

NMI establishes new, record-breaking microfinance fund; subscriptions of USD 105 million from Norfund, IFU, DNB, Ferd and KLP already secured

Oslo, 12 June 2018. Nordic Microfinance Initiative (NMI), a Norwegian public-private partnership, has launched its fourth microfinance fund since the company started business in 2008, and is currently experiencing record subscriptions. Norfund and IFU, Norway's and Denmark's state-owned investment funds for developing countries, Ferd, the family-owned Norwegian investment company, and financial services group DNB and mutual insurance company KLP have already agreed to subscribe for USD 105 million. NMI will seek additional investors over the summer.

NMI was established in Oslo in 2008 as a public-private partnership, to invest in microfinance institutions (MFIs) that could offer financial services to poor people in developing countries. Fund IV will invest in institutions focusing on poor women in developing countries in Sub-Saharan Africa, South Asia and South-East Asia.

Globally, 1.7 billion adults lack access to financial services. If they get a bank account and are offered loan services, they may also have access to other financial services, such as insurance. In addition, they will be able to start or expand business operations, invest in education or health – and be far better equipped to cope with financial volatility. Many of these factors can potentially provide considerable improvements to their quality of life.

MFIs are very important gateways to financial inclusion worldwide, as they offer financial services at a local level, in local currencies, to customer groups without other access to financial institutions.

Since its inception in 2008, NMI has invested about USD 200 million preferably in equity, through three funds, to MFIs in Asia and Africa. The MFIs in which NMI has so far made direct investments, have 7 million customers in Asia and Africa, 96 percent of whom are women. At the same time, NMI has achieved a 10 per cent annual return for investors across the economic cycles since its inception 10 years ago.

“We are proud of the results we have achieved so far. The trust placed in us by investors, enables us to contribute to better lives for millions of poor in Africa and Asia. At the same time, we create financial results for investors that make us viable over time. Microfinance and direct investments in institutions, companies and people in developing countries have proven to be a very good way of stimulating development. This is increasingly recognised, and these are exciting times”, said Arthur Sletteberg, CEO of NMI.

“There were no guarantees that we would succeed when we established NMI in 2008. To be viable, you must deliver socially important results, as well as financial returns. The work is risky and requires competence and stamina to succeed. The NMI team, with the important support from Norfund, IFU and the other investors, has created a microfinance fund that is currently making a big difference for millions of poor people. The journey now continues, and we look forward to following NMI going forward”, said Johan H. Andresen, Chairman of Ferd and initiator of NMI in 2008.

“The fact that the investors show their continued confidence in NM is a consequence both of the strong financial and social results achieved over 10 years as well as confidence in the long-term strategy. With its focus on operations and digitalization, NMI is uniquely positioned to continue to be a preferred partner for ambitious MFIs in the years to come”, said Bjarne K. Lie, Chairman of NMI.

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NMI AT A GLANCE

- Roughly **1.7 billion adults are unbanked** around the world today. By providing these people with a bank account and credit, they are more likely to use other financial services, such as insurance, to start and expand businesses, invest in education or health, manage risk, and weather financial shocks. All these features can improve the overall quality of their lives.
- **Microfinance institutions (MFIs)** are an important part of the gateway to financial inclusion for unbanked people around the world, as they make financial services available in local currencies and local areas.
- NMI invests in and builds up **MFIs in developing countries** through predominantly equity investments, but also loans. NMI especially targets poor women in Sub-Sahara Africa, South Asia and South-East Asia.
- NMI's **vision** is to contribute to the empowerment of poor people in developing countries and to the creation of jobs and wealth on a sustainable basis.
- NMI targets **double bottom line** results:
 - **Social return: ~7 million clients**, of which **95 percent are women**, reached through direct investments.
 - **Financial return: ~10 percent** net annual USD return to investors since inception.
- **Celebrating 10 years:** NMI was established in **Oslo, Norway** in **2008** as a Public-Private Partnership.
- **Strong and unique investor base:** Norfund and IFU (Norwegian and Danish governmental funds for developing countries; approximately 1/3 each of the latest fund) and private sector institutions (DNB, Ferd, KLP, Storebrand and TD Veen; jointly approximately 1/3 each of the latest fund).
- NMI's three previous funds have assets under management of total **~200 million USD**. A **fourth fund** with **record-high initial commitment** from existing investors will be launched in 2018.
- Currently **19 investees**; 10 direct (MFIs) and 9 indirect (funds).
- **10 employees** and **4 offices**; in Oslo (HQ), Copenhagen, Nairobi and Delhi.
- **NMI's Support mechanism:** Competence building for local MFIs through NMI's Technical Assistance Facility, sponsored by Norad. Hedging through NMI's Foreign Exchange Loss Facility, sponsored by Norfund.
- **NMI's investment principles:** Geographical concentration, direct investment, active ownership, risk balanced.
- **Registered** with the The Financial Supervisory Authority of Norway as Alternative Investment Fund Manager (AIFM).
- **Managing Director:** Mr. Arthur Sletteberg, **Chairman of the Board:** Mr. Bjarne K. Lie.
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