

## MICROCAPITAL BRIEFS | TOP STORIES

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### LIFT, TCX Subsidizing Local-currency Lending to MFIs in Myanmar

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

### EFSE Loans \$16m to Halkbank for Housing, MSEs in Macedonia

The European Fund for Southeast Europe, a microfinance investment vehicle launched by Germany's KfW Development Bank, recently issued senior loans totaling the equivalent of USD 16 million to Halkbank AD Skopje, which describes itself as Macedonia's "first downscaling bank, creating products and services for micro clients." Two thirds of the funding is earmarked for retail housing loans, and the remainder is slated to provide "long-term" loans to micro- and small enterprises. Halkbank AD is a subsidiary of Turkish Halk Bank Incorporated, which is controlled by the government of Turkey. Turkish Halk Bank has total assets of USD 36 billion, and Halkbank AD reports total assets of USD 440 million. It has 36 branches in Macedonia and one in Serbia. December 22, 2016

### Welcome Financial Acquires, Renames Cambodia's Green Central

Having acquired the microlender in April, South Korea's Welcome Financial Group (WFG) recently rebranded Cambodia's Green Central Microfinance as Welcome Finance (Cambodia). While the purchase price and the identity of the seller are not available, Green Central was held by Cambodia's Common Central Holding as of 2010. Son Jong-joo, the Chairman of WFG, reportedly cited expanded usage of the firm's credit analysis methodology as one of the advantages of the acquisition. Licensed since 2008, Welcome Finance serves 3,500 customers via five branches in the Phnom Penh area. Its group and individual loans range in size from USD 100 to USD 25,000 and have terms of six months to three years. The microlender reports outstanding loans totaling USD 7.7 million. WFG, whose investors include Hungkuk Life Insurance of South Korea, also operates Welcome Savings Bank in the Philippines. December 21, 2016

### EFC Tunisia Nets \$2.1m from AFD as Technical Assistance, Equity

The Entrepreneurs Financial Centre (EFC) of Tunisia, a microfinance institution operated by Canada's Développement International Desjardins (DID), recently accepted an equity investment equivalent to USD 1.1 million from Société de Promotion et de Participation pour La Coopération Economique (Proparco), a unit of the French government's Agence Française de Développement (AFD). AFD committed an additional USD 1.1 million for EFC Tunisia to receive technical assistance from DID related to "the strengthening of EFC management and operations." Through the equity investment, Proparco joins DID and Tunisia's AfricInvest Group as shareholders in EFC Tunisia, raising its total capital to USD 3.4 million. Launched in 2015, EFC Tunisia has five branches, 540 clients and outstanding loans of USD 2 million. The institution offers insurance, market-rate loans for businesses owned by men, subsidized loans for female entrepreneurs and "Kardh Sayara" vehicle loans. DID, a unit of Canadian cooperative Desjardins Group, operates EFCs in Panama and four African countries. December 14, 2016

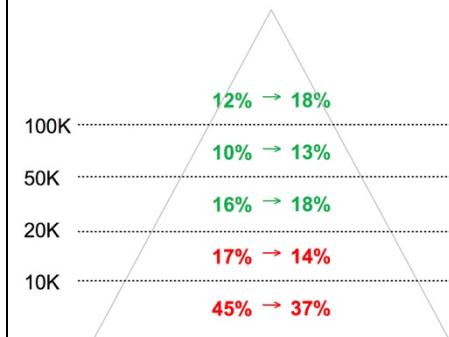
(For more top stories, please refer to the subscriber edition\*.)

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### LATIN AMERICA & THE CARIBBEAN

PERCENTAGE OF MFIS IN MARKET BY NUMBER OF BORROWERS  
2013 → 2015



MARKET INDICATORS\*



## MICROCAPITAL BRIEFS

### Symbiotics Arranges \$12m in Bonds for South American SMEs

Switzerland-based Symbiotics SA, which specializes in micro-, small and medium-sized enterprise investment, recently issued bonds for two South American financial institutions: the equivalent of USD 10 million for Colombia's Fundación Mundial de la Mujer Bucaramanga (FMMB) and USD 2.25 million for Produbanco of Ecuador. The latter was the second of two tranches this year totaling USD 13.75 million for Produbanco, a unit of Grupo Promerica, which was founded in Nicaragua and now serves nine countries in Latin America and the Caribbean. All of these transactions were intermediated through Symbiotics' bond platform Micro, Small & Medium Enterprises Bonds SA, Luxembourg. FMMB reports assets of USD 207 million and 317,000 clients, of whom two thirds are women. Panama-based Grupo Promerica reports total assets of USD 11 billion, deposits of USD 8.7 billion and net loans of USD 6.6 billion. December 29. 2016

### MFI Besa Buys VisionFund Albania

Besa Fund, an Albanian lender to micro-, small and medium-sized enterprises, recently agreed to acquire the local arm of US-based NGO VisionFund for an undisclosed sum. Besa reports total assets of USD 69 million, a gross loan portfolio of USD 50 million and 30,000 active borrowers served through 68 locations. VisionFund Albania reports total assets of USD 2.3 million, a gross loan portfolio of USD 2.2 million and 1,800 active borrowers served via three branches. Neither institution accepts deposits. VisionFund operates microfinance institutions with an aggregate loan portfolio of USD 535 million outstanding to 1.2 million borrowers in 30 countries. The organization is an affiliate of World Vision, a US-based Christian organization with 2015 revenues of USD 1 billion. December 21. 2016

### Armenian Banks Borrow \$8.7m via Symbiotics' Bond Platform

Switzerland-based Symbiotics SA recently issued bonds for two Armenian banks: USD 5 million for ACBA-Credit Agricole Bank and USD 3.7 million for Armeconombank (AEB). The latter was the second of two tranches this year totaling USD 10 million for AEB. All of these transactions were channeled through Symbiotics' bond platform Micro, Small & Medium Enterprises Bonds SA, Luxembourg. ACBA, formerly known as the Agricultural Cooperative Bank of Armenia, was established in 1996 and is 16-percent held by the French bank Credit Agricole SA. ACBA reports total assets equivalent to USD 569 million and a loss of USD 83,000 for 2015. Founded in 1988, AEB is an open-joint-stock bank offering loans, savings, transfers, payment cards, safe-deposit boxes and other services. It reports total assets of USD 227 million and net comprehensive income of USD 189,000 for 2015. December 19. 2016

### ICD, Dragon Plan Silk-way Growth Fund for Kazakhstan's SMEs

The Islamic Corporation for the Development of the Private Sector (ICD), a development finance institution of the Saudi Arabia-based Islamic Development Bank, and Dragon Capital Partners, the venture capital and private equity arm of Ukraine-based Dragon Capital Group, recently disclosed their intent to develop the Silk-way Growth Fund, a Sharia-compliant investment fund supporting "high-growth" small and medium-sized enterprises (SMEs) involved in manufacturing in Kazakhstan. ICD will act as fund advisor to Silk-way as part of its SME Platform, an initiative aimed at "build[ing] Sharia-compliant investment management capacities" in ICD's 52 member countries. The target size of the fund has not been revealed. ICD, which reports total assets of USD 1.7 billion, has not determined whether it will invest capital in the fund. Financial information on Dragon Capital is unavailable. December 19. 2016

### C-Quadrat's Dual Return Funds Loan \$22m in 6 Countries

Austria's C-Quadrat Asset Management has informed MicroCapital that its Dual Return Vision Microfinance and Dual Return Vision Microfinance-Local Currency funds recently loaned a total approximately equivalent to USD 22 million to unspecified microfinance institutions (MFIs) in Burkina Faso, China, Colombia, El Salvador, Paraguay and Sri Lanka. USD 5.5 million of this total was disbursed to a Colombian MFI that was founded in 1986 to support low-income female entrepreneurs. According to C-Quadrat Asset Management, the MFI "actively participates in community initiatives and supports the rehabilitation of public spaces such as sport facilities." The Dual Return funds, which recently began offering sales to the public in Germany, have an aggregate volume of USD 438 million. C-Quadrat Asset Management is a unit of Austrian fund group C-Quadrat, which manages assets equivalent to USD 5.9 billion. December 13. 2016

### Kenya's FarmDrive Forecasting Farm Revenue via Satellite

FarmDrive, a for-profit Kenyan organization seeking to reduce the risk of lending to farmers, recently received an undisclosed amount of technical assistance funding from CGAP, a US-based NGO also known as the Consultative Group to Assist the Poor, to allow FarmDrive to use satellite data on "planting cycles, crop yields, and trends in production to help forecast future revenues, timing of income and potential gaps in payments." FarmDrive plans to do this in partnership with The Impact Lab, which seeks to bring "science to the business of doing good," and Planet, a satellite company with offices in Canada, Germany and the US. Since its inception in 2014, FarmDrive has facilitated microloans totaling the equivalent of USD 130,000 through its mobile app, which allows a farmer to present a microlender with an application bundled with his or her FarmDrive credit score and an offer of weather-index insurance coverage. December 8. 2016

### \$22m in Bonds to Benefit Central American SMEs

Symbiotics, a Swiss firm specializing in micro-, small and medium-sized enterprise (SME) investment, recently issued bonds for two Central American banks serving SMEs. This included raising USD 15.7 million for Inversiones Financieras Promerica, the Salvadoran unit of Grupo Promerica, which was founded in Nicaragua and now serves nine countries in Latin America and the Caribbean. Symbiotics also issued its second tranche for Costa Rica's Banco Improsa in the amount of USD 6.5 million, bringing the total it raised for that institution this year to USD 18.5 million. Banco Improsa, which has the equivalent of USD 672 million in total assets and a gross loan portfolio of USD 476 million, is a member of Grupo Financiero Improsa, which also is based in Costa Rica. Inversiones Financieras Promerica reports total assets of USD 711 million, and Panama-based Grupo Promerica reports total assets of USD 11 billion, deposits of USD 8.7 billion and net loans of USD 6.6 billion. December 7. 2016

### 16 More Commit to World Bank's Universal Financial Access Plan

The World Bank Group recently announced that 16 additional financial institutions have committed to partner with it to work toward "universal financial access," resulting in a total of 30 organizations involved with the effort. The new partners have committed to helping 168 million people gain access to financial services. The World Bank estimates that the 30 partners' financial inclusion efforts will help a total 641 million unbanked people acquire "a transaction account or an electronic instrument to store money and to send and receive payments," as a step toward financial inclusion and poverty alleviation. For a list of the institutions, please refer to our website: <http://microcapital.org>. December 6. 2016

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



Namibia	2016
<b>TRUSTCO</b> <i>osibili nawa</i>	
ZAR 450 M Sole Advisor and Arranger	

Debt Capital Raise

Ghana	2016
<b>FIRST ALLIED</b>	
GHS 60 M Sole Advisor and Arranger	

Debt Capital Raise

UK   Zambia	2016
<b>PAN AFRICAN BUILDING SOCIETY</b>	
USD 3 M Sole Advisor and Arranger	

Debt Capital Raise

Lux   Zambia	2014-2015
<b>MFinance</b> Madison Finance Company Limited	
USD 10 M Joint Financial Advisor and Arranger	

Debt Capital Raise - lead investor European Investment Bank

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### SME finance



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## PAPER WRAP-UPS

### Microfinance Funds - 10 Years of Research and Practice

Published by CGAP (the Consultative Group to Assist the Poor) and Symbiotics Group, December 2016, 76 pages, available at: [http://symbioticsgroup.com/wp-content/uploads/2016/11/201612-Symbiotics\\_10yMIV\\_whitepaper.pdf](http://symbioticsgroup.com/wp-content/uploads/2016/11/201612-Symbiotics_10yMIV_whitepaper.pdf)

This report analyzes 10 years of research on microfinance investment vehicles (MIVs) based on data captured through annual CGAP and Symbiotics surveys. The findings of the study, which drew upon data from 2006 through 2015, include that:

1. The sum of direct investments to microfinance providers grew faster in South Asia than in any other region, with a compound annual growth rate of 47 percent and a 30 percent share of the global total directed to this region by 2015;
2. Capital from institutional investors increased in volume from USD 500 million to USD 5 billion, representing 47 percent of total funding to MIVs as of 2015; and
3. Approximately two-thirds of MIVs are registered in Western Europe, accounting for approximately 90 percent of...

(Continued in the subscriber edition)

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### How to IPO Successfully and Responsibly: Lessons From Indian Financial Inclusion Institutions

By Anna Kanze, published by the Center for Financial Inclusion at Accion, Fall 2016, 25 pages, available at: [http://www.centerforfinancialinclusion.org/storage/documents/How\\_to\\_IPO\\_Final.pdf](http://www.centerforfinancialinclusion.org/storage/documents/How_to_IPO_Final.pdf)

This report draws upon two recent initial public offerings (IPOS) by Indian microlenders - those of Equitas and Ujjivan - to make the case that institutions can use IPOs to strengthen their capital base while remaining committed to their social missions. Ms Kanze states that financial institutions catering to poor clients can face difficulties when going public because public companies are "answerable to a large, diverse and fluid group of shareholders who may not share or even be aware of..."

(Continued in the subscriber edition)

### Impact Investing Trends: Evidence of a Growing Industry

Published by the Global Impact Investing Network, December 2016, 40 pages, available at: [https://thegiin.org/assets/GIIN\\_Impact%20InvestingTrends%20Report.pdf](https://thegiin.org/assets/GIIN_Impact%20InvestingTrends%20Report.pdf)

The authors of this report draw upon quantitative survey data gathered from 2013 through 2015 from 62 "impact" investors, which the Global Impact Investing Network defines as those making "investments...into companies, organizations and funds with the intention to generate measurable social and environmental impact alongside a financial return."

The authors also gathered qualitative data via interviews with five such investors regarding... (Continued in the subscriber edition)

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