



villagebanking.org

## **Village Banking Campaign Launched By Microfinance Pioneer FINCA International**

*Jordan's Queen Rania Al-Abdullah and Academy Award-nominated actress Natalie Portman co-chair effort to bring Village Banking to millions of the world's poorest; announce expansion into Middle East and grant from AIG*

**New York, N.Y., May 2, 2007** – The Village Banking Campaign, an initiative to mobilize the people and resources needed to bring financial services to one million of the world's lowest-income families, was announced today by microfinance pioneer FINCA International (the Foundation for International Community Assistance). As part of the Campaign's kick-off, FINCA announced it would bring its considerable microfinance expertise and resources to Jordan and the broader Middle East. International insurance giant AIG (American International Group, Inc.) pledged its support to expand micro-insurance products through a \$1.5 million grant.

Announcement of the campaign was made during an event at New York University in the presence of Her Majesty Queen Rania Al-Abdullah of the Hashemite Kingdom of Jordan, who co-chairs the Campaign and its prestigious steering committee with FINCA International *Ambassador of Hope* Natalie Portman.

Her Majesty Queen Rania Al-Abdullah, a long-time supporter of microfinance and member of FINCA International's Board of Directors, commented, "Microfinance makes it possible to connect people starving for opportunity with the ability to transform their lives. It does more than help small businesses grow strong roots, it raises people's sights, cultivates their confidence and reaps a harvest of hope."

The Village Banking Campaign's goals are to operate 100,000 Village Banks, serving those living on less than \$2 a day, annually by 2010. Reaching this goal will allow all of FINCA's subsidiaries on four continents to be financially self-sustaining, unlocking capital markets, and expanding outreach to millions more people.

Village Banking is a unique and transparent method of microfinance that puts small loans as small as \$50 in the hands of very poor families through community financial associations in which loans are guaranteed by the recipients themselves. More than 91 cents of every dollar donated to FINCA goes directly to loan capital, and approximately 97-percent of loans are repaid, an extremely high figure compared to commercial loans, and one of the highest repayment rates in the industry.

Village Banking Campaign Co-chair Natalie Portman hopes to energize the next generation of leaders to become active in the fight against global poverty.

“My goal for this campaign is to galvanize my generation to support Village Banking, and take a leadership role in the fight against poverty,” said the 25-year old, Harvard-educated Portman. “We have the ability and the responsibility to make our shrinking world a more hopeful, stable and peaceful place. With all the tools we now have at hand – new anti-poverty approaches like microfinance; technology that helps us mobilize even greater numbers of people; and a growing understanding of the imperatives – we have no excuse to miss this opportunity.”

Ms. Portman has produced a documentary about FINCA’s work in Mexico with Sundance Film Festival Grand Jury Prize-winning documentary director Juan Carlos Rulfo. FINCA will premier the documentary and other content on the Village Banking Campaign’s MySpace page, found at [www.myspace/villagebanking.com](http://www.myspace/villagebanking.com)

### ***FINCA Expansion in Middle East to Deliver Best Practices***

The Campaign’s goals also include expanding into new regions including the Greater Middle East and Asia. As the first step toward that expansion, FINCA announced its entry into Jordan, extending the delivery of the organization’s best practices to a region still in its infancy within the microfinance community, but one that is currently outpacing outreach in Central Asia and Eastern Europe.

Executive Director Rupert Scofield said, “Our commitment in opening a microfinance program in Jordan is to introduce a broad array of products and services that will be rooted in the needs and regional customs of the people of Jordan. We bring more than two decades of best practices and technical assistance to this fledgling program, and are excited about introducing new products and strategic alliances to the country.”

### ***AIG Grant Helps Build More Secure Future for Families***

For the past 10 years, FINCA and AIGs groundbreaking strategic alliance has provided the working poor with a range of insurance products which reduces their vulnerability to economic shocks such as risks from natural disasters; loss of income due to injury, life-threatening illness and death of the main income provider; and the destruction or loss of business assets, which threaten to push them back into poverty. This additional \$1.5 million grant from AIG will enhance FINCA’s capacity to offer a wider range of microinsurance products to an increasing number of the world’s working poor so that, for the first time, they have access to a safety net.

Martin Sullivan, AIG president and chief executive officer, said, “The world’s poorest people face daunting challenges. Over the past decade, FINCA and AIG have pioneered the development of microinsurance products that provide security never before available to some of the world’s most vulnerable people. Together, we want to broaden the reach of these innovative products through the Village Banking Campaign.”

The AIG grant also provides for education training for Village Banking staff and clients to ensure microinsurance clients are properly prepared to grow their businesses, and strengthen the Village Banks’ institutional risk management programs to help the Campaign meet its goals.

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### **About the Village Banking Campaign**

Co-chairs

- Her Majesty Queen Rania Al-Abdullah of the Hashemite Kingdom of Jordan, FINCA International Board Member
- Natalie Portman, FINCA *Ambassador of Hope*

#### Steering Committee

- Lisa Caputo, President, Women & Company
- Ned Cloonan, Vice President, AIG
- John Elkins, Executive Vice President, Visa International
- Francis Fukuyama, Ph.D., Director of International Development Programs, The Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University
- Richard Plepler, Executive Vice President, HBO
- Jeffrey Sachs, Director, Earth Institute at Columbia University

Information about the Village Banking Campaign can be found at [www.villagebanking.org](http://www.villagebanking.org) and on MySpace at: [www.myspace.com/villagebanking.com](http://www.myspace.com/villagebanking.com)

#### **About FINCA International**

FINCA is a leading international microfinance organization that provides financial services to the world's lowest-income entrepreneurs, helping them to create jobs, build assets and improve their standard of living. For more than twenty years, FINCA has been committed to breaking the cycle of poverty by providing community-based credit and savings opportunities. Currently, FINCA operates with a distinctive, integrated business model that accepts donations and investment dollars, an approach that leverages available capital and promotes greater transparency, sustainability and higher standards of business practices. This has allowed FINCA to achieve balanced financial and social performance unmatched in its industry while opening the path to socio-economic development for the lowest-income citizens of the world. Based in Washington DC with local operations on four continents, serving more than 500,000 clients, FINCA's outreach is among the broadest and most comprehensive of today's microfinance networks. .

The Village Banking Campaign is a program of

