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Social Investment for Africa

Mecene Monthly Monitor

September 2009

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Equity Market Update

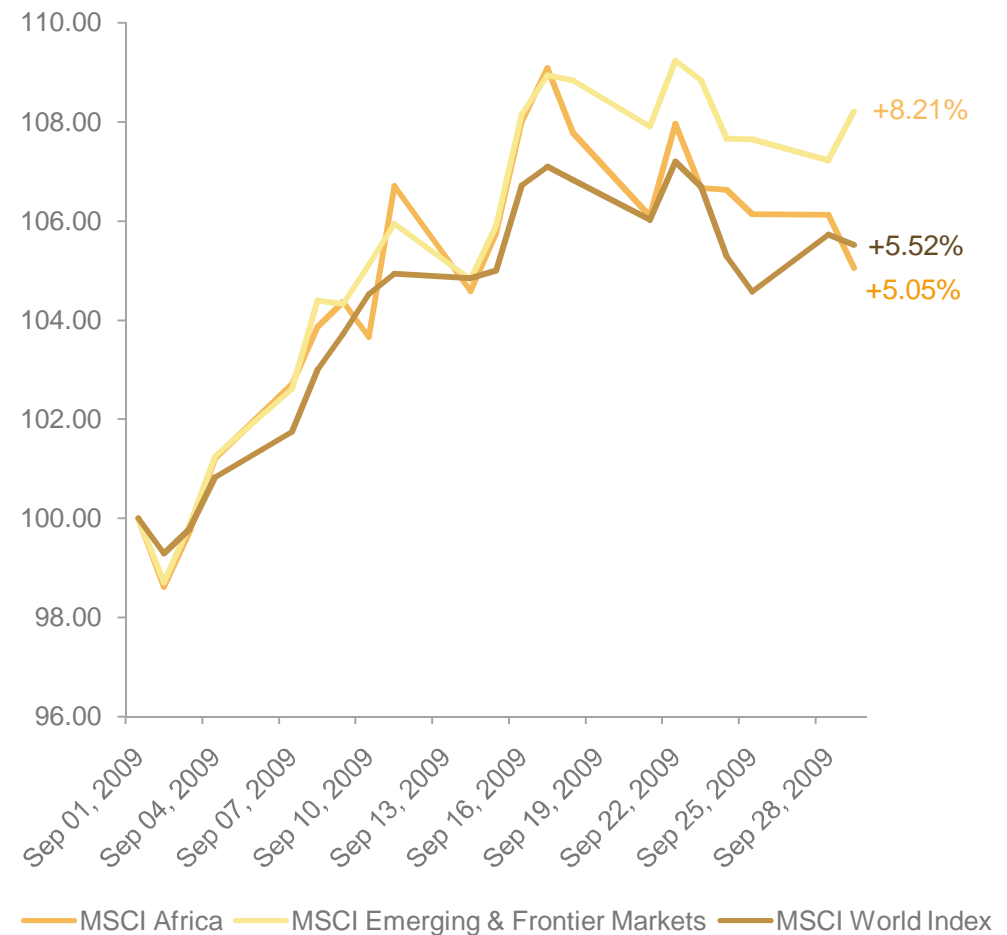
Global equity markets showed impressive gains throughout September

African market sensitive news

- Chinese companies experience setbacks in their quest for African oil, as Angola and Libya veto several acquisition bids. Nigerian officials announce that they are in talks with China's Cnook, but no official details have been released
- South Africa's treasury projects a budget deficit of \$9.4 billion this year as the country battles its first recession since 1992
- China Investment Corp, a sovereign wealth fund, expresses interest in investing in the World Bank's \$4 billion African asset management company
- Uganda's Bureau of Statistics reports that inflation accelerated to 14.5% in September
- The government of Zimbabwe seizes control of Kingdom Meikles Africa, one of the country's largest corporations, an act seen by many as a major setback in the country's attempts to court foreign investment

Source: MSCI Barra

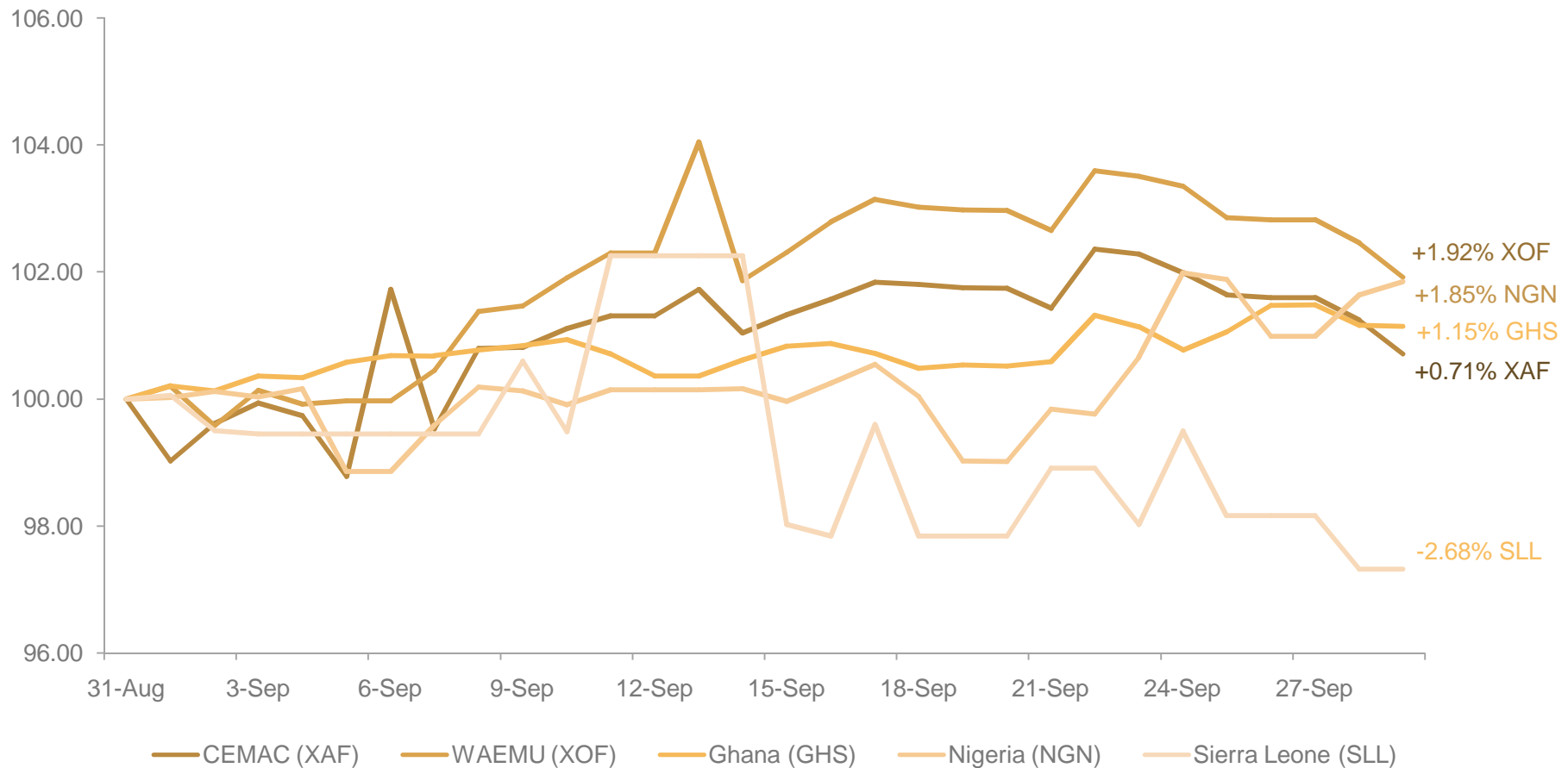
Global equity market performance



Foreign Currency Update

Major West African currencies strengthened while the leone continued to decline

- Select West and Central African currencies – September 2009*



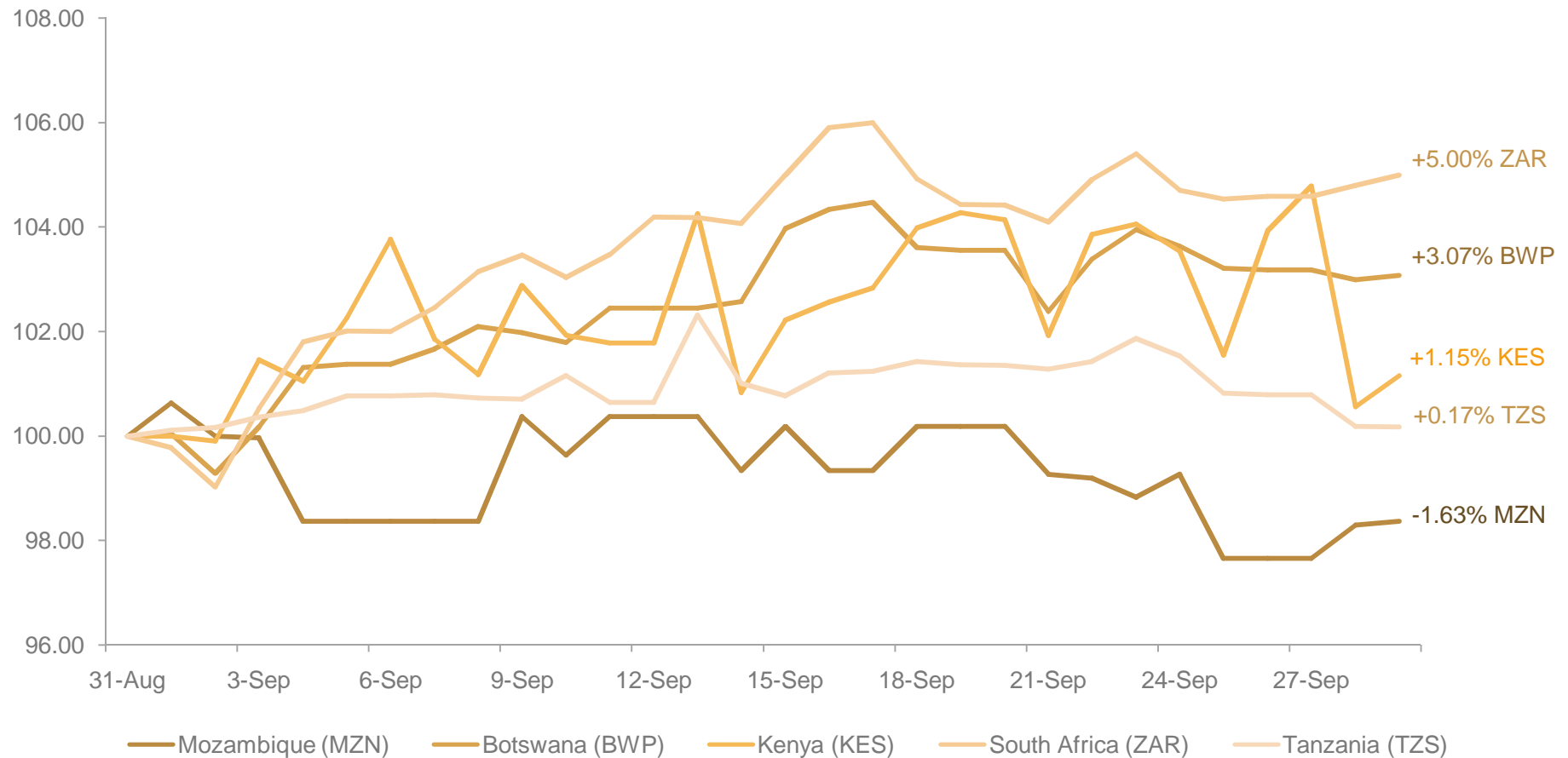
Source: Oanda

*All currencies quoted against USD

Foreign Currency Update

The South African rand and Botswana pula posted strong gains in September

- Select East and Southern African currencies – September 2009*



Source: Oanda

*All currencies quoted against USD

African Microfinance News

The African microfinance landscape continues to evolve despite minor setbacks

- African Microfinance News – September 2009

 - **11 September 2009** – Michael Schlein, former President of International Franchise Management at Citigroup, takes over as President and CEO of ACCION International. ACCION's former chief executive, Maria Otero, was recently confirmed as the U.S. Under Secretary of State for Democracy and Global Affairs.
 - **14 September 2009** – A U.S. Congressional delegation led by Mr. Gregory Meeks visits Opportunity International's branch in Kigali, Rwanda to examine the current microfinance environment in sub-Saharan Africa. The delegation is focused on strengthening human capital and managerial systems within African MFIs.
 - **14 September 2009** – Citadel Capital, an Egyptian private equity firm, and the Egyptian Gulf Bank launch Tanmeyah Micro Enterprise Services, an MFI with 15 branches and a total loan portfolio of US\$ 1.5 million.
 - **21 September 2009** – Teachers in the Kitgum District of northern Uganda flee their jobs due to their inability to pay outstanding debts at local microfinance institutions. Most of the teachers are employees of the country's government-run Universal Primary Education program.
 - **22 September 2009** – Jamii Bora Trust partners with Unitus, a Seattle-based NGO, to create an ecologically friendly town in Kaputei, near Nairobi. The settlement currently houses approximately 300 families, many of whom have purchased their new homes using microloans.
 - **25 September 2009** – Integrated Microfinance Bank Plc (IMFB), a Nigerian MFI, temporarily suspends operations due to a lack of short-term liquidity following a sharp rise in depositor withdrawals. The institution was recently named the "Best Microfinance Bank in Nigeria" by the country's central bank and holds a five-star transparency rating on the Microfinance Information Exchange (MIX). IMFB has announced plans to reopen in one month.

Source: Microcapital.org

Microfinance Deal Update

The month of August saw \$27 million of direct investment in African MFIs

- Select SSA Microfinance Capital market transactions – YTD as at 31 August 2009

Date	Investor	Investee	Region	Amount (USD)	Type
Aug-09	Oikocredit	Nyesigiso	Mali	~2,185,204	Debt
Aug-09	Rwanda Development Bank	(To Be Determined)	Rwanda	~21,500,000	Debt
Aug-09	Advans SA SICAR	Advans Cameroun	Cameroon	~3,270,000	Equity
Jul-09	Soros Economic Development Fund, OSIWA, Omidyar Network & Humanity United	BRAC	Sierra Leone, Liberia	15,000,000	Equity
Jul-09	Hivos-Triodos Fund & Triodos-Doen	Leapfrog Financial Inclusion Fund	Pan-African	5,000,000	Equity
Jul-09	Standard Chartered Bank	Faulu Kenya	Kenya	~5,900,000	Debt
Jul-09	Grameen Credit Agricole Microfinance Foundation	Soro Yiriwaso	Mali	~1,345,000	Debt
Jul-09	Grameen Credit Agricole Microfinance Foundation	Miselini	Mali	~897,000	Debt

Source: CGAP Microfinance Dealbook