

## **MicroVest Enters Kazakhstan Market**

*MicroVest enters Kazakhstan market with a joint \$3 million investment in Kazakhstan Loan Fund*

Bethesda, MD (PRWEB) May 25, 2006—In April 2006, MicroVest disbursed its first investment in the country of Kazakhstan, structuring a \$3 million loan facility for Kazakhstan Loan Fund (KLF), the leading microfinance institution (MFI) in Central Asia. This investment is the result of several months of analyzing the Kazakh market and completing a thorough due diligence visit in March 2006.

Founded in 1997, KLF is part of the ACDI/VOCA network, a private non-profit organization based in Washington DC. KLF has a loan portfolio of over \$11 million and currently serves 17,000 clients largely through group lending. Rather than securing loans with collateral, KLF relies on solidarity guarantees in which an entire group of individuals pledge timely repayment. Operating under this model, KLF boasts an excellent portfolio quality (PAR>30 at 0.025%). Financial services are in high demand and limited access to microfinancing in certain regions of the country encourages clients to manage repayment schedules carefully for fear of losing access to credit.

As part of its efforts to promote efficiency in the microfinance industry, MicroVest also leveraged its due diligence analysis as a platform to syndicate the loan facility with another fund that co-invested pari passu along side MicroVest with a \$500,000 participation. Ultimately, this generated additional capital funding for the MFI without incurring the incremental expenses for loan application, or committing more resources to negotiate and execute a second loan with a different fund.

At quarter-end March 31, 2006, total microfinance debt and equity investments in MicroVest I, LP stood at \$16.4 million, an 80% increase over the year-ago period. The portfolio has generated revenue in excess of \$1 million over the last nine months demonstrating the strength of microfinance investments as an asset class.

### About MicroVest:

MicroVest (Bethesda, MD) is a \$20 million investment firm providing debt and equity capital and management oversight to microfinance institutions (MFIs) in emerging markets. It is the first private equity microfinance investment firm in the United States. MicroVest's goal is to expand the capacity of existing, profitable MFIs throughout the world while building capital markets that work for the poor. MicroVest was founded by CARE, MEDA and the Seed Capital Development Fund - three non-profit organizations with longstanding credibility in the microfinance industry.