

# AMFA monthly newsletter

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

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## 6th AMFA Annual Award Dinner

The sixth Annual Award Dinner hosted by AMFA on the 29<sup>th</sup> of January at the ITC Plaza in Baku traditionally succeeded in attracting leading figures of Azerbaijan microfinance industry including representatives of 19 member institutions and delegates from non-member banks. Among the 70 guests present at the event were also delegates from local financial authorities and international organizations. The opening notes from AMFA's Chairman, Suleyman Kalashov, and AMFA's Executive Director, Jhale Hajiyeva, were followed by a few words from one of AMFA's regular supporters and sponsors, Kalin Radev from **Software Group**. AMFA would also like to take this opportunity to express our gratitude to other two sponsors who generously supported the event: **VF Azercredit and Moody's Analytics**. This year a 4-member Steering Committee consisting of: Aytan Giyasova (EBRD Principal Banker), Ramil Maharramov (Islamic Development Bank, Country Programs Manager, Europe & Central Asia Division) and Eldar Adilzadeh (IFC, Regional Project Officer - Corporate Governance), selected three winners from a group of distinguished companies.



### Winners:

**Mr. Rashad Orujov**, Chief Executive Officer of the Central Bank of Azerbaijan, and **Elchin Habibov**, Head of Centralized Credit Registry Service at Central Bank of Azerbaijan – were awarded with Diploma of Honour for their outstanding support in facilitating the access of Non-Banking Credit Organizations to the Credit Registry of the Central Bank of Azerbaijan. **FINCA Azerbaijan** received the award for Effective Delinquency Management.

**Qafqaz Leasing OSC** has been recognized for Promoting Transparent Pricing in Micro-finance Sector

**Turan Bank OSC** received the prize for Promoting Effective Corporate Governance

*Congratulations to all of the winners and nominees!*

## AMFA General Assembly Meeting



The annual Assembly General Meeting of AMFA membership took place on the 12<sup>th</sup> of December 2012 at the International Trade Center in Baku. During the event members had a chance to sum up the last year's activities of the Association and discuss the plans for 2013. Among the most important decisions taken during the meeting was to increase the number of AMFA Board Members from five to seven. This choice was motivated by the need to democraticize the decision-making process at the board level due to the continuously increasing number of our members. The selected new board members are: Elnur Abbasov from Muganbank and Natiq Mammadov from Caspian Invest. During the AGM AMFA Executive Director presented as well the Strategic Plan for 2013 and provided brief information about planned new project to start from January, 2013.

### New AMFA Board Members selected

**Elnur Abbasov**  
Mugan Bank



**Natiq Mammadov**  
Caspian Invest



### New AMFA Members

We are pleased to announce that the following companies are now members of AMFA:



**"AFS" Credit Union**



**Komak Credit Union**



**Alyans Kredo Finans NBCO**



**Mugan Bank**

We warmly welcome all new members to our midst and very much hope that you will find the membership beneficial to your organization!

## MEMERS' CORNER

### Fitch affirms AccessBank's Rating at BB+; outlook stable



On the 1st of February 2013, Fitch Ratings has affirmed AccessBank's long-term foreign currency Issuer Default Rating (IDR) at BB+. The outlook is stable. In doing so Fitch has left the most important credit rating for the Bank unchanged which is the highest in the Azerbaijani banking sector. The viability rating – which excludes shareholder support – has been affirmed at b+. "The affirmation of our BB+ rating supports the positive dynamics in AccessBank's development which is characterized by continuous strong growth of our lending activities in particular to micro clients in the regions of the country. At the same time we have been able to maintain excellent portfolio quality and benefit from being endowed with a sound equity base" commented Michael Hoffmann, Chief Executive Officer of Accessbank

### AMFA receives USSPM Implementation grant

With the support of Social Performance Task Force for Social Performance (SPTF), Social Performance Fund launched the second round of grant support: "**Universal Standards for Social Performance Management (USSPM) Implementation Grants**" and **AMFA was selected as one of the grantees**.

As the standards are developed, there is a need to test USSPM in the field and disseminate them locally to further improve SPM. The Fund will provide support for AMFA, who has proven track record and successes in mainstreaming SPM, to engage member MFIs and other stakeholders in sharing existing good practices and managerial solutions, which are in line with the USSPM as well as introduce improvements to current practice towards full compliance with the standards over time.

AMFA will be supported to 1) document and disseminate country specific concrete good practice examples and managerial solutions, 2) research a topic or hypothesis the network has related to the business case for SPM based on experience of their members as well as 3) identify improvements needed to achieve compliance with selected sections of USSPM and support members in their improvement implementation efforts. Working with its members AMFA will identify existing good practices and managerial solutions in place supporting implementation of essential practices described by the USSPM, document in more depth tools in a form of practical case studies, support practice improvement towards compliance with USSPM.

Being a Task Force member, AMFA is also engaged in **2013 Universal Standards Global Awareness Raising Campaign** and will implement activities within this campaign during the year.

The Social Performance (SP) Fund for Networks ("Fund") is a mechanism to engage and support networks in their efforts to mainstream social performance management (SPM) in the microfinance sector. The Fund recognizes that microfinance associations and networks ("Networks") play an important role in mainstreaming good practice in SPM to foster responsible sector development, while responding to the needs and constraints of their member Microfinance Institutions (MFIs) and other stakeholders.

### MIX releases 2011 Funding Structure Data

MIX recently updated their Funding Structuring database to include 2011 data on nearly 700 MFIs' outstanding debt liabilities with third parties. The gross loan portfolio of the MFIs surveyed is truly representative, accounting for over 70% of the total portfolio of MFIs reporting their financial performance information to MIX for 2012. Some interesting findings include:

- the Eastern Europe and Central Asian region continues to capture the largest amount of debt financing from funds (aka MIs) with the largest median amount of funding at 1mln.USD compared to other regions.
- As the most mature market, Latin America and the Caribbean region received the largest portion (45%) of debt financing at close to 7 billion USD.
- In Africa, funds (aka Microfinance Investment Intermediaries (MIs)) and financial institutions were the most active types of lenders. In looking at the origin of financial institutions, we see that they are mostly local (lender region is Africa), and the largest amount of funding is provided by local commercial banks.

## PROFESSIONAL DEVELOPMENT

### Smart Campaign's Client Protection Certification

The Smart Campaign invites financial service providers who serve low-income clients to consider becoming certified. And it invites investors and other supporters of financial institutions to urge their investees to seek Certification. Client Protection Certification is an independent, third party evaluation to publicly recognize financial institutions that meet adequate standards of care in how they treat clients. It enables financial institutions to demonstrate adherence to the microfinance industry's Client Protection Principles. It contributes to a more stable microfinance industry by encouraging practices that aim to ensure prudent, transparent, and respectful treatment of clients.

To find out more go to: <http://smartcampaign.org/certification>

### FRANFURT SCHOOL Training Program

**Join FS Summer Academies 2013/ Get new insights. Increase your competencies.**

**Upcoming courses include:**

*Micro & SME Banking Summer Academy (July 7-12,2013)*

*Sustainable Energy Finance Summer Academy (July 14-19, 2013)*

*Housing Finance Summer Academy (July 21-26, 2013)*

More info at: [www.fs.de/summer.academy](http://www.fs.de/summer.academy)

**LinkEd-e-Learning Platform**

*Certified Expert in Microfinance* (start March 2013); The final exam will take place on the 06.03.2013 while next final exam will take place on the 4th of September 2013.

*Certified Expert in SME Finance* (start March 2013)

Sustainable Energy Finance E-learning course (start 2013)

### MFC Annual Conference dates announced



MFC announced that the 2013 Annual Conference will take place between the 28-30 May 2013 in Buda, Montenegro. Conference registration will open on 1 March 2013.

#### CONTACT US:



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