

BECOME AN EXPERT IN MICROFINANCE



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In recent years, the microfinance sector has experienced almost exponential growth. A growing number of retail investors have discovered this sector, which offers the combination of attractive returns combined with a "social dividend" in that microfinance contributes actively to the fight against poverty in developing countries. With a view to contributing to the development and professionalism of this sector, the Luxembourg Institute for Training in Banking (IFBL) is now offering a specific microfinance training programme.

While classical commercial banks across the world are mired in the financial crisis, microfinance institutions continue business more or less as usual. The microfinance business model encourages a spirit of enterprise, creates risk diversification and eschews complex financial products. The repayment rate of microfinance loans, sometimes for sums as small as 40 or 50 euros, is well over 90%. It is therefore not surprising that more and more investors are joining public donors to finance microfinance institutions. According to Micro-rate, a rating agency that specialises in microfinance, assets invested in microfinance investment vehicles rose from 908 million dollars in 2004 to 3.9 billion dollars in 2007.

A distinct set of rules

The microfinance sector functions according to a distinct set of rules and neither financial intermediaries nor investors should evaluate microfinance institutions (MFIs) using the same methods that banks traditionally apply to emerging market investments.

The first module *Initiation à la microfinance* will be held on 12 May 2009 in French. Companies can equally request a private course to be held at their premises, at the dates and in the language preferred.

To find out more see the following link:
www.ifbl.lu/ada022009.php

The training programme offered by the Luxembourg Institute for Training in Banking (IFBL) in collaboration with the NGO ADA (*Appui au Développement Autonome*), a non profit-making association active in microfinance since 1994, takes this into consideration. The programme targets financial sector professionals active in the microfinance field: fund managers, investment advisers, bank directors and employees, auditors, etc.

Following a general introduction to the subject, a series of modules focus on different areas such as valuation of the performance of an MFI (key indicators, analytical tools, ratings and case studies), the history and track record of microfinance investment vehicles, key stages in the process of creating an investment vehicle (from product development through to distribution), evaluation of the risks linked to the underlying microfinance investments, familiarisation with legal aspects specific to the creation of a microfinance investment vehicle and the advantages and disadvantages of various legal structures.

The course will initially be delivered in French but an English language option could be added on demand.

