

## MICROCAPITAL BRIEFS | TOP STORIES

### EBRD, FMO Buy 25% of Imon of Tajikistan for \$6.5m

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

### Grameen-Jameel to Loan \$4m in Jordan, Lebanon

Grameen-Jameel Microfinance Limited, a Cyprus-based nonprofit launched by the US-based Grameen Foundation and Saudi Arabian NGO Abdul Latif Jameel Community Initiatives, intends to loan USD 2 million each to two NGO microlenders: Microfund for Women (MFW) of Jordan and Al Majmoua of Lebanon. The funds are intended to allow the recipients to serve a total of 3,500 additional households. MFW reports assets of USD 39 million, a gross loan portfolio of USD 36 million, 81,000 active borrowers, return on assets (ROA) of 3.9 percent and return on equity (ROE) of 9.2 percent. Al Majmoua reports assets of USD 33 million, ROA of 7.3 percent and ROE of 13 percent as of 2012 and loan portfolio of USD 33 million outstanding to 39,000 active borrowers as of 2013. January 11, 2014

### Prudential Purchases Majority Stake in Ghana's Express Life

UK-based life insurer Prudential recently purchased a majority stake in Ghanaian microinsurance provider Express Life Insurance Company from LeapFrog Investments, a private equity fund based in Mauritius, for an undisclosed price. The deal allows LeapFrog, which invested USD 5.5 million in Express Life in 2012, to exit its stake in the microinsurer, which has 16,000 policies outstanding with 90 percent of its customers living on less than USD 10 per day. LeapFrog focuses on Africa and Asia and reports a fund size of USD 135 million. Prudential has the equivalent of USD 662 billion in assets. January 6, 2014

### Deutsche Bank Secures \$75m for Microfinance Enhancement Facility

Germany's Deutsche Bank recently secured USD 75 million in financing from unspecified private investors for the Microfinance Enhancement Facility (MEF), an investment vehicle that issues loans to financial institutions serving micro- and small enterprises in middle- and low-income countries. MEF was established in 2009 by the World Bank Group's International Finance Corporation and German development bank Kreditanstalt für Wiederaufbau Entwicklungsbank. MEF has assets of USD 388 million. December 31, 2013

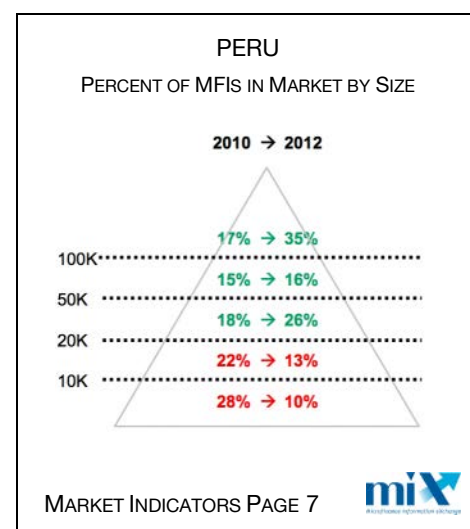
### Jamaica May Regulate MFIs, Cap Microloan Interest Rate at 40%

The Jamaican Ministry of Finance reportedly has announced plans to regulate microfinance institutions under the proposed Microcredit Act of 2013, which would replace most provisions of the Moneylending Act of 1999. Under the new law, a maximum interest rate would be set at 40 percent per year. The new law also would require lenders to register with the Ministry of Finance and meet disclosure requirements such as providing borrowers with loan repayment amounts in terms of both percentage of principal and dollar value. December 24, 2013

### Orix of Japan Buys 6% Stake in Aceda Bank of Cambodia

Orix Corporation, a Japanese financial services conglomerate, reportedly has purchased a 6-percent stake in Aceda Bank Public Limited Company, a microfinance bank in Cambodia, for an undisclosed price. Among other investors in Aceda is Jardine Matheson, a Hong Kong-based multinational financial and property asset conglomerate that purchased a 12.25-percent stake in 2010. Aceda reports a gross loan portfolio of USD 1.2 billion, 306,000 active borrowers, deposits of USD 1.4 billion and 920,000 depositors. With operations in 34 countries, Orix reports USD 85 billion in assets. December 14, 2013

INSIDE	Page
<b>MicroCapital Briefs</b>	<b>2</b>
Microfinance news	
<b>Field Notes</b>	<b>6</b>
Is customization the key?	
<b>Market Indicators</b>	<b>7</b>
Courtesy of MIX	
<b>Upcoming Events</b>	<b>8</b>
Industry conferences	
<b>Paper Wrap-up</b>	<b>10</b>
Latest research and reports	
<b>Subscribe to the Monitor</b>	<b>10</b>



## MICROCAPITAL BRIEFS

### Pension Firms Invest in SME Finance Fund of FMO, SNS

Dutch pension insurer Zwitserleven and two Dutch pension funds, Spoorweg Pensioenfondsen and Pensioenfondsen Openbaar Vervoer, recently invested unspecified sums as the first participants in the Small and Medium Enterprise (SME) Finance Fund, which has raised the euro-equivalent of USD 135 million from these and other investors. The fund is sponsored by Dutch development bank Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden and SNS Impact Investing, a unit of Dutch SNS Asset Management, which had USD 57 billion under management as of 2010. The fund will back financial institutions to provide “long-term” loans to SMEs in developing countries in sectors such as agribusiness, retail and transportation. January 15. 2014

### EBRD to Loan \$2m to FINCA Jordan for MSEs

The UK-based European Bank for Reconstruction and Development (EBRD) recently announced that it will disburse a senior loan of USD 2 million to Foundation for International Community Assistance (FINCA) Jordan, a member of the US-based nonprofit FINCA International microfinance network. FINCA Jordan, which plans to use the proceeds for on-lending to micro- and small enterprises, reports total assets of USD 9 million, a gross loan portfolio of USD 7.6 million and 15,000 clients served in seven Jordanian cities. FINCA International has total assets of USD 814 million and serves approximately 1 million clients through subsidiaries in 22 countries. January 15. 2014

### Hindustan Co-operative Bank Offers Accounts to Beggars in India

Hindustan Co-operative Bank of India recently announced that it is providing bank accounts to “beggars,” rickshaw drivers, artisans and other low-income city dwellers under relaxed Reserve Bank of India “Know Your Customer” rules. Previously, an identification card was required for opening such accounts, but now customers may simply submit their address, birth date and a recent photo. Since 2013, Hindustan Co-operative has opened 160 accounts for beggars in the city of Lucknow. Financial information on the bank is unavailable. January 14. 2014

### Standard Chartered Loans \$5m to Cambodia's Prasac

The Indian unit of UK-based Standard Chartered Bank (SCB) recently informed MicroCapital that it has disbursed a loan of USD 5 million to Prasac, a microlender in Cambodia that seeks to support agricultural development. This is the first investment in Cambodia by SCB India, which has 100 branches in India. SCB reports assets of USD 637 billion, and Prasac reports total assets of USD 252 million, a gross loan portfolio of USD 215 million, 128,000 borrowers, USD 57 million in deposits, 291,000 depositors, return on assets of 5.7 percent and return on equity of 40 percent. January 14. 2014

### Standard Chartered Loans \$12m to India's Bandhan

Standard Chartered Bank (SCB) India, the local unit of UK-based SCB, recently notified MicroCapital that it has disbursed a rupee-denominated loan equivalent to USD 12 million to Kolkata-based Bandhan Financial Services, which offers loans for microenterprise and health emergencies. The purpose of the loans is for on-lending to new and existing microenterprises. The relationship between SCB India and Bandhan dates to 2006. SCB reports assets of USD 637 billion, and Bandhan reports total assets of USD 983 million, a gross loan portfolio of USD 815 million, 4.4 million active borrowers, return on assets of 6.4 percent and return on equity of 38 percent. January 14. 2014

## CORRECTION

In the December 2013 issue of this newspaper, the authors of “Partnerships in Mobile Financial Services” were incorrectly identified. The authors are Mark Flaming, Aiaze Mitha, Michel Hanouch, Peter Zettereli and Greta Bull.

### Deutsche Bank Grows Microfinance Consortium II Fund to \$100m

Germany's Deutsche Bank recently met its goal of securing USD 100 million from various investors for its Global Commercial Microfinance Consortium II fund, which provides capital to microfinance institutions (MFIs) “that want to pursue objectives that balance social goals with financial responsibility.” Established in 2012, Consortium II has since provided USD 83 million to approximately 30 MFIs in 15 countries. The fund also assists MFIs with initiatives such as improving customer service and seeking certification from the Smart Campaign, which addresses a range of client protection issues. Please refer to <http://MicroCapital.org> for a list of the fund's investors, which include for-profit financial services providers, NGOs, government-backed entities and others. January 13. 2014

### World Bank Donating \$50m to Support Afghani Microfinance

The US-based World Bank recently approved grants totaling USD 50 million to the Microfinance Investment Support Facility for Afghanistan (MISFA), a government-backed microfinance funder, and the Afghanistan Credit Guarantee Facility (ACGF), a provider of risk guarantees on loans disbursed to small and medium-sized enterprises. The World Bank's International Development Association will provide USD 32 million to MISFA to support programs including the Targeting the Ultra Poor Program, which provides funding and job-skill training, and USD 18 million to expand ACGF. January 13. 2014

### FMO May Loan \$10m to Andara of Indonesia for Wholesale MF

Dutch development bank Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO) recently signed a letter of intent with Bank Andara, an Indonesian provider of retail and wholesale microfinance services, regarding providing Andara technical assistance and a local-currency loan equivalent to USD 10 million for on-lending to microfinance institutions (MFIs) in Indonesia. Andara reports total assets of USD 122 million, a gross loan portfolio of USD 106 million, return on assets of -0.36 percent and return on equity of -2.2 percent. FMO is majority-owned by the Dutch government with other investors including commercial banks, trade unions, employers' associations and individuals. FMO reports the euro-equivalent of USD 7.3 billion in total assets. January 13. 2014

### Accion Venture Lab Invests in India, Kenya

US-based nonprofit Accion has announced that its Accion Venture Lab, a USD 10 million investment vehicle, has invested unspecified sums in two companies: MeraDoctor, which provides low-cost health insurance in India, and Kopo Kopo, a Kenyan service that facilitates small businesses in accepting customer payments through mobile phones. MeraDoctor's service includes 24-hour telephone access to doctors, which is intended to lessen health impacts caused by delays in seeking care. Launched in 2012, Accion Venture Lab places investments of USD 100,000 to USD 500,000 per investee as either convertible debt or equity. Accion reports a loan portfolio of USD 7.1 billion serving 6 million borrowers via subsidiaries in 32 countries. January 12. 2014

**MicroCapital Monitor** - © 2014 MicroCapital - ISSN 1935-505X  
The MicroCapital Monitor is published monthly by MicroCapital

Editor Bob Summers

Editorial assistants Makai McClintock and Charlotte Newman

Writers Meraj Husain, Tejas Jain, Anesa Kratovac,

Nisha Koul, Megan McGowan and A'kos Szebeni

For questions, comments or suggestions, please contact us via  
[info\[at\]microcapital.org](mailto:info[at]microcapital.org) or +1 617 648 0043, Boston, USA

*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!*

**FMO Loans \$7m to Nigeria's Fortis for On-lending to Women**

Dutch development bank Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden reportedly has approved a five-year loan equivalent to USD 6.8 million to be disbursed to Nigeria's Fortis Microfinance Bank. The majority of the funds are designated for a microcredit program focused on female empowerment that will include money management training and loans of USD 190 to USD 1,600 per person. Founded in 2007, Fortis has 14 branches, a gross loan portfolio of USD 66 million, deposits of USD 40 million, return on assets of 11 percent and return on equity of 24 percent. January 10, 2014

**Old Mutual Finalizes Buy of Faulu Kenya**

Old Mutual, a UK-based financial services provider, has received regulatory approval to acquire a majority stake in Faulu Kenya, a deposit-taking microfinance company. Faulu Kenya has total assets of USD 89 million, a gross loan portfolio of USD 63 million outstanding to 78,000 active borrowers, USD 55 million in total deposits from 268,000 depositors, return on assets of 2.4 percent and return on equity of 28 percent. Old Mutual manages the equivalent of USD 403 billion and serves 14 million customers in 20 countries. A preliminary announcement of this transaction appeared in the August 2013 issue of this newspaper. January 9, 2014

**EBRD Loans \$4m to Jordan's Microfund for Women**

The European Bank for Reconstruction and Development (EBRD), a UK-based multilateral institution operating in 36 countries, recently announced that it will extend a senior loan of USD 4 million to Microfund for Women (MFW), an NGO microlender in Jordan, to support on-lending to female entrepreneurs. EBRD will also advise the organization in attempting to attract larger businesses as clients. MFW reports assets of USD 39 million, a gross loan portfolio of USD 36 million, 81,000 borrowers, return on assets of 3.9 percent and return on equity of 9.2 percent. January 8, 2014

**ResponsAbility Loans \$20m to Financiera Confianza of Peru**

Switzerland's ResponsAbility Investments recently notified MicroCapital that it has loaned USD 20 million to Financiera Confianza, a Peruvian NGO microbank. Confianza is one of eight MFIs affiliated with Fundacion BBVA Microfinanzas, which was founded by Spanish bank BBVA. Confianza reports assets of USD 248 million, a loan portfolio of USD 202 million outstanding to 96,000 borrowers, USD 78 million in deposits from 45,000 depositors, return on assets of 3.4 percent and return on equity of 21 percent. January 7, 2014

**IFC to Loan \$1.5m to FINCA MDO of Tajikistan**

The World Bank Group's International Finance Corporation is loaning USD 1.5 million to Foundation for International Community Assistance (FINCA) Microcredit Deposit Organization (MDO), a Tajikistani microbank that is a part of the US-based nonprofit FINCA International network. FINCA MDO is slated to use the proceeds to increase its financial support of micro-, small and medium-sized enterprises, particularly in remote areas of the country. FINCA MDO reports total assets of USD 20 million, a gross loan portfolio of USD 16 million and deposits of USD 14,000. FINCA International has total assets of USD 814 million and subsidiaries in 22 countries. January 5, 2014

**Google.org Donates \$3m to Kiva Labs to Fundraise for Ag, Ed Etc**

Google.org, the charitable arm of US-based technology firm Google, has selected Kiva, a US-based microloan fundraiser, to receive the 2013 Google Impact Award. This award includes a donation of USD 3 million that Kiva will use to launch Kiva Labs, a crowdsourcing platform that is slated to generate USD 25 million in capital for lending to 100,000 social enterprises that focus on education, clean energy, agriculture, poverty alleviation and economic development. Kiva has raised money for USD 514 million in loans that have been disbursed via microbanks in 73 developing countries. January 4, 2014

## MicroCapital Deal of the Month

**EBRD, FMO Buy 25% of Imon of Tajikistan for \$6.5m**

The London-based European Bank for Reconstruction and Development and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, a Dutch public-private partnership that aims to promote growth in developing economies, recently announced a joint investment of USD 6.5 million in Imon International, a microfinance institution in Tajikistan. Under the terms of the deal, each investor will receive a 12.5-percent stake in Imon, which will use the additional capital to expand its offerings to include services such as deposits. In anticipation of the development, Imon has already acquired a deposit-taking license. Imon reports total assets of USD 86 million, a gross loan portfolio of USD 68 million, 58,000 borrowers, return on assets of 5.9 percent and return on equity of 27 percent.

Imagine your branding here

**India OK's State-run Savings in West Bengal After Saradha Failure**

The Reserve Bank of India, the country's central banking authority, recently approved a government-backed savings scheme aiming to serve poor people in the state of West Bengal. This follows the April 2013 collapse of the Saradha Group, a private consortium through which 2 million people in the region reportedly lost deposits equivalent to USD 400 million. The new scheme accepts deposits ranging from USD 16 to USD 8,000 for periods of one to five years with annual interest rates ranging from 9 to 9.5 percent. The funds will be managed by the West Bengal Financial Infrastructure Development Corporation, a state-run non-banking finance company. Participants will access the program via an anticipated 30,000 agent locations, including branches of the United Bank of India. January 3, 2014

**Sequoia Sells 1.75% Stake in India's SKS to WestBridge for \$4.7m**

US-based Sequoia Capital has sold its 1.75-percent stake in India's SKS Microfinance to WestBridge Capital, an investment group with offices in India, Mauritius and the United States. WestBridge purchased the shares for INR 155 each, allowing Sequoia to exit its investment with gross proceeds equivalent to USD 4.7 million. Sequoia purchased the stake five years ago at INR 138 per share. With this transaction, WestBridge increased its holdings in SKS to 10.2 percent. SKS reports a gross loan portfolio of USD 434 million, 4.3 million borrowers, return on assets of -15.8 percent and return on equity of -73.4 percent. SKS, which is publicly traded, does not accept deposits. January 2, 2014

**EBRD May Loan \$27m to Tunisie Leasing for MSMEs in Tunisia**

The UK-based European Bank for Reconstruction and Development is looking into disbursing a senior, unsecured loan equivalent to USD 27.3 million to Tunisie Leasing to boost its services for micro-, small and medium-sized enterprises. Tunisie Leasing, which serves Tunisia and Algeria, has assets of USD 592 million. December 27, 2013

### HBL Express to Reach 5,500 More Locations in Pakistan

NADRA Technologies Limited, a subsidiary of Pakistan's National Database and Registration Authority (NADRA), has partnered with Karachi's Habib Bank Limited (HBL) to expand HBL Express, a service that allows for the payment of utility bills and sending domestic money transfers without a bank account. HBL Express will become available at the 5,500 agent locations through which NADRA Technologies offers its e-Sahulat services, through which individuals may pay utility bills. HBL reports the equivalent of USD 16 billion in assets with branches in 25 countries. December 27, 2013

### PROPARCO Lends \$4.1m to Haiti's ACME

Societe de Promotion et de Participation pour La Cooperation Economique, a French public-private development finance institution, reportedly has opened a credit line equivalent to USD 4.1 million for Association pour la Cooperation avec la Micro Entreprise (ACME), a Haitian microlender. ACME reports total assets of USD 29 million, a gross loan portfolio of USD 24 million, 33,100 borrowers, return on assets of 2.5 percent and return on equity of 8.9 percent. December 27, 2013

### Incofin Seeking \$200m for agRIF Fund for Small-scale Agriculture

Incofin Investment Management, a Belgium-based manager of microfinance investment vehicles including Rural Impulse Fund (RIF) I and II, has announced the launch of "agRIF," which is targeted to raise USD 200 million to invest in institutions that provide financial services to farmers whose operations are deemed "small scale." The fund will provide debt and equity investments to institutions such as banks, co-operatives and microfinance institutions in developing countries. Incofin will also provide investees with technical assistance in product development. The fund will issue both shares and senior notes, with a first closing planned for late 2014. Incofin reports USD 500 million under management with investments in 40 countries. December 26, 2013

### EFSE Loans \$3.4m in Armenia, Places \$106k in Equity in Kosovo

The European Fund for Southeast Europe (EFSE), a Luxembourg-based microfinance investment vehicle backed by multiple governments, has disbursed two loans totaling USD 3.4 million to ACBA Leasing, a subsidiary of the Agricultural Cooperative Bank of Armenia (ACBA). EFSE also made an equity investment equivalent to USD 106,000 in Kreditimi Rural i Kosoves (KRK), a for-profit, non-bank microlender that serves rural Kosovo. The size of the stake taken by EFSE has not been disclosed. ACBA, a microfinance bank partially owned by French bank Credit Agricole, reports total assets equivalent to USD 625 million, and KRK reports total assets of USD 16 million. December 23, 2013

### USAID, NetHope Donate \$42k for Electronic Payments

The US Agency for International Development and NetHope, a consortium of 41 international humanitarian organizations, recently announced the award of three Electronic and Mobile Payment Implementation and Evaluation Grants totaling USD 42,000. The recipients are: (1) Alalay Sa Kaunlaran, a Philippine microfinance institution; (2) US-based Concern Worldwide for its Food Income and Markets and Education Programs in Malawi; and (3) Canadian NGO Mennonite Economic Development Associates for its work to implement a distribution system for cassava seed in Tanzania. December 20, 2013

### Urwego of Rwanda Receives \$514k Donation for Mobile Services

Urwego Opportunity Bank (UOB), a microfinance institution in Rwanda, has received a donation of USD 514,000 from the World Bank Group's International Finance Corporation (IFC) and Oesterreichische Entwicklungsbank, Austria's development bank, to support the provision of financial services - including mobile services - particularly to women and small-scale enterprises. The project, to be accompanied by advisory services from IFC, is partially funded by the MasterCard Foundation, a Canadian NGO founded by US-based payments firm MasterCard. UOB reports total assets of USD 25 million. December 18, 2013



Fern Software has specialised in providing affordable banking solutions since its incorporation in 1979. We now have over 400 sites in 40 countries and a network of offices and partners around the world with systems translated into several different languages to suit local needs.

#### TARGET CLIENTS

- Retail Banking - Savings - Current Accounts - Deposits - Loans - ATM - Cards/POS
- Development Banking
- Enterprise Development Agencies
- Islamic Banking
- Microfinance - Individual Lending - Group Lending - Grameen Model
- Credit Unions - Shares - Loans

[www.fernsoftware.com](http://www.fernsoftware.com)



**IFC, MasterCard Give \$2.7m to FINCA DRC, AccessBank Tanzania**

The International Finance Corporation (IFC), a member of the US-based World Bank Group, recently notified MicroCapital that it has launched projects with the Foundation for International Community Assistance (FINCA) DRC, a subsidiary of US-based nonprofit FINCA International that operates in the Democratic Republic of the Congo, and AccessBank Tanzania, a member of Germany's Access Microfinance Holding. For their efforts to expand, develop new products and promote mobile banking, FINCA DRC will receive a donation of USD 1.8 million, and AccessBank Tanzania will receive USD 850,000. Partially funded by Canada's MasterCard Foundation, the project includes advisory services provided by IFC. December 17, 2013

**EFSE Loans \$63m in Belarus, Romania, Azerbaijan**

The Luxembourg-based European Fund for Southeast Europe recently disbursed the following loans intended to benefit micro-, small and medium-sized enterprises: the equivalent of USD 27 million to Belgazprombank, a Russian-owned bank in Belarus; USD 20.5 million to Banca Transilvania, a bank in Romania; and USD 15 million to AccessBank, a for-profit Azerbaijani member of Germany's Access Microfinance Holding. Belgazprombank reports total assets of USD 932 million; Banca Transilvania reports total assets of USD 8.5 billion; and AccessBank has total assets of USD 656 million. December 17, 2013

**Grameen Credit Agricole Lending \$315k to Burkina Faso's ASIENA**

The Luxembourg-based Grameen Credit Agricole Microfinance Foundation recently notified MicroCapital that it has disbursed the first half of a three-year loan equivalent to USD 315,000 to Association Inter Instituts Ensemble et Avec (ASIENA), an association of religious congregations in Burkina Faso that provides entrepreneurship support, mutual health insurance and other forms of microfinance to its members. ASIENA was created with support from French NGO Comite Catholique contre la Faim et pour le Developpement and gets ongoing backing from Solidarite Internationale pour le Developpement et l'Investissement, another French NGO. ASIENA reports a gross loan portfolio of USD 1.6 million, 11,300 borrowers, deposits of USD 957,000 and 683 depositors. December 15, 2013

**FSD Funding WWB to Serve More Women in Sub-Saharan Africa**

Financial Services Deepening, a UK-funded NGO in Kenya, reportedly has agreed to donate up to USD 7.1 million over five years to US-based NGO Women's World Banking (WWB) to support its existing partnerships with Diamond Bank, a commercial bank in Nigeria; New Building Society, a commercial bank in Malawi; and National Microfinance Bank of Tanzania. WWB plans to work with these institutions to expand financial services for women, including savings and rural credit. WWB's affiliates serve 26 million clients in 28 countries. December 12, 2013

**Fondazione Giordano Dell'Amore, EMN Offer \$69k Award**

Throughout January, Fondazione Giordano Dell'Amore, an Italian foundation that supports microfinance, and the European Microfinance Network, a Belgian NGO that promotes microfinance and self-employment, are accepting nominations for the sixth edition of the Giordano Dell'Amore Microfinance Good Practices Europe Award, which includes a cash prize equivalent to USD 69,000. The theme for the 2014 award is "Employment – challenges and opportunities for microfinance." Application materials are available at <http://www.fgda.org/en/activities/europe-award/index.aspx>. December 11, 2013

**Absolute Disburses Loans of \$19m in Eurasia, Latin America**

Absolute Portfolio Management, an Austrian firm that invests in microfinance and other sectors, recently informed MicroCapital that it issued loans equivalent to USD 19 million during November 2013 through funds it manages to microfinance institutions in the following countries: Armenia, Bosnia and Herzegovina, Cambodia, Costa Rica, Ecuador, Georgia, India, Kazakhstan and Mongolia. The names of investees and the sizes of individual investments have not been disclosed. The microfinance funds managed by Absolute are the Dual Return Fund - Vision Microfinance, which has assets of USD 130 million, and the Dual Return Fund - Vision Microfinance Local Currency, which has assets of USD 52 million. December 10, 2013

**Thailand Sets Interest Rate at 3%, Capital Requirement at \$310k**

Thailand's Ministry of Finance has announced that beginning early in 2014, microfinance institutions (MFIs) will be able to apply for microfinance operating licenses from the Bank of Thailand, the country's central bank. The maximum microfinance interest rate has been set at 3 percent per month, and loans to an individual borrower cannot exceed the equivalent of USD 3,100. MFIs will be required to have minimum capital of USD 310,000 and will not be permitted to accept deposits. As of 2013, the maximum interest rate that Thai financial institutions could charge was 15 percent per year. December 9, 2013

**AFD, Lafarge, LAPO Nigeria Commit \$8m to Housing Finance**

Agence Francaise de Developpement, the international development agency of the French government, has established a "long-term" credit line equivalent to USD 6.3 million to Lift Above Poverty Organization (LAPO), a Nigerian microfinance institution (MFI), to support low-income families in constructing or improving their homes. LAPO has committed an additional USD 2 million to the project, which is supported by the Nigerian subsidiary of French construction materials company Lafarge, which will provide technical assistance to borrowers. The project is expected to benefit 3,500 Nigerians within three years. LAPO reports total assets of USD 132 million, a gross loan portfolio of USD 108 million, USD 63 million in deposits, return on assets of 9.5 percent and return on equity of 54 percent. December 5, 2013



# MicroCapital Monitor

SINCE 2006

Did you know **every MFI**  
**on the MIX Market** receives  
the complete subscriber edition  
of the *Monitor* each month?

## FIELD NOTES

### Customization: The Key to Leveraging Everyone's Full Potential?

During the holidays, my family hosts a “benefit party.” It may be my favorite day of the year because it always feels transformative. I pre-select three charities based on a theme (this year was children’s rights), and the children who attend (aged 5 to 15) decide which charity will receive the proceeds from a raffle. They discuss the options among themselves and try to come up with arguments to build consensus around one option. They never seem to pick the obvious choice, and they always teach me something I didn’t know, provoking me to think about my own work in new ways. This year, one girl argued for a charity that does not offer one solution for all the kids that come through its door, instead tailoring solutions to the needs of the child. The girl insisted that kids need different things based on their situations, and a program that offers only financial services, for example, may not be addressing a child’s primary problem. She was impressed, instead, with an organization that helped an undocumented girl in New York to obtain a green card so that she could work and then begin to strive for college, saying: “If they had offered her something else, she still wouldn’t have gotten what she needed, her papers.”

Offering a single solution is appealing: we all want to have “the answer.” A simple model most likely is easier to implement and more scalable than customized approaches. But is it most effective in improving the lives of the poor and vulnerable? Our team recently visited Fundacion Paraguaya (FUPA), a mission-driven microfinance institution that works in Asuncion with vulnerable populations, including youth. FUPA recently implemented a “stoplight” tool that loan officers use to measure

various vulnerabilities of new clients’ families to help FUPA customize the services it offers. These problems may vary from family violence to a need for technical assistance with growing crops. Clients may be offered help directly or through partner organizations, and progress is measured over time. Clients were enthusiastic, noting that they were becoming agents of their own change.

The comments of a young girl and the experience of FUPA are thought-provoking. Perhaps we should not think about “products” or even “solutions” as interventions, because they can obfuscate the diversity of needs of the poor and vulnerable. Would it be possible for customization to be the “next big thing”? It may be costly - and complex - but the potential results make it worth examining in more depth. If customization will prove to be a game changer, then it may be time to start coming up with technologies and processes to make it cheaper to identify the specific needs of poor households, segment these needs and offer more highly customized solutions - possibly through a single trusted and convenient channel. FUPA employees already are using tablet computers to enter stoplight information into a web-based data management system. Perhaps customization can be a scalable concept after all: A girl can dream, don’t you think?

*About the Author: Ms Barbara Magnoni is President of EA Consultants, a development-consulting firm based in New York. She has over 20 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](#).*



## Your Core Financing Partner

We provide tailor-made financing solutions, making the following benefits available to you:

- Reliable, stable and growing source of financing
- Long-term partnership with the leading private player in the industry
- Lean and efficient processes and swift decision-making
- Well-established networks and strong ties to the investor community
- In-depth expertise in the areas of capital markets, hedging and structuring

responsAbility Investments AG  
 Josefstrasse 59, 8005 Zurich, Switzerland  
 Phone +41 44 250 99 30, Fax +41 44 250 99 31  
[www.responsAbility.com](http://www.responsAbility.com), [proposal@responsAbility.com](mailto:proposal@responsAbility.com)

**responsAbility**

## MICROCAPITAL MARKET INDICATORS PERU



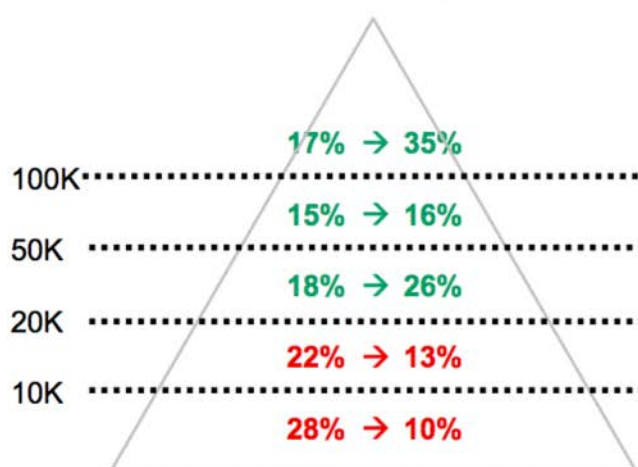
50 MICROFINANCE INSTITUTIONS (MFIs) REPORTING<sup>1</sup>

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

MFI NAME	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2010	2012
Mibanco	277,266,094	19	1,301,197,864	1,855,730,053
Crediscotia Financiera	255,456,643	28	823,506,761	1,334,420,049
Caja Municipal de Ahorro y Credito Arequipa	210,699,642	32	560,242,348	981,641,634
Caja Municipal de Ahorro y Credito Huancayo	91,411,505	33	235,941,992	418,765,003
Caja Municipal de Ahorro y Credito Piura	87,124,670	18	445,072,953	619,322,294
Caja Municipal de Ahorro y Credito Cusco	70,214,951	23	272,647,330	413,077,234
Caja Municipal de Ahorro y Credito Sullana	69,756,650	19	329,670,348	469,183,649
Compartamos Financiera	53,754,411	35	130,767,615	238,276,438
Caja Rural de Ahorro y Credito Senor de Luren	51,349,043	31	147,366,915	250,065,001

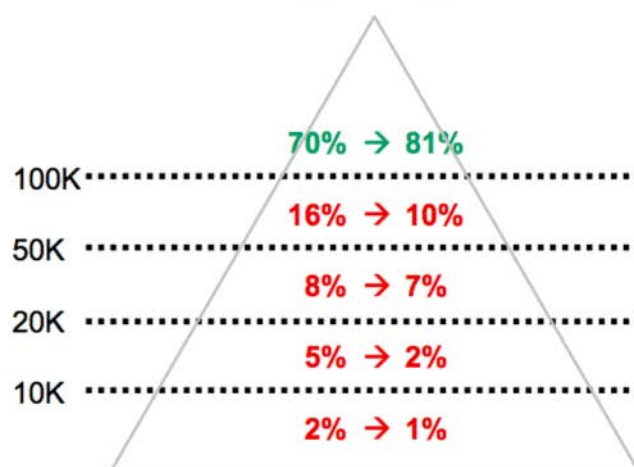
### PERCENT OF MFIs IN MARKET BY SIZE (NUMBER OF ACTIVE BORROWERS)

2010 → 2012



### MARKET SHARE BY MFI SIZE (NUMBER OF ACTIVE BORROWERS)

2010 → 2012



<sup>1</sup>Denotes only MFIs that reported data for 2010 and 2012 to the Microfinance Information Exchange (MIX) Market



## UPCOMING EVENTS

### Mobile Money and Digital Payments Asia 2014

January 21 - January 23, 2014; Jakarta, Indonesia

The event will focus on topics including the business case for micro-finance, the “next generation” of financial services for the unbanked, and the value propositions for cash digitization. Access to the two-day event costs USD 1,600 with add-on workshops available. A discount of 20 percent is available to MicroCapital readers citing the discount code MMA14MC2. For additional information, you may contact Clarion Events via [customer.services\[at\]clarionevents.com](mailto:customer.services[at]clarionevents.com), +44 (0)207 384 8384 or <http://www.mobile-money-gateway.com/asia>.

### Mobile Payments & E-Commerce Emerging Markets/Asia Pacific

February 13 - February 14, 2014; Yangon, Myanmar

This summit will cover the challenges and opportunities offered by mobile commerce within Myanmar as well as in other markets in Asia, Africa and the Middle East, including mobile banking, automated teller machines and “interfacing microfinance and mobile payments.” The cost to register is USD 1,999 with various discounts available. You may seek more details via [enquiry\[at\]magenta-global.com.sg](mailto:enquiry[at]magenta-global.com.sg), +65 6391 2533 or <http://www.magenta-global.com.sg/eventconference.php>.

### Fifth Annual Microinsurance Summit

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

This event will cover topics such as distribution channels, product development and mobile strategies. The full price to register is USD 2,589 with add-on workshops and a range of discounts available. More details are available via +44 (0)203 141 8700, +1 212 537 5898, [info\[at\]hansonwade.com](mailto:info[at]hansonwade.com) and <http://microinsurance-latin.com/>.

### AITEC Banking & Mobile Money West Africa

March 12 - March 13, 2014; Lagos, Nigeria

The seventh iteration of this event will cover regulation, microfinance, Islamic banking and other topics. The fee to attend is USD 590, with group discounts available. More details may be had via [info\[at\]aitecafrica.com](mailto:info[at]aitecafrica.com), +44 (0)148 088 0774 or <http://aitecafrica.com/event/view/105>.

### Institutional and Technological Environment for Microfinance

March 18 - March 20, 2014; Casablanca, Morocco

The first day of this event entails a site visit to Attawfiq Micro-Finance “Banque Populaire Microfinance Foundation in Morocco.” The other two days will address issues such as empowering women, over-indebtedness, interest rate trends and business strategies. The fee to attend is EUR 250, with a student rate of EUR 50 available. More information may be sought via [microfinancechair\[at\]escdijon.eu](mailto:microfinancechair[at]escdijon.eu), +33 380 725 900 or <http://item5.weebly.com/>.



**MOBILE MONEY & DIGITAL PAYMENTS**  
ASIA  
21-23rd JANUARY 2014 • JAKARTA, INDONESIA

Asia is rapidly moving towards a cashless landscape. Leapfrogging traditional infrastructures, many pioneers have turned to the mobile channel to make their millions – and they're succeeding. Join the business leaders and innovators who are shaping the payments landscape across Asia. Stay up to-date with the latest market trends and insights and leave with concrete actions to implement in your own strategy.

Register now for Mobile Money Asia  
[www.mobile-money-gateway.com/asia](http://www.mobile-money-gateway.com/asia)

### 10th Global Microfinance Forum

March 20 - March 21, 2014; Vienna, Austria

Themed “Evolving Towards a Real Positive Impact,” this event will address regulation, product diversification, case studies and other topics. The fees to attend have not yet been established, but more details are available via <http://www.uni-global.eu/en/event/2014-148>, +420 226 538 101 or [registration\[at\]uni-global.eu](mailto:registration[at]uni-global.eu).

### Caribbean Microfinance Forum

March 31 - April 3, 2014; Paramaribo, Suriname

Themed “Building an Environment for Entrepreneurs to Excel,” the fifth edition of this event is organized around the following areas: serving farmers, harnessing technology and serving youth. The standard registration rate is USD 300 with one-day rates and other discounts available. For more information, you may call +1 876 920 2677, email [cmfsecretariat\[at\]gmail.com](mailto:cmfsecretariat[at]gmail.com) or visit <http://caribbeanmicrofinancealliance.com/cmfv/97/home>.

### Mobile Money Americas Conference and Expo

April 7 - April 9, 2014; Mexico City, Mexico

The fifth iteration of this event will be held in concert with the Digital Payments Americas summit. The proceedings will cover consumer and government payments as well as microfinance, media and regulation. The fee for one attendee is USD 1,800 with discounts available for multiple representatives from the same organization and for all registrations received by the end of February. More details are available via <http://mobile-money-gateway.com/Americas>, [mmt\[at\]clarionevents.com](mailto:mmt[at]clarionevents.com) or +44 (0) 20 7384 7910.

### MORE DETAILS COMING SOON ON...

### Sankalp Unconvention Summit

April 9 - April 11, 2014; Mumbai, India

### Harvard Business School-ACCION Program on Strategic Leadership in Inclusive Finance

April 21 - April 26, 2014; Boston, Massachusetts, USA

### Microfinance Centre Annual Conference

May 27 - May 28, 2014; Istanbul, Turkey

### TBLI Conference

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

### EMN Conference

June 19 - June 20, 2014; Lisbon, Portugal



**MicroCapital Monitor**  
SINCE 2006

Did you know **every MFI on the MIX Market** receives the complete subscriber edition of the *Monitor* each month?





## Vision Microfinance: Social Impact Investing

Vision Microfinance is an appeal to combat poverty in a meaningful and sustainable way. So far 444 m USD have been distributed in the form of 458 promissory notes to 184 microfinance institutions in 37 countries. Thanks to our investors the lives of over 1 m people in developing countries have been transformed.

Vision Microfinance allows private and institutional investors to participate in the fast growing microfinance industry. Investors benefit from the extensive asset management expertise of Absolute Portfolio Management who work in close partnership with microfinance specialist Symbiotics and the Bank in the diocese of Essen, a cooperative bank specialized in sustainable investments. This unique cooperation of fund manager, research team and ethical guide yields innovative microfinance solutions: Vision Microfinance.

[www.visionmicrofinance.com](http://www.visionmicrofinance.com)



**absolute**<sup>7</sup>  
portfolio management

Absolute Portfolio Management GmbH, Stubenring 2, 1010 Vienna | Phone: +43 1 533 59 76 | [www.absolutepm.at](http://www.absolutepm.at)



**EA Consultants** is a consulting firm dedicated to supporting initiatives that facilitate access to finance, markets and social protection for low income segments of the world's population.

We combine research and practice to ensure that our work is informed by an analysis and understanding of markets and client needs. Our goal is to drive new ways of thinking and new practice that can be transformative to benefit all segments of society.

**EA Consultants** es una firma de consultores dedicada a brindar a apoyo a entidades que facilitan el acceso a las finanzas, mercados y protección social para los segmentos de menores ingresos en el mundo.

Combinamos la investigación y la práctica para que nuestro trabajo sea informado por un entendimiento tanto de las fuerzas de mercado como de las necesidades de los clientes. Nuestro objetivo es de liderar nuevas ideas y prácticas que pueden ser transformativas para beneficiar a todos los segmentos de la sociedad.



**Microfinance**



**Microinsurance**



**SME finance**



**Health & other  
non-financial  
services**

*Strategic planning*

*Increasing operational efficiencies*

*Identifying market gaps & opportunities*

*Credit and Financial risk*

*Data mining, segmentation & analysis*

*Client-centered research*

*Product development*

*Donor strategies*

*Gender inclusion*

*Program monitoring & evaluation*

Visit us on the web at [www.eac-global.com](http://www.eac-global.com)  
Phone: +1-212-734-6461 email: [contactus@eac-global.com](mailto:contactus@eac-global.com)



**EAConsultants**  
Access to Finance, Markets and Social Protection



## PAPER WRAP-UP

### "Doing the Math" – Women's Health Microinsurance in Guatemala

By Derek Poulton and Barbara Magnoni, published by The MicroInsurance Centre, October 2013, 9 pages, available at [http://www.microinsurancecentre.org/milk-project/milk-docs/doc\\_details/1043-milk-brief-28-qdoing-the-math-q-womens-health-microinsurance-in-guatemala.html](http://www.microinsurancecentre.org/milk-project/milk-docs/doc_details/1043-milk-brief-28-qdoing-the-math-q-womens-health-microinsurance-in-guatemala.html)

Gynecologic cancers are one of the leading causes of death among Guatemalan women, and the authors of this study note that women in the country are fearful of the disease. Despite this, women are less likely to seek out gynecology services because such visits are sometimes perceived as a sign of promiscuity. Women also may delay gynecologic care because of lack of access or money.

In response to these challenges, Aseguradora Rural, a Guatemalan insurance company, created the VivoSegura health microinsurance product, which is available to women that hold savings accounts with Banrural, a local bank. The product is intended to offer access to options beyond free public health centers, "where the lines are long, supplies are scarce, and service quality is low."


The study methodology included interviews and a questionnaire addressing the cost of gynecology visits, quality of service and general impressions about insurance. The

participants included 25 women with VivoSegura insurance and 31 without health coverage but who had visited a private gynecologist within the preceding six months.

Members of the insured group had an average monthly income of USD 720 versus USD 494 for the uninsured, which is attributed to clients with Banrural savings accounts having relatively high family incomes. The findings suggest that the younger the woman, the less likely that she is insured: "The gap may reflect the fact that women in or approaching middle age are more concerned about, and possibly more aware of the need for preventing cancer, and thus more motivated to acquire VivoSegura. It may also reflect the demographics of Banrural's savings clients...."

The researchers note that - compared with the uninsured - the insured women tend to worry more about cancer and medical cost and that

their decisions to purchase insurance were motivated by a desire to curb their anxiety regarding illness. The findings confirm that the insured incurred lower out-of-pocket costs when they were sick, and clients "generally" perceived the cost of the insurance as affordable. Sixty-four percent believed the insurance helped save them money.

The authors argue that a lack of education and the proliferation of outright misinformation are significant challenges and that - in order to achieve better health outcomes - the industry must boost its dissemination of information about insurance policies, preventative care and insurance claims. The authors conclude that despite mixed findings regarding the benefits of VivoSegura insurance, the product does succeed in offering "tangibility" and "peace of mind" and that preventative services are of great importance to insurance holders. 

## SUBSCRIBE TO THE MICROCAPITAL MONITOR

*The MicroCapital Monitor is available only by paid subscription. Subscribe today to support a representative voice for microbankers and investors at [MicroCapital.org](http://MicroCapital.org) or by calling +1 617 648 0043. Subscriptions include 12 monthly issues and access to all back issues.*

**Bronze:** USD 149 per year - Sent to one email address  
**Silver:** USD 299 per year - Emailed to three people at one organization  
**Gold:** USD 699 per year - Customized, organization-wide access  
**Discount:** USD 99 per year - Available only OUTSIDE rich countries

**2.7 billion** people in the developing world lack access to basic financial services.



**We invest in the solution.**



**Developing World Markets** is a leading investment management firm linking inclusive financial institutions in the developing world to the international capital markets. As of December 31, 2012, DWM manages \$765 million in assets for institutional investors and has:

- 10+ years experience structuring and advising creative microfinance transactions
- Financed 150+ financial institutions in 40+ countries
- 35 professionals speaking over 20 languages

Developing World Markets offers tailor-made financial solutions to its clients to meet their capital needs, including:

**Senior & Subordinated Debt  
 Convertibles • Equity  
 Syndications • Bond Issues  
 USD • EUR • Local Currencies**

*Investing for Impact*

**DWM Asset Management LLC**

750 Washington Boulevard | Stamford, CT, 06901, USA | Tel: +1.203.655.5453 | [info@dwmarkets.com](mailto:info@dwmarkets.com) | [www.dwmarkets.com](http://www.dwmarkets.com)