



IV CONSTITUTIONAL GOVERNMENT SECRETARIAT OF STATE OF THE COUNCIL OF MINISTERS

PRESS RELEASE

Meeting Extraordinaire of the Council of Ministers, September 16, 2010

The Council of Ministers met extraordinarily this Thursday, September 16, 2010, in its Meeting Room at the Government Palace in Díli and analysed:

1. Presentation on the Transformation of the Micro-finance Institute into a Commercial Bank

With the purpose of evaluating the advantages and disadvantages of developing the Micro-finance Institute into a commercial bank, which attends to the interests of the Timorese population, be it of the rural or the urban areas, a strategic and business plan, developed by the Ministry of Economy was presented in this meeting extraordinaire of the Council of Ministers.

The Micro-finance Institute was created in 2001 with the support of donors through an Asian Development Bank microfinance project, with the objective of reducing poverty by conceding finance and other services to the population in most need of support.

With the development that has been registered in the Country, the Micro-finance Institute started to divert from its initially objective, and such an increasing attribution of credits was verified that in 2008, the Asian Development Bank recommended that the Institute seek a banking licence to operate as a small commercial bank. In this way, still in 2008, the Micro-finance Institute's actions were transferred to the Timor-Leste Government in order that obtaining the licence becomes feasible.

The IV Constitutional Government is studying the most adequate mechanisms, in accordance to the legislation, so that the Institute may be transformed into a credit institution.