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Support to Seven-Member Family with Two Disabled Persons

(2 July 2007, Kunduz, Afghanistan) Among the hundreds of ARIES-FINCA clients, disabled Abdul Matin is one of the most vulnerable. He is grateful to the ARIES program of USAID for providing him loan services to improve his business further. Mr Matin, age 33 and father of five, is unable to walk and has a disabled young daughter.

He has been in the rickshaw accessories' business for a few years now and recently heard about an ARIES funded loan product, totally compliant with the Islamic Sharia law, called a Business Murabeha Agreement (BMA).



Matin said, "I found this loan product compliant with the Islamic Sharia and I am given the loan in the form of physical inputs. The repayments consist of both principal and markup components, which I really feel comfortable with". "Before these microfinance institutions, I was borrowing money and repaying it with high interest rate which was very expensive and also Haram (illegal in Islam), but now this Islamic method, Murabeha is legal and also improves my business" explains Matin. He applied for a 50,000 Afghani (US\$1,000) loan three months ago and received it. Previously, he had borrowed some money from wholesalers which he was unable to repay and lost his credibility.

Using his loan money, he paid back his liabilities and at the same time used an amount of it to purchase more goods for his shop. Now his business is in a better position and according to him his net profit has improved by 30%.

Matin while serving me a drink and talking about his life full of challenges, said "I am happy we have these microfinance institutions established in our province now and our people are introduced to this concept for the first time, which improves the licit economy of this province".

As a result of improvements in his business since receiving the loan, Matin has employed two more workers for his shop and with him and his son, the number of workers is



now
four.
He

believes it is a good opportunity for people to get loan and expand their businesses which will then result in job opportunities for more people.

ARIES through FINCA has provided access to financial services for Mr Matin as well as many thousands of poor in Afghanistan. ARIES also supports expansion of FINCA microfinance services into new provinces and FINCA has pioneered the development of Sharia's compliant lending (Murabeha) in Afghanistan which is highly appreciated by Afghans.