

DEALS

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Equity

[International Finance Corporation](#) and [ACCION International](#) fund a new initiative that will help commercial banks around the world offer financial services to the working poor. IFC will invest US\$ 15 million and provide US\$ 5 million in grant funding to support the banks' efforts to provide services to lower-income markets. IFC's funding will be complemented by substantial investments from the participating banks. ([31 Jan 2005](#))

[Bank for Agriculture and Agricultural Co-operatives](#) in Thailand has finalized a plan to upgrade 2,700 village investment funds nationwide this year into community banks. ([27 Jan 2005](#))

Micro Provident Botswana (Letshego), the leading consumer finance company in Botswana, signed an agreement to sell a minority equity stake to [International Finance Corporation](#). ([4 Jan 2005](#))

ACCION Micro Finance Company (Nigeria) sells an equity stake of 12.6% for US\$ 1.89 million worth of common shares to the [International Finance Corporation](#) (IFC). ([4 Jan 2005](#))

[ProFund](#) sells equity stakes in [Mibanco](#) and [BancoSol](#) to private investors, other investment funds, and a local insurance company. [ACCION Investments](#) purchased 9.0% of the total shares of Mibanco, Peru, and 21.8% of shares of BancoSol, Bolivia, as part of the consortium of investors purchasing a total of 47.2% of BancoSol's shares. ([20 Dec 2004](#))

The First MicroFinanceBank of Tajikistan signs an agreement to sell an equity stake to the [International Finance Corporation](#), [Aga Khan Development Network](#) (AKDN) and Germany's development bank [Kreditanstalt fuer Wiederaufbau](#) (KfW Entwicklungsbank). ([14 Dec 2004](#))

The [Equity Building Society's](#) (EBS) 2,000 shareholders approve conversion of the Kenyan microfinance institution into a bank to be named Equity Bank. Shareholders agree to transfer assets and liabilities of the Building Society to a company in accordance with its new legal status. ([12 Dec](#))

RECENTLY RELEASED RATINGS

[AMSSF 2](#) (Association Marocaine Solidarite sans Frontieres), Morocco, B (PlanetRating)
 Bandesarrollo, Chile, A (PlanetRating)
 DESPEN, Mexico, B minus (PlanetRating)
[FINADEV](#) (FINANCIAL DEVELOPPEMENT SA), Benin, B minus (PlanetRating)
[Hattha Kaksekar Limited](#), Cambodia, A minus (M-CRIL)
 DESPEN (CRAC Luren), C plus (MicroRate)
 DESPEN de la SAVA, Madagascar, C (PlanetRating)
[RFC](#) (Rural Finance Corporation), Moldova, BBB plus (Microfinanza)
[SPANDANA](#), India, A plus (M-CRIL)
[All available here.](#)

MOVERS AND SHAKERS

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[AfriCap MicroVentures, Ltd.](#), fund manager of the AfriCap Microfinance Fund, promotes Wagane Diouf to co-managing partner alongside Stefan Harpe effective January 1. Peter Gachuba hired as an investment officer. ([22 Dec 2004](#))

[BlueOrchard](#), manager of the Dexia Microcredit Fund, appoints Jack Lowe as CEO. Cedric Lombard and Roland Dominicé, director of operations and finance director, respectively, will leave the firm. ([18 Nov 2004](#))

MARKET NEWS & EVENTS

[Microfinance: An Opportunity for the Luxembourg Fund Industry](#) (Association of the Luxembourg Fund Industry--ALFI)
 10 March 2005, Luxembourg

[Microfinance gains momentum](#)
The Banker, February 2005 (English)

[Tiny loans stimulate the appetite for more \(Betsy Cummings\)](#)
New York Times, 27 January 2005 (English)

[Les grandes banques prennent enfin la microfinance au sérieux](#)

[2004](#))

Debt

Bharatha Swamukti Samsthe (BSS) and [Unitus](#) announce partnership to increase the number of microfinance clients served from 10,000 to 500,000 by 2010. BSS will receive a US \$1.5 million soft loan from Unitus. (7 Jan 2005)

The [State Bank of Pakistan](#) announced the establishment of a New Bank Fund (NBF) of US\$15 million to provide institutional strengthening soft loans to district- and province-based microfinance banks (MFBs). ([6 Jan 2005](#))

[EDYFICAR](#) (Peru) received a US\$ 3 million loan from the [International Finance Corporation](#) (IFC). IFC's financing will allow the MFI to expand its loan program, diversify funding sources, and provide medium-term loan products to its clients. ([4 Jan 2005](#))

K-Rep Development Agency (KDA), a Kenyan micro-finance research and development group, will receive a grant of US\$ 25,000 and a loan for US\$ 100,000 from the [International Finance Corporation](#) (IFC). ([21 Dec 2004](#))

Bank Mandiri (Indonesia) agrees to provide 150 billion in Indonesian rupiah (US\$ 16.5 million) to microfinance institutions (MFIs) in central Java. (20 Dec 2004)

[SKS](#) Microfinance will receive a Rupees 25 million (US\$ 6 million) line of credit from [ICICI Bank](#) (India) to originate, disburse and service loans on behalf of the bank. (15 Dec 2004)

The [European Investment Bank](#) (EIB) makes a 10-year, 10-million euro (US\$ 13.3 million) loan to Moroccan MFIs at the variable, average rate of the 10-year Moroccan Treasury bond (less than 5% at closing). (D14 ec 2004)

Moroccan MFI [Al Amana](#) received 9 million Dirhams (US\$ 1.1 million) from SGMB (Morocco). USAID provided a 50% guarantee on the loan. (14 Dec 2004)

Le Figaro, 12 January 2005 (French)

[Rural banks, Globe in loan collection tie-up](#)
BusinessWorld, 3 January 2005 (English)

[Microfinance, mais grands résultats](#) (Jean-Michel Severino)
Les Echos, 15 December 2004 (French)

[A little credit can go far](#) (Matthew Bishop)
Financial Times, 28 December 2004 (English)

[Microfinance Investment Funds: Objectives, Players, Potential](#) (2004 KfW Financial Sector Symposium)
11-12 November 2004, Berlin

RESOURCES

Data on 376 MFIs, 50 microfinance investors, and 90 industry support organizations,
www.mixmarket.org

Briefs for bankers on investing in microfinance institutions (MFIs) and providing retail microfinance services,
<http://www.cgap.org/commercialbanks/profiles.html>

ABOUT MCMU

The microfinance capital markets update is produced and edited by CGAP and the Microfinance Information eXchange (MIX). The newsletter is the only publication dedicated to microfinance capital markets news, and is distributed to thousands of microfinance providers, investors, donors, rating agencies, and consultants. For more information, visit www.cgap.org or www.mixmarket.org.

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