

# MONTHLY NEWSLETTER

99th edition

15 October, 2015

## AMFA Investors Fair



### OUR MISSION:

To strengthen the capacity of micro-finance institutions and to promote effective collective action in advancing the interests of the micro-finance community and its clients.

### In This Issue

- 4th Investors' Fair
- AMFA at Eurovillage
- Corporate Governance Workshop
- Board Recognition by the Seep Network
- Information about sponsors of Investors' Fair
- Members' Corner
- Gender oriented micro-finance performance
- Professional Development
- Contact us

Baku, October 9, 2015 Azerbaijan Micro-finance Association (AMFA) hosted Investors' Fair titled "On the Pathway to Responsible Micro-finance". The fair aimed to create bridge between members- Micro-finance institutions, banks and credit unions, investors/donors and service providers and share best practices and approaches on the pathway to the responsible financing in today's competitive market and most importantly, to give floor to the investors and members for networking and partnership building opportunities.

With the gold partners of AccessBank and Bank of Baku and silver partners FINCA Azerbaijan, Brand Credit, AzMikroInvest, KredAqro, Software Group and ADB the Fair became the viewpoint of the microfinance service providers for seeding new partnerships with the investor companies as Triple Jump, Symbiotics, Finance in motion, OikoCredit, Grameen Credit Agricole, IFC, Asian Development Bank, Islamic Development Bank, CGAP, PASHA Bank and service providers including Software Group, MicroFinanzaRating, Planet Rating and SMART Campaign/ACCION that attended the Fair.

The event was opened by Azerbaijan Micro-finance Association Executive Director, Mrs. Jhale Hajiyeva which followed by the greeting speech of the Chairman of Azerbaijan Microfinance Association Mr. Suleyman Kalashov, Chairman of the Economic Policy Committee of Milli Majlis, Mr. Ziyad Samadzadeh, President of the Azerbaijan Confederation of Entrepreneurs Mr. Mammad Musayev, General Director of the Central Bank of Azerbaijan Mr. Rashad Orujov, International Finance Corporation, Country Director Ms. Aliya Azimova who also provided a brief on the progress and challenges of the current financial industry.

Investors' Fair became an important event where financial institutions were able to look for the most ingenious solutions to talk together, meet potential business clients and partners, vie for funding for their ideas and discover cutting-edge work.

Micro-finance service providers currently serve over 559,099 clients and have outstanding loan portfolios exceeding \$ 1,018, 982, 295 million.



The first part of the Fair have comprised of 2 plenary sessions whereas one of them was devoted to Innovative products and Market Research where the main focus was on discussion what clients and potential customers want and need in any specific market segment.

And the following one was focused on Multiple borrowing and Over indebtedness issues questioned the opportunities for preventing the overindebtedness.

During Investors Fair AMFA traditional award ceremony was held. PASHA Bank OSC has been honoured as a "Member of the Year", AgrarKredit SJCO, Chairman of Board, Mammad Musayev and AccessBank CJSC, Deputy of Microcredits Department, Elshan Pirmaliyev has been honoured as a "Practitioner of the Year", PASHA Bank OSC has been honoured as a "Promotion of Gender Equity



An Investors Fair was followed by B2B meetings of MFIs with investor companies and service providers. The 2<sup>nd</sup> part of the event was a great opportunity for MFIs, banks and leasing companies to gain more exposure to the existing capital market and benefit from learning opportunities and technical skills upgrade.





## AMFA at Eurovillage



EUROPEAN UNION



EU Delegation organized a Eurovillage in Baku Icheri Sheher on 19 September 2015. This was a public event, where the public had a chance to learn more about the EU and its member states as well as their activities in Azerbaijan. As one of the grantees of EU, AMFA also participated at Eurovillage, distributed the information about the activities. There was a big interest from the public to the trainings conducted. People were filling the application forms for participation in the trainings. This was a great opportunity for outreach activities, both to promote the activities but also raise awareness about our cause and gain supporters.

## Coporate Governance Workshop

Azerbaijan Micro-finance Association organized workshop on “Corporate Governance” in cooperation with International Finance Cooperation (IFC) on October 5, 2015. The workshop was delivered by Boris Janjalia. Expert discussed importance of corporate governance and for financial institutions and professional corporate governance. In this case, one of the biggest Credit Union, AgrolInvest’s experiences were distributed among member organizations.

## Board Recognition by the SEEP Network

During the SEEP Network’s Annual Membership Meeting Ms. Jhale Hajiyeva , AMFA Executive Director was awarded with plaque to recognize dedication and service as a member of the SEEP Network’s board of directors during 2009-2015.

Note: AMFA cooperates with the SEEP Network since 2002 being an informal group of member practitioners and have been supported by the SEEP Network via technical assistance projects and effective 2009 became a member of the SEEP Network.



## GRATITUDE TO OUR SPONSORS



AccessBank, being one of the leading banks of Azerbaijan, has been operating since 2002. The Bank created by Black Sea Trade and Development Bank, the European Bank for Reconstruction and Development, International Finance Corporation, KfW, German consulting company LFS Financial Systems GmbH and AccessHolding has 100% foreign capital and its registered capital is 85 million AZN.

The mission of AccessBank is to provide financial services to micro, small and middle-sized business institutions in Azerbaijan, who come across the obstacles on the way of development, because of the limitations of certain financial services. The Bank establishes an extensive and comprehensive financial system, providing the financial services to micro and small business institutions, including family farms, which are considered an integral part of this business. Efficiency of the AccessBank services, the quality of customer service, transparency of operations and reports meet the highest banking standards.

The fully developed AccessBank also supports social development of Azerbaijan. Since its start, the main corporate element of the Bank is compliance with the principles of ethical conduct and banking responsibility. The social and corporate responsibility covers all the aspects of banking, from the workforce, to relationships established with clients, including the relation to the communities and authorities, shareholders and supporters of re-financing. AccessBank always implements the projects aimed at resolving the problems of persons with disabilities. Since 2008 the Bank has carried out more than 100 projects, with respect to persons with disabilities, children deprived of parental care and the elderly living alone. Additionally, AccessBank has implemented successful projects in the field of sport, education, culture and art. Since 2010, the Bank is the official sponsor of the Azerbaijan national football team, women's football team, the national futsal team, the Azerbaijan beach football team and youth football national teams.

More detailed information about AccessBank can be obtained on the official website [www.accessbank.az](http://www.accessbank.az) or the Facebook page.



From the day of its establishment in 1994 until today OJSC Bank of Baku has continuously pursued several fundamental directions. Bank supports retail business, small and medium entrepreneurship, large corporate business and strives to improve customer service quality. The Bank has Head Office, Operational Center and 24 branches operating throughout the country. Over 700 000 customers have used the Bank's services and this number is growing. Currently the Bank holds leading positions in consumer lending and plastic card markets. Bank of Baku is the author of Bolkart – an installed payments credit card which highly popular in Azerbaijan. Today hundreds of thousands of Azerbaijan citizens are using Bolkart. In order to deliver convenience to large number of customers the Bank has installed hundreds of payment terminals throughout the country. Thousands of customers use Bank of Baku's payment terminals to repay consumer loans, top up their deposit accounts, pay mobile phone, insurance and other payments. Last year Bank of Baku established "Dostlar Klubu" (Friends Club) for its loyal long term customers. In short span of time hundreds of thousands of customers joined the club and started using various advantages when borrowing from the bank. In order to provide benefits and discounts to depositors using bank products, Bank of Baku has established "Əmanət Klubu" (Depositors Club). Bank of Baku supports development of non-cash payments in the country and this is one of top priority areas for the Bank. Majority of Bank's credit cards consist of Bolkart, "Dostlar Klubu" cards issued to loyal customers, Visa and MasterCard credit cards, MyBrands and Ideal co-brand credit cards – which are currently highly popular among the citizens.



In 2013 and 2014 Bank of Baku was assigned the 1st rating by the Central Bank for non-cash payments and selected as the leading bank. In addition, in 2013 and in 2014 the Bank was assigned 3rd rating and 2nd rating, respectively, by the Central Bank as the leading bank in Electronic Banking Services category.





It is already 14 years that “KredAqro” Non Bank Credit Organization takes action to give financial support to small and medium enterprises especially entrepreneurs engaged in agricultural sector and also meet the material needs of individuals in Azerbaijan.

During period of activity in order to increase its financial resources Organization was collaborated with internationally known companies such as “Blue Orchard”, “Developing World Markets” (DWM), “International Finance Corporation” (IFC), “Incofin”, “KfW”, “MicroVest”, “Symbiotics”, Oikocredit, “Triple Jump”, “ResponsAbility”, “Microfinance Enhancement Facility” and etc. and gain their confidence. Moreover “KredAqro” was the first non bank credit organization in Azerbaijan to receive a loan from the “European Bank for Reconstruction and Development”.



In 2008 year Organization was awarded for the “Contribution to the development of Agriculture” and in 2012 year in nomination “Company of the Year” with “UGUR” National Award; in 2009 year “Transparency Certificate” conducted by the Microfinance Information Exchange Center; in 2013 year “World Quality Commitment AWARD” in category “Gold” in conference organized by “Business Initiative Directions” (BID) company that took place in Paris and “Platinum” category of the same award in 2014 year.

In 2012 year “KredAqro” was signed agreement with “KfW” and “Sparkassenstiftung für Internationale Kooperation” (Savings Banks Foundation for International Cooperation - SBFIC) regarding the establishment of a Training Centre under the “Program of crediting the agrarian field in Azerbaijan” and this was influenced deeply to increase professionalism of staff and also widen activity in agricultural sector.

Giving financial support in 2013 and 2014 year to “Ipek Yolu” International Music Festival organized in order to develop communications between nations and better cultural life of the society beginning from 2010 year “KredAqro” joined to the sponsors of the festival.



FINCA Azerbaijan is the leading microfinance institution in Azerbaijan, serving small and micro businesses across the country with providing various loan products, including for agriculture. It currently has more than 141,000 borrowers and an outstanding loan portfolio of USD 170 million. Since it opened doors in 1998, FINCA Azerbaijan has provided more than one million loans.

*FINCA Azerbaijan as a Non-Bank Credit Organization* in the microfinance sector of Azerbaijan expands its branch network in the Country and the number of branches has reached 67 offices, that have been designed in a modern and convenient style to offer better service for customers. The organization expanded access to working capital loans for thousands of new and existing clients in the microfinance sector in Azerbaijan, where micro, small and medium-sized business is essential to developing the country's non-oil economy.

FINCA Azerbaijan expands its cooperation with international partners and improves its strategy to address currency financing needs of clients by new long-term loan credit lines from international financial institutions. On May 2015, PROPARCO became FINCA's newest financial partner, providing a local currency credit line in amount of EUR 11.5 million to FINCA Azerbaijan for on-lending to small business owners so they can increase income and create jobs.

FINCA Azerbaijan remains committed to Corporate Social Responsibility and supports many educational, sport and a range of social programs to contribute to society. The organization joined programs such as “Convert your knowledge into capital”, “Student Scholarship Program”, a tree planting campaigns, Financial Literacy program and as well as many other charity fundraising events.

# Brand Credit

Brand Credit NBCO LLC is a non-banking credit organization acting in Azerbaijan financial market since 2011. Brand Credit started its operation based on the 900 000 Authorized capital numbered 9 BKT License dated 21.11.2011 issued by Central Bank of Azerbaijan Republic. The authorized capital of the organization was founded by 3 individuals.

The first bond issue of organization was state registered in 31.01.2013, the amount was 500,000.00 (five hundred thousand) manat.

The amount of issued bonds and bill of exchanges are increased up 3,300,000.00 (three million three hundred thousand) manat during the first two quarters of 2015.

The organization started to cooperate with AMFA since 19.02.2013. Currently, two branches of organization operates in the capital of the country including the districts. The organization offers to his customers 5 type business and 5 type consumer credits.

Bank Credit NBCO LLC is at the 18<sup>th</sup> rank due to the volume of assets and 13<sup>th</sup> rank based on the microcredit portfolio among 160 NBCO according to financial indicators of 2014. Apart from, it is one of the 7 NBCO cooperating with Million.

Today we get compromise with Azerbaijan National Fund for Entrepreneurship Support for cooperating and official procedures are running based on documentation.

Despite operating in a short period, total credit portfolio of organization reached up to 4,500,000.00 (four million five hundred thousand) manat. Up to 50 % of total credit portfolio is allocated for business credits. At the same time, minimum 85% of total credit portfolio is mid and long term credit (July 2015).

Our aim is to help the society to eliminate the difficulties and problems related to get credit and planning of credits before getting it based on the international leading experience in Azerbaijan.



Azmicroinvest NBCO LLC was established in April in 2014 and in June of the same year by receiving the limited banking license from the Central Bank of the Republic of Azerbaijan it started its microfinance operations.

Azmicroinvest operates as a microfinance organization in order to enhance social welfare of low income families which in turn gives financial support to the development of micro-businesses. In order to improve these micro-businesses and social welfare of these families, since its foundation 350 families have been disbursed microcredits amounting 1.1 Million AZN and significant development has been achieved in these businesses. The loans are mainly distributed with individual or group guarantees, with the amounts of 2000-3000 AZN, with interest rates varying from 18-24 % and with maturities of 6-36 months. All loans are paid back on time because of appropriate usage. The average loan amount is close to 3000 AZN. The loan portfolio by July 1st comes to approximately 1,150,000 AZN. The organization's financial base is formed by shareholder's equity, funds attracted from a number of local financial institutions and financial revenues of the company.

Azmicroinvest's operations advance in accordance with its social and financial targets successfully. In addition to expanding its microfinance operations in the future, Azmironvest will also develop new credit products and provide financial support to the low income families that are heavily populated in rural areas in order to improve their businesses. The company plans to attract new funds from local and international financial institutions and expand its microfinance services.



### About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to the majority of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

### About Technical Assistance (TA) 8621-AZE: Microfinance Sector Development

The TA will assist the Azerbaijan government to develop a financial inclusion policy and strategy, enhance regulatory rules and practices to support the strategy, and improve the availability of financial inclusion data. It is expected that this policy work will enable and potentially attract strategic investments in new services such as payments, saving products, microinsurance, and new delivery mechanisms for these services such as branchless banking.



Software Group (SG) is a global leader in the development and implementation of innovative and reliable technology solutions for delivery channels of financial services, with primary focus on developing and emerging markets. The flexible and scalable offerings of SG are successfully implemented with clients across the entire financial sector ecosystem: commercial banks, mobile network operators, payment service providers, microfinance institutions, credit unions, saving groups, etc.

SG continuously works to deliver value to its clients via turnkey solutions: software customization, implementation, and integration, hardware sizing and advice, support in designing a digital finance era business approach. The company is committed to share knowledge and expertise on digital finance age opportunities and win strategies with all financial market players via standalone professional consultancy services to banks, financial institutions, NGOs, IGOs, etc.

SG serves a worldwide client base in 52 countries with more than 200 successfully completed projects. The company is headquartered in Sofia, Bulgaria, with six other offices spread on five continents: Nairobi, Kenya; Accra, Ghana; Manila, Philippines; Guadalajara, Mexico; Brisbane, Australia and Trichy, India.





## “FINCA Azerbaijan” completed saving tips action

In order to developing habits for saving money and promoting a culture of savings, FINCA Azerbaijan has held the social media action to support awareness initiatives in this field. The action was held through the organization's Facebook page and during the one month followers of the page were informed about the best practical ways of saving in their daily lives.

The social media action aimed at raising awareness about the importance of saving for people especially for youth and showed the practical 30 ways with simple steps explaining how people can save their daily earnings. During the action each day one poster designed and were published on Facebook page showing simple saving steps in order to reach 150 AZN as a target amount for the month.

At the end of the action, the video was produced to feature the importance of saving in the current financial situation. The video also featured vox-pops interview with different FINCA Azerbaijan clients asking them the possibility of saving 150 AZN each month and what needs they would cover with this saved money.

More information about the action can be found on FINCA Azerbaijan's [Facebook](#) page or via video in this link:

<https://www.youtube.com/watch?v=Y7oexFA4ZR0&feature=youtu.be>

## Gender oriented microfinance performance

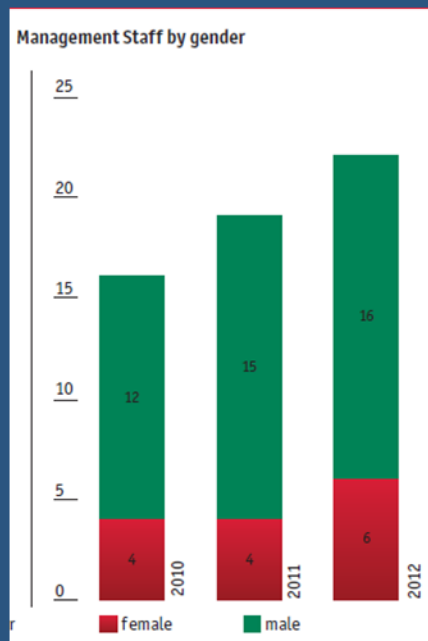
### “Best institution in promoting gender equality” in Azerbaijan

During AMFA Investors Fair “On the Pathway to Responsible Micro-finance” held on October 9<sup>th</sup>, 2015, AMFA recognized its members for their good performance and engagement in the activities of the association and presented awards. Along with the other awards, AMFA also appreciated PASHA Bank's efforts on improving gender equality and awarded it with the “Best institution in promoting gender equality” for creating equal employment, promotion, development opportunities, achieving well percentage of women micro-finance clients, providing work-life balance opportunities to women.



Women in PASHA Bank present 40 % of Executive Board. 44 % of senior and mid managerial roles are given to women. Women get more training than male staff (spending in average 400 hour vs 1056 hour), as the institution thinks that women can make a better and more practical use of these trainings, teaching the others too. 88% of our high potential staff members signed up for special program are women.

Many of women (34%) have become mothers to more than two children while working for PASHA Bank, as they believe that having more kids is not a handicap for a women professional and does not hinder her from making career.





## PROFFESIONAL DEVELOPMENT

### AMFA TRAINING CALENDAR

Responsible Finance-Risk Management  
-20, 21 October 2015

Bad loans-Audit-20, 21 October 2015

Any organizations and representatives who are willing to participate in the mentioned trainings, please contact with Konul Huseynova via [member\\_services@amfa.az](mailto:member_services@amfa.az)

### Loan Officer Training

October, 2015– Ganja, Shaki

November, 2015– Lankaran, Baku

2015 MFC Annual Microfinance Conference: “Employment, Youth and Investment: What can Microfinance do?”

4-6 November 2015, Prague

### SMALL BUSINESS CONFERENCE

16-18 November 2015, Nashville, Tennessee

**CONTACT US:**



**AZERBAIJAN MICRO-FINANCE ASSOCIATION**

**44, J. Jabbarli str.  
Caspian Plaza 1, 5th floor  
AZ 1065, Baku, Azerbaijan**

**Want to subscribe to AMFA newsletter?**

**Contact us: Konul Huseynova**

**[member\\_services@amfa.az](mailto:member_services@amfa.az)**

**Web site: [www.amfa.az](http://www.amfa.az)**

**Phone +994 50 208 40  
79**

**Fax: +994 12 437 23 39**



**Azerbaijan Micro-finance Association**



**AMFA ( Azerbaijan Micro-finance Association)**