



Contact: Liselle Yorke
202-628-3560, ext 128

lyorke@grameenfoundation.org

Grameen Foundation, Grameen Capital India and Grameen-Jameel Join Forces to Address Funding Constraints Facing Socially-Focused Indian Microfinance Institutions
Will Offer \$8 Million Guarantee Pool to Support Financing from Local Banks

Mumbai, India/Washington, D.C., December 20, 2010 — Grameen Foundation and its affiliates, Grameen Capital India and Grameen-Jameel Microfinance Ltd., today announced a new initiative to address the liquidity needs of Indian microfinance institutions (MFIs) that demonstrate a double-bottom-line focus on social and financial returns.

Local bank financing has shrunk throughout India in the wake of events in Andhra Pradesh over the past three months, and this initiative seeks to reignite banks' interest in funding this sector. Socially-oriented microfinance has been a core focus of the work of all three Grameen organizations. The group will make available \$8 million in guarantee funds that it expects to generate a minimum of \$16 million in local-currency financing to poverty-focused MFIs from local banks.

The guarantee funds, which will be made available to MFIs to the extent allowed by applicable law, will comprise \$4 million in guarantees each from Grameen Foundation and Grameen-Jameel, and will be facilitated by Mumbai-based Grameen Capital India.

"Microfinance institutions have a responsibility to demonstrate clearly that they are reaching the poorest people and that these borrowers are moving out of poverty," said Alex Counts, president and CEO of Grameen Foundation. "This initiative will focus on Indian institutions that have a history of accountability, transparency and results related to achieving poverty reduction outcomes. Microfinance, when applying best practices and sound ethics, can be a powerful tool in the fight against poverty. We are continuing our long-standing support for ethical, best practice microfinance institutions and hope that others will join us and ensure liquidity for the sector."

"Recent events in Andhra Pradesh have sparked a broader liquidity-squeeze across the country, with funding all but drying up, especially when it comes to the smaller MFIs," said Royston Braganza, CEO of Grameen Capital India. "We want to help ease the capital constraints by providing vital support through this facility to all MFIs that meet clear financial and social criteria."

-MORE-



To be eligible for consideration, MFIs must have completed a social-rating or impact-assessment report, using recognized industry guidelines, in the past year. Alternatively, they must be actively using a recognized social-performance measurement tool, such as the Progress out of Poverty Index™.

“For microfinance to remain true to its original mission of helping the poor, it is important that microfinance institutions that demonstrably support this mission get the funding they need,” said Julia Assaad, general manager of Dubai-based Grameen-Jameel Microfinance Ltd. “Through this initiative, we want show that microfinance institutions can be financially healthy without straying from their core social principles.”

About Grameen Foundation

Grameen Foundation, a global nonprofit organization, helps the world's poorest people lift themselves out of poverty by providing financing, technology support and management strategies to the local organizations that serve them. It also spearheads technology initiatives that create new microbusiness opportunities for the poor and improve the poor's access to health, agricultural and financial information and other services. Founded in 1997, Grameen Foundation has offices in Washington, DC; Seattle, WA; Colombia; Ghana; Hong Kong; the Philippines; and Uganda. Microfinance pioneer Dr. Muhammad Yunus, founder of Grameen Bank and winner of the 2006 Nobel Peace Prize, is a founding member of its Board of Directors, and now serves as director emeritus. For more information, please visit grameenfoundation.org.

About Grameen Capital India

Grameen Capital India enables microfinance institutions (MFIs) to raise low-cost on-lending funds, by providing wider access to the capital markets, primarily domestic, through innovative debt and equity solutions, credit enhancement and capital advisory services. Grameen Capital also actively serves other social enterprises focused on the Base-of-the-Pyramid segment. Grameen Capital India is a collaboration between Grameen Foundation, IFMR Trust and Citicorp Finance India Limited. For more information, please visit www.grameencapital.in/

About Grameen-Jameel Microfinance Ltd.

Grameen-Jameel was established in 2003 and incorporated in 2007 as a joint venture between Grameen Foundation and ALJ Foundation, a subsidiary of Abdul Latif Jameel Group. The company is the first social business in the Middle East and North Africa (MENA), focusing to alleviate poverty in the region through forming strategic partnerships with microfinance institutions (MFI) by providing financial support and technical assistance to help scale the microfinance sector. As of 2010, Grameen-Jameel has facilitated financing amounting to over USD 52 million reaching more than 600,000 microfinance clients through its MFI partners in 9 countries in the MENA region and intends to extend the support to Microfinance institutions in other countries worldwide.