

MICROCAPITAL BRIEFS | TOP STORIES

Let Them Eat Cake! Shell Oil Lends \$2.3m to 48 Nigerian Communities

In yet another gross example of microfinance being manipulated for public relations, Shell Oil has loaned an average of about USD 50,000 to forty-eight communities within Nigeria, for a total outlay of USD 2.3 million. The loan was made by the Shell Petroleum Development Company (SPDC), a subsidiary of the Royal Dutch Shell oil corporation operating in Nigeria. The loan is part of SPDC's micro-credit and business development program aimed at "enabl[ing] entrepreneurs to take advantage of the economic opportunities in their locality." Benefiting communities included in the loan are from Edo, Delta and Bayelsa States. The revolving loan must be paid back for other communities to benefit. Last June, Shell gave out USD 2.1 million to 45 host communities to be used as microloans... August 28. 2007

Morgan Stanley Forms Microfinance Group

Morgan Stanley, a US-based global financial services firm that provides products and services to corporations, governments, financial institutions and individuals, has announced it will form a Microfinance Institutions Group (MFIG) to provide investment banking services to microfinance institutions (MFIs) as well as microfinance networks and other market participants. Services will include corporate advice, debt/equity capital, foreign exchange and derivative products and risk management services. The Morgan Stanley MFIG will structure and distribute microfinance investment funds as well... September 14. 2007

Peruvian Créditos Arequipa to Float Bonds on National Exchange, Backed by IDB

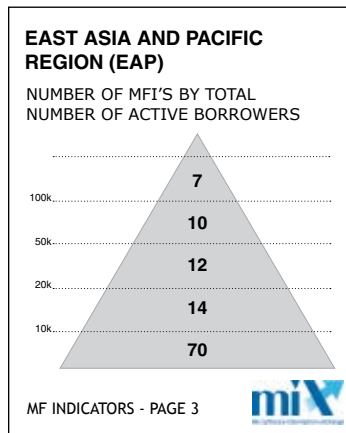
Créditos Arequipa, a microfinance institution (MFI) which serves approximately 26,000 clients in Peru's two largest cities, plans to begin issuing debt on the local stock exchange in an effort to reduce its dependence on foreign currency funding. Créditos Arequipa is one of 14 Edpymes--specialized microcredit institutions regulated by the governmental organization Superintendencia de Banco, Seguros, y AFP (SBS)--in Peru. At the end of July 2007, it had 145 million nuevos soles (USD 46 million) in total assets... September 14. 2007

MicroVest and Calvert Finance PRISMA and FUNBODEM

MicroVest Capital Management, a global microfinance intermediary that provides capital to growing microfinance institutions (MFIs) in emerging markets, has completed two first-time investments in two Latin American MFIs. MicroVest made its first local currency loan of 2.4 million nuevos soles (USD 750,000 equivalent) to PRISMA, the second largest unregulated MFI in Peru, and two weeks later structured a USD 750,000 loan with Calvert Social Investment Foundation to FUNBODEM, an unregulated MFI operating in Santa Cruz, Bolivia... September 20. 2007



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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

EBRD and Citigroup Loan \$16.4m to ACBA-Credit Agricole Bank in Armenia

ACBA-Credit Agricole Bank (ACBA), an Armenian microfinance institution (MFI), has received two loan investments totaling over USD 16.4 million. The European Bank for Reconstruction and Development (EBRD) provided half of the investment in a USD 8.2 million loan. Citigroup has matched EBRD's USD 8.2 million loan with a loan routed to ACBA through EBRD's A/B loan structure. According to the EBRD website, the A/B loan structure allows EBRD to sign off as the official lender of record, while Citigroup receives the lender's benefits that would have otherwise gone to EBRD. The combined loans add 18.1 percent to ACBA's gross loan portfolio of USD 90.4 million. ACBA now has over USD 158.5 million in total assets... August 31. 2007

State Bank of Pakistan Issues Islamic Microfinance Guidelines

The State Bank of Pakistan (SBP) recently issued 'Guidelines for Islamic Microfinance Business by Financial Institutions,' a series of guidelines intended to increase the scope of microfinance services and products which comply with Islamic law (Shari'a or Sharia) and to bring providers of such microfinance services under its regulatory umbrella. 'Halal' – literally 'permissible' in Arabic – refers to practices which are sanctioned by the Shari'a. The SBP guidelines specify provisions whereby four types of institutions can offer halal micro-

finance services to clients: Islamic financial institutions, Islamic microfinance institutions, conventional financial institutions, and conventional microfinance institutions (MFIs). At the end of 2006, there were six full-fledged Islamic banks and 12 conventional banks with Islamic banking branches in Pakistan. As yet, no Islamic MFIs have been established in the country... September 19. 2007

Dun & Bradstreet to Run Nigeria's First Credit Bureau

Nigeria is setting up its first credit bureau called the Credit Reference Company (CRC). Nine Nigerian banks have set up the bureau in partnership with Dun & Bradstreet, a global credit information provider, which has experience in running private credit bureaus in emerging markets. Accenture, a global management consulting, technology services and outsourcing company, and the International Finance Corporation (IFC), the private-sector arm of the World Bank, are supporting the initiative with technical and advisory services. The investing banks in CRC are United Bank for Africa Plc (UBA), First Bank of Nigeria Plc, IBTC Chartered Bank Plc, Guaranty Trust Bank Plc and Diamond Bank Plc, Intercontinental Bank Plc, Standard Chartered Bank, First City Monument Bank (FCMB) and Access Bank Plc... August 31. 2007 ◆◆◆



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LAUNCH OF 38 m USD MICROFINANCE INVESTMENT FUND TARGETING RURAL MFIs

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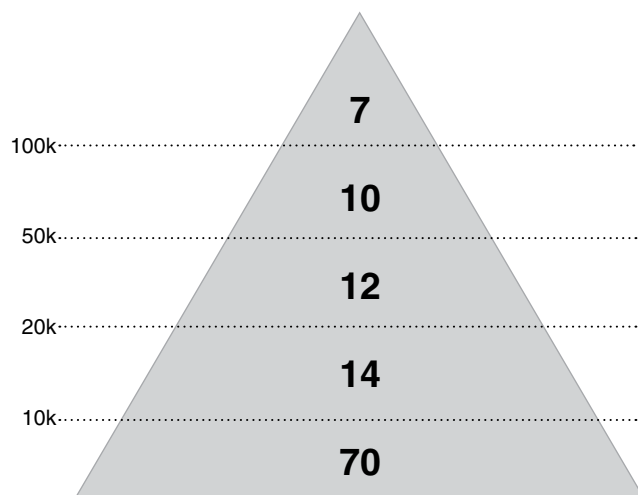
MICROFINANCE MARKET INDICATORS: EAST ASIA AND PACIFIC REGION (EAP)

9 COUNTRIES | 113 MFI'S REPORTING ¹

Cambodia Indonesia Philippines Vietnam
 China Papua New Samoa
 East Timor Guinea Thailand



NUMBER OF MFI'S BY TOTAL NUMBER OF ACTIVE BORROWERS

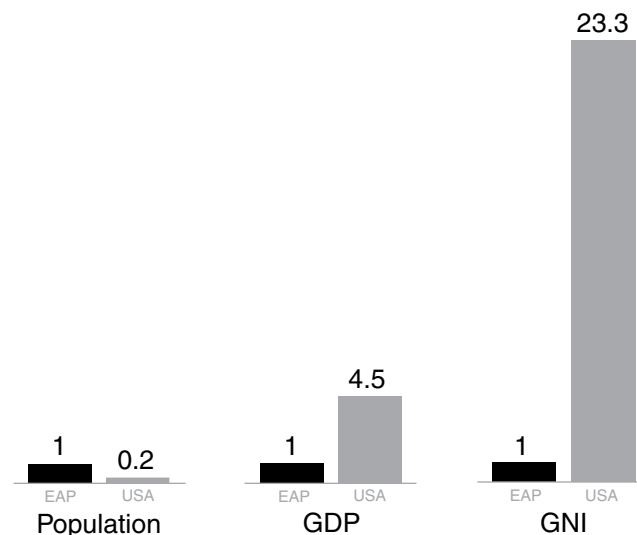


TOP 10 MFI'S BY NUMBER OF BORROWERS

4,695,986	Vietnam Bank for Social Policies, Vietnam
3,455,894	Bank Rakyat Indonesia, Indonesia
173,002	Taytay Sa Kauswagan Inc., Philippines
159,917	Association of Cambodian Local Economic Development Agencies, Cambodia
159,673	Center for Agriculture and Rural Development, Philippines
142,370	TSPI Development Corporation, Philippines
141,957	Amret Co. Ltd. - Formerly EMT, Cambodia
94,264	Prasac MFI Ltd., Cambodia
83,167	Kabalikat Para Sa Maunlad Na Buhay, Inc., Philippines
77,813	CCT Credit Cooperative, Philippines

Total Population (m) ²	1772.5
Gross Domestic Product (USD m) ²	\$2,857,293
Average GNI Per Capita (USD) ^{2, 3, 4}	\$1,875
Average Population Density (inhab/sq km) ²	143.9
Microcredit Penetration ⁵	0.6%
Total Number of Active Borrowers (m)	10.40
Total Number of Voluntary Savers (m)	32.19
Voluntary Savings (USD m)	\$5,859.7
Average Loan Balance Per Borrower (USD) ⁶	\$536.4
Total Equity (USD m)	\$829.8
Gross Loan Portfolio (USD m)	\$4,754.7
Women Borrowers	72%

EAP TO USA RATIOS



(1) Denotes only MFIs that report to Microbanking Bulletin (MBB) or MIX Market. (2) Represents total of 9 countries reporting to MIX as indicated at top of this page. (3) Based on World Development Indicators, 2005. Averages are weighted using total population. Only countries with MFIs reporting to MIX are considered. (4)

"GNI" indicates Gross National Income. (5) Calculated using ratio of Total MFI borrowers to Total Population. (6) Simple average over all MFIs in region.

Source: Microfinance Information Exchange, Inc. (MIX), Sep 2007

Based on MFIs reporting to MIX Market or Microbanking Bulletin (MBB). 2005 data used when 2006 data unavailable. WWW.MIXMARKET.ORG

UPCOMING EVENTS

Need an easy way to track good microfinance industry events? The latest event information at your fingertips. *12 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.*

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. *4 organizations profiled this month: Triodos Bank and Triodos Investment Management, Triodos-Doen Foundation, Hivos-Triodos Fund Foundation and Triodos Fair Share Fund.*



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