

## MICROCAPITAL BRIEFS | TOP STORIES

### Indian Government Puts Up \$250m

The Indian government will be establishing two new microfinance funds, the Financial Inclusion Fund and the Financial Inclusion Technology Fund, that will be worth Rs 5 billion (USD 127 million) each. The former will be set up with the National Bank for Agriculture and Rural Development (NABARD). The initial funding for each is to be met by the Central Government, the Reserve Bank of India (RBI) and NABARD. The Indian Government established the Financial Inclusion Committee in June 2006, under the chairmanship of Dr C. Rangarajan, Chairman of the Economic Advisory Council to the Prime Minister.

### The Data Dearth

Over the past month, this newspaper has been quoted by two major financial media outlets, Dow Jones MarketWatch of New York and the Financial Times of London. These publications, like everyone else, struggle to understand our industry due to the lack of good data. This month, we provide an overview of the most comprehensive studies of the global situation in our Paper Wrap Up section within. Thank you to everyone who is working hard to produce quality data.

### eBay Launches MicroPlace

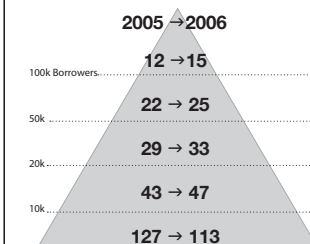
This month saw the launch of eBay's most significant effort in microfinance since the eBay private fortune (the Omidyar Network, named after the eBay founder) donated USD 100 million to the Tufts University endowment fund (reported by this newspaper on November 4, 2005). MicroPlace is a web-based service that retails notes offered by microbanks to the general public. In the Who's Who section of this issue, MicroCapital talks to Tracey Pettengill Turner, Founder and General Manager of MicroPlace, and Shari Berenbach, Executive Director of the Calvert Foundation, the principle supplier of microfinance notes. Enjoy the interviews! ♦♦♦



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### LATIN AMERICAN GROWTH TRENDS

MFI'S BY NUMBER OF BORROWERS



MF INDICATORS - PAGE\*



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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!

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## MICROCAPITAL BRIEFS

### Mr Yunus Wants More World Bank

Nobel laureate Muhammad Yunus is criticizing the World Bank (WB) after a meeting with WB President Robert Zoellick at the Grameen Bank's Headquarters in Mirpur. He believes the WB has a shameful record on poverty. This newspaper agrees! However, Mr. Yunus advocates more WB microbanking activity, not less. He stated that the WB lends USD 20 billion a year on average, but less than 1% for microcredit, which should be increased to at least 5%. "If you think microcredit is helpful to poor people, then why don't you increase funding for it?" he asks. Since the Nobel award, Mr Yunus has hugely increased his public advocacy for government involvement in microlending despite the overwhelming evidence that such involvement hurts the poor and increases graft. Those who study the issue agree: governments and quasi-governmental organizations like the WB ought enable microfinance, not participate in it. Yet, as we have reported again and again, the Grameen Bank is currently in the process of setting up lending organizations in partnership with governments all over the world. Pictures in local newspapers of Grameen Bank representatives standing next to politicians widely believed corrupt damages Mr Yunus's mission. What is so confounding about Mr Yunus is that he has created so many massively successful businesses, businesses that do so much to increase prosperity. The fact that corrupt politicians worldwide are lent the good Grameen name to whitewash their image and distort microfinance markets is maddening.

### 2008 Sustainable Banking Awards Add Prizes

The Financial Times in partnership with IFC, the private sector arm of the World Bank Group, sponsor the FT Sustainable Banking Awards for "triple bottom line banking". Two new categories – Banking at the Bottom of the Pyramid, and Sustainable Investor of the Year – have been added in the third year of the awards. November 7, 2007♦♦



# MICRO RATING International

Microrate and M-CRIL  
Announce Global Alliance

## MICROCAPITAL MARKET INDICATORS: LATIN AMERICAN GROWTH TRENDS

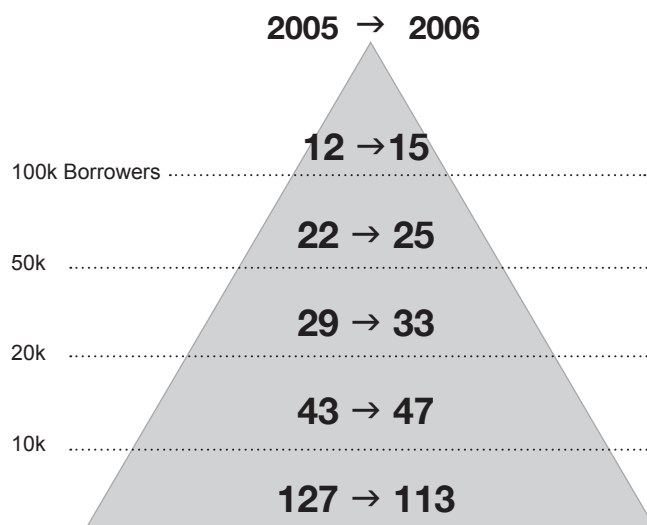
20 COUNTRIES | 233 MFIs REPORTING <sup>1</sup>

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

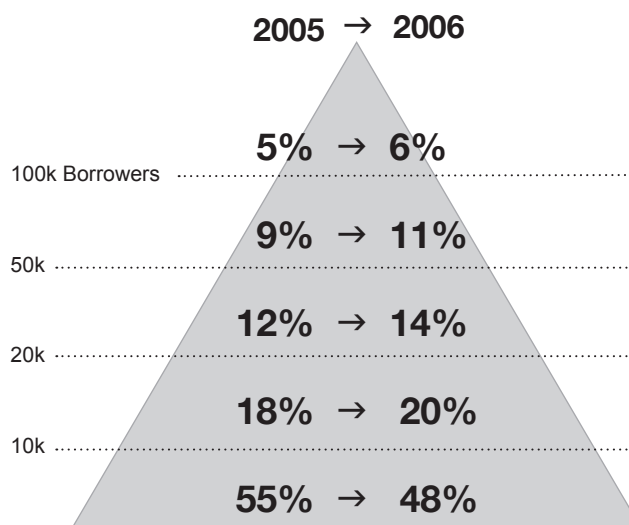
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### NUMBER OF MFIs BY TOTAL NUMBER OF ACTIVE BORROWERS



### MARKET SHARE OF LARGEST MFIs



### TOP 10 MFIs BY GROWTH IN GROSS LOAN PORTFOLIO (GLP): CHANGE IN GLP

MFI NAME	COUNTRY	CHANGE IN GLP		GLP	
		ABSOLUTE	%CHANGE	2005	2006
Banco Caja Social Columbia	Columbia	417,657,610	34.1	1,223,958,912	1,641,616,522
Banco Estado	Chile	170,183,656	42.9	396,425,440	566,609,096
Caja Popular Mexicana	Mexico	150,036,206	19.5	769,278,016	919,314,222
Caja Libertad	Mexico	125,424,044	36.0	348,598,656	474,022,700
MiBanco	Peru	113,594,140	55.2	205,650,736	319,244,876
Banco Compartamos	Mexico	90,961,938	51.1	178,130,976	269,092,914
Caja Municipal de Ahorro y Crédito de Trujillo	Peru	56,726,069	42.5	133,436,456	190,162,525
Credi Fe Desarrollo Microempresarial S.A.	Ecuador	55,094,495	69.2	79,659,240	134,753,735
Caja Municipal de Ahorro y Crédito de Arequipa	Peru	47,486,508	35.5	133,625,368	181,111,876
Funcación WWB Colombia - Cali	Colombia	46,581,634	46.4	100,498,376	147,071,010

(1) Denotes only microfinance institutions (MFIs) that report to MicroBanking Bulletin (MBB) for 2005 and 2006 or MIX Market ([www.mixmarket.org](http://www.mixmarket.org))



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