



**MICROCAPITAL BRIEFS | TOP STORIES**

**\*Want More? Subscribe Today**

This month our subscriber edition includes 11 pages brimming with the best impact-investing news available, including many more briefs, event listings and summaries of current research. We invite you to request a free sample via [info@microcapital.org](mailto:info@microcapital.org).

**WestBridge Buys 20% of India's Aptus Value Housing for \$16m\***

Please see the subscriber edition for coverage of this "Deal of the Month."

**ADB Loans \$200m to Yes Bank for Women in Self-help Groups, Farmers in India**

The Asian Development Bank (ADB), a multilateral development finance institution based in the Philippines, has approved a loan of up to USD 200 million to Yes Bank Limited, an Indian commercial bank, for on-lending to "2.5 million rural, low income women" who are members of self-help groups and "up to 37,000 small-scale farmers." The loan agreement also includes USD 1 million for technical assistance for financial literacy training and product development. Todd Freeland, the director general of private sector operations at ADB, said that his organization "is proud to partner with Yes Bank in promoting rural financial inclusion in India... [I]n addition to income generation via female self-help groups, the project targets small farmers to allow them to benefit from agricultural value chains and enhance their productivity through better access to markets and investment finance." Yes Bank reports assets equivalent to USD 16 billion, return on assets of 1.5 percent and return on equity of 25 percent. January 10. 2015

**EFSE, Green for Growth Loan \$24m to Macedonia's Halkbank**

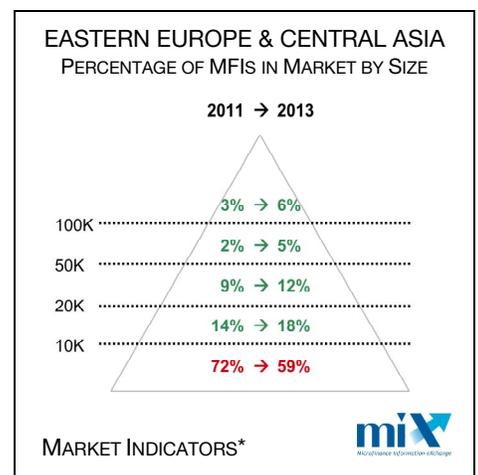
The European Fund for Southeast Europe (EFSE), a Luxembourg-based microfinance investment vehicle, and Green for Growth Fund, Southeast Europe (GGF), a Germany-based fund that invests in energy efficiency and renewable energy sources, each recently disbursed a euro-denominated loan worth USD 12.1 million to Macedonia's Halkbank AD Skopje. The loan from EFSE is intended to support loans to individuals for purchasing and improving their homes as well as expand the bank's service to micro- and small enterprises. The GGF loan is for on-lending to projects expected to reduce annual energy usage by as much as 44,000 megawatt-hours and carbon dioxide emissions by 13,770 tons. Halkbank reports a gross loan portfolio of USD 270 million, total deposits of USD 28 million, return on equity of 4.2 percent and return on assets of 0.2 percent. December 30. 2014

**Ghana MFIs Network Members Adopt Code of Conduct**

The Ghana Microfinance Institutions Network, an association of 80 microfinance institutions serving 60,000 clients, recently announced that it plans to adopt a code of conduct to be implemented by all of its members. The code was developed in conjunction with the Small Enterprise Education and Promotion Network, a US-based group of microenterprise practitioners, with the objective of increasing transparency. December 25. 2014

*(For more top stories, please refer to the subscriber edition\*)*

INSIDE	Page
<b>MicroCapital Briefs</b>	<b>2*</b>
News on Impact Investing	
<b>Field Notes</b>	<b>6</b>
(Re-)finding the Mojo in Microfinance	
<b>Market Indicators</b>	<b>*</b>
Courtesy of MIX	
<b>Upcoming Events</b>	<b>*</b>
Industry Conferences	
<b>Paper Wrap-ups</b>	<b>7*</b>
Latest Research and Reports	
<b>Subscribe to the Monitor</b>	<b>8</b>
Subscribe, renew or advertise via MicroCapital.org or +1 617 648 0043	



## MICROCAPITAL BRIEFS

### FinMark to Help Swaziland Develop Credit Sharing

The Ministry of Finance of Swaziland reportedly will launch a program to share credit information among credit providers, including retailers, with the support of FinMark Trust, a South African NGO. The program is intended to protect consumers from over-indebtedness and, according to Principal Secretary Bheki Bhembe of the Ministry of Finance, “increase access to affordable credit among the under-served market segments.” It is also part of a government strategy to increase financial inclusion in the country from 50 percent in 2011 to 75 percent by 2022. January 16, 2015

### CDC Places \$14m in Equity in Utkarsh, Advans

The Commonwealth Development Corporation (CDC), the UK government’s development finance institution, has announced that it made an equity investment of USD 11 million to take a stake of unspecified size in Utkarsh, an Indian microlender. CDC also placed USD 3.5 million in Advans SA, a Luxembourg-based organization that builds and supports microfinance institutions in Africa and Asia. The investment in Utkarsh was part of its fourth round of funding, in which Utkarsh raised a total of USD 21 million from CDC, Mauritius-based venture fund Lok Capital and other investors. Utkarsh reports total assets of USD 77 million, a gross loan portfolio of USD 59 million, 320,000 borrowers, 224 branches, return on assets of 2.4 percent and return on equity of 11 percent. Advans reports a consolidated gross loan portfolio equivalent to USD 270 million serving 353,000 loan clients in eight countries in Africa and Asia. January 16, 2015

### Triodos Invests in Tunisia’s Enda Inter-Arabe, Uganda’s EFC

Triodos Investment Management, a subsidiary of Netherlands-based Triodos Bank, recently disbursed loans of unspecified size to Enda Inter-Arabe, a Tunisian financial services provider, and Entrepreneurs Financial Centre (EFC) Uganda, which is operated by Canadian NGO Développement international Desjardins. This is the first time that Triodos Investment has invested in Tunisia. Enda Inter-Arabe, which reports a gross loan portfolio of USD 106 million and 231,000 active clients, is a unit of Enda Third-World, an NGO based in Senegal that operates various programs in 14 countries worldwide. EFC Uganda, which was founded in 2012, has total assets equivalent to USD 3.5 million. January 15, 2015

### Nestlé, MIF, ADOPEM Arrange Franchises in Dominican Republic

The Multilateral Investment Fund (MIF), a member of the US-based Inter-American Development Bank, recently announced that it has partnered with Asociación Dominicana para el Desarrollo de la Mujer (ADOPEM), a microfinance institution in the Dominican Republic, and Nestlé Dominican Republic, a unit of the Switzerland-based food and beverage company, to support low-income women in opening micro-franchises to distribute Nestlé products. To fund the effort, Nestlé will provide USD 450,000, MIF will contribute USD 400,000 and ADOPEM has committed USD 250,000. Nestlé has a market capitalization of USD 230 billion. January 14, 2015

### Egypt Sets \$2m Capital Requirement for MFIs

The Egyptian government’s Financial Supervisory Association has issued a resolution regulating microfinance companies, encompassing topics such as anti-money laundering provisions, corporate governance, customer protection, investment criteria and credit portfolio regulations. The resolution also requires microfinance companies to be licensed as joint stock companies with minimum promulgated capital equivalent to USD 2 million. As was reported in the December 2014 issue of this newspaper, Egypt recently passed a law that allows non-bank entities to offer microcredit. January 13, 2015

### Triodos Fund Opens \$2m Line for Ag Firms in Thailand, Uganda

The Triodos Sustainable Trade Fund, which provides trade finance loans to co-operatives and private companies operating in “sustainable” agricultural value chains, recently opened a credit line for Urmatt Limited, a Thai company producing and processing organic rice, and ICAM Chocolate Uganda Limited, a subsidiary of the Italian firm Industria Cioccolato e Affini Morbegno (ICAM) that sources organically grown green cocoa beans directly from local farmers. The funding, which is capped at USD 2 million, is intended to enable the borrowers to improve cash flow management and pay “fair” prices to farmers. The Triodos Sustainable Trade Fund is managed by Triodos Investment Management, a unit of the Netherlands’ Triodos Bank. Financial data on the investees is not available. January 13, 2015

### EBRD Loans \$114m for Women in Turkey, MSMEs in Kazakhstan

The multilateral European Bank for Reconstruction and Development (EBRD) recently lent the euro-equivalent of USD 59.2 million to Finansbank, a Turkish subsidiary of the National Bank of Greece Group, and the local-currency equivalent of USD 54.5 million to Kazakhstan’s Bank CenterCredit. The loan to Finansbank is intended for on-lending to small and medium-sized enterprises (SMEs) managed by women. The loan to CenterCredit is intended to support micro- and SMEs (MSMEs), mostly outside the larger cities of Almaty and Astana. This loan is the first in EBRD’s Kazakhstan MSME Framework, which is slated to provide USD 200 million in “medium-term” funding. CenterCredit has 20 branches and assets worth USD 5.5 billion. Finansbank reports assets of USD 32 billion and 5.3 million customers. January 13, 2015

### Absolute’s Vision Funds Invest \$8.5m in MFIs in Cambodia, LatAm

Absolute Portfolio Management, an arm of Austria-based asset management group C-Quadrat, recently informed MicroCapital that it disbursed credits totaling the equivalent of USD 8.5 million from its two funds, the Dual Return Fund-Vision Microfinance and the Dual Return Fund-Vision Microfinance Local Currency, to unspecified microfinance institutions (MFIs) in Cambodia, Costa Rica, Ecuador and Peru. Of the total, USD 1 million was disbursed to an MFI that was founded in 1996 in the Costa Rican capital, San Jose. It dedicates a portion of its income to provide member benefits such as services for the elderly, financial training, medical assistance and scholarships. C-Quadrat reports total assets of USD 6.3 billion under management. January 13, 2014

### Bangladesh to Designate “Lead MFIs” to Align Anti-poverty Work

The Microcredit Regulatory Authority (MRA) of Bangladesh reportedly is planning the launch of a Lead Microfinance Institution (MFI) System to coordinate and reduce overlap among international and domestic poverty-reduction programs operating in the country. MRA Director Sazzad Hossain offered the following example: “Suppose, 200 people are eligible for credits in an upazila, but under the existing system 150 people are getting the credit facilities. The lead MFI will find out why the rest are not under MFI credit programme.” January 13, 2015

### IFC Loans \$7m to TuranBank of Azerbaijan for Rural MSMEs

The International Finance Corporation (IFC), a member of the US-based World Bank Group, recently announced that it will loan USD 7 million to Azerbaijan’s TuranBank Open Joint Stock Company. The proceeds will be on-lent to micro-, small and medium-sized enterprises (MSMEs) in rural areas. Nazim Sadigov, the chairman of TuranBank, said that “with support from IFC, the bank’s MSME lending capacity will expand, contributing to sustainable development and helping reduce the country’s dependence on the oil and gas sector.” TuranBank reports total assets equivalent to USD 312 million, a loan portfolio of USD 227 million and deposits of USD 138 million. January 12, 2015

*(For more briefs, please refer to the subscriber edition) *



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)

**2.5 billion** adults lack access to formal 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.

- 10+ years of experience structuring and advising social impact investments
- Financed 150+ inclusive financial institutions in 40+ countries

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)

## FIELD NOTES

### (Re-)finding the Mojo in Microfinance in 2015

Every year around this time, I try to think about what the “next big thing” will be for the coming year. I began 2015 without much inspiration. Microfinance is old news, and many smart minds are disassociating themselves from the word, instead talking about financial inclusion, mobile money, video games, recyclable plastics...anything but microfinance!

I will not go there. Instead, I will take this opportunity to think about how we can make microfinance better, rather than sweeping it aside for the next big thing. Why? Because ignoring it will not make it disappear. From a commercial perspective, microfinance is hotter than ever. India’s Microfinance Institutions Network notes that the funding of micro-finance institutions in that country increased 172 percent during 2014, and loan portfolio growth was up 47 percent year-on-year in the third quarter (versus a 23-percent increase in clients). Even countries with microfinance sectors going through tricky adjustments are resisting decline; Peru, for example, saw 5-percent annualized growth in November 2014 according to COPEME. Although microfinance is hot commercially, it has lost its “mojo” in policy circles. So I dedicate 2015 to finding it again, which will have to start with some serious deconstructing.

The first step is to stop looking at averages and understand that clients can be better served if we see them as segments - or better still, individuals! And with today’s progress in technology, it can be done. Last year, I visited more than 20 countries and met with scores of clients, loan officers, microinsurance sales agents, managers, donors and policymakers. I believe that we can make microfinance outcomes better because for every over-indebted lady with a no-growth business there

is another lady expanding her shop and laying tile on the floor of her bathroom. For every old woman who would prefer not to be tied down to loan payments as she enters her golden years, there is a young one discovering that financial independence can mean reproductive freedom. And for every young man taking out a loan in desperation after struggling to find salaried work, there is a father supporting a family with his sacrifices, borrowing to smooth out the irregular cash flow of his business to put food on the table.

In a recent blog post on NextBillion.net, I joined in the criticism of the high level of client over-indebtedness, but I would like to respond to some strong reactions to my article that were seeking to discredit microfinance. Let’s instead imagine a better model: one that is based on offering multiple financial services (not only loans) at various points in a client’s life: a safe place to put money and a place where he or she can build wealth and borrow when needed. Let’s imagine a model where longevity, not growth, is the goal: where clients don’t move to competing institutions because they are well served where they are, and employees don’t move to competing institutions because they are well compensated, respected and offered opportunities to grow. Let’s imagine a place that builds communities instead of weakening them: a place where a man can learn that the women in his community are worthy of respect, and a woman can learn that she too can follow her dreams. To figure out if this is a model worth fighting for, we need to start imagining something better!

*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](https://twitter.com/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**



# 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 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)



**EA Consultants**  
Access to Finance, Markets and Social Protection

## PAPER WRAP-UPS

### Global Microscope 2014: The Enabling Environment for Financial Inclusion

*Published by the Economist Intelligence Unit, 2014, 86 pages, available at [http://www.eiu.com/latinamerica/en/community/data/2014\\_Global\\_Microscope-EN.pdf](http://www.eiu.com/latinamerica/en/community/data/2014_Global_Microscope-EN.pdf)*

This seventh annual edition of the Microscope ranks Peru as the top country in terms of enabling microfinance for the seventh consecutive year. The Latin American and Caribbean and East and South Asia tie this year for the highest regional scores, while the Middle East and North Africa region has the lowest score.

Peru's score of 87 out of 100 was attributed partially to strong leadership, institutional support, regulatory capacity, credit-reporting systems and supervisory capacity. Peru also is known for its prudential regulations for deposit-taking. Approximately 60 microfinance institutions (MFIs) in Peru report to the US-based nonprofit Microfinance Information Exchange (MIX) an aggregate gross loan portfolio of USD 10.9 billion with 4.9 million active borrowers and USD 9.1 billion in deposits from 4.7 million depositors.

The report ranks Colombia second with a score of 85. Colombia scored in the top five on almost all of the indicators and is considered a leader in microinsurance regulation. Approximately 40 MFIs in Colombia report to MIX a total gross loan portfolio of USD 38.3 billion, 2.8 million active borrowers, and USD 34.5 billion in deposits held for 6.2 million customers.

The report ranks the Philippines third with a score of 79. The Philippines is also considered strong in microinsurance regulation and, unlike Peru and Colombia, has a formalized strategy for financial inclusion. Approximately 115 MFIs in the Philippines report to MIX a gross loan portfolio of USD 1.2 billion with 4.5 million... *(Continued in the subscriber edition)*



# Andares

Mujeres para las Microfinanzas

Súmense a nuestra red de mujeres profesionales en microfinanzas de Latinoamérica y el Caribe

Grupo Andares - Mujeres para las Microfinanzas  
 [andaresmujeres.blogspot.com](http://andaresmujeres.blogspot.com)

Liderazgo  
Aprendizaje  
Intercambio  
Mentoría

## SUBSCRIBE TO THE MICROCAPITAL MONITOR

*The MicroCapital Monitor is available only by paid subscription. To support a representative voice for impact investors and investees, subscribe 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**

### Exploring New Frontiers – The Potential of Impact Investments in Microinsurance

*By Jeremy Leach, Sandisive Neube and Anand Menon; published by the Microinsurance Network; 2014; 49 pages; available at [http://www.microinsurancenetwork.org/sites/default/files/MICRO\\_NetworkInvestor\\_PaperWEB.pdf](http://www.microinsurancenetwork.org/sites/default/files/MICRO_NetworkInvestor_PaperWEB.pdf)*

Microinsurance, a risk mitigation and management tool for people with low incomes, has grown from 78 million lives covered in 2005 to approximately 263 million lives in 2013, with a potential market estimated at 3 billion to 4 billion policies generating USD 30 billion to USD 50 billion in annual premium revenue. Total demand for microinsurance is growing approximately 10 percent per year, which points to increasing investment opportunities and a promising business case for investors, according to the authors.

This growth is partially driven by innovation in distribution models. The use of mobile network operators (MNOs) in particular has facilitated the profitability of microinsurance. Such distribution models have contributed to growth - especially in the African market, which is described by some investors as the "next frontier" for growth.

Among the major investors in microinsurance are multilateral institutions such as the Inter-American Development Bank's Multilateral

Investment Fund and development finance institutions such as the World Bank Group's International Finance Corporation. Other impact investors are also seeking to invest specifically in microinsurance or financial inclusion more broadly. The UK-based International Cooperative and Mutual Insurance Federation invests in its member cooperatives and mutuals, and LeapFrog Investments, a dedicated microinsurance fund based in Mauritius, accounted for 7 of the 23 investments identified in the study.

However, relatively few investors to date have made significant and dedicated investments in this space, and those that did so had to relax their typical criteria in order to make the investments. The majority of investees' funding is received from internal sources - original shareholders or parent companies. Investees cite both equity and donor funding as the most appropriate types of funding for microinsurance. The authors argue that there is a need for more investors in the sector to bring in capital that could support innovative ideas and bring scale to proven business models, hence enhancing the supply of microinsurance services.

Why aren't more investors getting involved in microinsurance? Microinsurance investments are considered to be quite risky, and investors are wary of numerous challenges such as... *(Continued in the subscriber edition)*



March 2-3, 2014 - Lusaka, Zambia

Join us for two days of cutting-edge best practice learning and innovative tools and technologies that are advancing rural and agricultural market development.

LEARN ABOUT: CLIMATE CHANGE, ENVIRONMENTAL PROTECTION, AGRICULTURAL INFRASTRUCTURE, FINANCIAL INCLUSION AND MORE...

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

email: [info@connexus.email](mailto:info@connexus.email)