

Five Talents Fact Sheet

April 2009

Activities

Five Talents supports microfinance projects in developing countries – providing small loans and business training to the active poor. The charity currently supports 12 microfinance projects in 10 countries on 3 continents. Today we have over 20,000 members (poor people) who are directly benefiting from the services. We have over £1m of loan portfolio in circulation (average £80 loan per person). The projects are helping people to build their small businesses, to create jobs and to support their families in a sustainable and dignified way.

Why Microfinance?

1.5bn people in the world are without access to basic financial services – the ability to save safely, get fair credit or simple insurance. In particular, poor people are often excluded from the banking system because of illiteracy, distance, proof of identity, lack of assets for security, commercial reasons.

Dr Muhammad Yunus and the Grameen Bank won the Nobel Peace Prize in 2006 for their contribution to peace and development in Bangladesh. Five Talents has adapted this group-based method in each of our country programmes.

Small loans from Five Talents are repaid and relaned repeatedly over a 6 month cycle, making effective use of the same capital. Interest is charged on the loans at local rates slightly more than commercial banks in order to cover the training costs and to make each programme self-sustaining. For example, a person who borrows £50 from Five Talents Uganda has to repay £59 over 6 months. Some people return for subsequent larger loans (3 or 4 rounds) as their business grows. The maximum loan is around £300. Repayment rates are usually more than 95%, reflecting the power of the group method (peer pressure to repay), the effective training of clients, their genuine desire to be hard-working and independent.

Five Talents Distinctives

1. Five Talents is a Christian charity and we work with the local church (Anglican) to help deliver the microfinance services to all people irrespective of faith or tribe. The church helps because:
 - a. it has a global network, is locally respected and permanently resident;
 - b. it has infrastructure and trusted personnel;
 - c. it promotes a non-corruption culture and helps with accountability.
2. Five Talents targets the active poor in places where commercial finance or microfinance is not yet developed – smaller loans, poorer clients, riskier places.
3. Five Talents has a strong emphasis on business training and encourages people to save before they start to borrow.



Example

Zawadi lives in Iringa, Tanzania. She has taken two small loans, starting at £20, from the local Five Talents programme. She used the money to improve her fruit and vegetable stall. She paid back the money and has self-esteem. The business is supporting her sick husband and paying the school fees for her 3 children.

The
Sustainable
City
Awards



Overall Winner 2008/09

About the Charity

The charity has 11 Trustees and 4 staff in the UK. The patron is the Archbishop of Canterbury. Five Talents is the overall winner of the City of London “Sustainable City Awards” 2008/09. We invite donations to start and scale up the microfinance programmes. Our target is to reach £1 million income per year to empower 70,000 microfinance clients by 2012. Please support this work!

“Master,” he said, “you entrusted me with five talents. See, I have gained five more.” (Matt. 25:20)