



MICROFINANCE IN THE LAO PDR, 2009

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Abbreviations and Acronyms

ACCU	Association of Asian Confederation of Credit Unions
ADB	Asian Development Bank
APB	Agricultural Promotion Bank
APRACA	Asia Pacific Rural and Agricultural Credit Association
BoL	Bank of Lao PDR
BSRP	Banking Sector Reform Program
BWPN	Banking with the Poor Network
CARD MRI	Center for Agriculture and Rural Development Mutually Reinforcing Institutions
CGAP	Consultative Group for Assistance to the Poor
CPC	Committee for Planning and Cooperation (before CPI)
CPI	Committee for Planning and Investment (now MPI)
CODI	Community Organizational Development Institute
DGRV	German Cooperative and Raiffeisen Confederation
DPI	Department of Planning and Investment
DTMFI	Deposit-taking microfinance institution
DTVf	Deposit-taking village fund
FIAM	Foundation for Integrated Agriculture Management, a Thai NGO
GAA	German Agro Action
GDP	Gross national product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH
IFAD	International Fund for Agricultural Development
INGO	International non-government organization
LCSDPA	Lao Community Sustainable Development Promotion Association
LCRDPE	Leading Committee for Rural Development and Poverty Eradication
LPRYU	Lao People's Revolutionary Youth Union
LVCA	Lao Village Credit Association
LWU	Lao Women's Union
LECS	Lao Expenditure and Consumption Survey
MCBR	Microfinance Capacity Building and Research Project
MFC	Microfinance Center
MFI	Microfinance institution
MFWG	Microfinance Working Group
MOF	Ministry of Finance
MPI	Ministry of Planning and Investment
NDTMFI	Non-deposit-taking microfinance institution
NDTVf	Non-deposit-taking village fund
NERI	National Economic Research Institute
NGO	Non-governmental organization

NGPES	National Growth and Poverty Eradication Strategy
OSS	Operational self-sufficiency
PAR	Portfolio at risk
ROA	Return on assets
SBFIC	Savings Banks Foundation for International Cooperation
RFSDP	Rural Finance Sector Development Program
SCU	Savings and credit union
SRDP	Small Rural Development Project
UNDP/CDF	United Nations Development Program/Capital Development Fund
VB	Village bank
VDF	Village Development Fund
VF	Village Fund
VFP	Village Fund Promoter
VSCG	Village Savings and Credit Groups
VWU	Vietnamese Women's Union
WCEP	Women and Community Empowering Project
WFDF	Women and Family Development Fund
WIDP	Women in Development Project

FOREWORD

From 2003 to 2006 the National Economic Research Institute (NERI) of the Ministry of Planning and Investment (MPI) conducted and published four annual rural and microfinance surveys under the Microfinance Capacity Building and Research Project (MCBR), supported by Concern Worldwide. Due to a lack of funding no surveys were carried out in 2007 and 2008. The present survey for the year 2009 has been supported by GIZ through BoL and MPI.

The surveys since 2003 indicate that outreach of microfinance institutions including village funds has significantly increased: in terms of savers and borrowers, villages with their own funds, savings mobilized, and loans disbursed. Among the most remarkable achievements have been (i) the establishment of a regulatory framework for the formal microfinance sector; and (ii) the widespread transition of the semiformal microfinance sector from unsustainable credit-driven revolving funds to increasingly self-reliant savings-led village savings and credit funds.

With the growth of the sector new challenges emerge: expanding outreach to remote areas and the very poor, extending monitoring services to the semiformal microfinance sector, and, most seriously, capacity building for staff, management and governing bodies as well as clients of all types of microfinance institutions. A major challenge has resulted from the closing of projects supported by international organizations and their transfer to government agencies, which lack the necessary experience and technical competence. Therefore the Government has transferred responsibility for the rapidly growing number of village funds and their promoting agencies and projects from the Ministry of Planning and Investment to the National Leading Committee for Rural Development and Poverty Eradication. However, numerous government agencies are involved in the promotion of village funds, which cover about half the villages of the country, without the required technical and financial skills. An alternative strategy has emerged in recent years: establishing sustainable network organizations with a range of services to member institutions. Owned by the village funds, these organizations are based on principles of self-financing, self-management and self-governance. They may eventually replace the functions of their governmental and international support organizations; but this will require further capacity building on a substantial scale. Their potential goes beyond technical and financial services for their members. They already provide monitoring and reporting services to their members and prepare consolidated financial reports, of which this survey has made good use. These are actually functions of the supervisor, BoL, which does not possess the resources for monitoring and supervising such large numbers of institutions. However, once BoL recognizes the network organizations as legal representatives of the village funds and helps strengthening their capacity as monitoring and reporting agencies, a system of delegated supervision might evolve as in a number of developed and developing countries with large numbers of small financial institutions. This survey has included some network organizations as promoters and as providers of data, but has not focused on them as a special subject; this may be left to future surveys or special studies.

The National Economic Research Institute of the Ministry of Planning and Investment is pleased to present the results of its fifth survey of the microfinance sector. I do hope that this publication will be a helpful reference for policymakers, donors, other concerned stakeholders, researchers and students and all those who are interested in microfinance.

On this occasion I would like to express my gratitude to the esteemed officials of provincial and district organizations, projects and counterparts for their active cooperation with the survey team of NERI and their valuable contributions to the collection of data. Let me finally express my sincere thanks to BoL and GIZ for their greatly appreciated support to the national microfinance statistical survey 2009.

Dr. Leeber LEEBOUAPAO
Director General
National Economic Research Institute, MPI

FOREWORD

It is with great pleasure and also some relief that we are finally able to publish this report. The careful reader will notice that it is somewhat different from NERIs previous statistical studies on microfinance, the last one being from 2006, because present a much more differentiated picture of the microfinance sector in Laos. The main reason for such a more differentiated view was the emergence of a formal, regulated microfinance sector after the introduction of a specific regulatory window for Deposit and Non-Deposit Taking MFIs as well as SCUs through BoL in 2008. Another reason is our recognition of the fact that the large semi-formal sector of village funds itself is quite diverse. The most significant differentiating criterion of village funds is their focus - or lack thereof- on the mobilization of savings. Our findings of analyzing deposit taking and credit-only village funds separately speak a very clear language. They will leave the reader without a doubt about which model holds more promise for successful financial service provision to poor people. I am happy that we are able to publish the first report since 2006 that provides complete primary data on the supply of microfinance in Laos.

I congratulate the National Economic Research Institute (NERI) of the Ministry of Planning and Investment for doing a solid job in collecting the primary data from all over the country. I also would like to thank Professor Dieter Seibel for leading the team in writing this report and Jutta Rehag for valuable support with data cross checking and data analysis.

I am hopeful that our cooperation could contribute to making this study a valuable source of information for the Lao Government as well as the national and international microfinance community.

Klaus Prochaska

Project Director

Microfinance in Rural Areas - Access to Finance for the Poor (AFP)

GIZ - German International Cooperation

ACKNOWLEDGEMENTS

The National Economic Research Institute (NERI) of the Ministry of Planning and Investment is happy to announce that after an interruption of two years, 2007 and 2008, we have been able to resume our annual surveys for 2009, thanks to the support of GIZ to BoL.

On behalf of the editorial board I would like to convey our gratitude to the esteemed agencies and individuals who have provided assistance in our data collection, data analysis and publication of the national annual microfinance statistics report for the year 2009. This publication would not have been possible without the support of government organizations, projects and microfinance institutions, especially Planning and Investment, Social Welfare, Lao Women's Union, Youth Union, Trade Union, Lao National Front for Construction and Rural Development and Poverty Eradication offices at provincial and district levels.

We express our sincere thanks to the Bank of the Lao PDR and the Ministry of Planning and Investment for their confidence in NERI in launching this microfinance statistical survey. Many thanks also go to the members of the survey team for their great effort in developing the methodology, preparing the questionnaire, coordinating with relevant agencies and individuals, collecting data in the field and for their comprehensive and insightful analysis of the data.

Once again we would like to express our sincere thanks to GIZ for their valuable technical and financial support to this microfinance statistical survey. It would have been impossible without their assistance to prepare this publication.

Souphith DARACHANTHARA
Deputy Director General
National Economic Research Institute, MPI
Team Leader

Chapter 1: Microfinance in the Lao PDR

1.1. Background and History of Microfinance in the Lao PDR

The development of microfinance in the LAO PDR dates back to the early 1990s when the country opened up and began evolving towards a market economy. The process started with support by multilateral and bilateral organizations for the establishment of village-based credit schemes and revolving funds. Between 1994 and 1996 NGOs followed suit. By 1996 more than 20 international organizations were involved in rural credit funds across all 17 provinces. Projects were implemented through district level administrations with the LWU, agriculture and forestry offices and other local government entities. Virtually all projects started with credit; over time many also got involved in savings. Villages are small in Laos, many with less than 100 households on average. Thus, most of the emerging credit groups were small. With donor support the number of credit schemes and revolving funds grew rapidly. According to a national survey of access to finance by UNDP/UNCDF (1997), the number village funds in cash or kind had reached 1,640 by mid-1996, covering about 15% of all villages. They included more than 1,000 rice banks, some livestock banks and revolving credit funds. Given the low degree of monetization of the rural economy, most credit was in kind. All projects were carried out in cooperation with government organizations, among them the Department of Social Welfare and mass organizations. Prominent among them were the Lao Women's Union (LWU) and the Lao People's Revolutionary Youth Union (LPRYU) whose outreach encompasses almost every village. UNDP/UNCDF also compiled a list, albeit incomplete, of donor-financed projects with Lao Village Credit Associations (LVCA), as they were called at the time. The list comprised 28 projects by 13 NGOs in 1,050 villages (CARE being the largest, covering 649 villages) and 9 projects by multilateral organizations in 518 villages (UNICEF being the largest, covering 489 villages).

The rapid growth in the number of village funds, their credit bias and donor dependence led to increasing concerns about their viability and sustainability. These concerns were articulated by a Microfinance Roundtable of government and donor agencies, coordinated by UNDP/UNCDF. Three microfinance conferences were held in 1995 and 1996¹. Two major issues emerged: enhancing savings mobilization and improving the regulatory environment for microfinance services. These issues were subsequently taken up by a national consultation workshop in March 1997, jointly organized by BoL, APRACA and GTZ, which concluded that,

Laos needs a well-functioning system of microfinance with viable institutions and sustainable financial services for all segments of the population. There was consensus that such a system: (i) should be savings-driven; (ii) comprise basic microsavings, microcredit and microinsurance services; and (iii) must be based on the cultural traditions of Laos in which women play a crucial role in microfinance; decisions must be reached with local level participation; and microfinance services must reinforce the existing networks of solidarity. (BoL, APRACA & GTZ 1997: 21)

¹ By GRETT, CCL, IRAM and BOL in October 1995, by UNDP/UNCDF in August 1996 and by UN-ESCAP during the same month.

In the following years progress was rapid. In June 2008 BoL promulgated microfinance regulations, and by 2009 when this survey was carried out 26 MFIs were registered or licensed by BoL, either as private companies or as savings and credit cooperatives. In addition, as a result of a very fruitful collaboration of donor agencies with provincial and district authorities, up to 5,000 village funds have come into existence, covering about half the villages of the Lao PDR, the majority savings-based. 4,113 village funds have been identified through VFPS² in this survey. The data collected indicate a revolutionary change from revolving funds to deposit-taking funds, or in other words: from providers of credit-only to semiformal savings-based microfinance institutions. These deposit-taking funds account for 76% of all village funds in the survey, 92% of their members and 87% of their loan portfolio.

Growth in the number and membership of village funds continues not least due to its support by various government institutions and donors. Between 2003 and 2007 the Lao Government had channeled an amount of some 41.7 billion Kip (about USD 5 million) from domestic resources into the establishment of village funds in the 47 poorest districts.

1.2. From Microcredit to Microfinance: the Terminology of an Emerging Sector

The term microfinance has been introduced in the early 1990s to replace the term microcredit. The new term *microfinance* was meant to refer to financial intermediation between low-income savers and borrowers without access to commercial banks and comprises microsavings and microcredit as well as other financial services. In the Lao PDR, the policy statement on the development of sustainable microfinance defines microfinance as “the provision of a broad range of financial services, such as cash-based credit, deposits, insurance, etc., to the poor, low-income households, and their micro-enterprises”.³ Microfinance institutions (MFIs) in the broader sense include formal, semiformal and informal financial intermediaries⁴ providing both microsavings and microcredit as well as other financial services.⁵ Microfinance overlaps with more recent terms such as ‘inclusive finance’, denoting access to finance for all, particularly low-income people, and ‘responsible finance’, particularly among commercial banks. There is no agreement on what constitutes microsavings and microloans, which vary widely in size between countries and institutions, except that the amounts should be *small*, which is relative. Only a few countries have defined what they mean by ‘microloan’, among them Laos, which in its current regulations has set a ceiling of 10 million Kip (USD 1,175). Some argue that such a definition is better left to individual institutions, lest a narrow definition excludes the enterprising poor from access to larger loans and

² See definition on page 4.

³ Endorsed by the Prime Minister, PMO/1760, 17 December 2003.

⁴ Formal financial institutions fall under the regulation and supervision of the central bank; semiformal financial institutions are officially recognized, but not regulated; other financial institutions, such as indigenous savings and credit groups, are informal financial institutions. From a central bank perspective both semiformal and informal financial institutions are *nonformal*.

⁵ According to CGAP (2008: xiii) “MFIs are defined as licensed and unlicensed financial institutions that include nongovernmental organizations, commercial banks, credit unions and cooperatives, and agricultural, development, and postal savings banks. They range from specialized microfinance providers to programs within larger, multipurpose development organizations.”

from graduating to employment-generating small enterprises, while allowing the MFI to diversify its risk.

In its regulations of June 2008 BoL has defined formal microfinance (*see next chapter*). However, the vast majority of microfinance institutions or activities is village based and continues to be non-formal. These have come under many different names and guises. In the mid-1990s, UNDP/UNCDF (1997) used the term Lao Village Credit Associations (LVCA) but the term *association* should now be reserved for organizations that fall under the Decree on Associations of September 2009, which precludes the registration of funds as associations. In their own terminology government agencies and donors have promoted credit groups, revolving fund groups, village revolving funds, community-managed loan funds, village savings and credit groups (VSCGs), savings and credit societies, microfinance and rural financial services. In the last unofficial draft of the forthcoming Prime Minister's Decree on microfinance institutions they are jointly referred to as "microfinance projects".

The early emphasis on 'credit groups' goes back to the assumption in the past that people in Laos are too poor to save and therefore need revolving funds. Over the last decade many have learned that Laotians have a high propensity to save, particularly women as the holders of the family purse strings. Therefore credit groups have shown to varying degrees a tendency to evolve into savings and credit groups. This survey will show that they now account for 70% of the funds.

In recent years government agencies have mainly used the term Village Development Fund (VDF) to refer to village-based funds, expressing their concern for village development. Major donors like ADB, GIZ and ILO have referred to them as village banks, even though they do not fall under the banking law. In this survey we use the term **village funds (VFs)** for village-based financial institutions owned and managed by their members. These village funds comprise both credit funds and deposit-taking funds. We use the term **village fund promoters (VFPs)** for governmental, non-governmental and international organizations, which establish village funds and provide technical assistance to them.

1.3. The Emergence of Village Fund Networks

Self-financing (through member savings), self-management (through an elected management committee) and self-governance (through an advisory committee of representatives of the community) are the basic principles of the majority of village funds in the Lao PDR. One of the most remarkable features of the nascent subsector of village funds has been the emergence of service networks of village funds which are built on these principles. In 2003 the Thai NGOs FIAM and CODI started to establish service networks among the village funds (453 village funds as of 2009) that had been promoted in the municipality since 1998. The network of Saithany District has served as a model, which has spread throughout the districts of Vientiane Capital and, with modifications, to other provinces and donor-supported projects.⁶ Since 2005 GIZ has supported

⁶ Cf. Seibel 2010

the creation of so called network support organizations, which provide technical assistance and financial services to their member village funds. The promotion of these village bank support structures is a key element of GIZ's approach to village funds in Laos. Both models will be described in greater detail in section 2.1. below.

The emerging networks have a crucial role to play in the development of the village funds. Several development organizations pursue the approach of creating sustainable associations as service apexes of village funds. However they require further strengthening, in particular with their ability to carry out core network functions such as registration of village funds within the network, reporting, monitoring, guidance and supervision. Support might also include the establishment of specialized services for training, liquidity exchange and auditing. Increased communication among the promoters should lead to a certain harmonization of bylaws, operations and development strategies. The currently existing networks have no appropriate legal status, and thus lack recognition and sustainability as such: a challenge to stakeholders. Efforts should be made to have the networks registered and recognized as facilitators of a process aimed at establishing a properly monitored system of village funds, perhaps as a first step to a future system of delegated supervision.⁷

1.4. The Microfinance Working Group for the Lao PDR (MFWG)

The *Microfinance Working Group for the Lao PDR (MFWG)* is the national microfinance industry network and was established in May 2007. It aims at bringing together microfinance practitioners and other relevant stakeholders to share experience and information about the sector with the goal to improve sector coordination, transparency, sustainability and quality of microfinance services. Its services focus on three core areas: knowledge management/research & representation, capacity building and advocacy.

MFWG members presently comprise regulated microfinance institutions (DTMFIs, NDTMFIs, SCUs and Network Support Organizations) as well as donors, bi/multi-lateral agencies, INGOs, service providers and resource persons working in microfinance. The network is a member of reputed regional and global networks (such as SEEP, BWTP and Social Performance Task Force Working Group) to ensure exposure to global microfinance trends & developments and international sector representation. Since January 2011 the MFWG has a secretariat and full-time staff and strives to become a professional, sustainable organization representing the industry interests and responding to its needs.⁸

1.5. The Regulatory Framework of Microfinance

The basic legal framework for the financial sector of Laos was laid down in the early 1990s. BoL was created in 1990⁹ as a central bank with licensing, supervision and prudential regulatory powers over financial institutions, which were defined as legal persons doing banking or similar

⁷ Seibel 2010

⁸ Microfinance Working Group [mfwglapdr@gmail.com]

⁹ Law No 04/PSA of 27 June 1990.

business. The framework for the regulation of financial institutions was laid down in 1992¹⁰ and covered commercial banks and non-bank financial institutions. Non-banks were restricted from mobilizing funds from the general public and from issuing shares or bonds. BoL was empowered to make separate regulations for banks and non-banks. During the same year, a draft law on credit cooperatives was prepared but not enacted due to the negative experience with credit cooperatives and their collapse in the late 1980s. Initiatives in the mid-1990s led to a consensus on the need to promote sustainable microfinance institutions, which would require a legal framework. In 2004 a Microfinance Division was created, which converted into the Department of Financial Institution Supervision of BoL in 2010.

In 2005 BoL launched *a Regulation on the Establishment and Implementation of Microfinance Institutions in Lao PDR* (No.10/BoL), announcing that large microfinance institutions had to apply for licenses while smaller ones such as credit unions, cooperatives, saving and loan associations and village funds had to be registered, depending on their scale of operation. This was followed by a notice by the Prime Minister on microfinance supervision in 2007¹¹ and finally the announcement of three regulations, issued in June 2008.

There are two basic provisions in the regulation of 2008: the first one stipulating that any organization, group or enterprise – governmental, non-governmental or private – that carries out microfinance activities, including village banks, savings groups, village funds, development funds and others, is required to register (Regulation No. 02/BoL Art. 3); the second one requiring any microfinance entity with voluntary deposits exceeding 200 million Kip or annual revenues exceeding one billion Kip to be licensed as a prudentially regulated MFI (Regulation No. 02/BoL Art. 20); however, this requirement has not been enforced. BoL has set a ceiling of 10 million Kip on microloans, but imposes no interest rate restrictions. The three regulations are summarized below:

- **No. 02/BoL on Non-Deposit-taking Microfinance Institutions:** NDTMFIs which do not exceed voluntary deposits of 200 million Kip or revenues of one billion Kip are required to register with BoL and relevant government authorities; there is no minimum size below which registration would not be required. Within this framework NDTMFIs are authorized to mobilize savings from their members and grant microloans up to 10 million Kip. They have to apply BoL's provisioning rules and submit annual reports using BoL's chart of accounts.
- **No. 03/BoL on Savings and Credit Unions:** SCUs can be local, single units or have branches and offices nationwide. 10 founding members together with 100 initial members, or 250 members with voluntary deposits of 300 million Kip, can establish an SCU; minimum capital requirements are 100 million Kip. SCUs are only allowed to provide financial services to members. With regard to credit, the regulation does not explicitly restrict SCUs to microloans. Prudential requirements include a maximum NPL ratio of 5%, provisioning as prescribed by BoL, writing-off loans overdue >180 days, a risk-weighted CAR of 12% and liquidity ratios of 4% of cash in hand and 20% overall. SCUs have to be audited by external chartered accountants and supervised by BoL. Reporting is quarterly and annually.

¹⁰ Decree No. 3 of 23 January 1992.

¹¹ No. 05/PM, dated 04 April 2007

- **No. 04/BoL on Deposit-taking MFIs:** DTMFIs can be local, single units or have branches and offices nationwide. Establishing a DTMFI requires five shareholders and one major shareholder with at least 20% of registered capital, a total registered capital of one billion Kip divided into shares, and a five-year business plan demonstrating sustainability. Voting is by simple share majority. DTMFIs may provide financial services to the general public; but at least 80% of their portfolio must be comprised of microloans not exceeding ten million Kip.¹² Prudential requirements include: voluntary deposits not exceeding 10 times the capital, a single-borrower limit of 10% of capital, provisioning as prescribed by BoL, including 5% on performing loans, a maximum NPL ratio of 5%, a risk-weighted CAR of 12%, liquidity ratios of 4% of cash in hand and 20% overall, and investments in other MFIs up to a maximum of 10% of registered capital. DTMFIs have to be audited by external chartered accountants and are supervised by BoL. Reporting is monthly, quarterly and annually.

The above mentioned regulations on Non-Deposit-taking Microfinance Institutions and on Deposit-taking MFIs are likely to be modified soon by a forthcoming Prime Ministerial Decree on Microfinance and subsequent regulations there under, which is currently developed with the assistance of GIZ. A final draft of the Decree is currently under review of the Prime Minister's Office and is expected to be published in the second half of the year 2011.

Chapter 2: Governmental and International Support Programs

2.1. Government Programs and Projects

The National Growth and Poverty Eradication Strategy (NGPES) was approved in 2003 by the 4th Ordinary Session of the National Assembly identifying 47 priority districts for poverty eradication. Regarding the lack of capital for income-generating activities as one of the main obstacles to poverty eradication, the Government allocated an amount of 25 billion kip for the 47 poorest districts in the 2003-2004 budget to establish village funds as a source funds for production and services¹³. This should enable the poor to gradually change from traditional to modern technologies and respond to market demand. This in turn was expected to strengthen communities and their development potential in the framework of the NGPES.

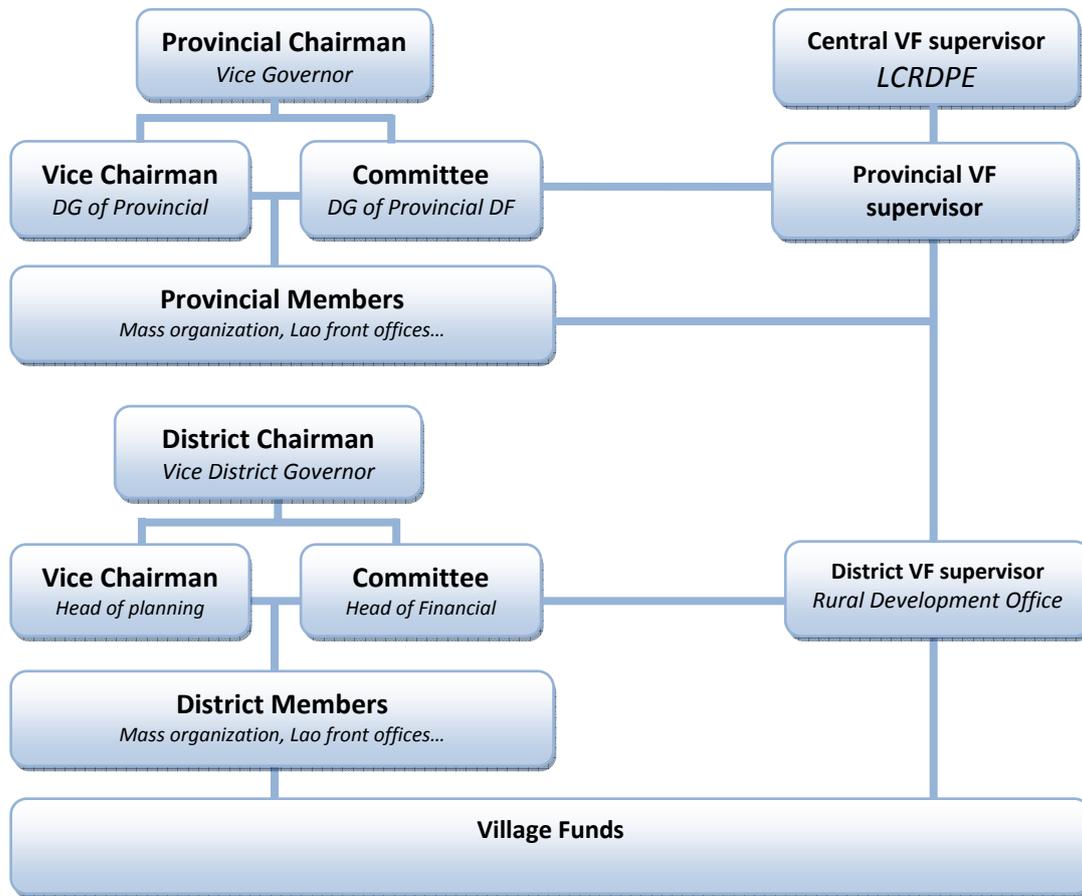
To monitor and supervise the utilization of the budgetary resources, the Government established village fund supervision committees (VFSCs) at central, provincial and district levels.¹⁴ This was followed by an instruction of the Prime Minister's Office and President of the Leading Committee for Rural Development and Poverty Eradication (LCRDPE) on the financial management of the village funds, issued on 14 January, 2009. So far, the current structure of VFSCs is still in force as presented in Figure 1.

¹² This may be a serious constraint on their viability and on their ability to graduate borrowers from microenterprises to employment-creating small enterprises.

¹³ Notice Letter No. 72/CPC, 28 January, 2004.

¹⁴ Decree of the President of the Committee for Planning and Cooperation No. 408/CPC, dated 29 April, 2004.

Figure 1: Village Fund Supervision Committees (VFSCs) Chart



From 2003-2007 the Government allocated some 41.7 billion Kip to the development of village funds across the country.¹⁵ 10% of the budget was used for technical support at central, provincial and district levels. 90% was dedicated as seed funds for VFs. By September 30, 2009 the Government’s support for VFs in the 47 poorest districts covered 528 villages and 34,865 families. The number of active members comprised 21,759 families, and total revolving funds stood at 42.5 billion kip.¹⁶

2.2. International Programs and Projects

Currently there is no institution that can provide a complete overview of the various international programs and projects that support microfinance in Laos in collaboration with government agencies and mass organizations. However the MFWG is currently preparing a donor mapping and will be best positioned to provide such information in the future. The following overview is to be seen as indicative only.

¹⁵ Source: Instruction of the Minister for the Prime Minister Office and President of the Leading Committee for Rural Development and Poverty Eradication (LCRDPE)

¹⁶ LCRDPE , Annual Report on Village Development Fund Performance, 2008-2009, .

2.2.1. Multilateral and bilateral agencies

ADB has played a prominent role in the development of the financial sector in Laos. Its emphasis has been on the formal sector and included banks and MFIs. In microfinance ADB has focused on the policy framework for MFIs and on strengthening such institutions as a poverty reduction mechanism. ADB has completed a project, which included the preparation of three regulations together with the related charts of accounts (enacted in June 2008), and the establishment and strengthening of the Microfinance Division in BoL. Another ADB project established some of the first SCUs in Lao PDR, but faced tremendous challenges: their managers and staff were inexperienced, their boards were weak, and their outreach was low. To address these weaknesses and to provide continuous support to the nascent microfinance sector, ADB together with BoL launched ‘Catalyzing Microfinance for the Poor’ in 2007. The project targeted the rapidly increasing number of MFIs, comprising 5 DTMFIs, 8 NDTMFIs and 13 SCUs. The two main instruments of support were capacity-building to all 26 formal MFIs and the provision of matching grants to 18 MFIs which had fulfilled the eligibility criteria. Capacity-building included the development of training materials adapted to the Laotian context in business planning, awareness-raising, microfinance best-practice, credit and delinquency management, governance, management information systems/*Micro Banker* as well as accounting training with MFC. Matching equity grants between \$3,000 and \$50,000 per MFI were provided in tranches over a three-year period. ADB found that the absorptive capacity for matching grants was greatest among profit-oriented DTMFIs funded by private shareholders. But overall the capacity of MFIs to mobilize their own resources was limited; only about half of the \$800,000 earmarked for matching grants were absorbed. The financial performance of the 18 MFIs supported under *Catalyzing Microfinance for the Poor* project from 2008 to 2010 was found to vary widely.¹⁷ As of September 2010, the challenge was to bring 13 out of the 18 assessed MFIs below the prudential limit of a portfolio at risk (PAR >30 days) of 5%, and 8 out of 18 MFIs above an operational self-sufficiency ratio (OSS) of 100%. In 2009 ADB also examined the feasibility of an apex microfinance fund. It concluded that, given the small number and scale of qualified regulated MFIs, there would be no scope for such an apex institution within the foreseeable future, the core challenge being shortage of human resources and technical assistance.

¹⁷ At baseline (Sep 08 – May 09) portfolio at risk (PAR >30 days) averaged 15%, ranging from 0% to 61%; by September 2010 it had deteriorated to an average of 17%, ranging from 0% to 69%. In contrast, the trend of the operational self-sufficiency ratio (OSS, with a break-even at 100%) was more positive. At baseline it stood at an average of 109%, with a range from 14% to 177%; by September 2010 it had improved to an average of 111%, with a range from 57% to 196%.

GIZ¹⁸ has worked on the creation and the support of village funds in Laos since 1998. It started in three provinces (Bokeo, Luang Namtha and Sayaboury) **under** the project “Rural Development in Mountainous Areas (RDMA)”. By mid 2009 there were a total of 298 village funds with 23,923 member accounts. Since May 2009 GIZ’s support of village funds is part of a new project “Microfinance in Rural Areas - Access to Finance for the Poor (AFP)” with BoL as government partner. AFP now works in Bokeo, Luang Namtha, Sayaboury, Attapeu and Savannakhet. Since the inception of the project the number of project village funds has increased to 346. By April 2011 there were 26,142 member accounts, some 4 billion Kip in savings and 10.6 billion Kip in loans outstanding. Total assets amounted to 13.13 billion Kip, which included grants of some 6.68 billion Kip. GIZ originally provided seed capital and keeps providing technical assistance and also cooperated with several other actors. Most prominently IFAD provided seed capital and equipment to village banks in Bokeo (1998-2004), Sayaboury (since 2006) and Attapeu (since 2009). The total amount of seed capital provided by GIZ, IFAD, Lao Government and Norwegian Church Aid (NCA) between 1998 to 2011 amounted to 7.24 billion Kip (56% of which was given to Bokeo). In 2011 GIZ widened its outreach to Savannakhet in cooperation with Mining and Minerals Group (MMG). A pivotal part of GIZ’s approach is to establish so called network support organizations for village funds. So far it has assisted with the creation of five, three of which are already registered with Bank of Lao and licensed as limited companies with the Department of Industry and Commerce at provincial level.¹⁹ The remaining two have submitted their applications to BoL in December 2010. The network support organizations are designed to become sustainable by providing cost covering financial intermediation services and technical support against service fees to their member village funds. AFP also supports the BoL on the policy level, in particular with improving the regulation and supervision of microfinance activities.

ILO has supported the establishment of a total of 139 village banks in 5 provinces (Borikhamxay, Champassak, Savannakhet, Khammouane, and Sayaboury) in close collaboration with the Lao Community Sustainable Development Promotion Association (LCSDPA²⁰) and the provincial departments of labor and social welfare, and of industry and commerce. ILO’s intervention initiated in 2003 and was part of two technical cooperation projects to reduce the incidence of human trafficking (2003-08) and to promote women entrepreneurship and gender equality (2009-11). The ILO developed a village banking methodology that is savings-based, inclusive, client-focused and geared towards financial sustainability. The established village banks serve over 27,000 members. LCSDPA is providing technical, monitoring and auditing support. The detailed methodology, adapted to the Lao context, is presented in materials titled “Village Banking in Lao PDR” published in 2008 in English and Lao language. The materials consist of a *Handbook for Village Bank Management Committees and Support Organizations*, and a *Ledger Guide*²¹. They aim

¹⁸ GIZ was formed on 1 January 2011, completing a merger process of three German technical assistance agencies. It brings together the long-standing expertise of Deutscher Entwicklungsdienst (DED) GmbH (German Development Service), Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH (German technical cooperation) and Inwent – Capacity Building International, Germany.

¹⁹ Two organizations are registered under the name Community Credit and Savings Associations (CCSAs) and one as Village Development Fund Association (VDFA).

²⁰ LCSDPA has also received direct funding from the Family Stone Foundation.

²¹ http://www.ilo.org/asia/whatwedo/publications/lang--en/docName--WCMS_100502/index.htm

to help village bank management committees to improve the operations and sustainability of their village bank, and to assist village bank support organizations and associations in providing technical assistance. Since the issuance of the BoL's microfinance regulation, the ILO has been exploring ways to best support the established village banks to comply with the regulation. Due to limited resources, no concrete intervention has started yet.

UNDP/UNCDF. In the mid-1990s UNDP/CDF initiated a microfinance roundtable, acting as a coordinator of communication among international donors. In 1996 UNDP/CDF carried out the first microfinance survey among rural households, reporting on 1,640 village funds (most of them rice banks) and 28 projects. Concluding that the dominant revolving fund approach posed serious problems of sustainability, a project was prepared with BoL in 1997 to build capacity and disseminate good practices. Field interventions in three provinces led to the establishment of three MFIs: Sayaboury Microfinance Office, Sihom Project Savings and Credit Scheme and Oudomxay Development NDTMFI. One of the lasting results has been the establishment of the Microfinance Center (MFC), a leading training and consultancy provider. In June 2010 UNCDF and UNDP entered into a joint programme entitled "Making Access to Finance more Inclusive for Poor People", nationally implemented by the Bank of Lao on behalf of the Government of the Lao PDR. The 4 ½ yr programme, with an approximate budget of USD 7.0 million will adopt a sector based approach to deliver change at the macro, meso and micro levels by providing capacity building assistance to regulators, those who meet the needs of financial service providers and direct interventions with them. This will include, *inter alia*, providing and mobilizing strategic capital and technical assistance to increase access to financial services by low-income households and microentrepreneurs on a sustainable basis, with an ultimate goal of increasing client numbers in the microfinance sector from 30,000 in 2010 to over 140,000 by the conclusion of the project in 2014. The project has a UNCDF Chief Technical Advisor on site and is overseen by the Bank of Lao PDR.

The World Bank provides financial and implementation support to the development of village funds through its Community Driven Development (CDD) projects. The Khammouane Development Project (KDP), 2008-2013, aims at provincial capacity building and local development through grants to 27 villages in 3 districts to support their agricultural livelihood activities. Its local implementing partner is the provincial government through the Planning and Investment Office. The Sustainable Forestry and Rural Development Project (SUFORD), 2004-2008 and 2009-2011, provides revolving funds to 723 rural villages in nine provinces to support their livelihood development for sustainable forest management. The project is co-financed with the government of Finland and implemented by the Department of Forestry, MAF. The Lao Social and Environmental Project (LSAE) Additional Financing, 2010-2013, provides grants for livelihood development for sustainable watershed management to 12 villages in two districts of Borikhamxay. The Livelihood Pilot Project, as part of the Poverty Reduction Fund-II (PRFII) under the National Committee for Rural Development and Poverty Eradication, 2011-2014, focuses on the four poorest districts of Houaphan and Savannakhet. The pilot project will provide grants to

self-help groups of 10-20 families in some 200 villages, with the objective of improved nutrition in the community. In Khammouane and Savannakhet Village Income Restoration Funds are established as part of a downstream livelihood strategy, compensating villages for the loss of livelihood caused by Nam Theun 2, a large hydropower project.²² The World Bank provides implementation support through its technical and management teams in cooperation with LWU; financial support is provided by the Nam Theun 2 Power Company (NTPC) and the government.

2.2.2. Non-governmental agencies

ACCU. The Association of Asian Confederation of Credit Unions, with its head office in Bangkok, has supported the development of SCUs in Laos since 1992. This also included capacity building of village funds (as pre-SCUs) and their upgrading to SCUs. ACCU's main partners have been the Bank of Lao PDR, the provincial Department of Planning and Investment (DPI) in Luang Prabang, Sayaboury, Oudomxay and Luang Namtha and two Dutch NGOs, Agriterria and Rabobank Foundation. Its activities included contributions to the preparation of a regulatory framework for SCUs (promulgated by BoL in 2008) and of bylaws; the promotion and organization of 19 VFs (initially referred to as *village savings and credit groups*, VSCGs) during 1995-2000; technical support to 6 SCUs and 44 VFs in 2002-2008; and organizational strengthening of 22 VFs in 2009-2010, together with capacity building for participating organizations. Most VFs in Laos mobilize savings but do not collect share capital; in contrast, the promotion of VFs as pre-SCUs by ACCU has focused on the formation of share capital as a requirement of their transformation into licensed institutions. As of December 2009 the 22 VFs had a share capital of 4.03 billion Kip and savings of 1.10 billion Kip; by 2010 savings had grown to 2.94 billion Kip, compared with a share capital of 4.22 billion Kip. With Rabobank Foundation support starting in 2011, ACCU is now assisting with the transformation of VFs into SCUs and the establishment of an association of SCUs (ASCU) in the northern region of Laos. ACCU's overall objective in Laos, under the project name "Savings and Credit Unions Development in Lao PDR" (SACUDIL), is to contribute to the development of a sustainable market-oriented rural financial system and to poverty reduction.

DGRV. In the framework of a system of delegated supervision, the German Cooperative and Raiffeisen Confederation acts as a national auditing confederation for some 5,400 cooperatives with 17.8 million members in all sectors of the economy, including 1,138 cooperative banks. In 2007 DGRV started to support Naxaythong Rural Development Cooperative in Vientiane Capital, which grew from 1,800 shareholder members in 2008 to 2,800 in 2010. Total assets grew from 2.61 billion Kip to 6.28 billion Kip, loans outstanding from 2.01 billion Kip to 5.60 billion Kip, share capital from 0.30 billion Kip to 1.28 billion Kip and savings from 1.93 billion Kip to 4.30 billion Kip. It is now the largest SCU in Laos. Following capacity building for VFs and their promoting agencies (including LWU) in four provinces, DGRV helped establishing a Village Bank Service Center (VBSC) as a cooperatively owned network support organization in Champhone District, Savannakhet Province, in 2010. Within one year, as of April 2011, the VBSC reached 32 VFs with 1,889 members,

²² A Prime Minister's decree stipulates that, if the loss of livelihood from dislocation due to hydropower or mining projects, which are numerous in the Lao PDR, is more than 20%, financial compensation packages shall be provided to establish village funds for „improved or better access to micro-finance and affordable micro-credit facilities.“

savings of 1.24 billion Kip and a loan portfolio of 1.07 billion Kip. The VBSC is expected to evolve into a licensed SCU acting as a self-supporting financial intermediary and service provider for its member VFs.

FIAM and CODI. The development and implementation of a savings-led approach toward the end of the 1990s was spearheaded by two Thai organizations, both in cooperation with LWU. One was the Foundation for Integrated Agriculture Management (FIAM) with its *Women in Development Project (WIDP)* and *Small Rural Development Project for Women (SRDPW)*, which took the lead in 1997 with an exposure program for LWU staff in Thailand. This was followed by the *Women and Community Empowering Project (WCEP)* by the Community Organizational Development Institute (CODI). In 1998 FIAM helped establishing the first savings-based village savings and credit groups (VSCG, or VFs) in Saithany District and expanded in 2002 to Saysettha District. In 2002 this was followed by CODI in the remaining seven districts of Vientiane Capital, and subsequently also in 15 districts in four other provinces²³. As a sustainability strategy, the staff and functions of the FIAM project were transmitted to LCSDPA as a domestic organization. The VFs are fully self-financed through savings as a source of loanable funds and profits to compensate savers and committee members; there are no donor capital grants or credit lines. By September 2009 FIAM and CODI in cooperation with LWU had established 453 village banks/VFs in the nine districts of Vientiane Capital, covering 91% of the villages and 48% of the families in the municipality. Out of 104,000 member-savers, 30,000 are borrowers and 25,000 life insurance participants. Total assets amounted to 153 billion Kip (\$18 million), total savings to 127 billion Kip. Average membership per VF was 229, with 338 million Kip in average total assets, 280 million Kip in average savings and an average of 299 million Kip in loans outstanding. Dividends received by savers amounted to 10.7% of total savings. 193 out of the 453 VFs had accumulated savings of more than 200 million Kip. The approach has become a model for LWU and other organizations with their partners throughout Laos. A growing savings component is now widespread in most schemes which may have started out as revolving funds. Together with LWU, FIAM and CODI have initiated self-sustaining networks of village funds in all districts of Vientiane Capital.

SBFIC. In the framework of a regional program in Cambodia, Laos and Vietnam, the German Savings Banks Foundation for International Cooperation has supported the development of microfinance in Laos since 2008. With funding from the German Federal Ministry for Economic Cooperation and Development (BMZ), SBFIC's program comprises four components: the establishment of a *Women and Family Development Fund (WFDF)* in partnership with LWU; technical support to the DTMFI EMI and the training program of the Microfinance Centre (MFC) in cooperation with CARD²⁴ as a technical service provider; and support to the Microfinance Working Group (MFWG). WFDF was established in 2009 as a savings-based financial intermediary. Modifying the original Grameen banking approach, it operates on the principle of *savings first*. With a ratio of 80% voluntary to 20% mandatory savings, total savings to date finance 70% of the

²³ Four districts in Luang Prabang, three districts in Champassak, three districts in Bokeo and five districts in Phongsaly. The total number of VFs promoted by CODI in Vientiane Capital and in four provinces is 471, among them 122 with more than 200 million Kip in savings. (Khanthone 2010, in Seibel 2010)

²⁴ CARD MRI Rural Bank & NGO (Philippines), www.cardbankph.com/.

loan portfolio; the balance comes from a credit fund. WFDF is designed as a centralized institution operating through groups of 4-6 women, centers of 8-10 groups of 4 and branches with 20-25 centers, serving some 1,000-1,500 members per branch. WFDF is registered with BoL as a NDTMFI. Credit disbursement started in January 2010, offering business loans and agricultural loans in rural and semi-urban areas. Repayments are weekly during center meetings. After 16 months of operation, WFDF has reached 2,600 clients through branches in three provinces (Borikhamxay, Vientiane Province and Vientiane Capital), with an on-time repayment rate of 100%.

Chapter 3: Microfinance Data at the National Level

	<p>Country profile 2009</p> <p>Capital: Vientiane</p> <p>Population: 6,127,910</p> <p>Population (15-64 yrs): 3,573,374</p> <p>Area: 236,800 km²</p> <p>Density: 26 persons/km²</p>	<p>Number of Households: 1,031,277</p> <p>Number of Villages: 8,704</p> <p>Number of Districts: 143</p> <p>Number of Provinces: 16 + 1</p>
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Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

3.1. Background, Objectives and Methodology

The survey aims at presenting an overall picture of the microfinance sector to all stakeholders, including policymakers, government agencies, donors, microfinance practitioners and investors. We hoped that the data collected will provide a basis for the planning and improvement of programs and interventions, contributing to the expansion and performance of the microfinance sector in its various segments. The database may also be useful to academics, researchers and students who are interested in the analysis and development of the microfinance sector.

NERI's data collection method has evolved over time. In 2003 and 2004 questionnaires were sent by mail to government organizations and project offices at provincial and district levels. In an effort to improve data quality, NERI sent its own survey teams to the field, contacting relevant organizations directly, in 2005, 2006 and 2009.

In preparation of the present survey the team revised the questionnaire used in previous surveys. Questionnaires were sent to coordinating partners identified by the provincial DPI and forwarded to microfinance institutions and promoters in preparation of the actual field visit and data collection. For practical reasons consolidated information covering several districts or provinces was attributed to the district or province where the reporting organization had its head office, and counted as a single entity (usually a VFP²⁵). This may have had a distorting effect on the reported provincial data.

The field survey team comprised of NERI professional staff, collected data from all 16 provinces and Vientiane Capital, covering 143 districts and the development zone of Nam Nhou area in Bokeo province. The team interviewed all entities at provincial and district levels with quantitative information on microfinance activities. This included promoting agencies with consolidated information on a number of microfinance entities, such as government agencies, mass organizations, the Lao National Front for Construction and projects as well as microfinance institutions and a small number of individual village funds. The total number of entities providing

²⁵ See definition above in Chapter 1.2

data was 218, comprising 5 deposit-taking and 8 non-deposit-taking MFIs, 13 SCUs, and 192 entities providing information on village funds. The latter figure is comprised of 171 village fund promoting agencies with consolidated data on several village funds and 21 single reporting village funds. In most of the tables in this report the information provided by the 192 entities is lumped together under village fund promoters (VFPs). The total number of village funds identified by the survey is 4,113. This is an approximation, as the team might have missed some funds which could not be contacted, particularly in remote areas, while others may have been double-counted due to multiple reporting. In contrast to previous reports, this survey does not include data on the Agricultural Promotion Bank and Nayobai Bank, which do not report on microcredit as defined by BoL. However, the survey does include data on the postal savings institution.

3.2. The Regulated Microfinance Sector

3.2.1. Number of MFIs by Region

Table 1 presents the total number of regulated microfinance institutions (MFIs) by region **as of 2009**. There were 26 regulated MFIs, comprising 5 deposit-taking MFIs (DTMFIs), 8 non-deposit-taking MFIs (NDTMFIs) and 13 Saving and Credit Unions (SCUs). DTMFIs mostly operate in the central region: Newton MFI, Lao Post Microfinance Institution, Ekphatthana Microfinance Institution (EMI) and Saynhai Samphanh MFI. There is only 1 DTMFI in the northern region, namely DTMFI Champa Lao. In contrast, most NDTMFIs are located in the northern region of Laos. No MFIs are found in the southern region. Most SCUs are located in the central region of Laos; there is only 1 SCU each in the northern and southern region. The southern region is clearly underrepresented in terms of coverage by formal MFIs.

The number of regulated MFIs and their outreach has been increasing in recent years. To a considerable extent this is due to government policy, mainly the introduction of a separate regulatory window for MFIs, and the successful collaboration between government and donor agencies, joined in the effort to increase outreach to the poor and reduce poverty as codified in the Millennium Development Goals (MDG) and National Growth and Poverty Eradication Strategy (NGPES).

Table 1: Number of MFIs by Region

Region	DTMFs		NDTMFs		SCUs		Total	
	No. MFI	No. Clients	No. MFI	No. Clients	No. MFI	No. Members	No. MFI	No. Clients/Members
Northern	1	555	7	18,656	1	866	9	20,077
Central	4	27,699	1	321	11	12,604	16	40,624
Southern	0	0	0	0	1	342	1	342
Total	5	28,254	8	18,977	13	13,812	26	61,043

Remark: Northern region (*Phongsaly, Luangnamtha, Oudomxay, Bokeo, Luangprabang, Houaphan and Sayaboury provinces*), central region (*Vientiane Capital, Xiengkhuang, Vientiane, Borikhamxay, Khammuane and Savannakhet provinces*) and southern region (*Saravanh, Xekhong, Champassak and Attapeu provinces*)

3.2.2. Villages Covered and Members/Clients Access

Table 2 presents the number of villages and members/clients covered by MFIs (DTMFs, NDTMFs and SCUs). The MFIs serve about 18% (1,566 villages) of the total number of villages in the country or 38% of villages served by microfinance providers. In relative terms, SCUs serve the largest number of villages, followed by DTMFs and NDTMFs. The total number of MFI members/clients is about 61,000. With 46% DTMFs have the largest outreach, followed by NDTMFs (31%) and SCUs (23%).

Table 2: Microfinance outreach

Outreach	DTMFs	NDTMFs	SCUs	Total
Number of Villages served	559	331	676	1,566
<i>Percent</i>	<i>36%</i>	<i>21%</i>	<i>43%</i>	100%
Number of clients/ members	28,254	18,977	13,812	61,043
<i>Percent</i>	<i>46%</i>	<i>31%</i>	<i>23%</i>	100%

3.2.3. Employment Creation

DTMFs and SCUs start to play role in job creation. A total of 369 people are full time employees of the regulated microfinance sector. 51% of them are female. DTMFs employ 47%, SCUs 40% and NDTMFs 13%. The average number of members/clients per full time worker is about 165.

Table 3: Employment (absolute number of full time staff)

Sex	DTMFIs	NDTMFIs	SCUs	Total
Female	93	22	73	188
Male	80	28	73	181
Total	173	50	146	369

3.2.4. Loan Information

The total number of borrowers in 2009 was 25,808, averaging 993 per MFI. DTMFIs accounted for 43%, NDTMFIs for 35% and SCUs for 22% of active borrowers. Loans outstanding amounted to 39.4 billion Kip, averaging 1.5 billion Kip per MFI. SCUs accounted for 44% of loans outstanding, DTMFIs and NDTMFIs for 28% each, respectively. The average size of loans outstanding per borrower is 4.3 million Kip. The biggest average one is of DTMFIs (6.2 million Kip), followed by 4.7 million Kip for SCUs and 1.6 million Kip for NDTMFIs.

Table 4: Information on loans outstanding

Loan information	DTMFIs	NDTMFIs	SCUs	Total
No. of borrowers in 2009	11,028	9,194	5,586	25,808
<i>Percent</i>	<i>43%</i>	<i>35%</i>	<i>22%</i>	<i>100%</i>
Average no. of borrowers per MFI	2,206	1,149	430	993
Total amount of loans outstanding (kip)	10,886,284,000	11,181,425,000	17,344,857,000	39,412,566,000
<i>Percent</i>	<i>28%</i>	<i>28%</i>	<i>44%</i>	<i>100%</i>
Average loan outstanding per MFI (kip)	2,177,257,000	1,397,678,000	1,334,220,000	1,515,868,000
Average loan size per borrower (kip)*	6,253,000	1,635,000	4,663,000	4,264,000

* Average loan size per borrower equal total loan use from table 8 divided by number of borrowers

A striking result of the breakdown by region is the virtual absence of borrowers of regulated MFIs in the southern region: 86 borrowers served by a single SCU. 62% of borrowers are found in the central region (mostly served by DTMFIs and SCUs) and 38% in the northern region (mostly served by NDTMFIs).

Table 5: Number of borrowers by region

Region	DTMFIs	%	NDTMFIs	%	SCUs	%	Total	%
Northern	555	5%	8,953	97%	335	6%	9,843	38%
Central	10,473	95%	241	3%	5,165	92%	15,879	62%
Southern	0	0%	0	0%	86	2%	86	0%
Total	11,028	100%	9,194	100%	5,586	100%	25,808	100%

68% of the outstanding loan portfolio is found in the central region (mainly provided by SCUs and DTMFIs), while about 31% is in the northern region (NDTMFIs are the largest providers).

Table 6: Loans outstanding by region

Unit: kip				
Region	DTMFIs	NDTMFIs	SCUs	Total
Northern	552,255,000 <i>(552,255,000)</i>	10,913,291,000 <i>(1,559,042,000)</i>	584,929,000 <i>(584,929,000)</i>	12,050,475,000 <i>(1,338,942,000)</i>
Central	10,334,029,000 <i>(2,583,507,000)</i>	268,134,000 <i>(268,134,000)</i>	16,351,960,000 <i>(1,486,542,000)</i>	26,954,123,000 <i>(1,684,633,000)</i>
Southern	0 <i>(0)</i>	0 <i>(0)</i>	407,968,000 <i>(407,968,000)</i>	407,968,000 <i>(407,968,000)</i>
Total	10,886,284,000 <i>(2,177,257,000)</i>	11,181,425,000 <i>(1,397,678,000)</i>	17,344,857,000 <i>(1,334,220,000)</i>	39,412,566,000 <i>(1,515,868,000)</i>

Note: The average loan outstanding per MFI are shown in parentheses.

Interest rates are high in Laos by international standards. They are usually stated on a monthly basis but calculating annual effective interest rates on the basis of Table 7 is difficult, as it is not always clear whether these are flat rates²⁶ (presumably in most cases) or rates on the declining balance. 46% of the MFIs charge around 4% (presumably flat) per month, 19% charge more, and the remaining 35% charge less than 4%. SCUs charge the highest interest rates overall; but as member-owned institutions they distribute a considerable part of the profit among their members.

²⁶ A flat rate of 2% per month on a one-year loan with regular monthly payments is equivalent to 44% effective per annum, plus extra charges and the cost of mandatory savings if any. Interest rates of money lenders in Laos are reportedly 15% to 20% per month or higher.

Table 7: Interest rate of loans per month

Unit: number of entity

Interest rate per month	DTMFIs	NDTMFIs	SCUs	Total
0 – 0.50 %	0	0	0	0
1% = 0.51– 1.50 %	1	1	0	2
2% = 1.51 – 2.50 %	0	2	1	3
3% = 2.50 – 3.50 %	1	1	2	4
4% = 3.51 – 4.50 %	3	4	5	12
5% = ≥4.51	0	0	5	5

3.2.5. Loan Use

21% of the loan portfolio is reportedly invested in agriculture, 30% in trade and services, 9% in handicrafts and 38% in unspecified activities. The latter is largely due to the practice of the Lao's Post Office of not stating its loan purposes. Only 2% are made available for emergencies. DTMFIs lend predominantly for trade or services and handicrafts, NDTMFIs for agriculture and trade or services, SCUs for trade or services and agriculture.

Table 8: Loan purpose of all loans given during 2009 (full principle)

Unit: (kip)

Loan purpose	DTMFIs	NDTMFIs	SCUs	Total
Agricultures and livestock	6,371,229,000	7,251,913,000	9,975,990,000	23,599,132,000
Trade and services	13,553,245,000	4,966,864,000	14,348,852,000	32,868,961,000
Handicraft	7,874,776,000	1,326,277,000	158,560,000	9,359,613,000
Emergency	141,052,000	407,519,000	1,428,447,000	1,977,018,000
Other purposes*	41,019,641,000	1,082,133,000	136,548,000	42,238,322,000
Total loan use	68,959,943,000	15,034,706,000	26,048,397,000	110,043,046,000

Remark: * DTMFIs show a high figure under "other purposes". This due to the fact that Lao's Post Office does not collect information on loan purposes.

3.2.6. Savings Information

All 26 MFIs provide savings deposit services. There are 54,719 savings accounts with a total balance of 63.6 billion Kip, averaging 2.4 billion Kip per MFI and 1.2 million per account. With 48% of the total DTMFIs attract the largest number of savers and an even larger share of total savings deposits, namely 82%, averaging 1.99 million Kip per account. NDTMFIs account for 33% of savers in this segment, but only 4% of savings deposits, averaging 147,000 Kip per account. SCUs account for 19% of savers and 14% of savings deposits, averaging 820,000 Kip per account. On average DTMFIs pay 0.66% interest per month on savings deposits, NDTMFIs pay 0.69% and SCUs, which

are owned by their members, pay the highest rate, namely 0.97%. 6 out of 13 SCUs (46%) and 2 out of 8 NDTMFIs (25%) pay dividends to their members/clients; none of the DTMFIs do.

Table 9: Savings information

Savings information	DTMFIs	NDTMFIs	SCUs	Total
Number of providers with savings products	5	8	13	26
Number of savers	26,361	17,875	10,483	54,719
<i>percent</i>	48%	33%	19%	100%
Average no. of savers per MFI	5,272	2,234	806	2,104
Total amount of savings (kip)	52,394,295,000	2,635,779,000	8,592,830,000	63,622,904,000
<i>Percent</i>	82%	4%	14%	100%
Average savings per MFI (kip)	10,478,859,000	329,472,000	660,987,000	2,447,035,000
Average savings size per person (kip)	1,988,000	147,000	820,000	1,163,000
Average savings interest rate per month (%)	0.66	0.69 ^a	0.97 ^b	0
Number of providers that provide dividend to shareholders and/or members	0	2	6	8

^a Calculated from 6 NDTMFIs; the other 2 pay dividends to their members.

^b Calculated from 12 out of 13 SCUs

66% of the savers in regulated MFIs live in the central region, 34% in the northern region and less than 1% in the southern region. The bulk of savers in the central region are attracted by DTMFIs followed by SCUs and by NDTMFIs in the northern region.

Table 10: Number of savers by region

Regions of the country	DTMFIs	NDTMFIs	SCUs	Total
Northern	50 (50)	17,768 (2,538)	515 (515)	18,333 (2,037)
Central	26,311 (6,578)	107 (107)	9,928 (903)	36,346 (2,272)
Southern	0 (0)	0 (0)	40 (40)	40 (40)
Total	26,361 (5,272)	17,875 (2,234)	10,483 (806)	54,719 (2,105)

Remark: Average number of savers per MFI given in parentheses.

The central region accounts for 95% of total savings mobilized by regulated MFIs, while the northern and southern region covers the remaining 5%. DTMFIs' savings account for 82%. SCUs make up 14% most of which are mobilized in the central region. It is interesting to note that the remaining 4% of savings come from NDTMFI which mobilize 98% of the savings in the northern region.

Table 11: Absolute amount of savings by region

Remark: Average amount of savings per MFI shown in parentheses.

Region	DTMFs	NDTMFIs	SCUs	Total
Northern	47,988,000 (47,988,000)	2,593,950,000 (370,564,000)	318,358,000 (318,358,000)	2,960,296,000 (328,922,000)
Central	52,346,307,000 (13,086,577,000)	41,829,000 (41,829,000)	8,092,212,000 (735,656,000)	60,480,348,000 (3,780,022,000)
Southern	0 (0)	0 (0)	182,260,000 (182,260,000)	182,260,000 (182,260,000)
Total	52,394,295,000 (10,478,859,000)	2,635,779,000 (329,472,000)	8,592,830,000 (660,987,000)	63,622,904,000 (2,447,035,000)

3.2.7. Income Statement

To ensure the survival and growth of MFIs they must at least cover their costs and preferably make a profit. In 2009 the total amount of net profit before dividends (without grants) was 2.51 billion Kip. 66% of this amount was made by DTMFIs, 33% by NDTMFIs and 1% by SCUs. The operational self-sufficiency (OSS²⁷) ratio (income without grants/expenditure) of MFIs is a modest 106%. The OSS of DTMFIs is 112% and. At 98% NDTMFIs and SCUs are barely able to cover their operational expenses. ROA of DTMFIs is 2.1%, NDTMFI show a negative ROA of -0.5% and of SCUs -0.4%. These figures include provisions for loan losses.

Table 12.1: Income statement 2009

Unit: kip	DTMFIs	NDTMFIs	SCUs	Total
Interest Income	11,888,848,000	2,797,925,000	4,837,242,000	19,524,015,000
Other Income (e.g. fees, service charges)	2,054,705,000	383,898,000	410,413,000	2,849,016,000
Operating Expenses	12,061,070,000	3,176,336,000	4,928,495,000	20,165,901,000
Expenses for Village Development	0	11,321,000	8,122,000	19,443,000
Expenses for Social Welfare	0	5,561,000	23,278,000	28,839,000
Other Expenses (e.g. consultants, studies)	0	52,760,000	228,337,000	281,097,000
Total Operating Expenses	12,061,070,000	3,245,978,000	5,188,232,000	20,495,280,000
Net Operating Income/Loss	1,882,483,000	-64,155,000	59,423,000	1,877,751,000
Loan Loss Provision/Reserves	356,489,000	13,500,000	157,682,000	527,671,000
Extraordinary Income (e.g. grants)	116,306,000	914,653,000	124,754,000	1,155,713,000
Net profit for the period	1,642,300,000	836,998,000	26,495,000	2,505,793,000

On average net operating income of MFIs is 8% of total income²⁸. DTMFIs show the best ratio with 14%, SCUs break even with about 1% and NDTMFIs already show a loss (-2%). DTMFIs and SCUs use % of total income for loan loss reserves, NDTMFIs dedicate less than 1% as reserve.

²⁷ Which includes LLP/Reserves²⁸ Sum of interest income and other income (excluding subsidies)

NDTMFIs still largely depend on subsidies. Their extraordinary income – mostly grants by international donors- makes up 29% of total income. In comparison extraordinary income of DTMFIs is 5% of total income. The percentage for SCUs is only 1%. Including extraordinary income the average DTMFI made 328 million Kip net profit in 2009, which is more than 3 times the average net profit of all MFIs (96 Mio Kip). With 105 million Kip NDTMFIs are slightly above the average, even though this was still entirely due to donor grants. The average SCU only made 2 million Kip in 2009, which is a mere 2% of the average net profit of all MFIs.

Table 12.2: Average income statement 2009 per type of MFI

Unit: kip	DTMFIs	NDTMFIs	SCUs	Total
Interest Income	2,377,770,000	349,741,000	372,096,000	750,924,000
Other Income (e.g. fees, service charges)	410,941,000	47,987,000	31,570,000	109,578,000
Operating Expenses	2,412,214,000	397,042,000	379,115,000	775,612,000
Expenses for Village Development	0	1,415,000	625,000	748,000
Expenses for Social Welfare	0	695,000	1,791,000	1,109,000
Other Expenses (e.g. consultants, studies)	0	6,595,000	17,564,000	10,811,000
Total Operating Expenses	2,412,214,000	405,747,000	399,095,000	788,280,000
Net Operating Income/Loss	376,497,000	-8,019,000	4,571,000	72,222,000
Loan Loss Provision/Reserves	71,298,000	1,688,000	12,129,000	20,295,000
Extraordinary Income (e.g. grants)	23,261,000	114,332,000	9,596,000	44,451,000
Net profit for the period	328,460,000	104,625,000	2,038,000	96,378,000

3.2.8. Balance Sheet

A look at the balance sheet provides interesting insight about the different types of MFIs. Even though DTMFIs make up the smallest group of MFIs in terms on numbers they show the biggest cumulated balance sheet. Also they are the most profitable institutions. Since they haven't paid dividends to their shareholders they could retain more earnings for the institutions. The balance sheet shows that NDTMFIs not only depend on subsidies when it comes to their running costs (see in 2.7. above). They also receive capital grants, which are provided mostly by donors. It is interesting to see that they have paid dividends even though their own capital is not very strong. As opposed to NDTMFIs SCUs depend on donors to a much lesser extent. They mostly finance themselves trough savings and loans. They are the only institution type that makes significant use of debt financing. It is remarkable that regulated MFIs are very liquid with cash making up more than 50% of total assets. However it is important to note that this high figure is distorted due to the inclusion of the Lao Post DTMFI, which has over 14,000 savers and over 40 billion Kip in savings. Savings almost make up the entire liabilities for DTMFIs (94%). With only 3% of total liabilities debt funding was close to irrelevant for DTMFIs in 2009.

Table 13.1: Balance Sheet

Unit: kip	DTMFIs	NDTMFIs	SCUs	Total
Cash	58,729,315,000	3,756,966,000	2,010,484,000	64,496,765,000
Gross loan outstanding	10,886,284,000	11,181,425,000	17,344,857,000	39,412,566,000
Fixed and other assets	3,899,643,000	639,291,000	6,862,148,000	11,401,082,000
Total Asset	73,515,242,000	15,577,682,000	26,217,489,000	115,310,413,000
Saving deposits	52,394,295,000	2,635,779,000	8,592,830,000	63,622,904,000
Loan received	1,945,686,000	195,000,000	5,583,300,000	7,723,986,000
Other (unpaid interests)	1,542,096,000	129,509,000	551,842,000	2,223,447,000
Total Liability	55,882,077,000	2,960,288,000	14,727,972,000	73,570,337,000
Shares	3,833,068,000	1,454,801,000	7,035,996,000	12,323,865,000
Reserve	2,702,577,000	1,677,748,000	232,505,000	4,612,830,000
Donations and grants	331,255,000	6,037,799,000	843,084,000	7,212,138,000
Retain Earnings prior period, others*	9,123,965,000	3,240,026,000	4,019,254,000	16,383,245,000
Dividend Payment	0	-629,978,000	-667,817,000	-1,297,795,000
Profit/Loss of current year	1,642,300,000	836,998,000	26,495,000	2,505,793,000
Total Equity	17,633,165,000	12,617,394,000	11,489,517,000	41,740,076,000
Total liability and Equity	73,515,242,000	15,577,682,000	26,217,489,000	115,310,413,000

Note: * Additional capital, dividend declared

With 81% NDTMFIs show the highest proportion of equity to capital followed by SCUs with 44% and 24% for DTMFIs. The average balance sheet confirms that DTMFIs have the highest equity, which is explained by a combination of share capital, reserves and the retaining of earnings.

Table 13.2: Average balance sheet per type of MFI

Unit: kip	DTMFIs	NDTMFIs	SCUs	Total
Cash	11,745,863,000	469,621,000	154,653,000	2,480,645,000
Gross loan outstanding	2,177,257,000	1,397,678,000	1,334,220,000	1,515,868,000
Fixed and other assets	779,929,000	79,911,000	527,858,000	438,503,000
Total Asset	14,703,049,000	1,947,210,000	2,016,731,000	4,435,016,000
Saving deposits	10,478,859,000	329,472,000	660,987,000	2,447,035,000
Loan received	389,137,000	24,375,000	429,485,000	297,076,000
Other (unpaid interests)	308,419,000	16,189,000	42,449,000	85,517,000
Total Liability	11,176,415,000	370,036,000	1,132,921,000	2,829,628,000
Shares	766,614,000	181,850,000	541,230,000	473,995,000
Reserve	540,515,000	209,719,000	17,885,000	177,417,000
Donations and grants	66,251,000	754,725,000	64,853,000	277,390,000
Retain Earnings prior period, others*	1,824,794,000	405,002,000	309,175,000	630,127,000
Dividend Payment	0	-78,747,000	-51,371,000	-49,915,000
Profit/Loss of current year	328,460,000	104,625,000	2,038,000	96,377,000
Total Equity	3,526,634,000	1,577,174,000	883,810,000	1,605,391,000
Total liability and Equity	14,703,049,000	1,947,210,000	2,016,731,000	4,435,019,000

Note: * Additional capital, dividend declared, profit for current year

3.3. The Unregulated Microfinance Sector: Village Funds

3.3.1. Outreach of VFs by region and type of VF (with and without savings)

The microfinance survey 2009 covers 4,113 village funds (VFs) with a total of 365,608 members, or 87 members per VF on average. This information has been provided by 192 village fund promoters (VFPs). The majority of them presented consolidated data on several VFs, and a few on a single VF each. The number of total reported VF members is six times the number of members/clients of MFIs (61,043). The majority of VFs (45%) is located in the central region, 30% are in the northern region and 25% in the southern region. 60% of VF members are located in the central region where VF have an average size of 117 members. 22% are in the south with an average membership of 76. region. VFs are smallest in the northern region, with 53 members per VF and a total share of 18%. The comparatively low outreach of VF in the southern region is particularly notable in light of the outreach though formal MFIs: only a single MFI is located in the southern region with 86 borrowers out of a total of almost 26,000.

There are two types of VFs: 3,114 deposit-taking VFs (81%), which provide savings and credit services, and 799 non-deposit-taking VFs (19%), which provide credit only. The latter solely rely on external sources of capital. The two types differ widely in terms of size: deposit-taking VFs have 99 members on average, non-deposit-taking VFs only have 39 members. Total membership is 328,642 and 30,966 respectively, or 91% and 9%. The client outreach of deposit-taking VFs is significantly higher (91% of all members) than non-deposit-taking VFs (9% of all members). DTVFs are strongest in the central region (58% of all members), in the southern region they account for 19% of all members and in the northern region for 14%.

Table 14: Outreach of VFs by region and type of VF

	Northern	Central	Southern	Total
VFPs	65	105	22	192
Deposit-taking VFs:				
No. of VFs	914	1,603	797	3,314
No. of members	51,219	208,901	68,522	328,642
Non-deposit-taking VFs:				
No. of VFs	326	248	225	799
No. of members	14,704	7,292	8,970	30,966
Total:				
No. of VFs	1,240	1,851	1,022	4,113
Percent	30%	45%	25%	100%
No. of members	65,923	216,193	77,492	359,608
Percent	18%	60%	22%	100%

** Due to imperfections in the data collection method the number of villages covered and the number of members might include some double-counting.*

3.3.2. Loan Information

VFs have a total of 172,612 borrowers, which make up 48% of their total membership. The central region accounts for the largest number of borrowers being about twice the amount of the northern and four times of the southern region. The average number of borrowers per VF is 42, with 54 persons in the central, 38 persons in the northern and 25 persons in the southern region. The total loan portfolio of VFs is 245 billion Kip. The average outstanding loan per VF is 106 million Kip for the center, about 22 million Kip for the northern and 21 million Kip for the southern regions.

Table 15: Information on loans outstanding by region and type of VF

	Northern	Central	Southern	Total
Deposit-taking VFs	914	1,603	797	3,314
No. of borrowers	33,562	92,322	18,850	144,734
Average no. of borrower per VF	37	58	24	44
Amount of loans outstanding	16,929,066,000	186,437,316,000	11,498,240,000	214,864,622,000
Average loan outstanding per VF	18,522,000	116,305,000	14,427,000	64,835,000
Average loan size per borrower*	1,273,000	2,412,000	2,232,000	2,125,000
Non-deposit-taking VFs	326	248	225	799
No. of borrowers	14,010	7,240	6,628	27,878
Average no. of borrowers per VF	43	29	29	35
Amount of loans outstanding	10,312,287,000	10,580,746,000	9,971,604,000	30,864,637,000
Average loan outstanding per VF	31,633,000	42,664,000	44,318,000	38,629,000
Average loan size per borrower*	765,000	1,617,000	2,377,000	1,370,000
Total	1,240	1,851	1,022	4,113
No. of borrowers	47,572	99,562	25,478	172,612
Average no. of borrowers per VF	38	54	25	42
Amount of loans outstanding	27,241,353,000	197,018,062,000	21,469,844,000	245,729,259,000
Average loan outstanding per VF	21,969,000	106,439,000	21,008,000	59,745,000
Average loan size per borrower*	1,123,000	2,355,000	2,270,000	2,003,000

* Average loan size per borrower equal to total loan use from table 17 divided by number of borrowers

Information on loan interest rates is only available at the level of VFPs, but not VFs. As shown in Table 16 below, non-deposit-taking VFs, which are externally subsidized, charge lower interest rates than deposit-taking VFs. The unweighted average monthly (supposedly flat) interest rate charged by the VFs is approximately 2.1%; among non-deposit-taking VFs it is 1.4%, among deposit-taking VFs it is 2.3%.

Table 16: Monthly loan interest rates

Unit: number of VFPs

Interest rate of loan per month	Deposit-taking VFVs	Non-deposit-taking VFVs	Total
0 – 0.50 %	0	8	8
1% = 0.51 – 1.5 0%	34	22	56
2% = 1.51 – 2.50 %	44	15	59
3% = 2.51 – 3.50 %	51	3	54
4% = 3.51 – 4.50 %	12	1	13
5% = ≥4.51	2	0	2
Total	143	49	192

Table 17 presents information on loan use. 64% of the loan amount is invested in agriculture including livestock, 24% in trade and services, 6% in handicrafts, 4% in emergencies and 2% in other activities. There is not much difference between the regions. The northern region is somewhat above average in agricultural (75%) and lower in trade investments (14%); the southern region is somewhat higher in emergency loans (9%) and lower in handicrafts (1%). There is no significant difference between VFVs with and without savings deposit services when it comes to loan purpose.

Table 17: Loan purpose of all loans given during 2009 (full principle)

Purpose of loan use	Northern	Central	Southern	Total
Total loan use (kip)	53,443,548,000	234,421,651,000	57,833,587,000	345,698,786,000
Agricultures and Livestock	40,247,498,000	141,277,975,000	37,398,979,000	218,924,452,000
Trade and Services	7,310,866,000	62,413,210,000	14,049,179,000	83,773,255,000
Handicraft	1,687,695,000	19,235,188,000	442,202,000	21,365,085,000
Emergency	1,965,309,000	7,649,701,000	5,180,737,000	14,795,747,000
Other purposes	2,232,180,000	3,845,577,000	762,490,000	6,840,247,000
Percentage	15%	68%	17%	100%
Agricultures and Livestock	75%	60%	65%	63%
Trade and Services	14%	27%	24%	24%
Handicraft	3%	8%	1%	6%
Emergency	4%	3%	9%	4%
Other purpose	4%	2%	1%	2%

3.3.3 Savings Information

3,314 VFs provide savings services to a total number of 328,085 savers. In 2009 this was almost six times the number of savers (54,719) of regulated MFIs. The largest part of total VF savers (62%) is in the central region, followed by the southern (21%) and the northern region (17%). The total deposit balance is 270 billion Kip, which is an average 81.5 million Kip per deposit-taking VF and average 820,000 Kip per saver. 77% of the savings deposits are in the central region, 14% in the southern region and 9% in the northern region.

Table 18: Savings information by region

	Northern	Central	Southern	Total
Deposit-taking VFs:	914	1,603	797	3,314
No. of savers	56,547	203,804	67,734	328,085
<i>Percent of savers</i>	17%	62%	21%	100%
Average no. of savers per VF	62	127	85	99
Amount of savings (kip)	22,887,664,000	208,429,524,000	38,838,341,000	270,155,529,000
<i>Percent of savings</i>	9%	77%	14%	100%
Average amount of savings per VF (kip)	25,041,000	130,025,000	48,731,000	81,519,000
Average savings per member	405,000	1,023,000	573,000	823,000

3.3.4. Income Statement

Table 19.1 shows profit or loss of VFs in the year 2009. The total profits of VFs including grants are about 48 billion kip. Grants seem to be much less important for VFs than for MFIs, since they only make up 2% of the net income. DTVFs are responsible for a net profit of over 47 billion Kip, which is 97% of the total profit of VFs. It is clear that they are more profitable than NDTVFs. Net profit of DTVFs is some 22% of the loans outstanding, while for NDTVFs its only 4%.

Table 19.1: Income statement 2009

Unit: kip	Deposit-taking VFs	Non-deposit-taking VFs	Total
Interest Income	58,350,073,000	2,091,595,000	60,441,668,000
Other Income (e.g. fees, service charges)	1,726,205,000	275,773,000	2,001,978,000
Operating Expenses	3,177,471,000	137,124,000	3,314,595,000
Expenses for Village Development	2,447,199,000	219,901,000	2,667,100,000
Expenses for Social Welfare	2,650,921,000	109,800,000	2,760,721,000
Other Expenses (e.g. consultants, studies)	3,074,188,000	409,760,000	3,483,948,000
Total Operating Expenses	11,349,779,000	876,585,000	12,226,364,000
Net Operating Income/Loss	48,726,499,000	1,490,783,000	50,217,282,000
Loan Loss Provision/Reserves	2,356,444,000	185,987,000	2,542,431,000
Extraordinary Income (e.g. grants)	904,040,000	58,000,000	962,040,000
Net profit for the period	47,274,095,000	1,362,796,000	48,636,891,000

The average net profit for all VFs is almost 12 million kip. With 19% DTVFs have a lower ratio of income to operational expenses than NDTVFs with 37%. For DTVFs loan loss provisions make up 4% of income while it is 8% of income for NDTVFs. It is most likely that these loan loss provisions are too low to cover the actual loan losses. On average DTVFs are 8 times more profitable than NDTVFs.

Table 19.2: Income statement 2009, average per VF

Unit: kip	Deposit-taking VFs	Non-deposit-taking VFs	Total
Interest Income	17,607,000	2,618,000	14,695,000
Other Income (e.g. fees, service charges)	521,000	345,000	487,000
Operating Expenses	959,000	172,000	806,000
Expenses for Village Development	738,000	275,000	648,000
Expenses for Social Welfare	800,000	137,000	671,000
Other Expenses (e.g. consultants, studies)	928,000	513,000	847,000
Total Operating Expenses	3,425,000	1,097,000	2,972,000
Net Operating Income/Loss	14,703,000	1,866,000	12,210,000
Loan Loss Provision/Reserves	711,000	233,000	618,000
Extraordinary Income (e.g. grants)	273,000	73,000	234,000
Net profit for the period	14,265,000	1,706,000	11,826,000

3.3.5. VF's Balance Sheet

Table 20.1. shows that DTVFs make up 90% of the total aggregate balance sheet. DTVFs finance 75% of their business through savings deposits and grants only make 13% of their total balance sheet. 70% of the total balance sheet of NDTVFs are made up by the loan portfolio. NDTVFs almost exclusively finance themselves through equity. 77% of equity is made up by grants. The remaining 13% are retained earnings and reserves. Both DTVFs and NDTVFs make regular dividend payments to their members. Anecdotal evidence shows that such dividends are very popular amongst VF members. However, they go against the longer term goal of building equity through retained earnings.

Table 20.1: VFs' Balance sheet for 2009 ²⁹

Unit: kip	Deposit-taking VFs	Non-deposit-taking VFs	Total
Cash	111,632,518,000	7,917,513,000	119,550,031,000
Gross loan outstanding	214,864,622,000	30,864,637,000	245,729,259,000
Fixed and other assets	32,193,034,000	1,548,145,000	33,741,179,000
Total Asset	358,690,174,000	40,330,295,000	399,020,469,000
Saving deposits	270,155,529,000	0	270,155,529,000
Loan Received	2,433,934,000	217,923,000	2,651,857,000
Others (Unpaid dividend)	1,135,766,000	267,805,000	1,403,571,000
Total Liability	273,725,229,000	485,728,000	274,210,957,000
Shares	1,272,060,000	0	1,272,060,000
Reserve	7,051,089,000	244,384,000	7,295,473,000
Donation and grant	48,104,157,000	31,114,294,000	79,218,451,000
Retained earnings prior period, others*	26,426,903,000	7,794,611,000	34,221,514,000
Dividend Payment	-45,163,359,000	-671,518,000	-45,834,877,000
Profit/Loss of current year	47,274,095,000	1,362,796,000	48,636,891,000
Total Equity	84,964,945,000	39,844,567,000	124,809,512,000
Total Liability and Equity	358,690,174,000	40,330,295,000	399,020,469,000

* Additional capital, dividend declared

Table 20.2 shows the average balance sheet for VFs. The average DTVF is twice as big in terms of assets as the average NDTVf. It is interesting to see that dividend payments of the average DTVF to its members is over 16 times the average dividend payout of NDTVfs.

²⁹ In reality, very few VFs or VFP have their own balance sheet. Their accounting and bookkeeping system is very simple, the balance sheets for VFs were constructed after the data collection by the authors of this report.

Table 20.2: Average balance sheet per VF

Unit: kip	Deposit-taking VFs	Non-deposit-taking VFs	Total
Cash	33,685,000	9,909,000	29,066,000
Gross loan outstanding	64,835,000	38,629,000	59,745,000
Fixed and other assets	9,714,000	1,938,000	8,204,000
Total Asset	108,234,000	50,476,000	97,015,000
Saving deposits	81,519,000	0	65,683,000
Loan Received	734,000	273,000	645,000
Others (Unpaid dividend)	343,000	335,000	341,000
Total Liability	82,596,000	608,000	66,669,000
Shares	384,000	0	309,000
Reserve	2,128,000	306,000	1,774,000
Donation and grant	14,515,000	38,942,000	19,261,000
Retained earnings prior period, others*	7,974,000	9,754,000	8,320,000
Dividend Payment	-13,628,000	-840,000	-11,144,000
Profit/Loss of current year	14,265,000	1,706,000	11,825,000
Total Equity	25,638,000	49,868,000	30,345,000
Total Liability and Equity	108,234,000	50,476,000	97,014,000

* Additional capital, dividend declared

3.3.6. Return on Assets – Comparing regulated MFIs and unregulated VFs

Table 21 compares return on assets ratios (ROA) at year-end³⁰ of the various types of microfinance provider. The calculation excludes grants from income in order to get a more meaningful sense of the institutions performance. Note should be taken that the unregulated VFs do not pay taxes and generally don't provision for loan losses and write off bad debts. If they did the ratios presented in Table 21 would be substantially lower. In 2009 regulated MFIs were providing for loan losses; however they had not written off bad debt and paid taxes yet. Furthermore, MFIs and VFs cannot be directly compared because of fundamental differences in their accounting practices. In contrast to MFIs, VFs do not pay salaries, have very low administrative expenses and pay no interest on savings. Instead their committee members and depositors are compensated with dividends, which are only calculated at the end of the year. Their accounting profit margins are therefore substantially higher than those of the MFIs.

There are two notable results of the comparison: First, as already mentioned DTMFIs are the best performing amongst the regulated MFIs, with a ROA of 2.1%. Second, at a ROA of 12.9% DTVFs outperform NDTVFs with a ROA of 3.2%, by a wide margin.

³⁰ ROA is normally calculated as an average over the full year. This is not possible here because total assets are only available for the end of the year, not for the beginning of the year or for each month.

Table 21: Adjusted Return on Assets (in percent)

Regulated MFI and VFs	ROA ³¹
Regulated MFIs	1.2%
DTMFIs	2.1%
NDTMFIs	-0.5%
SCUs	-0.4%
VFs ³²	11.9%
Deposit-taking VFs	12.9%
Non-deposit-taking VFs	3.2%

3.4. Summary and conclusions

A comparison of the NERI study of 2006 with this present one shows that the microfinance sector has expanded significantly in this timeframe³³. In 2006 the regulated microfinance sector was just emerging. Therefore the survey report did not present separate data for regulated MFIs and unregulated village funds back then. Now that a regulated microfinance sector has emerged, this present report analyzed data separately for the two subsectors and for the different types of institutions within them. This report also contains annexes with detailed information on the 26 regulated MFIs (separating DTMFIs, NDTMFIs and SCUs) and on 192 VFPs (separating VFPs for deposit-taking and non-deposit-taking VFs).

Since 2006 the number of total members/clients doubled from 206,456 to 420,651. Total assets tripled from 169.6 billion Kip in 2006 to 514.3 billion Kip in 2009. Loans outstanding almost doubled from 169.5 billion Kip to 285 billion Kip in 2009 and savings deposits surged from 66.6 billion in 2006 to 333.8 billion Kip in 2009, which is five times the amount of 2006. Total net profit (excluding grants) in 2009 was 51.1 billion Kip. To be fair the bright picture painted by these figures has to be taken with a grain of salt. Data quality - especially for VFs - remains sub-optimal. This is partly due to challenges with data collection and partly due to the fact that many VFs are simply not able to report their own financial performance accurately. However, the fact that financial service provision has increased significantly since 2006 remains beyond doubt.

The **regulated microfinance sector** comprises 26 MFIs: 5 DTMFIs, 8 NDTMFIs and 13 SCUs. It is strongest in the central part of the country and the south is virtually unserved. DTMFIs seem to hold the largest potential. They account for 46% of the clients of the subsector, 29% of loans outstanding and 82% of savings deposits. The NDTMFIs account for 31% of the members/clients, 26% of the loans outstanding and 4.5% of savings deposits. SCUs account for 23% of members/clients, 45% of loans outstanding and 13.5% of savings deposits. DTMFIs are thus strongest in savings mobilization and SCUs in lending. Profitability of the subsector is still low (and

³¹ Note: ROA is calculated as net profit (adjusted by excluding grants from income) divided by total assets at year-end.

³² VFs generally do not write off of bad debt or make provisions for loan losses. Accordingly the ROA figures are not necessarily an accurate indicator for VFs performance.

³³ As opposed to the NERI report of 2006 Nayoby Bank and APB bank are not included in this present study.

would be lower if international accounting practices were applied): With a ROA of 2.1% DTMFIs are more profitable than SCUs and NDTMFIs which show negative ROA of -0.4% and -0.5% respectively. NDTMFIs are heavily dependent on subsidies and grants. The challenge for the donor community will be to wean them from subsidies and eventually convert them into DTMFIs.

Unregulated VFs account by far for the largest portion of the microfinance sector. They are strongest in the central region, but cover all three regions, including the south, which is generally underserved. The most striking result of this survey is the vast difference found between DTVFs and NDTVFs. There are 3,314 deposit-taking VFs (76% of the total number) and 799 NDTVFs (24% of the total). Yet, DTVFs account for 90% of total assets of the subsector, 87% of loans outstanding and of course 100% of deposits mobilized. At a ROA of 12.9% they outperform the NDTVFs, with a ROA of 3.2%, by a wide margin.

Despite its solid growth in recent years, the regulated microfinance sector was still but a fraction of the total microfinance sector in 2009. The 26 MFIs had 61,043 members/clients, 25,808 borrowers and 54,719 savers – compared to 4,113 VFs with 365,587 members, 172,612 borrowers and 328,085 savers. VFs thus account for around 86% of total members/clients of the sector. In 2009 the regulated MFIs hold total assets of 115.3 billion Kip, loans outstanding of 39.4 billion Kip and savings deposits of 63.6 billion Kip. VF had total assets of 399.0 billion Kip, 245.7 billion Kip in loans outstanding and 270.2 billion Kip in savings deposits. The VFs thus hold 78% of total assets, 86% of loans outstanding and 81% of savings deposits. MFIs have generated 2.5 billion Kip in net profits and VFs 48.6 billion or 95% of total net profit in the microfinance sector³⁴.

There are a number of challenges for the VF subsector, facing the Government and the donor community:

- Transforming non-deposit-taking VFs into deposit-taking VFs, with technical assistance and capacity building;
- Expanding outreach to the remaining 4,600 villages, which are not covered;
- Building and strengthening service networks among VFs at district level, following the examples set by GIZ and networks in the districts of Vientiane Capital and in several other provinces (*see chapter 1.3*);
- Strengthening governance, management, financial and social performance of the VFs: through their service networks and through direct technical assistance and capacity building;
- Exploring the potential of collaboration between banks, MFIs and VFs and strengthening linkages as seen fit;
- Developing an appropriate framework of regulation and supervision in partnership between the VF service networks/federations, BOL and other relevant stakeholders.³⁵

³⁴ However, this comparison also must be seen in light of footnote 32.

³⁵ This is one of the long term goals of the GIZ project Microfinance in Rural Areas - Access to Finance for the Poor (AFP)

We are confident that the excellent cooperation between government organizations and BOL with the donor community will continue to contribute to the progress of the microfinance sector, leading to sustainable poverty alleviation and prosperity for all in the Lao PDR.

Chapter 4: Microfinance Statistics at the Provincial Level

1. Phongsaly Province

	JANUARY- DECEMBER 2009	Number of Households: 29,641 Households
	Capital: Phongsaly	Districts: Phongsaly, May, Khua, Samphanh, Boon neua , Nhot ou and Boontai.
	Population: 174,246 people	
	Area: 16,270 Km ²	
	Density: 11 people/Km ²	
	Number of Villages: 542 Villages	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Phongsaly province is located in the remotest northern region of Lao PDR, dominated by rugged, mountainous terrain and an abundance of thick forest and fast-flowing rivers. Microfinance has made inroads into this difficult terrain, but only to a limited extent. There is only one NDTMFI in this area, namely Phongsaly Microfinance Institution for Development (IFDP), providing its service since 2006. In addition there are 143 VFs, providing their service in 143 villages. As of 2009 there are a total of 4,645 members or clients (about 2.7% of the total population of the province) with access to microfinance services. This includes 4,109 borrowers with a total amount of loans outstanding of 5.29 billion kip. The promoting organizations who play a key role for microfinance services in this province are the Lao Women Union and the Poverty Eradication and Rural Development Offices at district level. International promoters include Ausaid, EU, GAA and the Danish Red Cross.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	141,951,000	0	141,951,000	1,802,966,000	1,346,792,000	3,149,758,000
Loans	0	0	0	0	0	0	0
Grants	0	141,951,000	0	141,951,000	1,802,966,000	1,346,792,000	3,149,758,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs			
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total	
No. of institutions		0	1	0	1	0	0	0
No. of village coverage		0	35	0	35	0	0	0
No. of VFs		0	0	0	0	75	68	143
<i>Percent</i>		0%	100%	0%	100%	52%	48%	100%
members/clients		0	919	0	919	1,871	1,855	3,726
<i>Percent</i>		0%	100%	0%	100%	50%	50%	100%
Average no. of members per entities		0	919	0	919	25	27	26

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	888	0	888	1,673	1,548	3,221
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>52%</i>	<i>48%</i>	<i>100%</i>
Average no. of Borrower per entity	0	888	0	888	22	23	23
Total Amount of Laon Outstanding	0	2,319,292,000	0	2,319,292,000	1,995,959,000	978,547,000	2,974,506,000
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>67%</i>	<i>33%</i>	<i>100%</i>
Average loan outstanding per entity	0	2,319,292,000	0	2,319,292,000	26,613,000	14,390,000	20,801,000
Average loan size per borrower	0	4,436,000	0	4,436,000	1,264,000	868,000	1,074,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	1,443,943,000	0	1,443,943,000	1,803,385,000	1,004,657,000	2,808,042,000
Trade and Services	0	1,757,694,000	0	1,757,694,000	304,431,000	22,702,000	327,133,000
Handicraft	0	414,603,000	0	414,603,000	3,600,000	312,098,000	315,698,000
Emergency	0	323,350,000	0	323,350,000	3,600,000	3,500,000	7,100,000
Other Purpose	0	0	0	0	0	0	0

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	0	31	0	31	1,871	N/A	N/A
Average no. of savers per entity	0	31	0	31	25	N/A	N/A
Total amount of savings	0	288,000,000	0	288,000,000	100,020,000	N/A	N/A
Average saving per entity	0	288,000,000	0	288,000,000	1,334,000	N/A	N/A
Average savings size per member	0	9,290,000	0	9,290,000	53,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	753,503,000	0	753,503,000	319,832,000	98,316,000	418,148,000
Other Income (e.g. fees, service charges)	0	99,260,000	0	99,260,000	0	0	0
<i>Operating Expenses</i>	0	820,281,000	0	820,281,000	0	0	0
<i>Expenses for Village Development</i>	0	0	0	0	27,856,000	13,467,000	41,323,000
<i>Expenses for Social Welfare</i>	0	0	0	0	10,921,000	7,067,000	17,988,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	118,230,000	20,536,000	138,766,000
Total Operating Expenses	0	820,281,000	0	820,281,000	157,007,000	41,070,000	198,077,000
Net Operating Income/Loss	0	32,482,000	0	32,482,000	162,825,000	57,246,000	220,071,000
Loan Loss Provision/Reserves	0	0	0	0	12,297,000	7,067,000	19,364,000
Extraordinary Income (e.g. grants)	0	0	0	0	0	0	0
Net profit for the period	0	32,482,000	0	32,482,000	150,528,000	50,179,000	200,707,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	1,620,190,000	0	1,620,190,000	232,104,000	373,076,000	605,180,000
Gross loan outstanding	0	2,319,292,000	0	2,319,292,000	1,995,959,000	978,547,000	2,974,506,000
Fixed and other assets	0	108,000	0	108,000	40,888,000	38,281,000	79,169,000
Total Asset	0	3,939,590,000	0	3,939,590,000	2,268,951,000	1,389,904,000	3,658,855,000
Saving deposits	0	288,000,000	0	288,000,000	100,020,000	0	100,020,000
Loan Recieved	0	0	0	0	0	0	0
Others (Unpaid dividend)	0	0	0	0	78,484,000	0	78,484,000
Total Liability	0	288,000,000	0	288,000,000	178,504,000	0	178,504,000
Shares	0	209,640,000	0	209,640,000	0	0	0
Reserve	0	118,847,000	0	118,847,000	0	0	0
Donation and grant	0	141,951,000	0	141,951,000	1,802,966,000	1,346,792,000	3,149,758,000
Retained earnings prior period, others*	0	3,148,670,000	0	3,148,670,000	208,271,000	0	208,271,000
Dividend Payment	0	0	0	0	-71,318,000	-7,067,000	-78,385,000
Profit/Loss of current year	0	32,482,000	0	32,482,000	150,528,000	50,179,000	200,707,000
Total Equity	0	3,651,590,000	0	3,651,590,000	2,090,447,000	1,389,904,000	3,480,351,000
Total Liability and Equity	0	3,939,590,000	0	3,939,590,000	2,268,951,000	1,389,904,000	3,658,855,000

Note: * Additional capital, dividend declared

2. Luangnamtha Province

	JANUARY- DECEMBER 2009	Number of Villages: 355 Villages
	Capital: Namtha	Number of Household: 28,915 Households
	Population: 160,483 people	Districts: Namtha, Sing, Long, Viengphoukha and Nalae.
	Area: 9,352 Km ²	
	Density: 17 people/Km ²	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Luangnamtha province, in the upper northwest of Lao PDR, has 3 poorest districts³⁶, namely Long, Nalae and Viengphooka with a total of 7,918 households. VFs are relatively prevalent in this province. In 2009, there were 104 deposit-taking and 34 non-deposit-taking VFs. They provide small financial services to about 8,400 members/clients. Only half of them have availed of small loans for income-generating activities, with a total amount of outstanding loans of 5.11 billion kip. There are 3 promoters playing a key role in Luangnamtha province: GIZ, Lao Women Union and ACCU. Luangnamtha province is in dire need of further assistance, as there is no regulated MFI in the province.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	0	0	2,735,722,000	646,091,000	3,381,813,000
Loans	0	0	0	0	1,445,263,000	0	1,445,263,000
Grants	0	0	0	0	1,290,459,000	646,091,000	1,936,550,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of VFs	0	0	0	0	104	34	138
Percent	0%	0%	0%	0%	75%	25%	100%
members/clients	0	0	0	0	6,747	1,740	8,487
Percent	0%	0%	0%	0%	79%	21%	100%
Average no. of members per entity	0	0	0	0	65	51	62

³⁶ According to the National Growth and Poverty Eradication Strategy, 2004

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	0	0	0	3,031	1,740	4,771
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>64%</i>	<i>36%</i>	<i>100%</i>
Average no. of Borrower per entity	0	0	0	0	29	51	35
Total Amount of Loan Outstanding	0	0	0	0	2,349,673,000	2,764,700,000	5,114,373,000
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>46%</i>	<i>54%</i>	<i>100%</i>
Average loan outstanding per entity	0	0	0	0	22,593,000	81,315,000	37,061,000
Average loan size per borrower	0	0	0	0	1,449,000	1,612,000	1,509,000

Table 4: Loan Usage – Amount Loaned (Kip)

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	0	0	1,548,457,000	2,205,157,000	3,753,614,000
Trade and Services	0	0	0	0	1,167,884,000	538,040,000	1,705,924,000
Handicraft	0	0	0	0	0	0	0
Emergency	0	0	0	0	380,572,000	62,124,000	442,696,000
Other Purpose	0	0	0	0	1,295,623,000	0	1,295,623,000

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	0	0	0	0	6,747	N/A	N/A
Average no. of savers per entity	0	0	0	0	65	N/A	N/A
Total amount of savings	0	0	0	0	2,284,174,000	N/A	N/A
Average saving per entity	0	0	0	0	21,963,000	N/A	N/A
Average savings size per member	0	0	0	0	339,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	0	0	0	424,342,000	169,791,000	594,133,000
Other Income (e.g. fees, service charges)	0	0	0	0	0	0	0
<i>Operating Expenses</i>	0	0	0	0	0	0	0
<i>Expenses for Village Development</i>	0	0	0	0	9,643,000	9,229,000	18,872,000
<i>Expenses for Social Welfare</i>	0	0	0	0	9,569,000	885,000	10,454,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	18,096,000	40,831,000	58,927,000
Total Operating Expenses	0	0	0	0	37,308,000	50,945,000	88,253,000
Net Operating Income/Loss	0	0	0	0	387,034,000	118,846,000	505,880,000
Loan Loss Provision/Reserves	0	0	0	0	39,926,000	1,169,000	41,095,000
Extraordinary Income (e.g. grants)	0	0	0	0	0	0	0
Net profit for the period	0	0	0	0	347,108,000	117,677,000	464,785,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	0	0	0	2,370,563,000	45,621,000	2,416,184,000
Gross loan outstanding	0	0	0	0	2,349,673,000	2,764,700,000	5,114,373,000
Fixed and other assets	0	0	0	0	581,675,000	18,469,000	600,144,000
Total Asset	0	0	0	0	5,301,911,000	2,828,790,000	8,130,701,000
Saving deposits	0	0	0	0	2,284,174,000	0	2,284,174,000
Loan Recieved	0	0	0	0	1,445,623,000	0	1,445,623,000
Others (Unpaid dividend)	0	0	0	0	0	0	0
Total Liability	0	0	0	0	3,729,797,000	0	3,729,797,000
Shares	0	0	0	0	0	0	0
Reserve	0	0	0	0	9,643,000	0	9,643,000
Donation and grant	0	0	0	0	1,290,459,000	646,090,000	1,936,549,000
Retained earnings prior period, others*	0	0	0	0	268,859,000	2,142,460,000	2,411,319,000
Dividend Payment	0	0	0	0	-343,955,000	-77,437,000	-421,392,000
Profit/Loss of current year	0	0	0	0	347,108,000	117,677,000	464,785,000
Total Equity	0	0	0	0	1,572,114,000	2,828,790,000	4,400,904,000
Total Liability and Equity	0	0	0	0	5,301,911,000	2,828,790,000	8,130,701,000

Note: * Additional capital, dividend declared



3. Bokeo Province

	JANUARY- DECEMBER 2009	Number of Villages: 291 Villages
	Capital: Huoisai	Number of Household: 27,606 Households
	Population: 161,530 people	Districts: Huoisai, Tonpheung, Meung, Phaoudom and Paktha
	Area: 6,196 Km ²	
	Density: 26 people/ Km ²	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Bokeo province, in the northern region of Lao PDR, has 4 poor districts with 5,942 poor households as listed in the NGPES. Microfinance has been promoted since 2000 by GIZ through the Village Community Development Fund of Bokeo, in order to reduce poverty and to assist people in rural areas to access financial services for income-generating activities. As of 2009, there is one NDTMFI (NDTMFI Village Community Development Fund of Bokeo)³⁷. In addition there are 31 VFs. They comprise 10,673 members/clients and about 5,000 borrowers with total loans outstanding around 5 billion kip. NCA, VICO and GIZ are the key promoters.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	4,584,200,000	0	4,584,200,000	198,529,000	286,449,000	484,978,000
Loans	0	0	0	0	31,930,000	0	31,930,000
Grants	0	4,584,200,000	0	4,584,200,000	166,599,000	286,449,000	453,048,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Entity	0	1	0	1	0	0	0
No. of village coverage	0	138	0	138	0	0	0
No. of VFs	0	0	0	0	21	10	31
Percent	0%	100%	0%	100%	68%	32%	100%
members/clients	0	9,028	0	9,028	966	679	1,645
Percent	0%	100%	0%	100%	59%	41%	100%
Average no. of members per entities	0	9,028	0	9,028	46	68	53

³⁷ In 2009 the NDTMFI acted as network support organization for some 138 VFs. Due to flaws in data collection and processing these VF are not mentioned in the VF sections but under the information for the NDTMFI.

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	3,863	0	3,863	612	292	904
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>68%</i>	<i>32%</i>	<i>100%</i>
Average no. of Borrower per entity	0	3,863	0	3,863	29	29	29
Total Amount of Loan Outstanding	0	4,308,549,000	0	4,308,549,000	448,532,000	288,879,000	737,411,000
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>61%</i>	<i>39%</i>	<i>100%</i>
Average loan outstanding per entity	0	4,308,549,000	0	4,308,549,000	21,359,000	28,888,000	23,787,000
Average loan size per borrower	0	1,212,000	0	1,212,000	730,000	989,000	814,000

Table 4: Loan Usage – Amount Loaned (Kip)

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	4,401,241,000	0	4,401,241,000	267,939,000	279,279,000	547,218,000
Trade and Services	0	93,644,000	0	93,644,000	51,602,000	9,600,000	61,202,000
Handicraft	0	140,466,000	0	140,466,000	14,908,000	0	14,908,000
Emergency	0	46,863,000	0	46,863,000	58,458,000	0	58,458,000
Other Purpose	0	0	0	0	53,625,000	0	53,625,000

Table 5: Saving Information

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	0	9,028	0	9,028	966	N/A	N/A
Average no. of savers per entity	0	9,028	0	9,028	46	N/A	N/A
Total amount of savings	0	256,950,000	0	256,950,000	254,195,000	N/A	N/A
Average saving per entity	0	256,950,000	0	256,950,000	12,105,000	N/A	N/A
Average savings size per member	0	28,000	0	28,000	263,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	408,826,000	0	408,826,000	39,628,000	12,570,000	52,198,000
Other Income (e.g. fees, service charges)	0	137,891,000	0	137,891,000	1,108,000	0	1,108,000
<i>Operating Expenses</i>	0	511,535,000	0	511,535,000	0	0	0
<i>Expenses for Village Development</i>	0	0	0	0	867,000	0	867,000
<i>Expenses for Social Welfare</i>	0	0	0	0	0	0	0
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	0	0	0
Total Operating Expenses	0	511,535,000	0	511,535,000	867,000	0	867,000
Net Operating Income/Loss	0	35,182,000	0	35,182,000	39,869,000	12,570,000	52,439,000
Loan Loss Provision/Reserves	0	0	0	0	0	0	0
Extraordinary Income (e.g. grants)	0	36,159,000	0	36,159,000	0	0	0
Net profit for the period	0	71,341,000	0	71,341,000	39,869,000	12,570,000	52,439,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	373,158,000	0	373,158,000	40,662,000	9,763,000	50,425,000
Gross loan outstanding	0	4,308,549,000	0	4,308,549,000	448,532,000	288,879,000	737,411,000
Fixed and other assets	0	159,443,000	0	159,443,000	0	0	0
Total Asset	0	4,841,150,000	0	4,841,150,000	489,194,000	298,642,000	787,836,000
Saving deposits	0	256,950,000	0	256,950,000	254,195,000	0	254,195,000
Loan Recieved	0	0	0	0	31,930,000	0	31,930,000
Others (Unpaid dividend)	0	0	0	0	0	0	0
Total Liability	0	256,950,000	0	256,950,000	286,125,000	0	286,125,000
Shares	0	0	0	0	0	0	0
Reserve	0	0	0	0	0	0	0
Donation and grant	0	4,584,200,000	0	4,584,200,000	166,599,000	286,449,000	453,048,000
Retained earnings prior period, others*	0	-71,341,000	0	-71,341,000	12,218,000	2,410,000	14,628,000
Dividend Payment	0	0	0	0	-15,617,000	-2,787,000	-18,404,000
Profit/Loss of current year	0	71,341,000	0	71,341,000	39,869,000	12,570,000	52,439,000
Total Equity	0	4,584,200,000	0	4,584,200,000	203,069,000	298,642,000	501,711,000
Total Liability and Equity	0	4,841,150,000	0	4,841,150,000	489,194,000	298,642,000	787,836,000

Note: * Additional capital, dividend declared

4. Oudomxay Province

	JANUARY- DECEMBER 2009	Number of Villages: 427 Villages
	Capital: Xay	Number of Household: 46,275 Households
	Population: 292,869 people	Districts: Xay, La, Namor, Nga, Beng, Hoon and Parkbeng
	Area: 15,370 Km²	
	Density: 19 people/Km²	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Microfinance was initially introduced in Oudomxay in 1999 by Oudomxay Microfinance Office. It is now renamed to Oudomxay Development Non-Deposit-Taking Microfinance Institution. As of 2009 there is 1 NDTMFI and 245 village funds in Oudomxay province with a total of 15,534 members/clients, including over 8,000 borrowers and a loan portfolio of 6.6 billion kip. The main organizations that play a key role in this province are the district Lao Women Unions and Poverty Eradication and Rural Development Offices.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	0	0	8,993,239,000	416,740,000	9,409,979,000
Loans	0	0	0	0	0	0	0
Grants	0	0	0	0	8,993,239,000	416,740,000	9,409,979,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of institutions	0	1	0	1	0	0	0
No. of village coverage	0	30	0	30	0	0	0
No. of VFs	0	0	0	0	232	13	245
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>95%</i>	<i>5%</i>	<i>100%</i>
Members/clients	0	1,221	0	1,221	14,152	161	14,313
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>99%</i>	<i>1%</i>	<i>100%</i>
Average no. of members per entities	0	1,221	0	1,221	61	12	58

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	614	0	614	7,646	161	7,807
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>98%</i>	<i>2%</i>	<i>100%</i>
Average no. of Borrower per entity	0	614	0	614	33	12	32
Total Amount of Loan Outstanding	0	1,136,711,000	0	1,136,711,000	5,075,636,000	417,240,000	5,492,876,000
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>92%</i>	<i>8%</i>	<i>100%</i>
Average loan outstanding per entity	0	1,136,711,000	0	1,136,711,000	21,878,000	32,095,000	22,420,000
Average loan size per borrower	0	4,001,000	0	4,001,000	1,215,000	2,592,000	1,244,000

Table 4: Loan Usage – Amount Loaned (Kip)

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	0	0	8,223,829,000	405,500,000	8,629,329,000
Trade and Services	0	2,456,400,000	0	2,456,400,000	972,066,000	0	972,066,000
Handicraft	0	0	0	0	60,204,000	11,740,000	71,944,000
Emergency	0	0	0	0	35,335,000	0	35,335,000
Other Purpose	0	0	0	0	0	0	0

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	0	1,221	0	1,221	14,152	N/A	N/A
Average no. of savers per entity	0	1,221	0	1,221	61	N/A	N/A
Total amount of savings	0	438,690,000	0	438,690,000	2,206,847,000	N/A	N/A
Average saving per entity	0	438,690,000	0	438,690,000	9,512,000	N/A	N/A
Average savings size per member	0	359,000	0	359,000	156,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	653,891,000	0	653,891,000	1,586,644,000	55,747,000	1,642,391,000
Other Income (e.g. fees, service charges)	0	3,002,000	0	3,002,000	102,370,000	0	102,370,000
<i>Operating Expenses</i>	0	619,838,000	0	619,838,000	952,982,000	38,463,000	991,445,000
<i>Expenses for Village Development</i>	0	0	0	0	26,221,000	0	26,221,000
<i>Expenses for Social Welfare</i>	0	0	0	0	0	0	0
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	60,033,000	0	60,033,000
Total Operating Expenses	0	619,838,000	0	619,838,000	1,039,236,000	38,463,000	1,077,699,000
Net Operating Income/Loss	0	37,055,000	0	37,055,000	649,778,000	17,284,000	667,062,000
Loan Loss Provision/Reserves	0	0	0	0	118,371,000	0	118,371,000
Extraordinary Income (e.g. grants)	0	81,476,000	0	81,476,000	254,593,000	0	254,593,000
Net profit for the period	0	118,531,000	0	118,531,000	786,000,000	17,284,000	803,284,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	342,851,000	0	342,851,000	3,069,177,000	3,659,000	3,072,836,000
Gross loan outstanding	0	1,136,711,000	0	1,136,711,000	5,075,636,000	417,240,000	5,492,876,000
Fixed and other assets	0	194,346,000	0	194,346,000	4,052,479,000	13,624,000	4,066,103,000
Total Asset	0	1,673,908,000	0	1,673,908,000	12,197,292,000	434,523,000	12,631,815,000
Saving deposits	0	438,690,000	0	438,690,000	2,206,847,000	0	2,206,847,000
Loan Recieved	0	157,000,000	0	157,000,000	0	0	0
Others (Unpaid dividend)	0	2,196,000	0	2,196,000	170,862,000	0	170,862,000
Total Liability	0	597,886,000	0	597,886,000	2,377,709,000	0	2,377,709,000
Shares	0	955,161,000	0	955,161,000	0	0	0
Reserve	0	0	0	0	146,834,000	0	146,834,000
Donation and grant	0	115,319,000	0	115,319,000	8,993,239,000	417,240,000	9,410,479,000
Retained earnings prior period, others*	0	-112,989,000	0	-112,989,000	461,444,000	-1,000	461,443,000
Dividend Payment	0	0	0	0	-567,934,000	0	-567,934,000
Profit/Loss of current year	0	118,531,000	0	118,531,000	786,000,000	17,284,000	803,284,000
Total Equity	0	1,076,022,000	0	1,076,022,000	9,819,583,000	434,523,000	10,254,106,000
Total Liability and Equity	0	1,673,908,000	0	1,673,908,000	12,197,292,000	434,523,000	12,631,815,000

Note: * Additional capital, dividend declared

5. Luangprabang Province

	JANUARY- DECEMBER 2009 Capital: Luangprabang Population: 439,504 people Area: 16,875 Km ² Density: 26 people/Km ² Number of Villages: 794 Villages	Number of Household: 71,597 Households Districts: Luangprabang, Xieng ngeun, Nan, Park ou, Nambark, Ngoi, Park xeng, Phonxay, Chomhet, Viengkham, Phoukhoun and Phonthong.

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Microfinance has been actively promoted in Luangprabang since 2004, when the provincial government introduced VFs in 4 poor districts (Phonesay, Pakseng, Viengkham and Phookhoun). Later in the same year, the Luangprabang Savings and Credit Union³⁸ was established. Since then microfinance has been growing to comprise 1 DTMFI, 1 SCU and 240 village funds in 2009. There are a total of 16,242 members/clients. About 80% of the members have obtained small loans for their income-generating activities, with a portfolio of loans outstanding of 8.41 billion kip. The main promoters are the district Lao Women Unions, the Poverty Eradication and Rural Development offices, World Vision and ACCU.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	56,000,000	56,000,000	150,000,000	938,434,000	1,088,434,000
Loans	0	0	0	0	150,000,000	0	150,000,000
Grants	0	0	56,000,000	56,000,000	0	938,434,000	938,434,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Entity	1	0	1	2	0	0	0
No. of village coverage	138	0	80	218	0	0	0
No. of VFs	0	0	0	0	61	179	240
<i>Percent</i>	63%	0%	37%	100%	25%	75%	100%
members/clients	555	0	866	1,421	4,748	10,073	14,821
<i>Percent</i>	39%	0%	61%	100%	32%	68%	100%
Average no. of members per entities	555	0	866	711	78	56	62

³⁸ One of 3 pilot projects supported by ADB

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	555	0	335	890	2,305	10,073	12,378
<i>Percent</i>	62%	0%	38%	100%	19%	81%	100%
Average no. of Borrower per entity	555	0	335	445	38	56	52
Total Amount of Loan Outstanding	552,255,000	0	584,929,000	1,137,184,000	2,347,721,000	4,933,257,000	7,280,978,000
<i>Percent</i>	49%	0%	51%	100%	32%	68%	100%
Average loan outstanding per entity	552,255,000	0	584,929,000	568,592,000	38,487,000	27,560,000	30,337,000
Average loan size per borrower	5,475,000	0	3,908,000	4,885,000	1,019,000	490,000	588,000

Table 4: Loan Usage – Amount Loaned (Kip)

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	151,899,000	0	1,047,280,000	1,199,179,000	1,749,566,000	4,120,785,000	5,870,351,000
Trade and Services	987,349,000	0	98,564,000	1,085,913,000	287,854,000	431,880,000	719,734,000
Handicraft	303,800,000	0	0	303,800,000	0	0	0
Emergency	75,952,000	0	30,708,000	106,660,000	310,302,000	380,591,000	690,893,000
Other Purpose	1,519,400,000	0	132,548,000	1,651,948,000	0	0	0

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	50	0	515	565	4,097	N/A	N/A
Average no. of savers per entity	50	0	515	283	67	N/A	N/A
Total amount of savings	47,988,000	0	318,358,000	366,346,000	2,411,115,000	N/A	N/A
Average saving per entity	47,988,000	0	318,358,000	183,173,000	39,526,000	N/A	N/A
Average savings size per member	960,000	0	618,000	648,000	589,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	183,024,000	0	289,231,000	472,255,000	397,266,000	532,145,000	929,411,000
Other Income (e.g. fees, service charges)	0	0	0	0	0	0	0
<i>Operating Expenses</i>	377,202,000		262,384,000	639,586,000	88,302,000	60,606,000	148,908,000
<i>Expenses for Village Development</i>	0	0	0	0	13,309,000	9,091,000	22,400,000
<i>Expenses for Social Welfare</i>	0	0	0	0	6,652,000	0	6,652,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	16,631,000	63,637,000	80,268,000
Total Operating Expenses	377,202,000	0	262,384,000	639,586,000	124,894,000	133,334,000	258,228,000
Net Operating Income/Loss	-194,178,000	0	26,847,000	-167,331,000	272,372,000	398,811,000	671,183,000
Loan Loss Provision/Reserves	0	0	8,619,000	8,619,000	13,309,000	54,545,000	67,854,000
Extraordinary Income (e.g. grants)	0	0	0	0	0	0	0
Net profit for the period	-194,178,000	0	18,228,000	-175,950,000	259,063,000	344,266,000	603,329,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	48,825,000	0	0	48,825,000	148,368,000	0	148,368,000
Gross loan outstanding	552,255,000	0	584,929,000	1,137,184,000	2,347,721,000	4,933,257,000	7,280,978,000
Fixed and other assets	337,729,000	0	56,000,000	393,729,000	606,939,000	0	606,939,000
Total Asset	938,809,000	0	640,929,000	1,579,738,000	3,103,028,000	4,933,257,000	8,036,285,000
Saving deposits	47,988,000	0	318,358,000	366,346,000	2,411,115,000	0	2,411,115,000
Loan Recieved	0	0	0	0	150,000,000	0	150,000,000
Others (Unpaid dividend)	0	0	0	0	0	0	0
Total Liability	47,988,000	0	318,358,000	366,346,000	2,561,115,000	0	2,561,115,000
Shares	753,068,000	0	266,571,000	1,019,639,000	443,630,000	0	443,630,000
Reserve	0	0	0	0	13,309,000	45,455,000	58,764,000
Donation and grant	0	0	56,000,000	56,000,000	0	938,434,000	938,434,000
Retained earnings prior period, others*	331,931,000	0	9,537,000	341,468,000	-49,558,000	3,905,910,000	3,856,352,000
Dividend Payment	0	0	-27,765,000	-27,765,000	-124,531,000	-300,808,000	-425,339,000
Profit/Loss of current year	-194,178,000	0	18,228,000	-175,950,000	259,063,000	344,266,000	603,329,000
Total Equity	890,821,000	0	322,571,000	1,213,392,000	541,913,000	4,933,257,000	5,475,170,000
Total Liability and Equity	938,809,000	0	640,929,000	1,579,738,000	3,103,028,000	4,933,257,000	8,036,285,000

Note: * Additional capital, dividend declared

6. Houaphan Province

	JANUARY- DECEMBER 2009	Number of Villages: 727 Villages
	Capital: Xamnue	Number of Household: 45,453 Households
	Population: 310,303 people	Districts: Xamneua, Xiengkhor, Viengthong, Viengxay, Huameuang, Xamtay, Sopbao and Add.
	Area: 16,500 Km ²	
	Density: 19 people/Km ²	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

VFs have been actively promoted by the government of Houaphan province since 2003. As of 2009 there were 140 VFs and 1 NDTMFI with a total of 6,103 members/clients, including 3,951 borrowers with a total amount of loans outstanding of 3 billion Kip. The main promoter in the province is the Lao Women Union with UNODC and Lao Red Cross as partners.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	123,003,000	0	123,003,000	2,879,402,000	0	2,879,402,000
Loans	0	38,000,000	0	38,000,000	61,100,000	0	61,100,000
Grants	0	85,003,000	0	85,003,000	2,818,302,000	0	2,818,302,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Entity	0	1	0	1	0	0	0
No. of villages coverage	0	11	0	11	0	0	0
<i>Percent</i>	0	0	0	0	140	0	140
No. of VFs	0%	100%	0%	100%	100%	0%	100%
members/clients	0	124	0	124	5,979	0	5,979
<i>Percent</i>	0%	100%	0%	100%	100%	0%	100%
Average no. of members per entities	0	124	0	124	43	0	43

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	52	0	52	3,899	0	3,899
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>
Average no. of Borrower per entity	0	52	0	52	28	0	28
Total Amount of Loan Outstanding	0	140,244,000	0	140,244,000	2,887,138,000	0	2,887,138,000
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>
Average loan outstanding per entity	0	140,244,000	0	140,244,000	20,622,000	0	20,622,000
Average loan size per borrower	0	4,733,000	0	4,733,000	1,506,000	0	1,506,000

Table 4: Loan Usage – Amount Loaned (Kip)

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	8,538,000	0	8,538,000	3,762,133,000	0	3,762,133,000
Trade and Services	0	94,332,000	0	94,332,000	784,668,000	0	784,668,000
Handicraft	0	22,966,000	0	22,966,000	533,366,000	0	533,366,000
Emergency	0	14,407,000	0	14,407,000	221,784,000	0	221,784,000
Other Purpose	0	105,857,000	0	105,857,000	571,866,000	0	571,866,000

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	0	124	0	124	5,979	N/A	N/A
Average no. of savers per entity	0	124	0	124	43	N/A	N/A
Total amount of savings	0	66,531,000	0	66,531,000	1,490,522,000	N/A	N/A
Average saving per entity	0	66,531,000	0	66,531,000	10,647,000	N/A	N/A
Average savings size per member	0	537,000	0	537,000	249,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	16,733,000	0	16,733,000	350,591,000	0	350,591,000
Other Income (e.g. fees, service charges)	0	2,494,000	0	2,494,000	0	0	0
<i>Operating Expenses</i>	0	71,429,000	0	71,429,000	12,842,000	0	12,842,000
<i>Expenses for Village Development</i>	0	0	0	0	29,309,000	0	29,309,000
<i>Expenses for Social Welfare</i>	0	0	0	0	0	0	0
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	18,967,000	0	18,967,000
Total Operating Expenses	0	71,429,000	0	71,429,000	61,118,000	0	61,118,000
Net Operating Income/Loss	0	-52,202,000	0	-52,202,000	289,473,000	0	289,473,000
Loan Loss Provision/Reserves	0	0	0	0	0	0	0
Extraordinary Income (e.g. grants)	0	26,526,000	0	26,526,000	0	0	0
Net profit for the period	0	-25,676,000	0	-25,676,000	289,473,000	0	289,473,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	58,237,000	0	58,237,000	2,273,941,000	0	2,273,941,000
Gross loan outstanding	0	140,244,000	0	140,244,000	2,887,138,000	0	2,887,138,000
Fixed and other assets	0	67,201,000	0	67,201,000	0	0	0
Total Asset	0	265,682,000	0	265,682,000	5,161,079,000	0	5,161,079,000
Saving deposits	0	66,531,000	0	66,531,000	1,490,522,000	0	1,490,522,000
Loan Recieved	0	38,000,000	0	38,000,000	61,000,000	0	61,000,000
Others (Unpaid dividend)	0	127,313,000	0	127,313,000	0	0	0
Total Liability	0	231,844,000	0	231,844,000	1,551,522,000	0	1,551,522,000
Shares	0	0	0	0	0	0	0
Reserve	0	0	0	0	0	0	0
Donation and grant	0	58,477,000	0	58,477,000	2,828,302,000	0	2,828,302,000
Retained earnings prior period, others*	0	1,037,000	0	1,037,000	659,989,000	0	659,989,000
Dividend Payment	0	0	0	0	-168,207,000	0	-168,207,000
Profit/Loss of current year	0	-25,676,000	0	-25,676,000	289,473,000	0	289,473,000
Total Equity	0	33,838,000	0	33,838,000	3,609,557,000	0	3,609,557,000
Total Liability and Equity	0	265,682,000	0	265,682,000	5,161,079,000	0	5,161,079,000

Note: * Additional capital, dividend declared

7. Sayaboury Province

	JANUARY- DECEMBER 2009	Number of Household: 67,003 Households
	Capital: Sayaboury	Districts: Sayaboury, Khop, Hongsa, Ngeun, Xienghone, Phiang, Parklai, Kenethao, Botene, Thongmysay and Xaysathan.
	Population: 367,421 people	
	Area: 16,389 Km ²	
	Density: 22 people/Km ²	
	Number of Villages: 447 Villages	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Microfinance in Sayaboury dates back to 1997 when it was introduced by the microfinance office under the supervision of the Provincial Financial Department. As of 2009, there are 3 NDTMFIs, namely Sayaboury Microfinance Office, Khop Community Credit and Savings Association and Hongsa Community Credit and Savings Association, the latter two supported by GIZ³⁹. In addition, there are 281 deposit-taking and 22 non-deposit-taking village funds, most of them under the supervision of the Lao Women Unions and Poverty Eradication and Rural Development offices in partnership with ACCU and IFAD. In all there are 30,295 microfinance members/clients, about half of them active borrowers with a total amount of outstanding loan of 4.1 billion kip.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	798,466,000	0	798,466,000	3,875,495,000	90,000,000	3,965,495,000
Loans	0	0	0	0	165,900,000	0	165,900,000
Grants	0	798,466,000	0	798,466,000	3,709,595,000	90,000,000	3,799,595,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Entity	0	3	0	3	0	0	0
No. of village coverage	0	110	0	110	0	0	0
No. of VFs	0	0	0	0	281	22	303
<i>Percent</i>	0%	100%	0%	100%	93%	7%	100%
members/clients	0	7,364	0	7,364	22,735	196	22,931
<i>Percent</i>	0%	100%	0%	100%	99%	1%	100%
Average no. of members per entities	0	2,455	0	2,455	81	9	76

³⁹ In 2009 the two NDTMFIs acted as network support organizations for some 80 VFs. Due to flaws in data collection and processing these VF are not mentioned in the VF sections but under the information for the NDTMFIs.

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	3,536	0	3,536	14,396	196	14,592
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>99%</i>	<i>1%</i>	<i>100%</i>
Average no. of Borrower per entity	0	1,179	0	1,179	51	9	48
Total Amount of Loan Outstanding	0	3,008,495,000	0	3,008,495,000	1,824,407,000	929,664,000	2,754,071,000
<i>Percent</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>66%</i>	<i>34%</i>	<i>100%</i>
Average loan outstanding per entity	0	1,002,832,000	0	1,002,832,000	6,493,000	42,257,000	9,089,000
Average loan size per borrower	0	960,000	0	960,000	1,268,000	4,743,000	1,315,000

Table 4: Loan Usage – Amount Loaned (Kip)

	Regulated MFIs				VFs with		
	DTMFs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	1,210,497,000	0	1,210,497,000	13,947,147,000	929,664,000	14,876,811,000
Trade and Services	0	484,354,000	0	484,354,000	2,740,139,000	0	2,740,139,000
Handicraft	0	700,370,000	0	700,370,000	751,779,000	0	751,779,000
Emergency	0	22,899,000	0	22,899,000	509,043,000	0	509,043,000
Other Purpose	0	976,276,000	0	976,276,000	311,066,000	0	311,066,000

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Number of savers	0	7,364	0	7,364	22,735	N/A	N/A
Average no. of savers per entity	0	2,455	0	2,455	81	N/A	N/A
Total amount of savings	0	1,543,779,000	0	1,543,779,000	14,140,791,000	N/A	N/A
Average saving per entity	0	514,593,000	0	514,593,000	50,323,000	N/A	N/A
Average savings size per member	0	210,000	0	210,000	622,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	957,244,000	0	957,244,000	4,400,139,000	0	4,400,139,000
Other Income (e.g. fees, service charges)	0	141,251,000	0	141,251,000	41,932,000	0	41,932,000
<i>Operating Expenses</i>	0	992,106,000	0	992,106,000	205,616,000	0	205,616,000
<i>Expenses for Village Development</i>	0	11,321,000	0	11,321,000	238,770,000	0	238,770,000
<i>Expenses for Social Welfare</i>	0	5,561,000	0	5,561,000	595,492,000	0	595,492,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	52,760,000		52,760,000	268,784,000	0	268,784,000
Total Operating Expenses	0	1,061,748,000	0	1,061,748,000	1,308,662,000	0	1,308,662,000
Net Operating Income/Loss	0	36,747,000	0	36,747,000	3,133,409,000	0	3,133,409,000
Loan Loss Provision/Reserves	0	13,500,000	0	13,500,000	111,742,000	0	111,742,000
Extraordinary Income (e.g. grants)	0	762,492,000	0	762,492,000	30,000,000	0	30,000,000
Net profit for the period	0	785,739,000	0	785,739,000	3,051,667,000	0	3,051,667,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	1,191,465,000	0	1,191,465,000	16,134,070,000	0	16,134,070,000
Gross loan outstanding	0	3,008,495,000	0	3,008,495,000	1,824,407,000	929,664,000	2,754,071,000
Fixed and other assets	0	218,193,000	0	218,193,000	352,601,000	0	352,601,000
Total Asset	0	4,418,153,000	0	4,418,153,000	18,311,078,000	929,664,000	19,240,742,000
Saving deposits	0	1,543,779,000	0	1,543,779,000	14,140,791,000	0	14,140,791,000
Loan Recieved	0	0	0	0	301,165,000	0	301,165,000
Others (Unpaid dividend)	0	0	0	0	132,478,000	0	132,478,000
Total Liability	0	1,543,779,000	0	1,543,779,000	14,574,434,000	0	14,574,434,000
Shares	0	0	0	0	0	0	0
Reserve	0	1,558,901,000	0	1,558,901,000	49,975,000	0	49,975,000
Donation and grant	0	1,057,852,000	0	1,057,852,000	3,069,360,000	90,000,000	3,159,360,000
Retained earnings prior period, others*	0	101,859,000	0	101,859,000	547,020,000	839,664,000	1,386,684,000
Dividend Payment	0	-629,977,000	0	-629,977,000	-2,981,378,000	0	-2,981,378,000
Profit/Loss of current year	0	785,739,000	0	785,739,000	3,051,667,000	0	3,051,667,000
Total Equity	0	2,874,374,000	0	2,874,374,000	3,736,644,000	929,664,000	4,666,308,000
Total Liability and Equity	0	4,418,153,000	0	4,418,153,000	18,311,078,000	929,664,000	19,240,742,000

Note: * Additional capital, dividend declared

8. Vientiane Capital

	JANUARY- DECEMBER 2009	Number of Household: 130,470 Households
	Capital: Chanthabuly	Districts: Chanthabuly, Sikhottabong, Saysettha, Sisattanak, Nasiathong, Hadxaifong, Sangthong and Parkgeum.
	Population: 754,384 people	
	Area: 3,920 km ²	
	Density: 192 people/Km ²	
	Number of Villages: 491 Villages	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Vientiane Capital is biggest center of microfinance activities in the Lao PDR, due to the high population density as well as a high demand for financial services. There are 3 DTMFIs (Newton MFI, Ekphatthana MFI and Lao Post MFI), 4 SCUs (Credit and Small Production Fund, Development Credit and Saving Cooperative, Mittaphap Credit and Saving Cooperative and Naxaithong Rural Development Cooperative) and about 789 VFs. The main village fund promoter is the Lao Women Union. In 2009 there are about 160,000 members or clients, a third of which are active borrowers, with total outstanding loans of about 158 billion kip.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	1,185,832,000	0	5,669,328,000	6,855,160,000	842,885,000	250,000,000	1,092,885,000
Loans	783,832,000	0	5,543,300,000	6,327,132,000	0	250,000,000	250,000,000
Grants	402,000,000	0	126,028,000	528,028,000	842,885,000	0	842,885,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Entity	3	0	4	7	0	0	0
No. of villages coverage	371	0	452	823	0	0	0
No. of VFs	0	0	0	0	750	39	789
Percent	45%	0%	55%	100%	95%	5%	100%
members/clients	24,739	0	6,177	30,916	128,839	140	128,979
Percent	80%	0%	20%	100%	100%	0%	100%
Average no. of members per entities	8,246	0	1,544	4,417	172	4	163

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	5,812	0	2,477	8,289	47,123	140	47,263
<i>Percent</i>	<i>70%</i>	<i>0%</i>	<i>30%</i>	<i>100%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>
Average no. of Borrower per entity	1,937	0	619	1,184	63	4	60
Total Amount of Loan Outstanding	3,598,543,000	0	10,995,394,000	14,593,937,000	144,656,645,000	227,364,000	144,884,009,000
<i>Percent</i>	<i>25%</i>	<i>0%</i>	<i>75%</i>	<i>100%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>
Average loan outstanding per entity	1,199,514,000	0	2,748,849,000	2,084,848,000	192,876,000	5,830,000	183,630,000
Average loan size per borrower	8,480,000	0	6,587,000	7,914,000	3,152,000	2,093,000	3,149,000

Table 4: Loan Usage – Amount Loaned (Kip)

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Agricultures and Livestock	245,105,000	0	6,431,786,000	6,676,891,000	84,272,010,000	212,023,000	84,484,033,000
Trade and Services	10,154,589,000	0	9,885,246,000	20,039,835,000	40,222,326,000	48,320,000	40,270,646,000
Handicraft	141,849,000	0	0	141,849,000	15,826,829,000	32,724,000	15,859,553,000
Emergency	65,100,000	0	0	65,100,000	4,614,879,000	0	4,614,879,000
Other Purpose	38,677,293,400	0	0	38,677,293,400	3,605,955,000	0	3,605,955,000

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Number of savers	23,312	0	6,599	29,911	128,078	N/A	N/A
Average no. of savers per entity	7,771	0	1,650	4,273	171	N/A	N/A
Total amount of savings	45,390,198,000	0	4,557,208,000	49,947,406,000	156,390,165,000	N/A	N/A
Average saving per entity	15,130,066,000	0	1,139,302,000	7,135,344,000	208,520,000	N/A	N/A
Average savings size per member	1,947,000	0	691,000	1,670,000	1,221,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	5,488,792,000	0	2,527,667,000	8,016,459,000	33,523,264,000	26,844,000	33,550,108,000
Other Income (e.g. fees, service charges)	1,978,620,000	0	69,211,000	2,047,831,000	1,478,425,000	0	1,478,425,000
<i>Operating Expenses</i>	5,852,298,000	0	3,103,300,000	8,955,598,000	773,973,000	20,703,000	794,676,000
<i>Expenses for Village Development</i>	0	0	0	0	1,479,666,000	0	1,479,666,000
<i>Expenses for Social Welfare</i>	0	0	0	0	1,330,407,000	0	1,330,407,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	30,000,000	30,000,000	1,315,297,000	3,841,000	1,319,138,000
Total Operating Expenses	5,852,298,000	0	3,133,300,000	8,985,598,000	4,899,343,000	24,544,000	4,923,887,000
Net Operating Income/Loss	1,615,114,000	0	-536,422,000	1,078,692,000	30,102,346,000	2,300,000	30,104,646,000
Loan Loss Provision/Reserves	0	0	0	0	1,392,874,000	0	1,392,874,000
Extraordinary Income (e.g. grants)	80,996,000	0	86,028,000	167,024,000	28,000,000	0	28,000,000
Net profit for the period	1,696,110,000	0	-450,394,000	1,245,716,000	28,737,472,000	2,300,000	28,739,772,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	56,597,169,000	0	762,174,000	57,359,343,000	31,132,117,000	152,024,000	31,284,141,000
Gross loan outstanding	3,598,543,000	0	10,995,394,000	14,593,937,000	144,656,645,000	227,364,000	144,884,009,000
Fixed and other assets	2,627,259,000	0	4,820,183,000	7,447,442,000	3,332,786,000	16,766,000	3,349,552,000
Total Asset	62,822,971,000	0	16,577,751,000	79,400,722,000	179,121,548,000	396,154,000	179,517,702,000
Saving deposits	45,390,198,000	0	4,557,208,000	49,947,406,000	156,390,165,000	0	156,390,165,000
Loan Recieved	835,566,000	0	5,543,300,000	6,378,866,000	0	200,000,000	200,000,000
Others (Unpaid dividend)	1,326,486,000	0	183,601,000	1,510,087,000	243,921,000	53,625,000	297,546,000
Total Liability	47,552,250,000	0	10,284,109,000	57,836,359,000	156,634,086,000	253,625,000	156,887,711,000
Shares	2,080,000,000	0	3,852,900,000	5,932,900,000	828,430,000	0	828,430,000
Reserve	2,702,577,000	0	94,681,000	2,797,258,000	3,826,337,000	0	3,826,337,000
Donation and grant	0	0	126,028,000	126,028,000	842,885,000	0	842,885,000
Retained earnings prior period, others*	8,792,034,000	0	2,891,427,000	11,683,461,000	16,299,046,000	140,729,000	16,439,775,000
Dividend Payment	0	0	-221,000,000	-221,000,000	-28,046,708,000	-500,000	-28,047,208,000
Profit/Loss of current year	1,696,110,000	0	-450,394,000	1,245,716,000	28,737,472,000	2,300,000	28,739,772,000
Total Equity	15,270,721,000	0	6,293,642,000	21,564,363,000	22,487,462,000	142,529,000	22,629,991,000
Total Liability and Equity	62,822,971,000	0	16,577,751,000	79,400,722,000	179,121,548,000	396,154,000	179,517,702,000

Note: * Additional capital, dividend declared

9. Xiengkhuang Province

	JANUARY- DECEMBER 2009	Number of Household: 40,439 Households
	Capital: Pek	Districts: Pek, Kham, Nonghed, Khoune, Morkmai, Phookood, Phaxay and Thathom.
	Population: 236,697 people	
	Area: 16,358 Km ²	
	Density: 16 people/Km ²	
	Number of Villages: 509 Villages	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

There are only VFs and no regulated MFIs in Xiengkhuang province. Promotion of VFs in the province was initiated by the Government in 2002. As of 2009, there are 157 village funds with a total of 6,211 members/clients, or 70 members per village fund on average. There are 4,412 borrowers with 4.4 billion kip of outstanding loans. Key promoters are the Lao Women Union, Poverty Eradication and Rural Development Offices, agriculture and forestry offices of Pek District and Xiengkhuang Provincial Consolidation Front Organization. In addition, VFs are promoted by the Lao Red Cross and IFAD.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	0	0	3,925,076,000	571,000,000	4,496,076,000
Loans	0	0	0	0	0	0	0
Grants	0	0	0	0	3,925,076,000	571,000,000	4,496,076,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Entity	0	0	0	0	0	0	0
No. of villages coverage	0	0	0	0	0	0	0
No. of VFs	0	0	0	0	96	61	157
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>61%</i>	<i>39%</i>	<i>100%</i>
members/clients	0	0	0	0	5,406	805	6,211
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>87%</i>	<i>13%</i>	<i>100%</i>
Average no. of members per entities	0	0	0	0	56	13	40

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	0	0	0	3,607	805	4,412
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>82%</i>	<i>18%</i>	<i>100%</i>
Average no. of Borrower per entity	0	0	0	0	38	13	28
Total Amount of Loan Outstanding	0	0	0	0	4,129,221,000	251,000,000	4,380,221,000
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>94%</i>	<i>6%</i>	<i>100%</i>
Average loan outstanding per entity	0	0	0	0	43,013,000	4,115,000	27,899,000
Average loan size per borrower	0	0	0	0	1,701,000	829,000	1,542,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	0	0	3,667,551,000	583,800,000	4,251,351,000
Trade and Services	0	0	0	0	1,683,783,000	0	1,683,783,000
Handicraft	0	0	0	0	405,690,000	83,200,000	488,890,000
Emergency	0	0	0	0	139,759,000	0	139,759,000
Other Purpose	0	0	0	0	238,102,000	0	238,102,000

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Number of savers	0	0	0	0	5,406	N/A	N/A
Average no. of savers per entity	0	0	0	0	56	N/A	N/A
Total amount of savings	0	0	0	0	3,040,646,000	N/A	N/A
Average saving per entity	0	0	0	0	31,673,000	N/A	N/A
Average savings size per member	0	0	0	0	562,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	0	0	0	773,039,000	41,000,000	814,039,000
Other Income (e.g. fees, service charges)	0	0	0	0	0	0	0
<i>Operating Expenses</i>	0	0	0	0	0	0	0
<i>Expenses for Village Development</i>	0	0	0	0	29,829,000	4,100,000	33,929,000
<i>Expenses for Social Welfare</i>	0	0	0	0	8,753,000	0	8,753,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	33,452,000	0	33,452,000
Total Operating Expenses	0	0	0	0	72,034,000	4,100,000	76,134,000
Net Operating Income/Loss	0	0	0	0	701,005,000	36,900,000	737,905,000
Loan Loss Provision/Reserves	0	0	0	0	8,109,000	2,750,000	10,859,000
Extraordinary Income (e.g. grants)	0	0	0	0	0	0	0
Net profit for the period	0	0	0	0	692,896,000	34,150,000	727,046,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	0	0	0	3,369,529,000	416,800,000	3,786,329,000
Gross loan outstanding	0	0	0	0	4,129,221,000	251,000,000	4,380,221,000
Fixed and other assets	0	0	0	0	251,735,000	193,000,000	444,735,000
Total Asset	0	0	0	0	7,750,485,000	860,800,000	8,611,285,000
Saving deposits	0	0	0	0	3,040,646,000	0	3,040,646,000
Loan Recieved	0	0	0	0	0	0	0
Others (Unpaid dividend)	0	0	0	0	0	0	0
Total Liability	0	0	0	0	3,040,646,000	0	3,040,646,000
Shares	0	0	0	0	0	0	0
Reserve	0	0	0	0	19,688,000	4,800,000	24,488,000
Donation and grant	0	0	0	0	3,925,076,000	760,000,000	4,685,076,000
Retained earnings prior period, others*	0	0	0	0	697,964,000	68,000,000	765,964,000
Dividend Payment	0	0	0	0	-625,785,000	-6,150,000	-631,935,000
Profit/Loss of current year	0	0	0	0	692,896,000	34,150,000	727,046,000
Total Equity	0	0	0	0	4,709,839,000	860,800,000	5,570,639,000
Total Liability and Equity	0	0	0	0	7,750,485,000	860,800,000	8,611,285,000

Note: * Additional capital, dividend declared

10. Vientiane Province

	JANUARY- DECEMBER 2009 Capital: Phonhong Population: 467,452 people Area: 22.554 Km ² Density: 21 people/Km ² Number of Villages: 518 Villages	Number of Household: 84,091 Households Districts: Phonhong, Thoulakhom, Keo oudom, Kasy, Vangvieng, Feuang, Xanakharm, Mad, Viengkham, Hinherb, Hom, Xaysomboon and Meun.
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Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Vientiane province is one of largest provinces in Lao PDR, including 149 poor villages and 7,149 households.⁴⁰ The provincial government recognizes that microfinance is an important tool for poverty reduction and has actively supported the growth of microfinance. As of 2009, there are 2 SCUs and 1 NDTMFI (Vientiane Credit and Saving Union, Thoulakhom Credit and Saving Union and NDTMFI Hom District). In addition, there are 247 village funds. Together these institutions have 28,806 members, including 19,082 borrowers with total loans outstanding of 7.4 billion Kip. Total assets amount to almost 31 billion kip. The main promoter is the Lao Women Union in partnership with FIAM and UNESCAP.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	80,000,000	208,474,000	288,474,000	2,821,686,000	126,000,000	2,947,686,000
Loans	0	0	0	0	0	0	0
Grants	0	80,000,000	208,474,000	288,474,000	2,821,686,000	126,000,000	2,947,686,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Entity	0	1	2	3	0	0	0
No. of village coverage	0	7	27	34	0	0	0
No. of VFs	0	0	0	0	215	32	247
Percent	0%	21%	79%	100%	87%	13%	100%
members/clients	0	321	1,087	1,408	27,124	274	27,398
Percent	0%	23%	77%	100%	99%	1%	100%
Average no. of members per entities	0	321	544	469	126	9	111

⁴⁰ Report on the Implementation of the poverty eradication plan for 2006-2007 and focus work plan for 2007-2008 of Vientiane Province (Vientiane Planning and Investment Department, 2007)

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	241	162	403	18,405	274	18,679
<i>Percent</i>	<i>0%</i>	<i>60%</i>	<i>40%</i>	<i>100%</i>	<i>99%</i>	<i>1%</i>	<i>100%</i>
Average no. of Borrower per entity	0	241	81	134	86	9	76
Total Amount of Loan Outstanding	0	268,134,000	475,725,000	743,859,000	6,558,322,000	73,000,000	6,631,322,000
<i>Percent</i>	<i>0%</i>	<i>36%</i>	<i>64%</i>	<i>100%</i>	<i>99%</i>	<i>1%</i>	<i>100%</i>
Average loan outstanding per entity	0	268,134,000	237,863,000	247,953,000	30,504,000	2,281,000	26,847,000
Average loan size per borrower	0	1,311,000	3,208,000	2,074,000	1,425,000	556,000	1,412,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	187,694,000	185,509,000	373,203,000	18,817,876,000	130,400,000	18,948,276,000
Trade and Services	0	80,440,000	302,554,000	382,994,000	4,955,423,000	9,960,000	4,965,383,000
Handicraft	0	47,872,000	31,658,000	79,530,000	2,101,853,000	12,000,000	2,113,853,000
Emergency	0	0	0	0	341,621,000	0	341,621,000
Other Purpose	0	0	0	0	1,520,000	0	1,520,000

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Number of savers	0	107	573	680	27,031	N/A	N/A
Average no. of savers per entity	0	107	287	227	126	N/A	N/A
Total amount of savings	0	41,829,000	428,459,000	470,288,000	21,429,814,000	N/A	N/A
Average saving per entity	0	41,829,000	214,230,000	156,763,000	99,674,000	N/A	N/A
Average savings size per member	0	391,000	748,000	692,000	793,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	7,728,000	202,075,000	209,803,000	5,165,606,000	12,436,000	5,178,042,000
Other Income (e.g. fees, service charges)	0	0	51,768,000	51,768,000	42,529,000	0	42,529,000
<i>Operating Expenses</i>	0	161,147,000	322,891,000	484,038,000	302,208,000	7,000,000	309,208,000
<i>Expenses for Village Development</i>	0	0	0	0	309,341,000	3,891,000	313,232,000
<i>Expenses for Social Welfare</i>	0	0	0	0	263,484,000	0	263,484,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	258,414,000	2,130,000	260,544,000
Total Operating Expenses	0	161,147,000	322,891,000	484,038,000	1,133,447,000	13,021,000	1,146,468,000
Net Operating Income/Loss	0	-153,419,000	-69,048,000	-222,467,000	4,074,688,000	-585,000	4,074,103,000
Loan Loss Provision/Reserves	0	0	9,976,000	9,976,000	302,144,000	0	302,144,000
Extraordinary Income (e.g. grants)	0	8,000,000	33,600,000	41,600,000	82,750,000	7,000,000	89,750,000
Net profit for the period	0	-145,419,000	-45,424,000	-190,843,000	3,855,294,000	6,415,000	3,861,709,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	171,065,000	369,834,000	540,899,000	6,256,708,000	89,741,000	6,346,449,000
Gross loan outstanding	0	268,134,000	475,725,000	743,859,000	6,558,322,000	73,000,000	6,631,322,000
Fixed and other assets	0	0	419,045,000	419,045,000	16,099,471,000	2,030,000	16,101,501,000
Total Asset	0	439,199,000	1,264,604,000	1,703,803,000	28,914,501,000	164,771,000	29,079,272,000
Saving deposits	0	41,829,000	428,459,000	470,288,000	21,429,814,000	0	21,429,814,000
Loan Recieved	0	0	0	0	31,532,000	0	31,532,000
Others (Unpaid dividend)	0	0	120,882,000	120,882,000	379,363,000	0	379,363,000
Total Liability	0	41,829,000	549,341,000	591,170,000	21,840,709,000	0	21,840,709,000
Shares	0	290,000,000	438,532,000	728,532,000	0	0	0
Reserve	0	0	9,976,000	9,976,000	173,269,000	0	173,269,000
Donation and grant	0	80,000,000	210,721,000	290,721,000	3,786,474,000	147,000,000	3,933,474,000
Retained earnings prior period, others*	0	172,789,000	101,458,000	274,247,000	2,927,272,000	15,358,000	2,942,630,000
Dividend Payment	0	0	0	0	-3,668,517,000	-4,002,000	-3,672,519,000
Profit/Loss of current year	0	-145,419,000	-45,424,000	-190,843,000	3,855,294,000	6,415,000	3,861,709,000
Total Equity	0	397,370,000	715,263,000	1,112,633,000	7,073,792,000	164,771,000	7,238,563,000
Total Liability and Equity	0	439,199,000	1,264,604,000	1,703,803,000	28,914,501,000	164,771,000	29,079,272,000

Note: * Additional capital, dividend declared

11. Borikhamxay Province

	JANUARY- DECEMBER 2009	Number of Household: 42,988 Households
	Capital: Pakxan	Districts: Parkxane, Thaphabath, Parkkading, Bolikhanh, Khamkeuth, Viengthong and Xaychamphone.
	Population: 256,371 people	
	Area: 14,863 Km ²	
	Density: 17 people/Km ²	
	Number of Villages: 326 Villages	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Due to the promoting role of party and government, microfinance has made considerable progress in Borikhamxay province. In 2006 the VF sub sector had about 8,704 members with access to microfinance services. In 2009 their number has increased to about 14,200 members. Microfinance services are provided by 1 SCU (Goods Production Group Fund of Parkthone) and 149 village funds. There are 7,780 active borrowers with a total amount of loans outstanding of around 8 billion kip. Key promoters are the Lao Women's Union, the poverty reduction fund and the poverty eradication and rural development offices.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	40,000,000	40,000,000	4,772,997,000	5,823,602,000	10,596,599,000
Loans	0	0	40,000,000	40,000,000	0	0	0
Grants	0	0	0	0	4,772,997,000	5,823,602,000	10,596,599,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Entity	0	0	1	1	0	0	0
No. of village coverage	0	0	12	12	0	0	0
No. of VFs	0	0	0	0	81	68	149
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>54%</i>	<i>46%</i>	<i>100%</i>
members/clients	0	0	721	721	10,189	3,290	13,479
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>76%</i>	<i>24%</i>	<i>100%</i>
Average no. of members per entities	0	0	721	721	126	48	90

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	0	269	269	4,273	3,238	7,511
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>57%</i>	<i>43%</i>	<i>100%</i>
Average no. of Borrower per entity	0	0	269	269	53	48	50
Total Amount of Loan Outstanding	0	0	526,299,000	526,299,000	1,369,611,000	6,186,222,000	7,555,833,000
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>18%</i>	<i>82%</i>	<i>100%</i>
Average loan outstanding per entity	0	0	526,299,000	526,299,000	16,909,000	90,974,000	50,710,000
Average loan size per borrower	0	0	1,957,000	1,957,000	1,389,000	2,038,000	1,668,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	421,039,000	421,039,000	4,263,780,000	5,502,206,000	9,765,986,000
Trade and Services	0	0	78,945,000	78,945,000	1,240,860,000	726,800,000	1,967,660,000
Handicraft	0	0	0	0	0	0	0
Emergency	0	0	26,315,000	26,315,000	428,496,000	368,590,000	797,086,000
Other Purpose	0	0	0	0	0	0	0

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Number of savers	0	0	113	113	10,189	N/A	N/A
Average no. of savers per entity	0	0	113	113	126	N/A	N/A
Total amount of savings	0	0	556,475,000	556,475,000	3,012,315,000	N/A	N/A
Average saving per entity	0	0	556,475,000	556,475,000	37,189,000	N/A	N/A
Average savings size per member	0	0	4,925,000	4,925,000	296,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	0	87,749,000	87,749,000	1,569,630,000	396,085,000	1,965,715,000
Other Income (e.g. fees, service charges)	0	0	0	0	0	2,175,000	2,175,000
<i>Operating Expenses</i>	0	0	47,595,000	47,595,000	24,572,000	0	24,572,000
<i>Expenses for Village Development</i>	0	0	0	0	24,481,000	8,829,000	33,310,000
<i>Expenses for Social Welfare</i>	0	0	0	0	177,594,000	27,494,000	205,088,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	18,291,000	18,291,000	243,749,000	109,992,000	353,741,000
Total Operating Expenses	0	0	65,886,000	65,886,000	470,396,000	146,315,000	616,711,000
Net Operating Income/Loss	0	0	21,863,000	21,863,000	1,099,234,000	251,945,000	1,351,179,000
Loan Loss Provision/Reserves	0	0	0	0	29,377,000	117,297,000	146,674,000
Extraordinary Income (e.g. grants)	0	0	3,526,000	3,526,000	0	0	0
Net profit for the period	0	0	25,389,000	25,389,000	1,069,857,000	134,648,000	1,204,505,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	0	243,676,000	243,676,000	6,569,999,000	512,741,000	7,082,740,000
Gross loan outstanding	0	0	526,299,000	526,299,000	1,369,611,000	6,186,222,000	7,555,833,000
Fixed and other assets	0	0	0	0	310,580,000	0	310,580,000
Total Asset	0	0	769,975,000	769,975,000	8,250,190,000	6,698,963,000	14,949,153,000
Saving deposits	0	0	556,475,000	556,475,000	3,012,315,000	0	3,012,315,000
Loan Recieved	0	0	40,000,000	40,000,000	0	0	0
Others (Unpaid dividend)	0	0	0	0	0	0	0
Total Liability	0	0	596,475,000	596,475,000	3,012,315,000	0	3,012,315,000
Shares	0	0	156,500,000	156,500,000	0	0	0
Reserve	0	0	0	0	29,377,000	117,297,000	146,674,000
Donation and grant	0	0	0	0	4,772,997,000	5,823,602,000	10,596,599,000
Retained earnings prior period, others*	0	0	17,000,000	17,000,000	306,678,000	672,798,000	979,476,000
Dividend Payment	0	0	-25,389,000	-25,389,000	-941,034,000	-49,382,000	-990,416,000
Profit/Loss of current year	0	0	25,389,000	25,389,000	1,069,857,000	134,648,000	1,204,505,000
Total Equity	0	0	173,500,000	173,500,000	5,237,875,000	6,698,963,000	11,936,838,000
Total Liability and Equity	0	0	769,975,000	769,975,000	8,250,190,000	6,698,963,000	14,949,153,000

Note: * Additional capital, dividend declared

12. Khammuane Province

	JANUARY- DECEMBER 2009 Capital: Thakhek Population: 367,904 people Area: 16,315 Km ² Density: 23 people/Km ² Number of Villages: 590 Villages	Number of Household: 66,776 Households Districts: Thakhek, Mahasay, Nongbok, Hinboon, Nhommalath, Bualapha, Nakai, Xebangfay and Xaybuathong.
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Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

The government of Khammouane province is actively involved in the development of microfinance. There are 1 SCU (Thakhek Credit and Saving Cooperative) and 340 village funds. In 2009 there were 15,603 borrowers with a loan portfolio of 20.85 billion kip. Promoters include Lao Front, Labor and Social Welfare, Construction and Rural Development Offices and Lao Women Union.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	122,352,000	122,352,000	6,463,377,000	6,171,034,000	12,634,411,000
Loans	0	0	0	0	0	17,923,000	17,923,000
Grants	0	0	122,352,000	122,352,000	6,463,377,000	6,153,111,000	12,616,488,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Entity	0	0	1	1	0	0	0
No. of village coverage	0	0	33	33	0	0	0
No. of VFs	0	0	0	0	293	47	340
Percent	0%	0%	100%	100%	86%	14%	100%
members/clients	0	0	537	537	25,902	2,752	28,654
Percent	0%	0%	100%	100%	90%	10%	100%
Average no. of members per entities	0	0	537	537	88	59	84

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	0	128	128	12,723	2,752	15,475
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>82%</i>	<i>18%</i>	<i>100%</i>
Average no. of Borrower per entity	0	0	128	128	43	59	46
Total Amount of Loan Outstanding	0	0	405,220,000	405,220,000	16,819,122,000	3,719,160,000	20,538,282,000
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>82%</i>	<i>18%</i>	<i>100%</i>
Average loan outstanding per entity	0	0	405,220,000	405,220,000	57,403,000	79,131,000	60,407,000
Average loan size per borrower	0	0	3,850,000	3,850,000	1,515,000	1,406,000	1,496,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	147,840,000	147,840,000	8,409,188,000	3,168,550,000	11,577,738,000
Trade and Services	0	0	344,960,000	344,960,000	9,268,043,000	584,509,000	9,852,552,000
Handicraft	0	0	0	0	671,263,000	0	671,263,000
Emergency	0	0	0	0	929,179,000	116,902,000	1,046,081,000
Other Purpose	0	0	0	0	0	0	0

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Number of savers	0	0	262	262	22,868	N/A	N/A
Average no. of savers per entity	0	0	262	262	78	N/A	N/A
Total amount of savings	0	0	503,000,000	503,000,000	15,600,887,000	N/A	N/A
Average saving per entity	0	0	503,000,000	503,000,000	53,245,000	N/A	N/A
Average savings size per member	0	0	1,920,000	1,920,000	682,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	0	148,824,000	148,824,000	4,425,007,000	269,320,000	4,694,327,000
Other Income (e.g. fees, service charges)	0	0	102,282,000	102,282,000	0	34,558,000	34,558,000
<i>Operating Expenses</i>	0	0	190,338,000	190,338,000	87,910,000	5,386,000	93,296,000
<i>Expenses for Village Development</i>	0	0	0	0	109,891,000	71,966,000	181,857,000
<i>Expenses for Social Welfare</i>	0	0	0	0	139,076,000	64,665,000	203,741,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	289,346,000	68,783,000	358,129,000
Total Operating Expenses	0	0	190,338,000	190,338,000	626,223,000	210,800,000	837,023,000
Net Operating Income/Loss	0	0	60,768,000	60,768,000	3,798,784,000	93,078,000	3,891,862,000
Loan Loss Provision/Reserves	0	0	0	0	96,163,000	0	96,163,000
Extraordinary Income (e.g. grants)	0	0	879,000	879,000	0	0	0
Net profit for the period	0	0	61,647,000	61,647,000	3,702,621,000	93,078,000	3,795,699,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	0	166,007,000	166,007,000	3,653,292,000	2,755,039,000	6,408,331,000
Gross loan outstanding	0	0	405,220,000	405,220,000	16,819,122,000	3,719,160,000	20,538,282,000
Fixed and other assets	0	0	247,252,000	247,252,000	4,571,066,000	76,000,000	4,647,066,000
Total Asset	0	0	818,479,000	818,479,000	25,043,480,000	6,550,199,000	31,593,679,000
Saving deposits	0	0	503,000,000	503,000,000	15,600,887,000	0	15,600,887,000
Loan Recieved	0	0	0	0	0	17,923,000	17,923,000
Others (Unpaid dividend)	0	0	0	0	0	0	0
Total Liability	0	0	503,000,000	503,000,000	15,600,887,000	17,923,000	15,618,810,000
Shares	0	0	124,900,000	124,900,000	0	0	0
Reserve	0	0	68,227,000	68,227,000	2,534,630,000	0	2,534,630,000
Donation and grant	0	0	122,352,000	122,352,000	6,463,377,000	6,153,111,000	12,616,488,000
Retained earnings prior period, others*	0	0	0	0	333,428,000	364,085,000	697,513,000
Dividend Payment	0	0	-61,647,000	-61,647,000	-3,591,463,000	-77,998,000	-3,669,461,000
Profit/Loss of current year	0	0	61,647,000	61,647,000	3,702,621,000	93,078,000	3,795,699,000
Total Equity	0	0	315,479,000	315,479,000	9,442,593,000	6,532,276,000	15,974,869,000
Total Liability and Equity	0	0	818,479,000	818,479,000	25,043,480,000	6,550,199,000	31,593,679,000

Note: * Additional capital, dividend declared

13. Savannakhet Province

	JANUARY- DECEMBER 2009 Capital: Kaysone Phomvihane Population: 890,582 people Area: 21,774 Km ² Density: 41 people/Km ² Number of Villages: 1,006 Villages Number of Households: 142,332 Households	Districts: Kaysone Phomvihane, Outhoomphone, Atsaphang thong, Phine, Sepon, Nong Thapangthong, Songkhone, Champhone, Xonbuly, Xaybuly, Vilabuly, Atsphone, Xayphoothong and Phalanxay.
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Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Savannakhet is the biggest province in Lao PDR and has a long-standing experience with village funds. As of 2009, there are 3 SCUs and one DTMFIs (Seno Saving and Credit Union, Houmjaipattana Credit and Saving Cooperative, Parksong Credit and Saving Cooperative and Sayaisamphanh MFI). In addition, there are 169 village funds, with 18,514 members/clients including 13,012 borrowers with loans outstanding amounting to 23.7 billion kip. Total assets are 33 billion kip. The Department of Planning and Investment of Savannakhet, which has played a key role supporting the establishing the village funds, has transferred this role to the Poverty Eradication and Rural Development Department. Village funds are also promoted by the Labor and Socio-Welfare Offices at the provincial and district level.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Total amount of financial supports	331,255,000	0	327,079,000	658,334,000	7,224,219,000	129,500,000	7,353,719,000
Loans	0	0	0	0	404,356,000	0	404,356,000
Grants	331,255,000	0	327,079,000	658,334,000	6,819,863,000	129,500,000	6,949,363,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Entity	1	0	3	4	0	0	0
No. of village coverage	50	0	48	98	0	0	0
No. of VFs	0	0	0	0	168	1	169
Percent	51%	0%	49%	100%	99%	1%	100%
members/clients	2,960	0	4,082	7,042	11,441	31	11,472
Percent	42%	0%	58%	100%	100%	0%	100%
Average no. of members per entities	2,960	0	1,361	1,761	68	31	68

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	4,661	0	2,129	6,790	6,191	31	6,222
<i>Percent</i>	<i>69%</i>	<i>0%</i>	<i>31%</i>	<i>100%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>
Average no. of Borrower per entity	4,661	0	710	1,698	37	31	37
Total Amount of Loan Outstanding	6,735,486,000	0	3,949,322,000	10,684,808,000	12,904,395,000	124,000,000	13,028,395,000
<i>Percent</i>	<i>63%</i>	<i>0%</i>	<i>37%</i>	<i>100%</i>	<i>99%</i>	<i>1%</i>	<i>100%</i>
Average loan outstanding per entity	6,735,486,000	0	1,316,441,000	2,671,202,000	76,812,000	124,000,000	77,091,000
Average loan size per borrower	3,570,000	0	3,066,000	3,412,000	2,683,000	4,000,000	2,690,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	5,974,225,000	0	1,699,536,000	7,673,761,000	12,172,091,000	78,500,000	12,250,591,000
Trade and Services	2,411,307,000	0	3,335,583,000	5,746,890,000	3,627,686,000	45,500,000	3,673,186,000
Handicraft	7,429,127,000	0	126,902,000	7,556,029,000	101,629,000	0	101,629,000
Emergency	0	0	1,366,424,000	1,366,424,000	710,275,000	0	710,275,000
Other Purpose	822,948,000	0	0	822,948,000	0	0	0

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	2,999	0	2,381	5,380	10,233	N/A	N/A
Average no. of savers per entity	2,999	0	794	1,345	61	N/A	N/A
Total amount of savings	6,956,109,000	0	2,047,070,000	9,003,179,000	8,955,697,000	N/A	N/A
Average saving per entity	6,956,109,000	0	682,357,000	2,250,795,000	53,308,000	N/A	N/A
Average savings size per member	2,319,000	0	860,000	1,673,000	875,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	6,217,032,000	0	1,451,119,000	7,668,151,000	2,143,123,000	9,971,000	2,153,094,000
Other Income (e.g. fees, service charges)	76,085,000	0	185,939,000	262,024,000	40,581,000	0	40,581,000
<i>Operating Expenses</i>	5,831,570,000	0	886,445,000	6,718,015,000	111,650,000	0	111,650,000
<i>Expenses for Village Development</i>	0	0	8,122,000	8,122,000	62,751,000	498,000	63,249,000
<i>Expenses for Social Welfare</i>	0	0	8,122,000	8,122,000	34,505,000	0	34,505,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	178,233,000	178,233,000	301,639,000	5,984,000	307,623,000
Total Operating Expenses	5,831,570,000	0	1,080,922,000	6,912,492,000	510,545,000	6,482,000	517,027,000
Net Operating Income/Loss	461,547,000	0	556,136,000	1,017,683,000	1,673,159,000	3,489,000	1,676,648,000
Loan Loss Provision/Reserves	356,489,000	0	139,087,000	495,576,000	105,385,000	0	105,385,000
Extraordinary Income (e.g. grants)	35,310,000	0	0	35,310,000	0	0	0
Net profit for the period	140,368,000	0	417,049,000	557,417,000	1,567,774,000	3,489,000	1,571,263,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	2,083,321,000	0	420,374,000	2,503,695,000	4,203,759,000	0	4,203,759,000
Gross loan outstanding	6,735,486,000	0	3,949,322,000	10,684,808,000	12,904,395,000	124,000,000	13,028,395,000
Fixed and other assets	934,655,000	0	1,275,850,000	2,210,505,000	1,200,552,000	11,484,000	1,212,036,000
Total Asset	9,753,462,000	0	5,645,546,000	15,399,008,000	18,308,706,000	135,484,000	18,444,190,000
Saving deposits	6,956,109,000	0	2,047,070,000	9,003,179,000	8,955,697,000	0	8,955,697,000
Loan Recieved	1,110,120,000	0	0	1,110,120,000	404,356,000	0	404,356,000
Others (Unpaid dividend)	215,610,000	0	197,892,000	413,502,000	121,191,000	0	121,191,000
Total Liability	8,281,839,000	0	2,244,962,000	10,526,801,000	9,481,244,000	0	9,481,244,000
Shares	1,000,000,000	0	1,945,100,000	2,945,100,000	0	0	0
Reserve	0	0	59,621,000	59,621,000	221,261,000	5,984,000	227,245,000
Donation and grant	331,255,000	0	327,983,000	659,238,000	7,269,862,000	129,500,000	7,399,362,000
Retained earnings prior period, others*	0	0	982,847,000	982,847,000	1,091,525,000	0	1,091,525,000
Dividend Payment	0	0	-332,016,000	-332,016,000	-1,322,960,000	-3,489,000	-1,326,449,000
Profit/Loss of current year	140,368,000	0	417,049,000	557,417,000	1,567,774,000	3,489,000	1,571,263,000
Total Equity	1,471,623,000	0	3,400,584,000	4,872,207,000	8,827,462,000	135,484,000	8,962,946,000
Total Liability and Equity	9,753,462,000	0	5,645,546,000	15,399,008,000	18,308,706,000	135,484,000	18,444,190,000

Note: * Additional capital, dividend declared

14. Saravanh Province

	JANUARY- DECEMBER 2009	Number of Household: 59,750 Households
	Capital: Saravane	Districts: Saravan, Ta oi Toomlarn, Nakhonepheng, Vapy, Khongxedone, Lao ngarm and Samuoi
	Population: 890,582 people	
	Area: 358,041 Km ²	
	Density: 33 people/Km ²	
	Number of Villages: 612 Villages	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

There are no regulated MFIs in Saravanh province. Due to access and language problems there are only 58 village funds with a total of 2,643 members, promoted by the Lao Women Union. About half of them are active borrowers, with a total loan portfolio is 1.2 billion kip.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	0	0	206,692,000	149,464,000	356,156,000
Loans	0	0	0	0	8,328,000	0	8,328,000
Grants	0	0	0	0	198,364,000	149,464,000	347,828,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of institutions	0	0	0	0	0	0	0
No. of village coverage	0	0	0	0	0	0	0
No. of VFs	0	0	0	0	48	10	58
Percent	0%	0%	0%	0%	83%	17%	100%
Members/clients	0	0	0	0	2,560	83	2,643
Percent	0%	0%	0%	0%	97%	3%	100%
Average no. of members per entities	0	0	0	0	53	8	46

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	0	0	0	1,044	83	1,127
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>93%</i>	<i>7%</i>	<i>100%</i>
Average no. of Borrower per entity	0	0	0	0	22	8	19
Total Amount of Loan Outstanding	0	0	0	0	1,088,474,000	78,183,000	1,166,657,000
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>93%</i>	<i>7%</i>	<i>100%</i>
Average loan outstanding per entity	0	0	0	0	22,677,000	7,818,000	20,115,000
Average loan size per borrower	0	0	0	0	1,178,000	10,987,000	1,901,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	0	0	643,256,000	39,925,000	683,181,000
Trade and Services	0	0	0	0	359,018,000	68,800,000	427,818,000
Handicraft	0	0	0	0	0	31,000,000	31,000,000
Emergency	0	0	0	0	227,766,000	9,739,000	237,505,000
Other Purpose	0	0	0	0	0	762,490,000	762,490,000

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	0	0	0	0	2,405	N/A	N/A
Average no. of savers per entity	0	0	0	0	50	N/A	N/A
Total amount of savings	0	0	0	0	164,010,000	N/A	N/A
Average saving per entity	0	0	0	0	3,417,000	N/A	N/A
Average savings size per member	0	0	0	0	68,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	0	0	0	106,619,000	23,193,000	129,812,000
Other Income (e.g. fees, service charges)	0	0	0	0	9,728,000	0	9,728,000
<i>Operating Expenses</i>	0	0	0	0	88,000	0	88,000
<i>Expenses for Village Development</i>	0	0	0	0	5,104,000	324,000	5,428,000
<i>Expenses for Social Welfare</i>	0	0	0	0	950,000	162,000	1,112,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	3,818,000	5,485,000	9,303,000
Total Operating Expenses	0	0	0	0	9,960,000	5,971,000	15,931,000
Net Operating Income/Loss	0	0	0	0	106,387,000	17,222,000	123,609,000
Loan Loss Provision/Reserves	0	0	0	0	5,493,000	930,000	6,423,000
Extraordinary Income (e.g. grants)	0	0	0	0	0	31,000,000	31,000,000
Net profit for the period	0	0	0	0	100,894,000	47,292,000	148,186,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	0	0	0	149,556,000	6,800,000	156,356,000
Gross loan outstanding	0	0	0	0	1,088,474,000	78,183,000	1,166,657,000
Fixed and other assets	0	0	0	0	145,667,000	74,801,000	220,468,000
Total Asset	0	0	0	0	1,383,697,000	159,784,000	1,543,481,000
Saving deposits	0	0	0	0	164,010,000	0	164,010,000
Loan Recieved	0	0	0	0	8,328,000	0	8,328,000
Others (Unpaid dividend)	0	0	0	0	0	0	0
Total Liability	0	0	0	0	172,338,000	0	172,338,000
Shares	0	0	0	0	0	0	0
Reserve	0	0	0	0	5,493,000	0	5,493,000
Donation and grant	0	0	0	0	198,364,000	149,464,000	347,828,000
Retained earnings prior period, others*	0	0	0	0	990,542,000	0	990,542,000
Dividend Payment	0	0	0	0	-83,934,000	-36,972,000	-120,906,000
Profit/Loss of current year	0	0	0	0	100,894,000	47,292,000	148,186,000
Total Equity	0	0	0	0	1,211,359,000	159,784,000	1,371,143,000
Total Liability and Equity	0	0	0	0	1,383,697,000	159,784,000	1,543,481,000

Note: * Additional capital, dividend declared

15. Sekong Province

	JANUARY- DECEMBER 2009	Number of Household: 29,641 Households
	Capital: Lamam	Districts: Lamarm, Kaleum, Dakcheung and Thateng
	Population: 95,243 people	
	Area: 7,665 Km ²	
	Density: 12 people/Km ²	
	Number of Villages: 235 Villages	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Sekong province has the smallest number of village funds of any province, and no regulated MFIs. Population density is low, and interest in financial activities limited. However, 20 village funds have been established upon the initiative of the Lao Women's Union and the Poverty Eradication and Rural Development Offices. Total membership is 853 members, all of them reportedly borrowers. Loans outstanding amount to 1.75 billion kip and total assets are 2.61 billion kip.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	0	0	1,683,980,000	20,000,000	1,703,980,000
Loans	0	0	0	0	0	0	0
Grants	0	0	0	0	1,683,980,000	20,000,000	1,703,980,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of institutions	0	0	0	0	0	0	0
No. of village coverage	0	0	0	0	0	0	0
No. of VFs	0	0	0	0	18	2	20
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>90%</i>	<i>10%</i>	<i>100%</i>
Members/clients	0	0	0	0	842	11	853
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>99%</i>	<i>1%</i>	<i>100%</i>
Average no. of members per entities	0	0	0	0	47	6	43

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	0	0	0	842	11	853
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>99%</i>	<i>1%</i>	<i>100%</i>
Average no. of Borrower per entity	0	0	0	0	47	6	43
Total Amount of Loan Outstanding	0	0	0	0	1,756,260,000	0	1,756,260,000
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>
Average loan outstanding per entity	0	0	0	0	97,570,000	0	87,813,000
Average loan size per borrower	0	0	0	0	2,142,000	2,909,000	2,151,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	0	0	1,244,975,000	14,000,000	1,258,975,000
Trade and Services	0	0	0	0	476,860,000	4,500,000	481,360,000
Handicraft	0	0	0	0	0	12,000,000	12,000,000
Emergency	0	0	0	0	81,315,000	1,500,000	82,815,000
Other Purpose	0	0	0	0	0	0	0

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Number of savers	0	0	0	0	842	N/A	N/A
Average no. of savers per entity	0	0	0	0	47	N/A	N/A
Total amount of savings	0	0	0	0	828,536,000	N/A	N/A
Average saving per entity	0	0	0	0	46,030,000	N/A	N/A
Average savings size per member	0	0	0	0	984,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	0	0	0	324,974,000	5,910,000	330,884,000
Other Income (e.g. fees, service charges)	0	0	0	0	0	0	0
<i>Operating Expenses</i>	0	0	0	0	61,290,000	0	61,290,000
<i>Expenses for Village Development</i>	0	0	0	0	16,036,000	0	16,036,000
<i>Expenses for Social Welfare</i>	0	0	0	0	0	0	0
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	57,083,000	0	57,083,000
Total Operating Expenses	0	0	0	0	134,409,000	0	134,409,000
Net Operating Income/Loss	0	0	0	0	190,565,000	5,910,000	196,475,000
Loan Loss Provision/Reserves	0	0	0	0	39,868,000	0	39,868,000
Extraordinary Income (e.g. grants)	0	0	0	0	0	20,000,000	20,000,000
Net profit for the period	0	0	0	0	150,697,000	25,910,000	176,607,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	0	0	0	440,319,000	25,910,000	466,229,000
Gross loan outstanding	0	0	0	0	1,756,260,000	0	1,756,260,000
Fixed and other assets	0	0	0	0	394,710,000	0	394,710,000
Total Asset	0	0	0	0	2,591,289,000	25,910,000	2,617,199,000
Saving deposits	0	0	0	0	828,536,000	0	828,536,000
Loan Recieved	0	0	0	0	0	0	0
Others (Unpaid dividend)	0	0	0	0	0	0	0
Total Liability	0	0	0	0	828,536,000	0	828,536,000
Shares	0	0	0	0	0	0	0
Reserve	0	0	0	0	12,905,000	0	12,905,000
Donation and grant	0	0	0	0	1,683,980,000	20,000,000	1,703,980,000
Retained earnings prior period, others*	0	0	0	0	65,868,000	-20,000,000	45,868,000
Dividend Payment	0	0	0	0	-150,697,000	0	-150,697,000
Profit/Loss of current year	0	0	0	0	150,697,000	25,910,000	176,607,000
Total Equity	0	0	0	0	1,762,753,000	25,910,000	1,788,663,000
Total Liability and Equity	0	0	0	0	2,591,289,000	25,910,000	2,617,199,000

Note: * Additional capital, dividend declared

16. Champassak Province

	JANUARY- DECEMBER 2009	Number of Household: 109,906 Household
	Capital: Pakse	
	Population: 643,686 people	Districts: Pakse, Sanasomboon, Bachingchaleunsook, Paksong, Pathoomphone, Phonthong, Champassak, Sukhuma, Moonlapamok and Khong.
	Area: 15,415 Km ²	
	Density: 42 people/Km ²	
	Number of Villages: 639 Villages	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

Champassak province has 795 village funds as well as one SCU (House Credit and Saving Cooperative) which was established in 2009. Total number of members is 70,149 including 21,338 borrowers with total loans outstanding of about 10 billion kip. Total assets are close to 46 billion kip. Promoting agencies include the Construction and Rural Development Office, Labor and Social Welfare Department, Provincial Agriculture and Forestry Department and the Lao Women Union.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	0	0	372,428,000	6,361,649,000	6,734,077,000
Loans	0	0	0	0	0	0	0
Grants	0	0	0	0	372,428,000	6,361,649,000	6,734,077,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
No. of Entity	0	0	1	1	0	0	0
No. of village coverage	0	0	24	24	0	0	0
No. of VFs	0	0	0	0	682	113	795
<i>Percent</i>	0%	0%	100%	100%	86%	14%	100%
members/clients	0	0	342	342	61,643	8,164	69,807
<i>Percent</i>	0%	0%	100%	100%	88%	12%	100%
Average no. of members per entities	0	0	342	342	90	72	88

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFs	NDTMFs	SCU	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	0	86	86	15,430	5,822	21,252
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>73%</i>	<i>27%</i>	<i>100%</i>
Average no. of Borrower per entity	0	0	86	86	23	52	27
Total Amount of Loan Outstanding	0	0	407,968,000	407,968,000	6,753,518,000	3,240,144,000	9,993,662,000
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>68%</i>	<i>32%</i>	<i>100%</i>
Average loan outstanding per entity	0	0	407,968,000	407,968,000	9,903,000	28,674,000	12,571,000
Average loan size per borrower	0	0	4,128,000	4,128,000	2,407,000	1,197,000	2,076,000

Table 4: Loan Usage

	Regulated MFIs				VFs with		
	DTMFs	NDTMFs	SCU	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	43,000,000	43,000,000	19,503,397,000	6,497,773,000	26,001,170,000
Trade and Services	0	0	303,000,000	303,000,000	12,704,868,000	249,000,000	12,953,868,000
Handicraft	0	0	0	0	84,451,000	221,196,000	305,647,000
Emergency	0	0	5,000,000	5,000,000	4,850,807,000	0	4,850,807,000
Other Purpose	0	0	4,000,000	4,000,000	0	0	0

Table 5: Saving Information

	Regulated MFIs				VFs		
	DTMFs	NDTMFs	SCUs	total	Saving and Credit	Credit only	total
Number of savers	0	0	40	40	61,010	N/A	N/A
Average no. of savers per entity	0	0	40	40	89	N/A	N/A
Total amount of savings	0	0	182,260,000	182,260,000	37,590,797,000	N/A	N/A
Average saving per entity	0	0	182,260,000	182,260,000	55,118,000	N/A	N/A
Average savings size per member	0	0	4,557,000	4,557,000	616,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	0	130,577,000	130,577,000	2,720,678,000	217,860,000	2,938,538,000
Other Income (e.g. fees, service charges)	0	0	1,213,000	1,213,000	9,490,000	239,040,000	248,530,000
<i>Operating Expenses</i>	0	0	115,542,000	115,542,000	47,341,000	530,000	47,871,000
<i>Expenses for Village Development</i>	0	0	0	0	62,430,000	87,708,000	150,138,000
<i>Expenses for Social Welfare</i>	0	0	15,156,000	15,156,000	71,710,000	9,527,000	81,237,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	1,813,000	1,813,000	28,395,000	34,547,000	62,942,000
Total Operating Expenses	0	0	132,511,000	132,511,000	209,876,000	132,312,000	342,188,000
Net Operating Income/Loss	0	0	-721,000	-721,000	2,520,292,000	324,588,000	2,844,880,000
Loan Loss Provision/Reserves	0	0	0	0	81,386,000	2,229,000	83,615,000
Extraordinary Income (e.g. grants)	0	0	721,000	721,000	0	0	0
Net profit for the period	0	0	0	0	2,438,906,000	322,359,000	2,761,265,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	0	48,419,000	48,419,000	31,144,457,000	3,438,343,000	34,582,800,000
Gross loan outstanding	0	0	407,968,000	407,968,000	6,753,518,000	3,240,144,000	9,993,662,000
Fixed and other assets	0	0	43,818,000	43,818,000	65,250,000	0	65,250,000
Total Asset	0	0	500,205,000	500,205,000	37,963,225,000	6,678,487,000	44,641,712,000
Saving deposits	0	0	182,260,000	182,260,000	37,590,797,000	0	37,590,797,000
Loan Recieved	0	0	0	0	0	0	0
Others (Unpaid dividend)	0	0	49,467,000	49,467,000	0	214,180,000	214,180,000
Total Liability	0	0	231,727,000	231,727,000	37,590,797,000	214,180,000	37,804,977,000
Shares	0	0	251,493,000	251,493,000	0	0	0
Reserve	0	0	0	0	0	70,848,000	70,848,000
Donation and grant	0	0	0	0	372,428,000	6,361,649,000	6,734,077,000
Retained earnings prior period, others*	0	0	16,985,000	16,985,000	0	-250,414,000	-250,414,000
Dividend Payment	0	0	0	0	-2,438,906,000	-40,135,000	-2,479,041,000
Profit/Loss of current year	0	0	0	0	2,438,906,000	322,359,000	2,761,265,000
Total Equity	0	0	268,478,000	268,478,000	372,428,000	6,464,307,000	6,836,735,000
Total Liability and Equity	0	0	500,205,000	500,205,000	37,963,225,000	6,678,487,000	44,641,712,000

Note: * Additional capital, dividend declared

17. Attapeu Province

	JANUARY- DECEMBER 2009	Number of Villages: 150 villages
	Capital: Samakkhixay	Number of Household: 22,906 Households
	Population: 124,197 people	Districts: Saysettha, Samakkhixay, Sanamsay, Sanxay and Phouvong.
	Area: 10,320 Km ²	
	Density: 12 people/Km ²	

Source: Statistical Year book 2009 (Lao Department of Statistics, MPI)

There are 149 village funds in Attapeu province, with 4,189 members including 2,246 active borrowers. Total loans outstanding amount to 8.55 billion Kip. Total assets are around 10 billion kip. Main promoters were GIZ, the Poverty Eradication and Rural Development Offices.

Table 1: Financial Support

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Total amount of financial supports	0	0	0	0	637,789,000	7,844,963,000	8,482,752,000
Loans	0	0	0	0	0	0	0
Grants	0	0	0	0	637,789,000	7,844,963,000	8,482,752,000

Table 2: Coverage of Villages and Members/Clients

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of institutions	0	0	0	0	0	0	0
No. of village coverage	0	0	0	0	0	0	0
No. of VFs	0	0	0	0	49	100	149
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>33%</i>	<i>67%</i>	<i>100%</i>
Members/clients	0	0	0	0	3,477	712	4,189
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>83%</i>	<i>17%</i>	<i>100%</i>
Average no. of members per entities	0	0	0	0	71	7	28

Table 3: Credit Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
No. of Borrowers in the year	0	0	0	0	1,534	712	2,246
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>68%</i>	<i>32%</i>	<i>100%</i>
Average no. of Borrower per entity	0	0	0	0	31	7	15
Total Amount of Loan Outstanding	0	0	0	0	1,899,988,000	6,653,277,000	8,553,265,000
<i>Percent</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>22%</i>	<i>78%</i>	<i>100%</i>
Average loan outstanding per entity	0	0	0	0	38,775,000	66,533,000	57,404,000
Average loan size per borrower	0	0	0	0	1,239,000	11,018,000	4,339,000

Table 4: Loan Usage – Amount Loaned (Kip)

	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Agricultures and Livestock	0	0	0	0	1,610,690,000	7,844,963,000	9,455,653,000
Trade and Services	0	0	0	0	186,133,000	0	186,133,000
Handicraft	0	0	0	0	93,555,000	0	93,555,000
Emergency	0	0	0	0	9,610,000	0	9,610,000
Other Purpose	0	0	0	0	0	0	0

Table 5: Savings Information

	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCU	total	Saving and Credit	Credit only	total
Number of savers	0	0	0	0	3,477	N/A	N/A
Average no. of savers per entity	0	0	0	0	71	N/A	N/A
Total amount of savings	0	0	0	0	254,998,000	N/A	N/A
Average saving per entity	0	0	0	0	5,204,000	N/A	N/A
Average savings size per member	0	0	0	0	73,000	N/A	N/A

Table 6: Income Statement

Unit: kip	Regulated MFIs				VFs		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Interest Income	0	0	0	0	79,691,000	220,407,000	300,098,000
Other Income (e.g. fees, service charges)	0	0	0	0	42,000	0	42,000
<i>Operating Expenses</i>	0	0	0	0	508,697,000	4,436,000	513,133,000
<i>Expenses for Village Development</i>	0	0	0	0	1,695,000	10,798,000	12,493,000
<i>Expenses for Social Welfare</i>	0	0	0	0	1,808,000	0	1,808,000
<i>Other Expenses (e.g. consultants, studies)</i>	0	0	0	0	42,254,000	53,994,000	96,248,000
Total Operating Expenses	0	0	0	0	554,454,000	69,228,000	623,682,000
Net Operating Income/Loss	0	0	0	0	-474,721,000	151,179,000	-323,542,000
Loan Loss Provision/Reserves	0	0	0	0	0	0	0
Extraordinary Income (e.g. grants)	0	0	0	0	508,697,000	0	508,697,000
Net profit for the period	0	0	0	0	33,976,000	151,179,000	185,155,000

Table 7: Balance Sheet

Unit: kip	Regulated MFIs				VFs with		
	DTMFIs	NDTMFIs	SCUs	total	Saving and Credit	Credit only	total
Cash	0	0	0	0	443,897,000	87,996,000	531,893,000
Gross loan outstanding	0	0	0	0	1,899,988,000	6,653,277,000	8,553,265,000
Fixed and other assets	0	0	0	0	186,635,000	1,103,690,000	1,290,325,000
Total Asset	0	0	0	0	2,530,520,000	7,844,963,000	10,375,483,000
Saving deposits	0	0	0	0	254,998,000	0	254,998,000
Loan Recieved	0	0	0	0	0	0	0
Others (Unpaid dividend)	0	0	0	0	9,467,000	0	9,467,000
Total Liability	0	0	0	0	264,465,000	0	264,465,000
Shares	0	0	0	0	0	0	0
Reserve	0	0	0	0	8,368,000	0	8,368,000
Donation and grant	0	0	0	0	637,789,000	7,844,963,000	8,482,752,000
Retained earnings prior period, others*	0	0	0	0	1,606,337,000	-86,388,000	1,519,949,000
Dividend Payment	0	0	0	0	-20,415,000	-64,791,000	-85,206,000
Profit/Loss of current year	0	0	0	0	33,976,000	151,179,000	185,155,000
Total Equity	0	0	0	0	2,266,055,000	7,844,963,000	10,111,018,000
Total Liability and Equity	0	0	0	0	2,530,520,000	7,844,963,000	10,375,483,000

Note: * Additional capital, dividend declared

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Annexes

Annex 1: List of 5 DTMFIs and 8 NDTMFIs

1. 5 Deposit-taking MFIs

No.	Name	Location (of head office)		Number of customers		Savings (Kip)	Loans outstanding (Kip)
		Province	District	Savers	Borrowers		
1	DTMFI Champa Lao	Luangprabang	Luangprabang	50	555	47,988,000	552,255,000
2	DTMFI Newton MFI	Vientiane Capital	Sikhodtabong	2,730	251	804,816,000	676,780,000
3	DTMFI Ekphatthana MF Institution (EMI)	Vientiane Capital	Chanthabouli	5,333	1,427	3,890,905,000	2,916,704,000
4	DTMFI Lao Post Microfinance Institution	Vientiane Capital	Chanthabouli	14,249	4,134	40,694,477,000	128,531,000
5	DTMFI Saynhai Samphanh	Savannakhet	Kaysone Phomvihane	2,999	4,661	6,956,109,000	6,735,486,000

2. 8 Non-deposit-taking MFIs

No.	Name	Location (of head office)		Number of customers		Savings (Kip)	Loans outstanding (Kip)
		Province	District	Savers	Borrowers		
1	NDTMFI IFDP (Phongsaly Microfinance Institution for Development)	Phongsaly	Phongsaly	888	31	288,000,000	2,319,292,000
2	NDTMFI Village Community Development Fund of Bokeo province	Bokeo	Huoixai	3,863	9,028	256,950,000	4,308,549,000
3	NDTMFI Oudomxay Development Non Deposit Taking Microfinance Institution	Oudomxay	Xay	614	1,221	691,431,000	1,178,273,000
4	NDTMFI Souaykan Phatthana	Houaphan	Xamneua	52	124	66,531,000	140,244,000
5	NDTMFI Hongsa CCSA (GIZ)	Sayaboury	Hongsa	1,866	4,364	953,119,000	1,784,229,000
6	NDTMFI Khop CCSA (GIZ)	Sayaboury	Khop	806	1,979	260,660,000	-
7	NDTMFI Microfinance office	Sayaboury	Sayaboury	864	1,021	330,000,000	123,523,000
8	NDTMFI Hom district	Vientiane	Hom	241	107	41,829,000	268,134,000

Annex 2: List of 13 Saving and Credit Unions (SCUs)

No.	Name	Location (of head office)		Number of customers		Savings (Kip)	Loans outstanding (Kip)
		Province	District	Savers	Borrowers		
1	Luangprabang saving and credit cooperative	Luangprabang	Luangprabang	515	335	318,358,000	584,929,000
2	Vientiane credit and saving Union	Vientiane	Phonhong	493	100	111,119,000	223,097,000
3	Thoulakhom saving and credit Union	Vientiane	Thoulakhom	80	62	317,340,000	252,628,000
4	Goods Production Group Fund (4 Parkthone)	Borikhamxay	Pakkading	113	269	556,475,000	526,299,000
5	Credit and small Production Fund (CCSP)	Vientiane Capital	Chanthaboury	3,369	1,304	829,474,000	5,543,300,000
6	Development Credit and Saving Cooperation	Vientiane Capital	Sikhodtabong	815	435	81,670,000	5,188,390,000
7	Mittaphap Credit and Saving cooperation	Vientiane Capital	Saithany	0	212	0	303,319,000
8	Naxaithong Rural Development Cooperative	Vientiane Capital	Naxaithong	2,415	526	3,646,064,000	3,685,000,000
9	Thakhek credit and saving Cooperative	Khammuane	Thakhek	262	128	503,000,000	405,220,000
10	Huamjaipattana credit and saving cooperative	Savannakhet	Kaysone Phomvihane	196	404	129,727,000	260,462,000
11	Seno saving and credit union	Savannakhet	Outhoomphone	1,825	1,012	1,690,000,000	2,298,000,000
12	Parksong credit and saving Cooperative	Savannakhet	Songkhone	360	713	227,343,000	1,390,860,000
13	Houasea credit and saving cooperative	Champassak	Bachiengchleunsook	40	86	1,822,500,000	60,350,000

Annex 3: List of 192 village fund promoters and village funds

1. Deposit-taking funds

Annex 3.1: List of Village Deposit-taking Funds and Promoters

Quest. No.	Name	Location (of head office)		Outreach to no. of:		Number of customers		Savings (Kip)	Loans outstanding (Kip)
		Province	District	Districts	Village Funds	Savers	Borrowers		
001	Construction and Rural Development Office	Attapeu	Samakkhixay	3	12	741	741	2,626,000	1,471,000,000
003	GIZ Access to Finance for the Poor	Attapeu	Samakkhixay	3	22	2,018	451	159,275,000	278,315,000
004	Agriculture Development Project(VIP)	Attapeu	Samakkhixay	3	15	718	342	93,097,000	150,673,000
005	Planning and Investment Department	Sekong	Lamarm	2	13	290	290	42,690,000	943,110,000
006	LWU Sekong Province	Sekong	Lamarm	2	5	552	552	785,846,000	813,150,000
008	LWU office/ Capacity building for community fund	Saravane	Saravane	1	10	625	124	63,721,000	44,141,000
009	Lao Women Promotion Fund	Saravane	Saravane	1	5	70	110	21,845,000	81,520,000
010	Village Development Fund	Saravane	Saravane	1	25	1,326	700	15,000,000	899,725,000
011	Mix development project	Saravane	Saravane	3	4	269	44	16,026,000	14,188,000
015	Saymai Village Fund	Saravane	Lao ngarm	1	4	115	66	47,418,000	48,900,000
017	Construction and Rural Development Office	Champassak	Pakse	10	550	41,859	12,128	30,057,204,000	3,005,120,000
018	Lao front office	Champassak	Pakse	9	103	13,103	949	2,194,399,000	79,588,000
020	Labor and socio-welfare department	Champassak	Pakse	6	28	5,552	2,273	5,210,075,000	3,577,387,000
022	Credit and saving fund, Lao Feradation office	Champassak	Bachiangchaleunsook	1	1	496	80	129,119,000	92,423,000
024	Industry and Commerce department	Savannakhet	Kaysone Phomvihane	4	5	562	135	214,023,000	242,536,000
025	SUFORD	Savannakhet	Kaysone Phomvihane	5	78	1,092	1,554	132,438,000	4,987,763,000
027	Village development Fund	Savannakhet	Kaysone Phomvihane	1	7	866	401	760,306,000	784,155,000
029	Village development Fund	Savannakhet	Atsaphangthong	1	4	1,037	975	1,298,358,000	1,287,490,000
030	Construction and Rural Development Office	Savannakhet	Outhoomphone	1	22	1,991	1,195	81,618,000	35,260,000
031	Village development Fund	Savannakhet	Outhoomphone	1	2	306	209	829,621,000	948,250,000
033	Village development Fund	Savannakhet	Songkhone	1	5	1,202	83	1,035,523,000	1,260,392,000
035	LWU	Savannakhet	Champhone	1	8	1,260	543	2,345,523,000	304,890,000
036	Village development Fund	Savannakhet	Champhone	1	1	101	30	28,000,000	51,800,000
037	Village development Fund	Savannakhet	Xaybuly	1	1	337	25	134,240,000	143,010,000
038	Village development Fund	Savannakhet	Xonbuly	1	1	280	114	55,692,000	76,300,000
040	Village development Fund	Savannakhet	Vilabouly	1	6	173	173	28,699,000	530,000,000
041	Youth office Provincial	Savannakhet	Xayphoothong	1	1	410	312	1,879,081,000	1,714,151,000
042	Village development Fund	Savannakhet	Phalanxay	1	18	297	297	18,181,000	62,398,000
043	Lao fron office Provincial	Khammuane	Thakhek	3	8	422	80	136,654,000	10,872,000
044	Village development Fund	Khammuane	Thakhek	1	32	6,193	3,790	7,485,413,000	7,581,003,000

045	Lao front office Thakhek district	Khammuane	Thakhek	1	31	1,771	828	903,314,000	384,821,000
046	SOUFORD	Khammuane	Thakhek	4	95	2,602	2,602	14,034,000	2,752,097,000
047	Labor and socio-welfare department(ILO)	Khammuane	Thakhek	4	13	3,508	1,256	5,075,265,000	2,373,993,000
048	Labor and socio-welfare department(Stone family)	Khammuane	Thakhek	4	11	1,919	413	705,288,000	442,050,000
051	Lao front office Hinboun district	Khammuane	Hinboon	1	4	296	68	178,502,000	85,187,000
052	LWU Hinboun district	Khammuane	Hinboon	1	46	60	3,094	113,248,000	2,491,419,000
054	Lao front office Boualapha district	Khammuane	Bualapha	1	17	706	38	50,499,000	23,920,000
056	Lao front office Nakai district	Khammuane	Hinboon	1	1	62	4	70,740,000	0
058	Lao front office Xaybouathong district	Khammuane	Xaybuathong	1	30	4,768	212	424,344,000	214,950,000
059	LWU Yommalath district	Khammuane	Nhommalath	1	3	271	122	167,384,000	269,200,000
060	Lao front office Nongbok district	Khammuane	Nongbok	1	1	192	192	123,262,000	98,610,000
061	Lao front office, Mahaxay district	Khammuane	Mahaxay	1	1	98	24	153,000,000	0
063	Borikhamxay Province Village Development Fund	Borikhamxay	Parkxane	2	25	5,358	913	2,565,211,000	1,369,661,000
064	Borikhamxay Province Poverty alleviation Fund	Borikhamxay	Parkxane	4	41	2,750	1,279	136,524,000	0
067	Village Credit Cash Fund	Borikhamxay	Parkkading	1	15	2,081	2,081	310,580,000	0
127	Village development Fund	Savannakhet	Nong	1	5	124	124	15,469,000	386,000,000
128	Village development Fund	Savannakhet	Nong	1	4	195	21	98,925,000	90,000,000
129	Saving group	Vientiane	Phonhong	1	19	2,193	1,054	1,571,826,000	57,000,000
131	Nam Ngume Reservoir Fund	Vientiane	Phonhong	1	3	175	72	73,192,000	39,500,000
132	Village development Fund	Vientiane	Phonhong	1	2	258	146	126,570,000	0
133	Saving Group(LWU)	Vientiane	Thoulakhom	1	28	7,861	7,074	10,295,882,000	840,000,000
135	Nam Ngume Reservoir fund (LWU)	Vientiane	Thoulakhom	1	5	410	194	402,718,000	0
136	Revolving fund for retired officers	Vientiane	Feuang	1	1	120	120	235,847,000	0
137	Village development Fund	Vientiane	Feuang	1	20	2,769	1,716	2,455,038,000	30,700,000
138	Village development Fund	Vientiane	Viengkham	2	18	612	612	173,639,000	634,602,000
139	Nam Ngume Reservoir fund (LWU)	Vientiane	Viengkham	1	5	218	218	25,225,000	0
140	Retry staff Fund of village level	Vientiane	Viengkham	1	1	220	165	151,483,000	189,280,000
142	Nam Ngume Reservoir fund (LWU)	Vientiane	Kasy	1	16	2,964	1,365	222,624,000	657,499,000
143	Nam Ngume Reservoir fund (LWU)	Vientiane	Vangvieng	1	15	1,477	402	542,780,000	138,079,000
147	Village development Fund	Vientiane	Kasy	1	7	1,882	980	2,714,392,000	6,820,000,000
149	Nam Ngume Reservoir fund (LWU)	Vientiane	Hinherb	1	12	756	720	164,716,000	956,200,000
150	Village development Fund	Vientiane	Phonhong	1	7	241	126	238,557,000	157,140,000
151	Saving Group(LWU)	Vientiane	Viengkham	1	14	3,283	2,498	1,680,435,000	1,535,228,000
153	Village development Fund	Vientiane	Xanakharm	1	2	47	107	27,000,000	4,000,000
154	Nam Ngume Reservoir fund (LWU)	Vientiane	Feuang	1	10	440	331	158,035,000	0
157	Saving Fund Nayao Village	Vientiane	Meun	1	1	36	12	36,000,000	0
159	Nam Ngume Reservoir fund (LWU)	Vientiane	Hom	1	15	559	190	111,575,000	434,194,000
175	Nam Ngume Reservoir Development project of Pek district	Xiengkhuang	Pek	1	26	924	550	512,639,000	195,517,000
176	Xiengkhuang Provincial Consolidation Front Organization	Xiengkhuang	Pek	1	3	698	698	1,397,595,000	0
177	Village development Fund	Xiengkhuang	Pek	2	6	284	223	62,490,000	0

179	Poverty Reduction Fund	Xiengkkuang	Pek	3	23	1,147	908	242,188,000	2,357,936,000
180	Village development Fund	Xiengkkuang	Kham	1	5	323	185	52,760,000	0
182	Village development Fund	Xiengkkuang	Khoune	1	5	282	141	64,230,000	0
183	Village development Fund	Xiengkkuang	Phookood	1	2	91	62	28,050,000	0
184	Nam Ngume Reservoir Development project of Phoodood district	Xiengkkuang	Phookood	1	17	254	231	449,244,000	48,173,000
185	Village development fund, Construction and Rural Development Office	Xiengkkuang	Phaxay	1	9	1,402	609	231,000,000	130,000,000
186	Thongkhankham Credit and Saving Unit	Vientiane Capital	Chanthabuly	1	31	1,356	255	1,334,759,000	2,191,231,000
190	Village development Fund(LWU)	Vientiane Capital	Sikhottabong	1	54	8,509	3,411	8,557,266,000	8,717,045,000
191	CODI	Vientiane Capital	Sikhottabong	15	188	19,062	7,014	11,685,021,000	11,491,796,000
193	Saving Group(LWU)	Vientiane Capital	Saithany	1	102	35,030	9,811	53,800,873,000	62,443,147,000
196	Former Soldier development fund (sharing Fund)	Vientiane Capital	Naxaithong	1	53	529	50	86,652,000	41,900,000
197	Village development Fund(LWU)	Vientiane Capital	Naxaithong	1	55	20,087	9,108	23,655,011,000	27,244,559,000
199	Saving Group(LWU)	Vientiane Capital	Parkngeum	1	53	11,919	5,229	20,778,296,000	19,756,000,000
202	Village development Fund	Vientiane Capital	Chanthabuly	1	33	5,678	894	7,945,607,000	0
204	Saving Group (LWU) Nongneing	Vientiane Capital	Xaysetha	1	1	768	295	2,331,269,000	2,492,260,000
205	Village development fund, Saysettha district	Vientiane Capital	Xaysetha	1	44	8,883	5,203	10,609,235,000	855,660,000
207	Saving group	Vientiane Capital	Sisattanak	1	37	2,758	256	5,326,048,000	0
208	Saving group	Vientiane Capital	Hadsaifong	1	33	3,692	1,262	2,268,584,000	589,053,000
209	Bor Oh Village Credit and Saving Fund	Vientiane Capital	Hadsaifong	1	11	2,691	140	856,065,000	24,994,000
211	Village development Fund	Vientiane Capital	Sengthong	1	37	5,367	2,896	6,282,244,000	3,954,136,000
212	Village development Fund	Vientiane Capital	Sengthong	1	18	1,749	1,299	873,235,000	0
217	Namngeum Reservoir Development Project	Vientiane	Hom	1	14	510	303	22,300,000	203,000,000
070	Provincial Lao front office	Oudomxay	Xay	1	5	12	12	5,475,000	2,720,000
072	Village development Fund (GAA)	Oudomxay	Xay	1	10	620	400	26,580,000	106,388,000
073	Village development Fund	Oudomxay	Xay	1	1	38	38	1,060,000	3,737,000
075	Village development Fund	Oudomxay	Xay	1	2	112	38	117,878,000	98,900,000
076	Village development Fund	Oudomxay	Xay	2	20	1,070	1,036	148,052,000	67,819,000
077	Village development Fund	Oudomxay	Xay	1	1	142	71	340,681,000	191,300,000
078	Village development Fund	Oudomxay	La	1	7	345	102	133,875,000	12,200,000
079	Village development Fund	Oudomxay	Namor	1	4	149	38	45,714,000	45,714,000
080	Village development fund, Construction and Rural Development Office	Oudomxay	Namor	1	9	480	468	36,283,000	840,673,000
081	Village development Fund	Oudomxay	Nga	1	14	827	64	23,851,000	38,500,000
082	Village development fund, Construction and Rural Development Office	Oudomxay	Nga	1	12	653	577	24,834,000	827,725,000
083	Village development Fund	Oudomxay	Beng	1	2	203	49	50,901,000	50,901,000
084	Village development fund, Construction and Rural Development Office	Oudomxay	Beng	1	7	765	549	41,807,000	870,159,000
085	Village development fund, Construction and Rural Development Office	Oudomxay	Hoon	1	6	587	555	69,628,000	868,307,000
086	Village development Fund	Oudomxay	Hoon	1	5	367	214	203,501,000	9,841,000

087	Village development Fund	Oudomxay	Parkbeng	1	4	375	81	49,385,000	49,385,000
088	Village development fund, Construction and Rural Development Office	Oudomxay	Parkbeng	1	8	510	473	14,223,000	806,589,000
089	Development community of NCA	Bokeo	Pha oudom	1	7	287	122	11,871,000	95,164,000
090	Development community of NCA	Bokeo	Huoixai	1	13	582	458	44,495,000	150,368,000
094	Pak Hao Village Fund	Bokeo	Huoixai	1	1	97	32	197,829,000	203,000,000
095	Livestock livelihood supporting project in Northern province	Luangnamtha	Namtha	4	10	933	428	327,700,000	1,259,623,000
097	Village Development Fund	Luangnamtha	Namtha	1	7	303	250	383,425,000	30,000,000
098	GIZ Access to Finance for the Poor	Luangnamtha	Namtha	2	83	4,858	1,700	841,256,000	315,234,000
101	ACCU	Luangnamtha	Namtha	2	4	653	653	731,793,000	708,816,000
104	ACCU	Luangprabang	Luangprabang	11	18	657	1,308	1,061,607,000	1,061,607,000
107	LWU	Luangprabang	Luangprabang	3	43	3,440	997	1,349,508,000	1,286,114,000
108	Village development fund, Construction and Rural Development Office	Phongsaly	Phongsaly	2	17	506	506	12,695,000	1,123,420,000
110	Women's union office	Phongsaly	Nhot ou	1	2	6	6	8,000,000	5,000,000
113	LWU/EU	Phongsaly	Boontai	1	20	321	321	52,536,000	586,334,000
115	GAA	Phongsaly	May	1	21	663	465	23,274,000	6,500,000
117	Village Development Fund	Phongsaly	Khua	1	15	375	375	3,515,000	274,705,000
118	Phapat area credit and saving Fund	Huaphanh	Xamneua	1	9	347	208	61,569,000	124,789,000
119	Ham-Van area credit and saving Fund	Huaphanh	Xamneua	1	56	2,242	1,739	319,326,000	929,345,000
121	Village development fund of Xiengkhor district	Huaphanh	Xiengkhor	1	11	810	116	101,642,000	233,380,000
122	Saving group Viengxay district	Huaphanh	Viengxay	1	8	274	167	164,000,000	217,482,000
123	Village development Fund	Huaphanh	Huameuang	1	25	769	569	9,618,000	0
124	Credit and Saving Xamtai district UNODC	Huaphanh	Xamtay	1	18	746	658	116,998,000	506,985,000
125	Consolidate Saving Group (PRF)	Huaphanh	Xamtay	1	6	472	334	412,493,000	501,994,000
126	Saving group Sopboa district	Huaphanh	Sopbao	1	7	319	108	304,876,000	373,163,000
162	Labor and Social Welfare Department of Sayaboury Province	Sayaboury	Sayaboury	3	9	946	295	483,591,000	571,110,000
163	Village development Fund	Sayaboury	Sayaboury	2	71	6,000	4,439	5,721,870,000	207,187,000
167	Village development Fund	Sayaboury	Hongsa	1	30	2,969	1,199	709,305,000	111,873,000
168	Village development Fund	Sayaboury	Ngeun	1	21	2,014	1,608	629,087,000	0
169	Village development Fund	Sayaboury	Xienghone	1	33	4,004	2,800	1,149,321,000	0
170	Village development Fund	Sayaboury	Phiang	1	8	1,385	881	2,122,402,000	0
171	Village development fund, Construction and Rural Development Office	Sayaboury	Parklai	1	15	1,849	1,390	1,778,190,000	311,060,000
172	Village development Fund	Sayaboury	Kenethao	1	28	1,774	930	577,855,000	0
173	Village development fund, Construction and Rural Development Office	Sayaboury	Botene	1	16	1,184	733	571,575,000	0
174	Village development Fund	Sayaboury	Thongmyxay	1	50	610	121	397,595,000	63,039,000
214	Village development Fund	Oudomxay	Xay	7	63	4,631	2,862	817,395,000	148,302,000
216	Youth Fund	Oudomxay	Xay	1	52	2,266	19	55,724,000	36,476,000

2. Credit funds

Quest. no.	Name	Location (of head office)		Outreach to no. of:		Number of customers		Loans outstanding (Kip)
		Province	District	Districts	Village Funds	Savers	Borrowers	
002	Construction and Rural Development Office, Goods production Fund	Attapeu	Samakkhixay	5	100	0	712	6,653,277,000
007	LWU, Sekong Province	Sekong	Lamarm	2	2	0	11	0
012	Saymai Village Fund	Saravane	Ta Oi	1	1	0	12	32,464,000
013	LWU, Tumlan district	Saravane	Toomlarn	1	2	0	31	24,200,000
014	Saymai Village Fund	Saravane	Vapy	1	7	0	40	21,519,000
016	LWU office/Small Business Project	Champassak	Pakse	1	2	0	375	33,179,000
019	Planning and Investment Department	Champassak	Pakse	2	32	0	972	150,180,000
021	Agriculture and Forestry Department	Champassak	Pakse	3	79	0	4,475	3,057,553,000
050	Village income Restoration Fund, Resettlement Management Unit	Khammuane	Thakhek	2	25	0	2,361	2,338,037,000
053	Construction and Rural Development Office	Khammuane	Bualapha	1	9	0	125	760,000,000
055	Construction and Rural Development Office	Khammuane	Nakai	1	8	0	225	603,200,000
057	LWU Nakai district	Khammuane	Nakai	1	5	0	41	17,923,000
062	Borikhamxay Province Poverty Reduction Fund	Borikhamxay	Parkxane	4	38	0	1,011	3,295,000,000
065	Cash credit Fund, LWU	Borikhamxay	Parkxane	4	9	0	75	94,232,000
068	LWU Viengthong district	Borikhamxay	Viengthong	1	4	0	27	11,800,000
069	LWU	Borikhamxay	Bolikhanh	1	17	0	2,125	2,785,190,000
141	Provincial Women Development Revolving Fund	Vientiane	Hinherb	1	1	0	12	0
144	Revolving Fund	Vientiane	Vangvieng	1	7	0	28	0
145	Provincial Women Development Revolving Fund	Vientiane	Vangvieng	1	3	0	7	0
146	Provincial Women Development Revolving Fund	Vientiane	Mad	1	4	0	56	7,000,000
148	Provincial Women Development Revolving Fund	Vientiane	Kasy	1	1	0	35	0
152	Revolving Fund	Vientiane	Xanakham	1	2	0	50	0
155	Revolving Fund	Vientiane	Feuang	1	1	0	10	30,000,000
156	Village development Fund	Vientiane	Feuang	1	10	0	60	30,000,000
158	LWU	Vientiane	Meun	1	2	0	6	0
160	Poverty reduction	Vientiane	Hom	1	1	0	10	6,000,000
178	IFAD	Xiengkkuang	Pek	7	54	0	755	0
181	Village development fund (Red Cross Organization)	Xiengkkuang	Nonghed	1	7	0	50	251,000,000
189	Poverty Reduction Fund (DPI)	Vientiane Capital	Sikhottabong	1	11	0	11	26,000,000
192	Poverty Reduction Fund (DPI)	Vientiane Capital	Saithany	1	5	0	10	42,000,000
195	Poverty Reduction Fund (Construction and Rural Development)	Vientiane Capital	Naxaithong	1	11	0	66	25,969,000

200	Poverty Reduction Fund, Construction and Rural Development Office	Vientiane Capital		1	6	0	21	38,200,000
206	Poverty Reduction Fund	Vientiane Capital	Xaysetha	1	2	0	16	20,440,000
210	Poverty Reduction Fund	Vientiane Capital	Hadxaifong	1	4	0	16	74,755,000
039	Village development Fund	Savannakhet	Vilabouly	1	1	0	31	124,000,000
091	Houyxai's youth developement Fund	Bokeo	Huoixai	1	3	0	45	48,000,000
092	Pak Ngeum Development Fund (VICO)	Bokeo	Huoixai	1	7	0	247	240,879,000
071	Village development Fund	Oudomxay	Xay	7	7	0	136	405,500,000
074	Grand Fund	Oudomxay	Xay	1	6	0	25	11,740,000
096	Rural Development office	Luangnamtha	Namtha	3	27	0	1,604	2,682,700,000
099	Gender Enterprise credit Fund	Luangnamtha	Viengphoukha	1	3	0	69	0
100	Women Development Fund of village level	Luangnamtha	Namtha	2	4	0	67	82,000,000
103	Village Development Fund	Luangprabang	Luangprabang	5	58	0	3,923	3,030,300,000
106	World Vision	Luangprabang	Luangprabang	6	121	0	6,150	1,902,957,000
111	LWU/Ausaid	Phongsaly	Boon neua	1	17	0	85	27,800,000
112	Woman Union office of Boun Neur district	Phongsaly	Boon neua	0	20	0	520	40,000,000
114	LWU/Ausaid	Phongsaly	Boontai	1	3	0	15	16,963,000
116	Rural development	Phongsaly	Khua	2	28	0	928	893,784,000
164	Poverty Reduction Fund	Sayaboury	Sayaboury	3	22	0	196	929,664,000

Section 2: Information on Operations

2.1. Main organization that takes responsibility.....

2.2. At present, does your office cooperate with other organization in operating/managing/monitoring of credit and savings? Single answer (✓)

- 1. Self-operation
- 2. Co-operation

2.3. If co-operation, which organization (partner) are you co-operating with? Multiple answers (✓)

- | | |
|---|--|
| <ul style="list-style-type: none"> 1. <input type="checkbox"/> Planning Office (<i>Office = district or provincial office</i>) 2. <input type="checkbox"/> Lao Women Union Office 3. <input type="checkbox"/> Labour and Social Welfare Office 4. <input type="checkbox"/> Forestry and Agriculture Office 5. <input type="checkbox"/> Youth Union Office 6. <input type="checkbox"/> Public Health Office 7. <input type="checkbox"/> Trade Union Office 8. <input type="checkbox"/> Financial Office 9. <input type="checkbox"/> Lao Front Construction Office 10. <input type="checkbox"/> Rural Development Office 11. <input type="checkbox"/> Poverty Reduction Fund 12. <input type="checkbox"/> Bank of the Lao PDR 13. <input type="checkbox"/> World Bank 14. <input type="checkbox"/> Asian Development Bank 15. <input type="checkbox"/> International Labour Organization (ILO) | <ul style="list-style-type: none"> 16. <input type="checkbox"/> European Union 17. <input type="checkbox"/> Lux-Development 18. <input type="checkbox"/> German Technical Cooperation (GTZ) 19. <input type="checkbox"/> German Cooperative and Raiffeisen Confederation (DGRV) 20. <input type="checkbox"/> Asian Confederation of Credit Unions (ACCU) 21. <input type="checkbox"/> Stone Family Foundation 22. <input type="checkbox"/> World Vision 23. <input type="checkbox"/> German Agro Action 24. <input type="checkbox"/> Nam Theun 2 Power Company 25. <input type="checkbox"/> Theun Hinboun Power Company 26. <input type="checkbox"/> Phu Bia Mining 27. <input type="checkbox"/> Sepon Mining 28. <input type="checkbox"/> Other (Specify) 29. <input type="checkbox"/> Other (Specify)..... |
|---|--|

2.4. Are there any organizations providing financial support to your office?

- 1. Yes
- 2. No

2.4.1. Total amount of financial support.....kip

Of which: 2.4.1.1 loan.....kip

2.4.1.2. Grant.....Kip

2.5. How many full-time officers are there in your office?Persons,

2.5.1. Female.....persons

2.5.2. Male.....person

3. Credit and Savings (in cash) activities (Please answer every questions)

No	Description	2009	Remark
3.1	No. of provinces where your office/project currently provides services (do not include provinces in which your organization has separate administration and accounting)		
3.2	No. of districts where your office/project currently provides services (do not include the districts in which your organization has separate administration and accounting)		
3.3	No. of villages/village funds to which your office/project currently provides services		
3.4	Total number of members/clients in 2008 (persons)		
3.5	Total number of members/clients in 2009 (persons)		
3.6	Total number of members/clients increase or decrease		
3.7	If decrease, why?		
Credit Information			
3.8	Total numbers of borrowers on the closing account date (31.12.2009) (persons)		
3.9	Total amount of loan providing on the closing account date 31.12.2009 (kip)		
3.10	Total amount of loan repayment (excluded interest) on 31.12.2009 (kip)		
3.11	Total amount of outstanding loan on 31.12.2009 (kip)		
3.12	Average loan size (kip)		
3.13	Average flat interest rate of loans per month(%)		
Saving information:			
3.14	Does your institution/village fund(s) mobilize savings from the members or not?(yes = 1, No=0)		
3.15	Total number of savers on the closing account date on 31.12.2009 (persons)		
3.16	Total amount of savings on the closing account date on 31.12.2009 (kip)		
3.17	Average interest rate of savings per month (%)		
Chapter 4: Income Statement 2009			
4.1	Total income (kip) (4.1 = 4.1.1 + 4.1.2 + 4.1.3)		
4.1.1	Interest(kip)		
4.1.2	Grants(kip)		
4.1.3	Other income(kip)		
4.2	Total expenditure (kip)		
4.3	Profit (kip) (4.3 = 4.1 – 4.2)		
Profit allocation:			
4.3.1	Dividends for members (kip):		

No	Description	2009	Remark
4.3.2	Dividends for committee (kip)		
4.3.3	Village development fund(kip)		
4.3.4	Social welfare fund (kip):		
4.3.5	Loan loss reserve (kip)		
4.3.6	Other (kip)		
4.3.7	(Retained earnings) Net profit for expanding the activitites (kip)		
Chapter 5: Balance Sheet 2009			
5.1	Total Assets (5.1 = 5.1.1 + 5.1.2 + 5.1.3)		
5.1.1	Cash (kip)		
5.1.2	Loan principal outstanding (kip)		
5.1.3	Other assets (kip)		
5.2	Liabilities and Equity (5.2 = 5.2.1 + 5.2.2)		
5.2.1	Liabilities (5.2.1 = 5.2.1.1 + 5.2.1.2+ 5.2.1.3)		
5.2.1.1	Savings (kip)		
5.2.1.2	External Funds/Borrowings) (kip)		
5.2.1.3	Other.....		
5.2.2	(Equity) (5.2.2 = 5.2.2.1+5.2.2.2+5.2.2.3+5.2.2.4+5.2.2.5)		
5.2.2.1	Share capital (kip)		
5.2.2.2	Retained earnings (kip)		
5.2.2.3	Grants (kip)		
5.2.2.4	Reserves (kip)		
5.2.2.5	Others.....		

Chapter 6: Loan Purpose

No.	2009 Loan purpose	Loan Outstanding	Repayment (excluding interest)	Total
6.1	Emergency			
6.2	Agriculture			
6.3	Trade and Services			
6.4	Other			
6.5	Other			

Chapter 7: Financial Products

- 7.1 Loans
- 7.2 Savings
- 7.3 Social welfare
- 7.4 Money transfer
- 7.5 Bill payment (water supply, electricity and phone)
- 7.6 Other



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