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Social Investment for Africa

Mecene Monthly Monitor

October 2009

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Equity Market Update

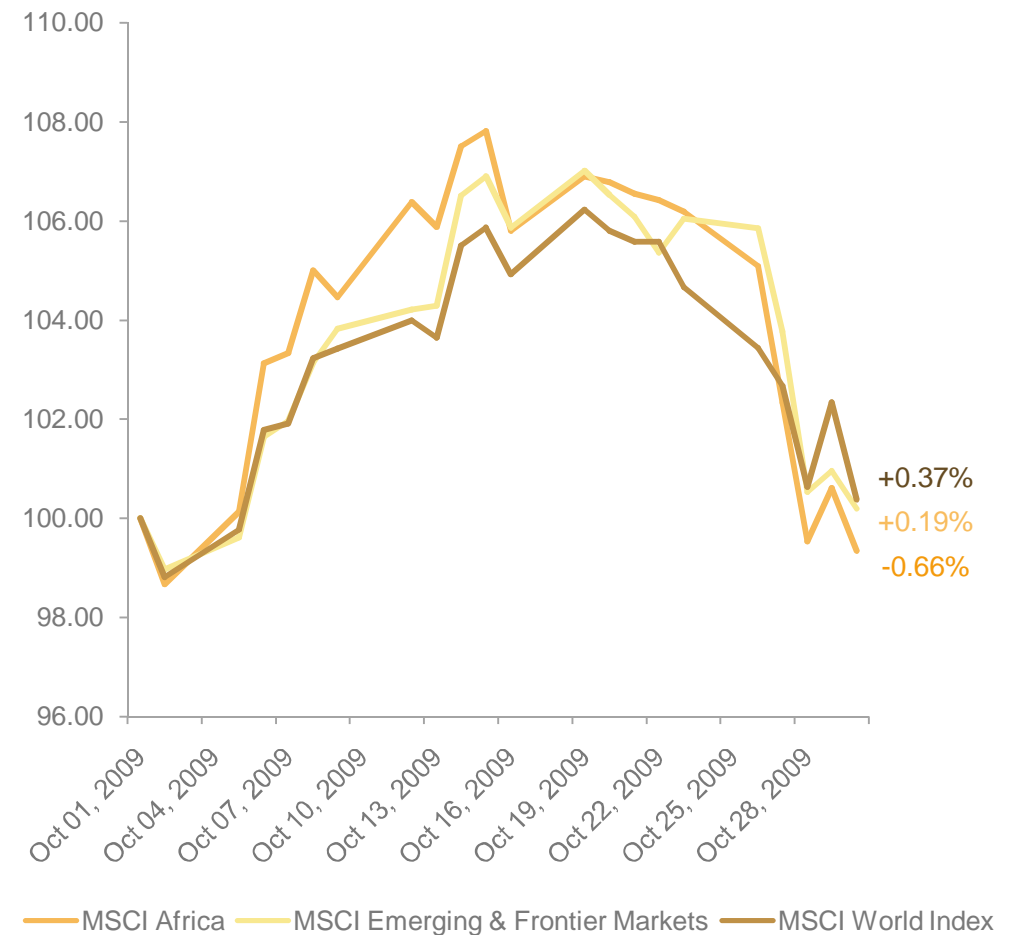
Despite a strong start, trading in global equity markets finished flat in October

• African market sensitive news

- East Africa undergoes its worst drought in nearly a decade, increasing the risks of widespread famine and regional conflict
- Exxon Mobile strikes a US\$4 billion deal with the Ghanaian government for the Jubilee oil field off the West African coast, beating out rival bidder China National Offshore Oil Corp
- South African regulators obstruct the merger of India's Bharti Airtel and South Africa's MTN Group by insisting that the company's listing remain in South Africa
- South Africa's government loosened long-standing controls on foreign exchange and repatriation of earnings in the hopes of lowering barriers to investment
- China faces increasing criticism and calls for more transparency surrounding the country's huge levels of aid and investment in Africa
- Angola announces plans to sell US\$4 billion of sovereign debt on the international market

Source: MSCI Barra

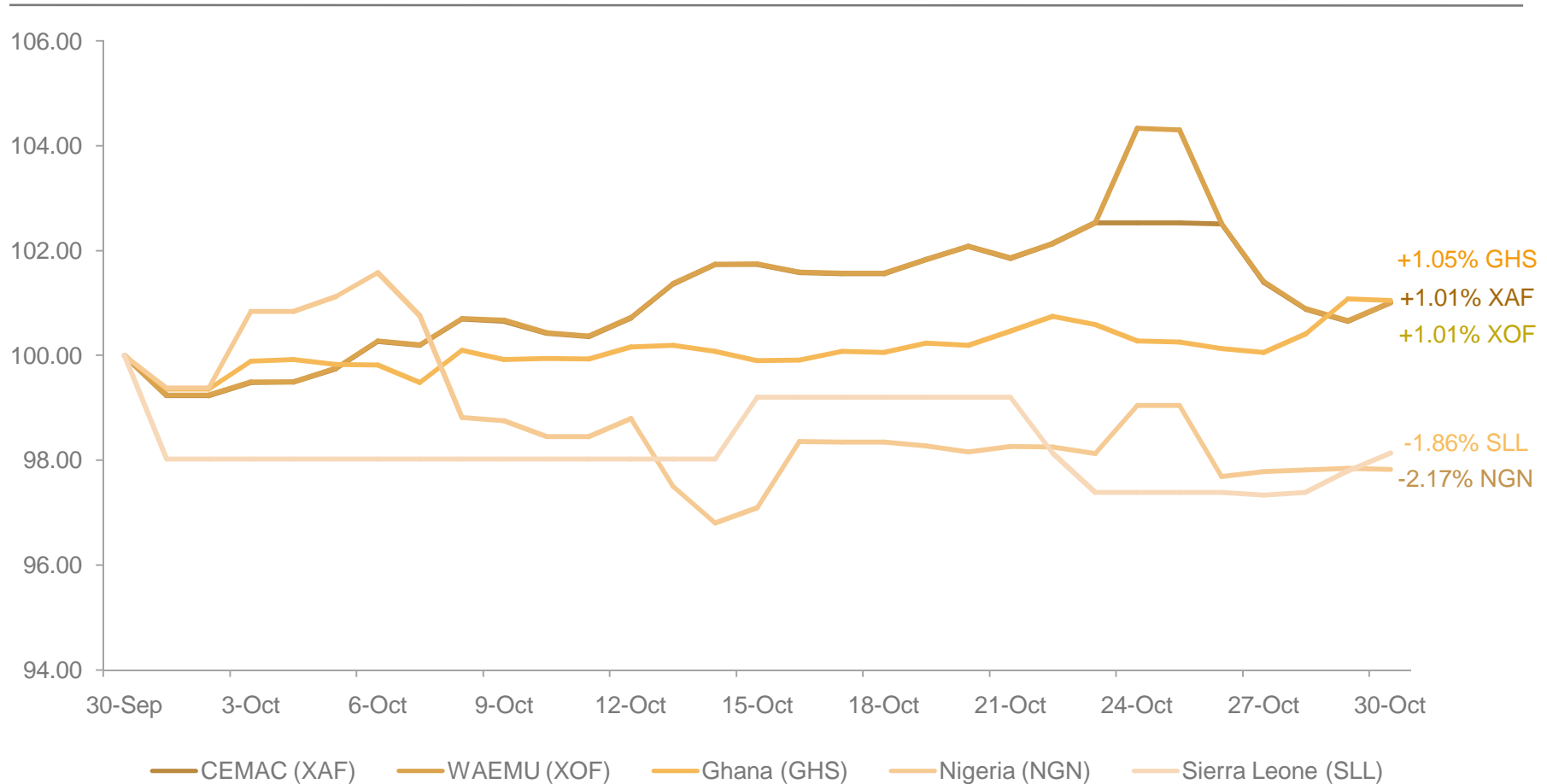
• Global equity market performance



Foreign Currency Update

The Ghanaian cedi, West and Central African CFA francs posted steady gains

- Select West and Central African currencies – October 2009*



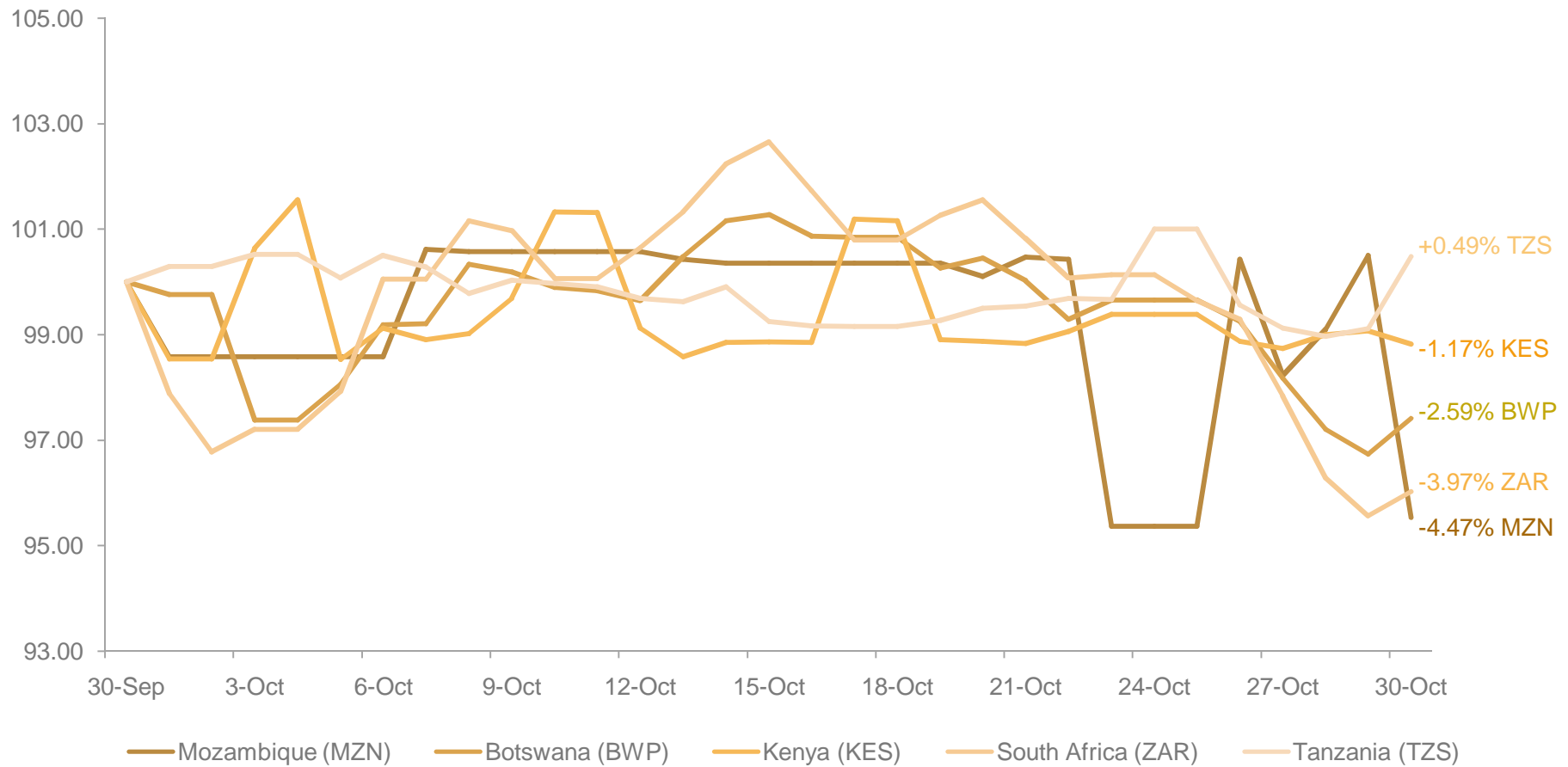
Source: Oanda

*All currencies quoted against USD

Foreign Currency Update

Most East and Southern African currencies weakened against the dollar in October

- Select East and Southern African currencies – October 2009*



Source: Oanda

*All currencies quoted against USD

African Microfinance News

Mobile banking gains momentum in Kenya as Nigeria struggles to stabilise its microfinance sector

- African Microfinance News – October 2009

- **October 8, 2009:** MTN and Zain announce the successful registration of 250,000 customers, six months after the launch of MTN mobile money and Zain's Zap, both unique mobile banking transaction platforms.
- **October 12, 2009:** The Bill & Melinda Gates Foundation grants US\$35 million to establish the Alliance for Financial Inclusion, which has been launched in Nairobi, Kenya and will be managed by Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). The facility is intended to support the training of central bankers and policymakers in the implementation of inclusive financial sector policies for the Alliance's member countries.
- **October 12, 2009:** The U.S. Agency for International Development signs a US\$16 million loan agreement with Ethiopian Awash International Bank and Oromiya Cooperative Bank, two regulated Ethiopian MFIs.
- **October 18, 2009:** The Central Bank of Nigeria proposes implementing policies requiring increased capital bases at the country's microfinance institutions, leading to fears of a repeated liquidity strain.
- **October 18, 2009:** Jamii Bora, a Kenyan MFI, and Pennsylvania-based GreenMicrofinance announce the establishment of a joint-venture called "Jamii Bora GreenMicrofinance Ltd." that will be devoted to projects incorporating both microfinance and sustainable development in Kenya.
- **October 22, 2009:** Kenyan banks report a substantial increase in the number of customers seeking small and medium value, short-term loans, a positive development for the microfinance sector in the region. Some East African MFIs report that requests for microloans have increased ten-fold during the past year.
- **October 27, 2009:** After repeated difficulties over the course of the past year, the Central Bank of Nigeria announces that it is considering outsourcing supervision of the country's 800-plus microfinance institutions.
- **October 30, 2009:** The Kenyan government announces plans to design a legal framework to promote the growth of branchless banking platforms via third-party agents such as MFIs, retail outlets and petrol stations.

Source: Microcapital.org

Microfinance Deal Update

The month of September saw \$10 million of direct investment in African MFIs

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

Date	Investor	Investee	Region	Amount (USD)	Type
Sept-09	Overseas Private Investment Corporation (OPIC)	Citi	Global	250,000,000	Debt
Sept-09	Hivos-Triodos Fund & Triodos-Doen	Kenya Women's Finance Trust	Kenya	~3,000,000	Debt
Sept-09	Micro & Small Enterprise Fund	Alios Finance Group	West Africa	~7,000,000	Debt
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

Source: CGAP Microfinance Dealbook