



MICRO ENTERPRISE FINANCING Limited

HEAD OFFICE 12 Duke Street, Kingston, Jamaica, W.I. Tel: (876) 922-6842, 948-1224, 948-1462. Fax (876) 948-2190
BRANCH OFFICES: Shops 27-28 Ledgister & Sons Plaza, 30 Main Street, Santa Cruz P.O., St. Elizabeth Tel (876) 966-2279-81; Fax 966-2282
Shops 4-5 Seven Stars Mall, 17 Great George Street, Savanna-la-mar, Westmoreland Tel (876) 918-0061-3; Fax (876) 918-0064
Shop 13, Samm's Mall, 21 King Street, Linstead, St. Catherine Tel: (876) 903-0253-5; Fax (876) 903-0256

NEWS RELEASE

SCOTIABANK AND CIDA CONTRIBUTE ADDITIONAL \$115M TO MICRO FINANCING COMPANY

Kingston, Jamaica/March 5, 2008// Scotiabank and the Canadian International Development Agency (CIDA) have confirmed their continued support for Micro Enterprise Financing Limited (MEFL) which focuses on poverty alleviation for inner-city residents. Both organizations have recently committed additional funding of approximately J\$115 million for the provision of micro-lending and technical assistance to low income, urban and rural micro entrepreneurs without collateral. Scotiabank and CIDA have committed additional funding of J\$66 million and J\$49 million respectively.

This brings the total contribution by CIDA since the start of MEFL to CD\$2.92 million and the total provided by Scotiabank to the Jamaican Dollar equivalent of CD\$3 million.

As at January 31, 2008, MEFL had disbursed over J\$520 million in loans to 13,200 clients. *"The most outstanding success of this programme is the accumulated savings of \$31 million in Bank Accounts for the clients. There is no other micro finance entity in Jamaica that actively promotes savings, therefore this unique feature of the MEFL strategy can hardly be replicated," said Chairman of MEFL, Mr. William Clarke.*

According to General Manager, Glenroy Bernard, MEFL has played a major role over the past six years in improving the standard of living for thousands of poor Jamaicans. *"MEFL is the only micro financing company that makes micro-credit available to less fortunate Jamaicans who*

previously did not have access to funding across various communities that are faced with socio-economic challenges. Financing is provided for a wide range of entrepreneurial activities. We give persons a chance to turn an idea into a business and then we take them all the way up the financial ladder by growing their business, encouraging them to save from the profit made from their respective enterprises with the objective of ultimately graduating them up the value chain to other opportunities for products and services at Scotiabank," he explained.

A major success of MEFL stems from its alleviation of poverty strategy which requires all borrowers to be trained in business development, participate in compulsory savings, and acquire loans in groups where the group members act as security for each other. Clients can graduate from group loans to individual loans and loans are available for agri-business, distribution, manufacturing, and education. MEFL boasts a repayment rate on loans of 93 percent, with 69 percent of borrowers being women.

MEFL now operates from four locations, with offices in Kingston, Santa Cruz - St. Elizabeth, Savanna-la-Mar - Westmoreland and Linstead - St. Catherine. The company plans to build on its current success by expanding its programme to other parishes within the next five years. There are definite plans to intensify training programmes for clients through partnerships with the Business Development Center covering critical areas such as Tax Compliance and Record Keeping. The Rural Agricultural Development Agency will also provide assistance in agri-business techniques.

"MEFL is independent of all other micro-finance companies operating in Jamaica and is staffed by a cadre of competent, dedicated and highly professional employees who are committed to serving the communities across Jamaica," Said Mr. Bernard. MEFL was established in May 2002 through a joint partnership between Scotiabank, Kingston Restoration Company and the Canadian International Development Agency.

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Contact:

Glenroy Bernard
General Manager – MEFL
Tel:922.6842, 948.1224

Public Relations Specialist
Public, Corporate and Government Affairs
Scotiabank
Tel: 932 0549
Mobile: 322 3233