



AQROINVEST CREDIT UNION NEWS

March-June, 2008

Fourth Edition

WELCOME!

Welcome to the fourth edition of the AqroInvest News! The purpose of newsletter is to share our latest news, success stories and significant events. This is the main source of information for our staff, partners and clients. Please enjoy it!

RECENT ORGANIZATIONAL NEWS

AqroInvest Obtained Rating “B”

AqroInvest obtained rating “B” from MicroFinanza Rating. You can view rating report here:

<http://www.mixmarket.org/en/demand/demand.show.profile.asp?ett=2233>.

Oikocredit Second Visit and Post Visit Results

On April 30, 2008 AqroInvest received second tranche of 100 000 USD from Oikocredit.



Mariangela Pensa visiting client business

On April 12 Mariangela Pensa, Global Credit Manager in Oikocredit spent whole day with due diligence in several branches of AqroInvest and met with several clients. During last meeting in Baku office on April 15 Mariangela noted AqroInvest’s outstanding work and shared with

development she saw in our institution since Oikocredit’s last visit in August. As Ms. Mariangela was first time in Aqroinvest she was impressed how loans help internally displaced people and rural poor, to create new private businesses. First tranche of 100 000 USD AqroInvest received on March 29th, 2008.

Blue Orchard Approved 100 000 USD Loan for AqroInvest

On June 12 Gulnaz Abdrakhmanova, Investment Analyst provided AqroInvest data to the Credit Committee of Blue Orchard and on June 13 loan of 100 000 USD for AqroInvest was approved. This is the first loan from Blue Orchard with maturity of 12 month with interest rate 11%. Disbursement date planned on June 27 and AqroInvest already choose clients for immediately disburse this loan among members.

Jonathan Buser Activity in Aqroinvest and Increasing Monthly Limit

Jonathan Buser, KIVA’s Fellow have been in AqroInvest for three month. During his being in credit union he had several trips to clients and visited more than 50 clients. Jonathan helped a lot to update information of clients that already received loans form KIVA and made videos of livestock purchasing process in Imishli bazaar. This multimedia approach to telling the story of AqroInvest is valuable to current and potential KIVA lenders. Next year AqroInvest expecting to meet new KIVA Fellow.

Since June 2008 KIVA increased AqroInvest limit from 50 000 USD to 93 488 USD. This mean that our clients allow to get access to more KIVA funds and build or improve their businesses owing to this loans.

PAST MEETINGS & UPCOMING EVENTS

Vice President of Deutsche Bank Global Social Investments visited AqroInvest



On April 4th Lloyd C Stevens Vice President of Deutsche Bank Global Social Investments met with AqroInvest CEO Ayyub Akhmadov. On this meeting were discussed partnership opportunities between Deutsche Bank and AqroInvest. Jhale Hajiyeva Executive Director of Azerbaijan Microfinance Association (AMFA) supported AqroInvest and took an active part during this meeting.

Camille Huret from Planet Finance visited AqroInvest with due diligence

Camille Huret, Credit Analyst from Planet Finance visited AqroInvest office and branches with due diligence during May 21-23.



Camille Huret in Varkhankend office

Ms. Camille got acquainted with structure of AqroInvest, key staff and branch staff. Follow up this meeting AqroInvest provided to Planet Finance preliminary documents and application form. On June 11 AqroInvest signed indicative term sheet and expect to receive first loan from Planet Finance in August.

Measuring Social Impact Study

During April 14-23 Corporate Connect conducted social research study through Oikocredit line. Using four different methodologies Cerise, SROI, DOTS and New Profit Balanced Scorecard AqroInvest were studied.



Marjan Jansen on briefing meeting

Ms. Marjan Jansen spent nine days studying AqroInvest background, vision, mission, goals and financial data, went to the branches and met with several clients. The results of this study seems to give a fairly good insight in the social performance of AqroInvest, it must be pointed out clearly that this is a pilot study with the objective to get more insight in the difference between the different methods to measure social performance.

PAST CONFERENCES & TRAINING EVENTS

Microfin 4.0 Training

During June 2-6 AMFA launched Microfin 4.0 training. This event was sponsored by USAID SME support through Financial Sector Development Project, and implemented by ACDI/VOCA. During this training participants obtained knowledge of using Microfin and applying it for projections.



Certificate Ceremony

AqroInvest already used Microfin 3.5 for 5 year projection and business planning and skills gained on this training will help to improve and add new information using Microfin 4.0.

EBRD Business Forum 2008

On May 18-19 European Bank of Reconstruction and Development conducted Business Forum. This specialist event focused on Development of Trade Finance in Ukraine and CIS countries with presentations on: development of trade finance and factoring in Ukraine; support for international and intra-regional trade and co-financing with the EBRD.

Ayyub Akhmadov was invited to participate in this significant event among Azerbaijan delegation and this offer was accepted with honor.



AqroInvest Participation in 11th MFC Conference



During May 28-31 CEO of AqroInvest, Ayyub Akhmadov participated on 11th MFC Conference in Ulaanbaatar, Mongolia. This significant event gave unique opportunity to meet investors and get acquainted with world wide experience of leading MFIs .

INTERNAL NEWS

External Audit for FY 2007 Completed

AqroInvest completed external report for FY 2007. Report consists of Audit Statement, Balance Sheet and Audit Opinion. Audit was conducted by Chamber of Audits of Azerbaijan Republic. Please follow this link to view report:

<http://www.mixmarket.org/en/demand/demand.show.profile.asp?ett=2233>

Financial Facts

Gross Loan Portfolio for May 31, 2008 is **1 921 870** USD, Equity is **763 919.95** and number of active members is **771**.

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