

FREE
PREVIEW
EDITION*

MICROCAPITAL BRIEFS | TOP STORIES

Another Closing in Uganda as Unrest Continues

The Support Organization for Micro Enterprises Development (SOMED), a microfinance firm in the Kibaale District of Uganda, was shut down in December while police claim they are investigating allegations of extortion, embezzlement and fraud. This event comes less than a month after the central bank in Uganda, the Bank of Uganda (BOU), issued a statement warning that customers in the country's Savings and Credit Cooperatives (SACCOs) – a type of microfinance institution (MFI) not regulated by the bank – may lose their savings. Violence erupted at the headquarters of one of the SACCOs under investigation after the BOU stated it would be unable to intervene or provide compensation to depositors in the event of a failure. January 9. 2008

IFC, Wachovia and Mibanco Raise \$40m

International Finance Corporation (IFC), a member of the World Bank Group, and Wachovia Capital Markets, a subsidiary of Wachovia Corporation, have co-arranged a USD 40 million syndicated financing agreement for Mibanco (Banco de la Microempresa S.A.), a leading private commercial microfinance bank in Peru. December 17. 2007

Equity Bank of Kenya Well-Valued

Kenya-based Equity Bank sold 25 percent ownership of the bank (valued at KES 11 billion or USD 175.7 million) to investment group Helios EB to expand its operations to other countries in East Africa. The bank plans to open subsidiaries in Uganda, Tanzania and Rwanda by August 2008. Helios EB is a limited partnership managed by Helios Investors LP making private equity investments in sub-Saharan Africa, specializing in large buyout or growth investments, as well as new business formations. Among the notable investors in Helios EB are investment firms owned by the US government (including the Overseas Private Investment Corporation), the UK government (including the CDC Group), the World Bank (IFC), as well as funds owned by American billionaire George Soros. Equity Bank was founded in 1984 in central Kenya primarily to serve small-scale tea and coffee farmers. Originally a building society, Equity Bank formally became a bank in 2004. The bank has a current customer base of 1.8 million and, as of December 2006, had USD 287.5 million in total assets. December 19. 2007

Grameen Capital India Launched

Grameen Capital India Limited (GCI) was launched backed by the Grameen Foundation, ICICI (IFMR Trust) and CFIL (Citicorp Finance India Ltd). GCI is an investment bank specializing in microfinance. January 15. 2008

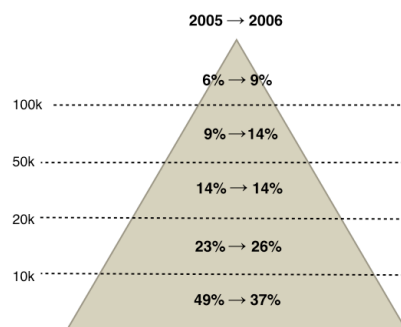
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This month our subscriber edition included 13 pages brimming with the best microfinance news available, including many more briefs, paper reviews, event listings and special reports on the key players at BRAC and last year's investments in smaller MFIs.

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MIDDLE EAST & NORTH AFRICA MFI TRENDING By NUMBER OF BORROWERS



MARKET INDICATORS PAGE 3



MICROCAPITAL BRIEFS

MIX and Forbes Rank MFIs

Using rankings compiled by the Microfinance Information eXchange, Forbes Magazine has ranked the top microbanks in the world. The Forbes Top 5 are: 1. ASA (Bangladesh), 2. Bandhan (Society and NBFC) (India), 3. Banco de Nordeste (Brazil), 4. Fundación Mundial de la Mujer Bucaramanga (Colombia) and 5. FONDEP Micro-Crédit (Morocco). MIX itself also ranked MFIs, however its criteria excluded return on investment and included information on outreach and savings. The MIX's top five MFIs are as follows: 1. Zakoura (Morocco), Sabaragamuwa (Sri Lanka), 3. Al Amana (Morocco), 4. Grama Vidiyal (India) and 5. ProCredit Bank of Serbia. January 21, 2008

ACLEDA Bank Cambodia Rated by Standard and Poor's

ACLEDA Bank Plc, the largest microfinance institution and the third largest bank in Cambodia, received a rating of B+/B from Standard and Poor's, four levels below investment grade. This is the first Standard and Poor's credit rating on a Cambodian financial institution. Standard and Poor's reports that ACLEDA Bank's balance sheets and asset quality are strong, with a non-performing asset (NPA) ratio of 0.10 percent in August 2007 compared to an NPA ratio of 0.16 percent in 2005. Despite the strong credit rating, Standard and Poor's has categorized Cambodia's banking industry in the lowest level (level 10), along with Jamaica, Ukraine, Bolivia and Venezuela. ACLEDA has nearly USD 160 million in loans and 12 percent of Cambodia's banking system's assets. The vast majority of its loan portfolio is secured against tangible collateral, with an interest rate at 19.9 percent. The bank has over 193 branches. January 17, 2008

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EIB Lends \$2m to Tunisian ENDA Inter-Arabe

The Facility for Euro-Mediterranean Investment and Partnership (FEMIP), a division of the European Investment Bank (EIB) dedicated to the economic development of nine Mediterranean countries, announced that it granted a long-term loan of TND 3.6 million (USD 2.9 million) to ENDA Inter-Arabe, a Tunisian microfinance institution (MFI). This marks EIB's second loan to ENDA. EIB is a nonprofit public bank created by the Treaty of Rome in 1958 to act as the lending bank of the European Union. As of the end of November 2007, ENDA had total assets of USD 23.6 million, a gross loan portfolio of USD 21.8 million, a debt-to-equity ratio of 135.5 percent and portfolio at risk (PAR) of 0.5 percent. It also received a rating of B+ from Planet Rating in June 2006. January 10, 2008

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MICROCAPITAL MARKET INDICATORS | MIDDLE EAST AND NORTH AFRICA (MENA) GROWTH TRENDS

9 COUNTRIES | 35 MFIs REPORTING¹

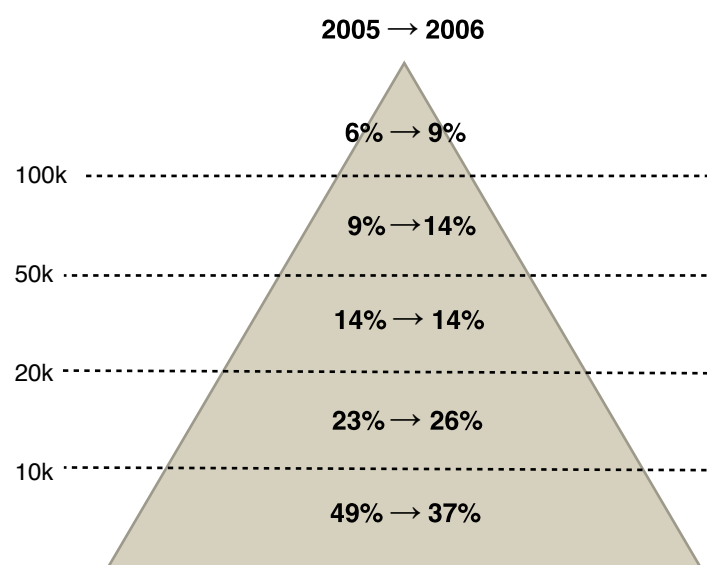
Egypt Lebanon Palestine Syria Yemen
Jordan Morocco Sudan Tunisia

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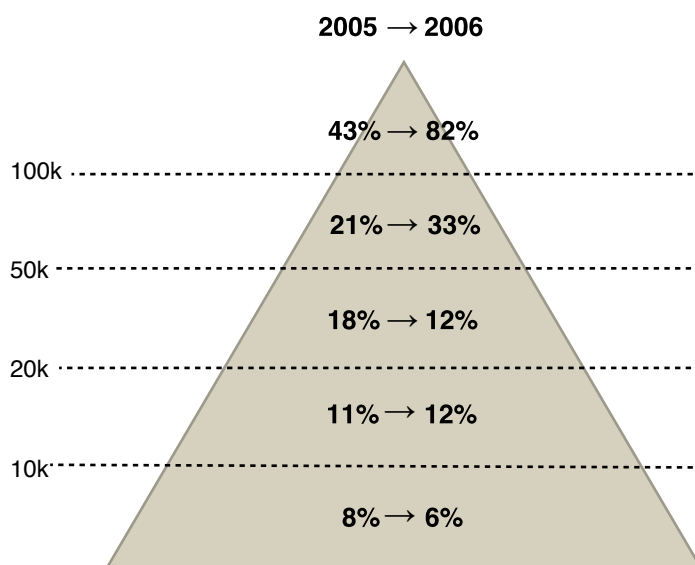
TOP 10 MFIS BY GROWTH IN GROSS LOAN PORTFOLIO (GLP): CHANGE IN GLP

MFIs NAME	COUNTRY	ABSOLUTE	%CHANGE	2005	2006
Association Al Amana for the Promotion of Micro-Enterprises Morocco	Morocco	136,101,093	164.8	82,574,832	218,675,925
Fondation Zakoura	Morocco	53,721,883	182.0	29,511,568	83,233,451
Fondation Banque Populaire pour le Micro-Credit	Morocco	38,150,740	119.7	31,860,612	70,011,352
FONDEP Micro-Crédit	Morocco	15,874,137	146.0	10,876,254	26,750,391
Development and Employment Fund	Jordan	5,511,707	15.1	36,588,520	42,100,227
Enda Inter-Arabe	Tunisia	5,357,698	86.9	6,165,296	11,522,993
Microfund for Women	Jordan	3,733,668	73.6	5,069,513	8,803,180
Micro Credit Facility Syria	Syria	3,509,894	57.5	6,100,113	9,610,007
Jordan Micro Credit Company	Jordan	2,928,505	56.1	5,222,817	8,151,322
Alexandria Business Association	Egypt	2,758,662	22.0	12,514,216	15,272,878

PERCENT OF MFIS IN MARKET BY SIZE (NUMBER OF ACTIVE BORROWERS)



MARKET SHARE BY MFI SIZE



(1) Denotes only MFIs that report data for 2005 and 2006 to MicroBanking Bulletin (MBB) or MIX Market.

Source: Microfinance Information eXchange, Inc., December 2007, based on MFIs reporting to MBB or MIX Market.



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