria's Mainstreet MFB

Goodwell West Africa, a private equity fund managed by Dutch social investment company Goodwell Investments and Nigeria-based investment management and advisory firm Alitheia Capital, has announced that it will make an equity investment of unspecified size in Mainstreet Microfinance Bank, a subsidiary of Nigerian commercial bank Mainstreet Bank Limited. Mainstreet Microfinance reports assets equivalent to USD 25 million and 60,000 clients. Further financial details on the firm are unavailable. October 17, 2013

Citing Unscrupulous Lending, South Africa's Futuregrowth to Pull Back from Sector

Futuregrowth Asset Management, a South African entity controlled by UK-based Old Mutual plc, reportedly will curtail its investments in lenders that do not require collateral due to concerns of client over-indebtedness. Futuregrowth CEO Andrew Canter was quoted as saying, "The industry seems to be pumping debt down peoples' throats. It is no longer socially responsible and does not belong in developmental funds." Old Mutual reports the equivalent of USD 418 billion under management. October 17, 2013

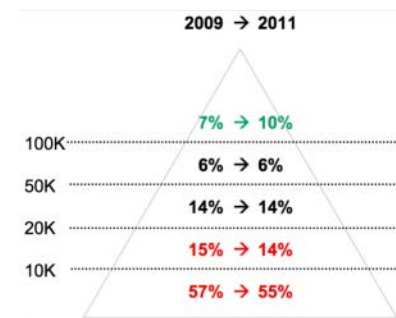
UBS Launches \$55m "Impact Investing SME Focus Fund"

The United Bank of Switzerland (UBS) reportedly has launched an "Impact Investing SME Focus Fund" to invest in small and medium-sized enterprises (SMEs) in emerging markets. With initial capital equivalent to USD 55 million, the fund is seeking to take equity stakes in SMEs in sectors including agriculture, education, finance, forestry, healthcare and infrastructure. The social and environmental impact of the investments will be monitored by the Global Impact Investing Reporting System, which assesses the effects of investments on non-financial metrics, and Deloitte, a UK-based professional services consultancy. The SME Focus Fund is managed by Obviam, a Swiss investment advisor that specializes in emerging-markets investments. UBS holds assets of USD 1.4 trillion. October 16, 2013

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MICROCAPITAL BRIEFS

MicroCapital to Cover European Microfinance Week Onsite

MicroCapital is pleased to announce that we have been contracted to provide onsite reporting again from European Microfinance Week, a production of the 140-member European Microfinance Platform. We will publish multiple postings at <http://microcapital.org> and on Twitter @MicroCapital during the event, which will take place in Luxembourg from November 12 through November 14. For more details, you may refer to the ad on page 4 of this newspaper and <http://www.e-mfp.eu>. November 7, 2013

Thailand Boosting Rate Cap for Microloans

While retail lending rates in Thailand are capped at 15 percent per year, the country's Ministry of Finance reportedly is preparing to accept applications in 2014 for microfinance licenses, which would allow the disbursement of loans as large as the equivalent of USD 320,000 at rates as high as 36 percent per year. In at least one source, the maximum interest rate was reported as 3 percent per month, which if correct could result in a much higher effective annual rate. November 7, 2013

Grameen Credit Agricole Disburses \$500k in Senegal, Benin

The Grameen Credit Agricole Microfinance Foundation, a Luxembourg-based investor in microfinance institutions (MFIs) and other social businesses, recently notified MicroCapital that it has disbursed the first half of a euro-denominated, 30-month loan equivalent to USD 210,000 to Mec Fadec, a Senegalese microfinance institution reporting a gross loan portfolio of USD 780,000 and 1,560 active borrowers. Grameen Credit Agricole also disbursed the initial 62 percent of a three-year loan of USD 660,000 to Réseau National des Caisses Villageoises d'Épargne et de Crédit Autogérées (RENACA), a network of lenders affiliated with Benin's nonprofit Centre Beninois pour le Développement des Initiatives à la Base. RENACA reports total assets of USD 13.4 million, a gross loan portfolio of USD 8.8 million, USD 5.5 million in deposits and 83,900 participants who are members of 32 savings and credit unions. November 5, 2013

DID Invests in Currency Hedging Firm MFX Solutions

Développement international Desjardins (DID), a Canadian nonprofit that invests funds and technical support in development finance in emerging economies, has invested an unspecified amount in US-based MFX Solutions, which provides currency hedging services for microfinance institutions and microfinance investment vehicles. DID will seek to disburse all future loans to its partner financial institutions via MFX so DID can place the investments denominated in a "hard" currency such as US dollars while the borrowing institutions can repay a fixed amount of local-currency. MFX Solutions reports an active portfolio of USD 240 million in swaps and forwards. DID is a subsidiary of Canadian cooperative institution Desjardins Group, which reports total assets equivalent to USD 189 billion. November 4, 2013

Triple Jump Innovation Fund Attracts \$22m for Financial Access

Achmea, a Netherlands-based insurance provider; KCD Mikrofinanzfonds, a German microfinance fund; and Dutch NGOs Cordaid and Oxfam Novib have invested a total of USD 22 million in the Triple Jump Innovation Fund, a new offering of Dutch microfinance fund manager Triple Jump. The breakdown of the investments among the investors has not been released. The fund will lend to microfinance institutions in developing countries, especially those in rural areas, with a focus on supporting the following: higher education, water and sanitation, healthcare, small and medium-sized enterprises, incremental housing improvements, and clean and renewable energy. Triple Jump manages five microfinance investment funds, with total assets equivalent to USD 473 million as of 2012. November 1, 2013

UN's Responsible Investment Effort Adopts Reporting Framework

The Principles for Responsible Investment (PRI) initiative, a UN-backed network of investors seeking to integrate environmental, social and corporate governance issues into their strategies, has announced the launch of a new reporting framework that is aimed to increase the transparency of its signatories' activities. The framework consists of 220 indicators relating to investment policies and practices, grouped based on the following asset classes: listed equities, fixed income, private equity, property, infrastructure and inclusive finance. By mid-2014, approximately 800 of the 1,209 signatories are expected to be using the new framework; PRI will de-list members that fail to participate by then. A subset of the data collected through the framework will be made public. Located in 50 countries, PRI signatories collectively manage USD 34 trillion. November 1, 2013

EFSE Loans \$31m in Serbia, Romania

The European Fund for Southeast Europe (EFSE), a Luxembourg-based microfinance investment vehicle backed by multiple governments, has loaned the euro-equivalent of USD 28 million to Komercijalna banka Beograd of Serbia and USD 3.4 million to Patria Credit, a lender in Romania that serves micro- and small enterprises. Komercijalna banka Beograd is 40-percent owned by the government of Serbia and also has operations in Bosnia and Herzegovina and Montenegro. The bank reports total assets of USD 3.8 billion, return on assets of 1.5 percent and return on equity of 9.4 percent. Patria Credit reports total assets of USD 82 million, a gross loan portfolio of USD 71 million and 12,200 borrowers. EFSE holds a microfinance label from the Luxembourg Fund Labeling Agency, an NGO that certifies that social investment vehicles actually invest as advertised. October 31, 2013

Airtel, Tanzania Postal Bank to Offer Mobile Banking

Airtel Tanzania, a subsidiary of Indian telecommunications company Bharti Airtel, and Tanzania Postal Bank (TPB), which provides financial services to people in rural Tanzania, reportedly are partnering to offer free mobile financial services to their customers. Airtel Tanzania customers with TPB accounts will be able to check account balances, transfer money among accounts, and send and withdraw money using cellular phones. TPB reports total assets equivalent to USD 106 million, 631,000 customers and 28 branches. Bharti Airtel has 261 million subscribers in 150 countries. October 29, 2013

EBRD Targets Moldovan Remittance Recipients with Financial Ed

A financial education project in Moldova backed by the European Bank for Reconstruction and Development, a UK-based multilateral finance institution, reports that it has reached 20,000 recipients of remittances since its launch in October 2012. Of these, 3,000 have opened bank accounts, depositing a total of USD 7.5 million. The project is being implemented via the following banks: Banca Sociala, FinComBank, Mobiasbanca-Groupe Societe Generale and Moldova-Agroindbank. October 27, 2013

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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!

Most Ghanaian MFIs Lack Operating Licenses

Of an estimated 550 microfinance institutions (MFIs) in Ghana, it is reported that roughly 200 are licensed. The Bank of Ghana, the country's central bank, reportedly is increasing its monitoring activity as a result of this situation as well as "liquidity challenges" faced by some MFIs. It is illegal in Ghana to engage in credit-granting or deposit-taking activities without prior regulatory approval. October 27, 2013

Habitat, MasterCard to Support Housing Lending in Kenya

Habitat for Humanity, a US-based nonprofit that seeks to provide poor people with clean, safe and affordable housing, has received funding from the MasterCard Foundation, a Canadian NGO founded by the US-based payments firm MasterCard, to build the capacity of three unidentified Kenyan financial institutions to expand housing microfinance products over the next five years. The effort is intended to facilitate the provision of short-term home-improvement loans to 2,000 Kenyans who earn USD 5 to USD 10 per day. USD 6.6 million has been allocated to a project that includes this work in Kenya as well as similar technical support for lenders in Ghana and Uganda that was launched in 2012. October 26, 2013

DID's Proxfin Members Pledge to Boost Service to MSMEs

Proxfin, a network of the 29 community finance partners of Canadian NGO Développement international Desjardins (DID), recently released the "Lusaka Declaration on the Contribution of Community Finance Institutions towards Increasing Access to Adequate Financing for Small Entrepreneurs." The declaration commits its signatories to increasing access to finance for micro-, small and medium-sized enterprises through: (1) new product development; (2) improved credit management; (3) boosting financial literacy; (4) protecting clients; (5) collaborating and using technology; and (6) advocating for government policies intended to promote small business. Proxfin comprises institutions from 24 countries on four continents. DID, a subsidiary of Canadian cooperative Desjardins Group, provides technical support and investment for developing finance in emerging economies. The Desjardins Group reports total assets equivalent to USD 189 billion. October 25, 2013

Bagan Capital's BC Finance Offers Microfinance in Myanmar

BC Finance, a wholly owned subsidiary of Hong Kong-based private equity and advisory group Bagan Capital, recently launched operations with the start of lending services in Bago, a region in southern Myanmar. In addition to financial services, BC Finance aims to offer support to microentrepreneurs such as with "participation in supply chains and access to business models." BC Finance received a license to provide microfinance services from the country's Ministry of Finance and Revenue in May 2013. Bagan Capital's services, which are focused exclusively on Myanmar, include identifying investment opportunities, raising capital, performing due diligence, and formulating and implementing corporate strategy. Financial information on the firm is not available. October 24, 2013

ADOPEM of the Dominican Republic Lends \$1.6m to 728 MSMEs

Asociacion Dominicana para el Desarrollo de la Mujer (ADOPEM), a microfinance institution (MFI) in the Dominican Republic, reportedly has disbursed loans totaling the equivalent of USD 1.6 million to 728 micro-, small and medium-sized enterprises in the country. The cash was available for release from the MFI's required reserve for reasons that ADOPEM was unable to clarify as of the time of publication. Of this set of loans, the equivalent of USD 840,000 was disbursed to 509 women-owned businesses. ADOPEM loans have terms of four to 36 months, with interest rates no higher than the 9 percent maximum rate imposed by the Central Bank of the Dominican Republic. ADOPEM reports total assets of USD 92 million, a gross loan portfolio of USD 72 million, USD 35 million in deposits, return on assets of 4.6 percent and return on equity of 19 percent. October 24, 2013

MicroCapital Deal of the Month

Grameen Agricole Takes 20% Stake in Senegal's SFA

The Grameen Credit Agricole Microfinance Foundation, a Luxembourg-based funder of social businesses, recently reported to MicroCapital that it has paid the euro-equivalent of USD 462,000 to acquire a 20-percent stake in Senegalaise des Filieres Alimentaires (SFA) of Senegal. The investment is intended to boost the organization's capacity for processing rice. SFA produces mainly white rice from paddies grown by small farmers in the Senegal River valley and sells mostly to wholesale customers in the city of Dakar. Financial information for SFA is not available. Grameen Credit Agricole also issued a three-year loan of USD 675,000 to Chamroeun, a Cambodian MFI that offers savings, loans, microinsurance, management skills training and business counseling. Grameen Credit Agricole increased its equity holding in Chamroeun to approximately 20 percent in June. Chamroeun reports USD 6.2 million in assets and 41,000 borrowers.

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FI2020 Announces Roadmap to Financial Inclusion

Financial Inclusion 2020 (FI2020), a campaign to extend financial inclusion to 2 billion people in developing countries by the year 2020, recently announced a five-pronged framework based on a survey of 300 financial sector practitioners: expanding technology, meeting customer needs, implementing credit reporting, increasing financial capability and improving client protection. Elisabeth Rhyne, the managing director of the Center for Financial Inclusion at the US-based nonprofit Accion, stated that "The Roadmap emphasizes new concepts that are generating excitement but are not yet mainstream, like the power of behavioral economics to guide product design, capability building and client protection, or the use of data analytics in creating alternative credit reporting systems and targeting new market segments." FI2020 is managed by the Center for Financial Inclusion in partnership with the following US-based organizations: financial services providers Citi, Visa and MasterCard as well as the Bill and Melinda Gates, MetLife and Western Union Foundations. October 23, 2013

SKS Microfinance of India Completes \$50m Securitization

SKS Microfinance, an Indian microfinance institution, recently completed the securitization and sale of a set of microloan receivables for the equivalent of USD 50 million. The liquidity generated from the sale, which was made to an unidentified public-sector bank, is slated to be used to extend microloans to 475,000 rural female entrepreneurs. As of March 2013, SKS reports total assets of USD 414 million, 4.3 million borrowers, return on assets of -16 percent and return on equity of -73 percent. SKS shares trade on India's National Stock Exchange and the Bombay Stock Exchange. October 22, 2013

EUROPEAN MICROFINANCE WEEK 2013

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Airtel, EcoBank Offer Mobile Money in 10 More African Countries

Bharti Airtel, an Indian telecommunications company, recently partnered with EcoBank, a Togo-based commercial bank, to expand a service in Africa that allows customers of both companies to pay bills, check account balances and transfer money using mobile phones. The service is available in seven African countries and is planned for launch in 10 more, the names of which have not yet been released. Airtel reports 261 million subscribers in 150 countries, and EcoBank serves 14 million customers with USD 20 billion in assets. October 22. 2013

Goodwell Invests \$6m in EPS; 4k ATMs Planned for Rural India

Aavishkaar Goodwell, an Indian-Dutch joint venture that invests in development projects, reportedly has invested the equivalent of USD 6 million in Electronic Payment Services (EPS), an India-based provider of payment technologies to merchants in Asia. Aavishkaar Goodwell also invested USD 4.6 million in EPS in 2012. EPS has installed 1,000 automated teller machines (ATMs) in the Indian state of Maharashtra and has agreed to install an additional 500 ATMs per month in the region to reach a total of 5,500 by 2014. Aavishkaar Goodwell manages a portfolio of USD 157 million, but financial information for EPS is unavailable. October 21. 2013

Hatton National Bank of Sri Lanka to Establish Microfinance Arm

Hatton National Bank, a commercial bank in Sri Lanka, has received approval from the central bank of the country to establish a subsidiary that will manage Hatton's existing microfinance services as well as those it classifies separately that serve small-scale agricultural producers. The move is part of a plan to harness international investments, although details on this plan are not available. Since 1991, Hatton has been providing financial services to micro-, small and medium-sized enterprises in rural Sri Lanka including through a financial inclusion program called Gami Pubudwa, which means "village awakening" in English. Hatton reports total assets equivalent to USD 3.4 billion. October 21. 2013

Goodwell West Africa Invests Equity in MicroCred Nigeria

Goodwell West Africa, a private-equity fund managed by Dutch social investor Goodwell Investments and Nigerian investment management and advisory firm Alitheia Capital, has announced that it will invest an unspecified amount of equity in MicroCred Microfinance Bank Nigeria, a member of the France-based MicroCred Group. This investment is expected to support the geographical expansion of MicroCred Nigeria, which provides financial services to micro- and small businesses. MicroCred Nigeria reports outstanding loans equivalent to USD 8.7 million, deposits of USD 2 million and 23,400 clients. MicroCred Group is a unit of France-based NGO PlaNet Finance, which has both for-profit and nonprofit arms. Goodwell Investments reports assets of USD 70 million invested in 16 companies in India and Africa, including USD 16 million allocated to microfinance. Financial information on Alitheia Capital is not available. October 20. 2013

Kenyan Credit Bureau Now Serving MFIs

As is newly allowed by domestic regulations, the Kenya Credit Information Sharing Initiative, which was launched in 2010 by the country's central bank and the 43-member Kenya Bankers Association, is now working with deposit-taking microfinance institutions and savings and credit cooperatives. Managing Director Mwangi Githaiga of Kenya Women Finance Trust Limited, a member of the US-based Women's World Banking network, reportedly lauded the fact that "a comprehensive database [of credit information] minimizes the chances of a customer's over-indebtedness...". October 18. 2013

Goodwell, Pragati Invest \$3.4m in India's Swarna Pragati Housing

Aavishkaar Goodwell, an Indian-Dutch joint venture that invests in development projects, and Asia Pragati, an India-based investor owned by Hong Kong-based Pacific Alliance Group, reportedly have invested the rupee-equivalent of USD 3.4 million in Swarna Pragati Housing Microfinance, an Indian organization that partners with microlenders to provide housing loans in the country. Swarna Pragati reportedly plans to use the new investment to fund loans to 100,000 rural borrowers by 2018. Aavishkaar Goodwell reports a gross loan portfolio of USD 157 million. Financial information is not available for Swarna Pragati or Asia Pragati. While the nature of the connection between these organizations is not clear, they share the same office address. October 16. 2013

Pakistan Asks Banks to Lend \$940m to Firms Owned by Youth

The Pakistani government reportedly has asked state-owned commercial banks such as the National Bank of Pakistan and First Women Bank Limited to provide loans ranging from the equivalent of USD 4,720 to USD 18,900 to 100,000 borrowers within the next year. The borrowers are to be: (1) under the age of 35; (2) willing to mortgage their businesses; and (3) able to post additional collateral or arrange for two guarantors to co-sign the loans. Borrowers will be required to pay a one-time charge of 8 percent in lieu of interest, while the government will cover the remainder of the loan costs. The Pakistani government has allocated USD 47 million for this expense. October 15. 2013

Cambodia Post Bank Opens, Targets MSMEs

The Cambodia Post Bank, a commercial bank, has been launched with plans to focus on providing loans of USD 300 to USD 250,000 to micro-, small and medium-sized enterprises from branches in or near post offices. Cambodia Post Bank, which is also offering deposit services, has 11 branches in the country and is slated to open 20 more by 2018. The following institutions have invested a total of USD 38 million in the institution: Canadia Bank, a commercial bank in Cambodia that owns a 50-percent stake; Fullerton Financial Holdings, a subsidiary of Singapore-based investment company Temasek Holdings that holds a 45-percent stake; and the Cambodia postal service. Canadia Bank has total assets of USD 1.8 billion. As of 2010, Fullerton held total assets of USD 39 billion. October 14. 2013

EFSE to Loan \$20m to Bank Republic of Georgia for MSEs

The European Fund for Southeast Europe, a Luxembourg-based microfinance investment vehicle backed by the EU, recently agreed to grant a senior loan of USD 20 million to Bank Republic, a Georgian member of the France-based financial group Societe Generale. The proceeds are intended to be on-lent to 1,600 micro- and small enterprises. With 28 branches, Bank Republic reports total assets equivalent to USD 464 million, return on assets of 2.4 percent and return on equity of 16 percent. Societe Generale reports total assets of USD 1.7 trillion. October 12. 2013

Grameen Credit Agricole Loans \$2.5m in Azerbaijan, Kosovo

The Grameen Credit Agricole Microfinance Foundation, a Luxembourg-based investor in microfinance institutions (MFIs) and other social businesses, recently informed MicroCapital that it has loaned the equivalent of USD 1.4 million to Kreditimi Rural i Kosoves (KRK), an MFI serving rural Kosovo, and USD 1.1 million to Viator, an Azerbaijani MFI. Both loans have terms of three years. KRK reports total assets of USD 14 million, 6,560 borrowers, a gross loan portfolio of USD 12 million, return on assets of 14 percent and return on equity of 43 percent. Seventy-one percent of the shares of KRK are held by organizations located in European countries other than Kosovo. Viator has six branches, assets of USD 18 million, 17,700 borrowers, return on assets of 12 percent and return on equity of 21 percent. October 11. 2013

FIELD NOTES

Customer Centricity: Starting Small

A funny thing about conferences lately is that more and more cover how to put clients at the center of focus. And, of course, the more of these conferences we attend, the less time there is to spend with these low-income “clients.” I missed last week’s Financial Inclusion 2020 (FI2020) conference in London, but I followed some key bits on social media. I learned that participants believe that only 10 to 25 percent of financial institutions listen effectively to their customers. That is a low figure no matter how we look at it. For now, I would like to set aside the potential reasons for this and focus instead on some solutions. I’ll put on my “teacher” hat and walk through a piece of the customer-centricity puzzle.

I’ll begin with three critical reasons *why* a financial institution might want to be client centered. The first two are proactive; the third is defensive: First, clients generate revenues, and staying in front of their needs can increase revenue. For example, one huge problem in microfinance is low client retention. Understanding how to keep clients - how to make relationships “sticky” - is key to the survival of microfinance institutions, in my view. Second, if providers of financial services to low-income people are supposed to be doing “good” or at least doing “no harm,” how will they know if this is happening without measuring “good” or “harm”? And, third, even if a financial institution is not especially interested in its effect on clients, there will be scrutiny of its practices at some stage, particularly when regulators or advocacy groups begin to realize that client protection is at risk.

The *why*’s above are no-brainers, and I think many more than the 10 to 25 percent of financial institutions at FI2020 have “bought in” to this reasoning. Over the past four weeks, my team has worked with four of these institutions, all of which are making huge efforts to be client

centric. Their results are not public, however; and in many cases, the institutions don’t even have results to use internally yet. This points to a key problem, which may be resulting in low levels of customer centricity: *how* to be client centric is not always clear, and the capacity to do so is often low. Here’s where I suggest a financial institution start small, but with a framework. This process should start with *asking* some key questions; *collecting* relevant information; *storing* it appropriately; *engaging* in a process for its *analysis*; and finally using the information to *improve services, manage risk and make strategic decisions*.

In my experience, institutions will fall short somewhere in this process. We have worked with institutions that have started just by collecting a few more data points as part of the loan intake process. In other cases, just agreeing to enter more of the intake responses into the data storage system can be a big first step. Coming up with efficient ways to store, retrieve and analyze data is also a basic step, as is using the analysis for decision making. For example, a financial institution might learn that its clients often leave after a third loan cycle, talk to third-cycle clients about why they are leaving and adapt its services to keep them.

More complex quantitative and qualitative surveys and discussions are useful, but require more work and greater institutional capacity. So for those 75 to 90 percent of financial institutions that may not be effectively listening, my recommendation is to start small, think a lot and keep building. Once you see the results, you won’t want to stop!

About the Author: Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has 18 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 | LATIN AMERICA AND THE CARIBBEAN

359 MICROFINANCE INSTITUTIONS (MFIs) REPORTING¹

TOP 10 MFIs BY GROWTH IN GROSS LOAN PORTFOLIO: CHANGE IN USD

MFI NAME	COUNTRY	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2009	2011
Crediscotia Financiera	Peru	276,926,644	26%	621,494,117	1,175,347,407
Mibanco - Banco de la Microempresa	Peru	255,056,031	22%	1,040,560,899	1,550,672,962
Banco Caja Social	Colombia	228,495,444	10%	2,507,706,737	2,964,697,626
Banco Estado	Chile	167,049,533	13%	1,270,387,230	1,604,486,296
Caja Municipal de Ahorro y Credito Arequipa	Peru	164,101,166	33%	420,473,593	748,675,925
CrediAmigo	Brazil	156,337,319	43%	302,853,100	615,527,739
Banco para el Fomento a Iniciativas Economicas	Bolivia	134,382,766	36%	313,539,639	582,305,173
Compartamos Banco	Mexico	131,255,742	21%	577,488,514	840,000,000
Financiera Edyficar	Peru	128,138,694	42%	249,768,166	506,045,555

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

2009 → 2011

MARKET SHARE BY MFI SIZE
(NUMBER OF ACTIVE BORROWERS)

2009 → 2011

¹Denotes only MFIs that reported data for 2009 and 2011 to the Microfinance Information Exchange (MIX) Market

Source: MIX, November 2013

UPCOMING EVENTS

United Nations Environment Program's Sustainable Finance Week

November 10 - November 15, 2013; Beijing, China

This set of events includes the two-day Global Roundtable of the UN Environment Program's Finance Initiative. Since 1992, this group has worked with signatories to address government and shareholder expectations regarding corporate governance, community support, and social and environmental impacts. Registration requirements vary by event. Invitations to certain events must be requested through [sfw\[at\]unepfi.org](mailto:sfw[at]unepfi.org). Details are available by calling +41 (0) 22 796 9240 or visiting <http://www.unepfi.org/sfw/>.

European Microfinance Week

November 12 - November 14, 2013; Luxembourg

This event, which will be covered onsite by MicroCapital, is offered by the Luxembourg-based, 140-member European Microfinance Platform. Sessions will cover issues such as gender, youth, housing finance, market infrastructure, regulation and microequity. The fee to attend is EUR 500, with a student rate of EUR 80 available. More information is available at <http://www.e-mfp.eu/microfinance-week> or by contacting +352 26 27 13 55 or [contact\[at\]e-mfp.eu](mailto:contact[at]e-mfp.eu).

9th International Microinsurance Conference

November 12 - November 14, 2013; Jakarta, Indonesia

This conference will include presentations and workshops addressing the following themes: distribution channels, Islamic microinsurance, serving migrant workers, improving outreach through technology, client education, failures and market analysis. The cost to attend is EUR 1,190. Inquiries may be directed to Dirk Reinhard via +49 89 38910 or [dreinhard\[at\]munichre-foundation.org](mailto:dreinhard[at]munichre-foundation.org). The event website is available at <http://www.munichre-foundation.org/home/Microinsurance/>.

TBLI Conference

November 14 - November 15, 2013; Zurich, Switzerland

This conference will address investing for "triple-bottom-line" returns in the areas of the environment, social progress and financials. The cost to attend the event, which is themed "Rethink The Past And Move On," is CHF 1,500, with discounts available for one-day and virtual attendees. For details, you may reach Iris Kuipers at +31 20 428 67 52 extension 21 or [iris\[at\]tbligroup.com](mailto:iris[at]tbligroup.com), or you may visit <http://tbliconference.com/>.

Building Women-focused Finance

November 19 - November 20, 2013; Amman, Jordan

Topics at this event are to include: serving youth and rural women, mission drift, regulation, operating in disaster areas, nurturing future women leaders and measuring performance based on gender. The fee to attend is USD 500, and more details may be had via <http://www.womensworldbanking.org/events/attend-an-event/best-practice-conference/>. The contact person, Allegra Palmer, may be reached at [afp\[at\]womensworldbanking.org](mailto:afp[at]womensworldbanking.org) or +1 212 768 8513.



First African Microfinance Week

December 2 - December 6, 2013; Arusha, Tanzania

This series of events offers discussion of microfinance regulation and policy; an investors' fair; and the general assemblies of the African Microfinance Network of Benin, the African Microfinance Transparency Forum of Luxembourg and the Microfinance African Institutions Network of Cote d'Ivoire. Registration fees range from EUR 400 to EUR 600. For additional information, you may contact Sally Kelly at [info\[at\]microfinance-afrique.org](mailto:info[at]microfinance-afrique.org) or +352 45 68 68 801, or you may visit <http://www.microfinance-africa.org/>.

Microfinance India Summit & Livelihoods India Conference

December 9 - December 12, 2013; New Delhi, India

These sibling events cover microfinance and helping poor people create "sustainable livelihoods" through innovation in urban services, social entrepreneurship, and women and land. The registration fee for the Microfinance India Summit is INR 10,000 for Indian citizens and USD 500 for others. The fee for the Livelihoods India Conference is INR 4,500 for Indian citizens and USD 350 for others. Various discounts are also available. For additional information on, you may contact Juhi Natu by phone at +91 11 26510915 or [microfinanceindia\[at\]accessassist.org](mailto:microfinanceindia[at]accessassist.org). The event websites are <http://www.microfinanceindia.org> and <http://accessdev.org/lh-livelihoods-india.php>, respectively.

CTN Africa: Improving Rural Livelihoods and Food Security

NEW DATES: January 13 - January 15, 2014; Kigali, Rwanda

Cracking the Nut Africa will focus on: best practices for proper nutrition for a growing population; technologies and methodologies for reducing the costs and risks of serving rural clients; trends affecting jobs and business opportunities in the rural sector; benefits of rural and agricultural investing; and the facilitation of positive behavioral changes among poor communities. The cost of the event is USD 595. Additional fees apply for field visits and a training titled "Agricultural Value Chain Finance." For additional information, you may contact Kim Ha via [kha\[at\]azmj.org](mailto:kha[at]azmj.org) or +1 703 914 5533, or you may visit <http://www.crackingthenutconference.com/>.

MORE DETAILS COMING SOON ON...

Fifth Annual Microinsurance Summit

March 10 - March 13, 2014; Miami, Florida, USA

Institutional and Technological Environment for Microfinance

March 18 - March 20, 2014; Casablanca, Morocco

Caribbean Microfinance Forum

March 31 - April 3, 2014; Paramaribo, Suriname

TBLI Conference

May 29 - May 30, 2014; New York, New York, USA





Vision Microfinance: Social Impact Investing

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PAPER WRAP-UPS

The International Bank of Bob

By Bob Harris, published by Bloomsbury Publishing, 2013, 400 pages, available for purchase at <http://www.bloomsbury.com/us/the-international-bank-of-bob-9781620405222/>

The idea for this book stems from the day that US-based author Bob Harris met a group of South Asian day laborers while traveling in Dubai. The laborers had come to Dubai after being promised high wages and good working conditions, but received as little as USD 6 per day and were forced to work long hours. This encounter caused Mr Harris to think about the inequalities in the world caused by the “birth lottery,” the opportunities that people do or do not receive because of the situation or location in which they are born. He returned home with the goal of helping people living in developing economies.

Mr Harris searched the website of Kiva, a US-based online portal allowing individuals to make loans to microfinance institutions (MFIs) that on-lend the funds to lower-income borrowers around the world. Mr Harris made many loans via Kiva and began to think about the borrowers that the loans were intended to benefit. He decided to travel the world to meet them.

Mr Harris met with borrowers in Bosnia, Cambodia, Morocco, Peru, Rwanda and other countries and looked into the day-to-day operations of the MFIs that serve them. In Bosnia, a country still feeling the economic repercussions of war, Mr Harris visited Zene za Zene, a humanitarian organization that works with women survivors of war. “Zagorka,” one of Zene za Zene’s borrowers, was on her fifth loan to buy and raise pigs and poultry to sell at profit.

In Kenya, Bob met with “Symon,” a borrower of Juhudi Kilimo. The MFI’s name means “agricultural effort,” and it focuses on loans for raising livestock for later sale. Symon used his loans to raise cows and used the profits to grow coffee.

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In Rwanda, Mr Harris visited Urwego Opportunity Bank, whose name means “ladder.” There he met with “Yvonne,” a 30-year old borrower who sells fruits and household products, such as pens and baking supplies. Before receiving the loans, she and her three children shared a very small shack without electricity. As a result of securing several loans for her business, she and her family have a permanent home with a bed and roof.

Post-Conflict Remittances and Human Security: Perspectives on Peace-Building, Institutions, and Development

By Daivi Rodima-Taylor, Donald Terry and John Harris; published by Boston University’s Pardee Center for the Study of the Longer-Range Future; 2013; 146 pages, available at <http://www.bu.edu/pardee/files/2013/10/Pardee-CFLP-Remittances-TF-Report.pdf>

This collection of research papers explores the “role of remittances in post-conflict environments” and the potential of these funds to serve as a major underpinning of economic development. In 2013, remittances to developing countries are projected to total USD 430 billion.

The reviewed papers attempt to establish the importance of remittances for both individual livelihoods as well as rehabilitating damaged or inadequate infrastructure. The authors also argue that the process of sending remittances may be made more efficient through increased integration with existing formal banking and money-transfer services.

Lessons Learned from the Moroccan Crisis

By Nadine Chehade and Alice Negre, published by CGAP (Consultative Group to Assist the Poor), July 2013, 4 pages, available at http://www.cgap.org/sites/default/files/Brief-Lessons-Learned-from-the-Moroccan-Crisis-July-2013_0.pdf

This report seeks to offer “lessons learned from the rise, fall, and ongoing recovery of the Moroccan microcredit sector...”. The authors state that, between 1990 and 2007, the microcredit sector in Morocco “enjoyed extraordinary growth rates.” Between 2003 and 2007, the country’s aggregate microcredit portfolio grew roughly 1,000 percent to become the largest in the Middle East and North Africa.

However, between 2005 and the peak of the crisis in 2009, the portfolio-at-risk rate rose from 0.4 percent to 14 percent. This resulted in a sector-wide movement by micro-finance institutions (MFIs) to address this by various means, including limiting the practice of accessing loans from multiple MFIs. By 2011, the portfolio-at-risk rate had fallen to 8.6 percent.

The authors conclude that the crisis “proved that market-wide risk exists, even in the case of credit-only institutions,” because when borrowers receive loans from multiple lenders, MFIs become “de facto connected” and can experience sector-wide success or failure as a result. The report suggests that this risk can be managed by helping MFI leaders focus on sustainable growth and risk management strategies in lieu of short-term growth. ■

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