

PRESS RELEASE:

CODE OF ETHICS TO BE ESTABLISHED IN MICROFINANCE

NEW YORK, May 19, 2008 -- At the initiative of Deutsche Bank, The Boulder Institute, and CGAP, leaders of microfinance institutions, investors, banks and development agencies gathered in New York to develop a common ground and set of principles that would help microfinance navigate between commercialization and its social mission. The Pocantico Declaration is the first step toward a code of conduct that could distinguish microfinance from other providers of financial services who lack the social motivation that drives the microfinance industry.

“Microfinance is facing a moment of reckoning,” said Larry Reed, Academic Vice President of the Boulder Institute. “This meeting brought together leaders from all around the world and all ends of the spectrum in terms of commercial and non-commercial approaches to microfinance, to grapple with the realities we face today.”

The microfinance industry has seen remarkable growth in the last three decades with an array of financial service providers, investors, and other market players. Today CGAP estimates that cross-border investment in microfinance is nearing \$6 billion (on top of donor grants and loans). High repayment rates – 98% on average, well above bank rates – have been central to this success.

The rapid growth and high profile of microfinance is now leading to accusations of aggressive collection or excessive profits and other practices that challenge principles of good practice in microfinance. “In this context, a “gentleman’s agreement” may not be enough”, said Asad Mahmood, General Manager of Social Investment Funds at Deutsche Bank “The microfinance industry needs to recognize the potential reputational risk and act accordingly.”

“Without firm commercial foundations, microfinance cannot become the profitable business that it needs to be in order to survive,” said Elizabeth Littlefield, CGAP CEO. “But without firm ethical principles and a commitment to benefit poor people’s lives first and foremost, it will no longer be microfinance.”

For further information, please call:

Jeanette Thomas
CGAP Communications
202-473-8869

Scott Helfman
Deutsche Bank
212-250-5602

Shawn Hernandez
The Boulder Institute
206-965-9270.

About CGAP

CGAP (The Consultative Group to Assist the Poor) is the world's leading resource for the advancement of microfinance. CGAP provides the financial industry, governments and investors with objective information, expert opinion, and innovative solutions to effectively expand access to finance for poor people around the world. More information:

www.cgap.org

About Deutsche Bank

Deutsche Bank is a leading global investment bank with a strong and profitable private clients franchise. A leader in Germany and Europe, the bank is continuously growing in North America, Asia and key emerging markets. With 78,275 employees in 76 countries, Deutsche Bank offers unparalleled financial services throughout the world. The bank competes to be the leading global provider of financial solutions for demanding clients creating exceptional value for its shareholders and people.

www.db.com

About The Boulder Institute

The Boulder Institute of Microfinance is a nonprofit organization founded to create a platform for dialogue and critical thinking in microfinance. Building on the foundation of ten years' success of the Boulder MicroFinance Training courses, it aims to extend the same spirit of learning into a broad range of programs. BI's approach is global and pluralistic, and its strength is the capacity to project the voices of leaders, to bring together people who are breaking new ground, and to enable the exchange of ideas between them. www.bouldermicrofinance.org