

## MICROCAPITAL BRIEFS | TOP STORIES

### Ecobank and ACCION International to Launch in 20 African Countries

Ecobank Transnational Incorporated, an African regional bank and parent of the Ecobank Group, and ACCION International, a US charity, announced plans to open microfinance banks in at least 20 countries across Africa over the next 3-5 years. The two companies partnered in December, 2006 to expand microfinance operations throughout Western Africa; their current plans are an extension of this effort. The plan has the potential of becoming one of the largest bank “down-scaling” efforts in the world. “It underscores ACCION’s commitment to bringing large banks into the field of microfinance,” said Carlos Castello, ACCION executive vice president. The Ecobank Group was founded as a regional West African bank in 1985 and currently maintains a large regional network and infrastructure with a presence in over 18 countries with total assets of approximately USD 3 billion. July 10, 2007

### AESX to Launch Electronic Exchange for Microfinance

Software developer AESX Platforms AVV plans to announce the creation of MFDAQ, a capital trading exchange for the share capital of microfinance institutions (MFIs). Founded in February 2006, AESX specializes in the creation of software applications that construct virtual stock exchanges for niche markets to trade their businesses’ share capital: micro exchanges. The software manages a micro exchange’s administration, reporting, and trade settlement. MFDAQ will become AESX’s seventh developed micro exchange—joining the Aruba Stock Exchange, Private Placement Exchange, Dutch Caribbean Stock Exchange, Micro Electronic Exchange, Caribbean Bond Exchange, and UK Development Exchange. July 9, 2007

### Another Big Player Enters Indian Market as Nabfins

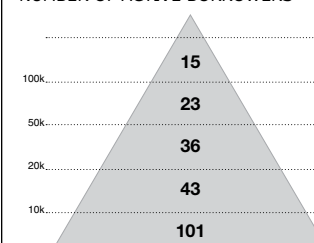
The National Bank for Agriculture and Rural Development of India (NABARD) is launching a new microcredit arm. The new institution, a non-banking financial company (NBFC), called Nabard Financial Services (Nabfins), will have an authorized capital of Rs 1 billion (USD 24.7 million). NABARD will hold 51% of Nabfins’ equity, while the remaining 49% will be under the control of banks and state governments. NABARD was founded in 1982, funded and backed both by the Government of India and the Reserve Bank of India (RBI). As of March 31, 2006, it reported Rs 676 billion (USD 16.7 billion) in assets. Friday, July 6, 2007 ♦♦♦



INSIDE	Page
MicroCapital Briefs	2
Paper Wrap Up	⊗
Upcoming Events	⊗
Guest Editorial	⊗
MicroFinance Market Indicators	3
Who's Who In MicroCapital	⊗
MicroCapital Monitor Subscriptions	4

### LATIN AMERICAN COUNTRIES

NUMBER OF MFI'S BY TOTAL  
NUMBER OF ACTIVE BORROWERS



MF INDICATORS - PAGE 3



MicroCapital would like to recognize the individuals at CGAP, The Microfinance Information Exchange (MIX), and microfinancegateway.org for their outstanding work disseminating information on microfinance. Thank you!

The MicroCapital Monitor is owned and published by MicroCapital.org, a division of Prisma MicroFinance, Inc., Chief Editor David Satterthwaite. For questions, comments or suggestions, please write to [info@microcapital.org](mailto:info@microcapital.org) or call 617.648.0043, Boston, USA.

## MICROCAPITAL BRIEFS

### ACP Groups Sells 6.5% of MiBanco Peru to the IFC for USD 6 Million

ACP Group, a local non-profit organization focused on servicing the educational, financing, and business needs of microentrepreneurs, and the controlling shareholder of Peruvian microfinance bank Mibanco, has sold 6.5% of the bank to the International Finance Corporation (IFC,) the private sector arm of the World Bank. Created in 1998, Mibanco finished off the 2006 with an asset base of USD 389 million, and a 644.31% debt/equity ratio. The microbank has 223,182 active borrowers and 160,636 savers. ACP sold 6.4 million common shares for USD 6.3 million. ACP currently owns 60.07% of Mibanco while the rest is in the hands of 18 shareholders. July 18, 2007

### The Development Credit Bank of India Dives into Microfinance

"We want to venture into small credit and mid-ticket personal finance while continuing to serve the big customers," says Mr Gautam Vir, CEO of India's Development Credit Bank (DCB). The bank is in the process of opening an exclusive branch for microfinance in the state of Gujarat and will provide microfinance in over 1,000 villages covered under the Aga Khan Rural Support Program. DCB was converted to a private sector commercial bank in 1995 and now has access to over 18,000 ATMs and 72 branches. As of March 2007, DCB's deposit base was USD 1 billion. One of the products DCB will be launching is 'X-Gen Banking,' an account geared toward aiding college students, which can be opened by parents with a minimum term deposit of USD 750 for one year. The student package includes a free international debit card, check book, Internet, and mobile banking services. The bank also plans to double its SME lending from the current 30 per cent of its corporate lending to 70 per cent over the next year. July 16, 2007 ♦♦♦

You're reading a free preview edition of the MicroCapital Monitor. Subscribers received more than 33 briefs this month.

FREE  
PREVIEW  
EDITION

### WANT MORE? BECOME A SUBSCRIBER

THIS MONTH OUR SUBSCRIBER EDITION INCLUDED 12 PAGES BRIMMING WITH THE BEST MICROFINANCE NEWS AVAILABLE INCLUDING OUR NEW MICROFINANCE MARKET INDICATORS REPORT POWERED BY THE MIX MARKET. DON'T DELAY: BECOME A SUBSCRIBER TODAY

## UPCOMING EVENTS

Need an easy way to track good microfinance industry events? The latest event information at your fingertips. *13 events covered this month.*

## PAPER WRAP UP

Summaries and recommendations on the key papers. Save time and keep up to date. *3 papers reviewed this month.*

## GUEST EDITORIAL

*Lessons for Microbankers from the Current U.S. Sub-Prime Lending Fiasco* by Rupert Ayton.

## WHO'S WHO IN MICROCAPITAL

How do you get to know an organization? Learn about the people who manage and direct the players in microfinance. *3 organizations profiled this month: Pak Oman Microfinance Bank Ltd., The Netherlands Development Finance Company, and Aga Khan Agency for Microfinance of the Aga Khan Development Network.*



and

**LEHMAN BROTHERS**

Announce successful closing of  
MicroAccess Trust 2007 for USD 39 mm



and



Red Argentina de Instituciones de Microcrédito

Sign Strategic Partnership Agreement

**3rd African Microfinance Conference:**  
New Options for Rural and Urban Africa

Sponsored by



August 20-23  
Speke Resort  
Munyonyo, Kampala, Uganda



**microfinance  
INDIA  
Conference**

October 9-10, 2007  
New Delhi, India

## MICROFINANCE MARKET INDICATORS: LATIN AMERICA CARIBBEAN REGION

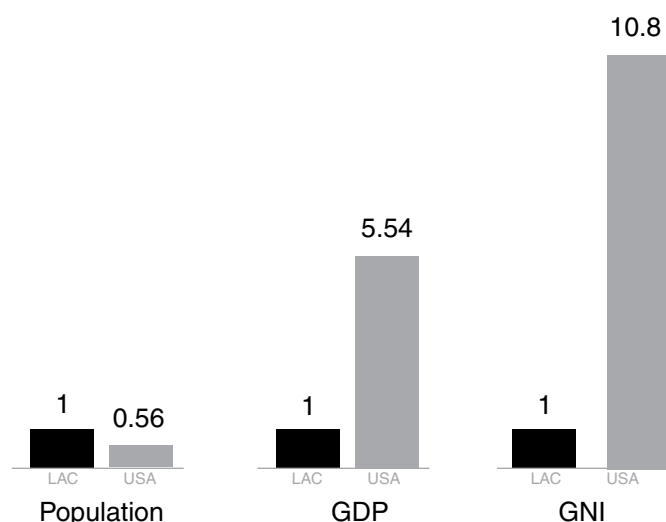
19 COUNTRIES | 218 MFI'S REPORTING <sup>1</sup>

Argentina	Colombia	El Salvador	Jamaica	Paraguay
Bolivia	Costa Rica	Guatemala	Mexico	Peru
Brazil	Dominican R.	Haiti	Nicaragua	Venezuela
Chile	Ecuador	Honduras	Panama	

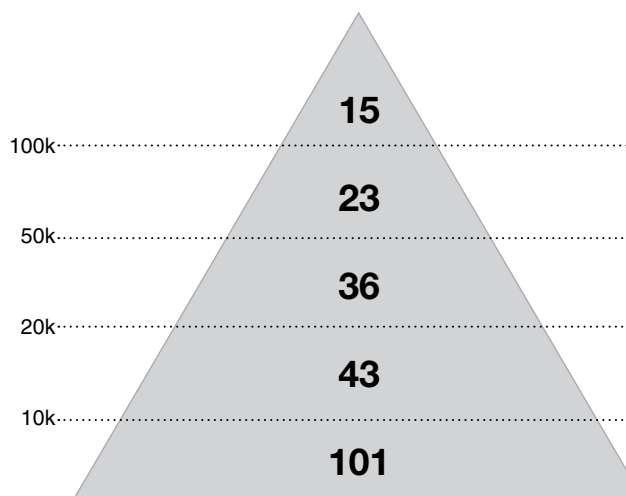


Total Population (mm) <sup>5</sup>	532.6
GDP (US\$ mm) <sup>5</sup>	\$2,391,820
Average GNI per capita (US\$) <sup>3, 5</sup>	\$4,058
Average Population Density (inhab/sq km) <sup>5</sup>	44.1
Microcredit Penetration <sup>4</sup>	1.6%
Total Number of Active Borrowers (mm)	8.51
Total Number of Voluntary Savers (mm)	6.76
Voluntary Savings (US\$ mm)	\$6,616
Average Loan Balance Per Borrower (US\$) <sup>2</sup>	\$1,105.2
Total Equity (US\$ mm)	\$1,964.3
Gross Loan Portfolio (US\$ mm)	\$9,525.1
Women Borrowers	65%

### LAC TO USA RATIOS



### NUMBER OF MFI'S BY TOTAL NUMBER OF ACTIVE BORROWERS



### TOP 10 MFI'S BY NUMBER OF BORROWERS

643,659	Caja Popular Mexicana, Mexico
616,528	Banco Compartamos, S.A., Institución de Banca Múltiple, Mexico
611,739	Banco Caja Social, Colombia
563,805	Banco del Trabajo, Peru
553,164	Banco Popular do Brasil, Brazil
290,328	Caja Libertad, Mexico
235,740	Banco do Nordeste - CrediAmigo, Brazil
221,802	Mibanco, Peru
219,069	Banco Estado, Chile
164,000	Fundación WWB Colombia - Cali, Colombia

(1) Include MFIs that only report to MBBs or MIX Market. (2) Simple average over all MFIs in region. (3) Based on World Development Indicators, 2005. Averages are weighted using total population. Only countries with MFIs reporting to MIX are considered. (4) Calculated using ratio of Total MFI borrowers to Total Population

(5) Represents total of 19 countries reporting to MIX as indicated at top of this page. Source: Microfinance Information Exchange, Inc. (MIX), July 2007. Based on MFIs reporting to MIX Market or Microbanking Bulletin

(MBB). 2005 used when 2006 not available. WWW.MIXMARKET.ORG



## SUBSCRIPTION FORM

The MicroCapital Monitor is a regular market report on microfinance capital markets in particular and microfinance in general. The report is timely, comprehensive and easy to read. Editions include news briefs from around the world, summaries of just-published industry research, a calendar with contact information for upcoming events and detailed profiles and interviews of the individuals behind the players in microfinance. Issues of the Monitor are available only by subscription. Please subscribe today and support a representative voice for micro-bankers and microcapital investors alike.

### MICROCAPITAL MONITOR SUBSCRIPTION ORDER FORM

Organization Name

Name on Credit Card

Credit Card Number

Expiration Date

CVV Code (3 digits, 4 AMEX)

Credit Card Billing Address

Mailing Address If Different

Telephone Number

Country

### CHOOSE YOUR SUBSCRIPTION PLAN

☐ BRONZE: \$99 PER YEAR – SENT TO ONE EMAIL ADDRESS

☐ SILVER: \$299 PER YEAR – SENT TO UP TO 4 EMAIL ADDRESSES AT THE SAME ORGANIZATION

☐ GOLD: \$999 PER YEAR – SENT TO UP TO 20 EMAIL ADDRESSES AT THE SAME ORGANIZATION PLEASE ATTACH LIST AS A SEPARATE SHEET)

ACADEMIC INSTITUTIONS MAY SHARE THE MONITOR COMMUNITY-WIDE FOR THE GOLD PRICE

SUBMIT YOUR ORDER: FAX: 617.648.0050, USA

EMAIL: INFO@MICROCAPITAL.ORG

TELEPHONE: 617.648.0043, USA