



# 2014 *Annual report*





MEF Annual report 2014

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## Mission of the fund

### THE MISSION

Initiated by KfW Entwicklungsbank ("KfW") and International Finance Corporation ("IFC"), a member of the World Bank Group, co-managed by three leading private investment managers (Blue Orchard Finance S.A., Cyrano Management S.A. and responsibility Investments AG), Microfinance Enhancement Facility S.A., SICAV-SIF ("MEF") was setup in February 2009 as a major facility to provide short and medium-term financing to microfinance institutions ("MFIs") facing difficulties in securing financing as a result of the global financial crisis and, in particular, the 2008/2009 liquidity crisis.

Recognised as an efficient and responsible microfinance debt fund providing stability to the microfinance market, MEF has an important signalling effect and contributes to the stabilisation of the microfinance sector. In times of uncertainty, a vehicle that can respond quickly and decisively, such as MEF, can provide a stable source of funding. As a complement to existing sources of funding, MEF focuses on providing liquidity that the market does not offer. MEF is a flexible vehicle structured to meet the needs of MFIs, without crowding out private sector initiatives.

As a demand oriented fund, seeking to respond to the needs of the market and of individual MFIs, it has supported over 450,000 low income borrowers by provided financing for over USD 900 million to more than 100 microfinance institutions in 36 of the world's poorest countries.

The investment managers are led by MEF's Investment Committee, convening on a monthly basis and composed of reputable professionals of the microfinance industry, Mr. Syed Aftab Ahmed, Mr. Karlo de Waal, and Dr. Klaus Glaubitt.

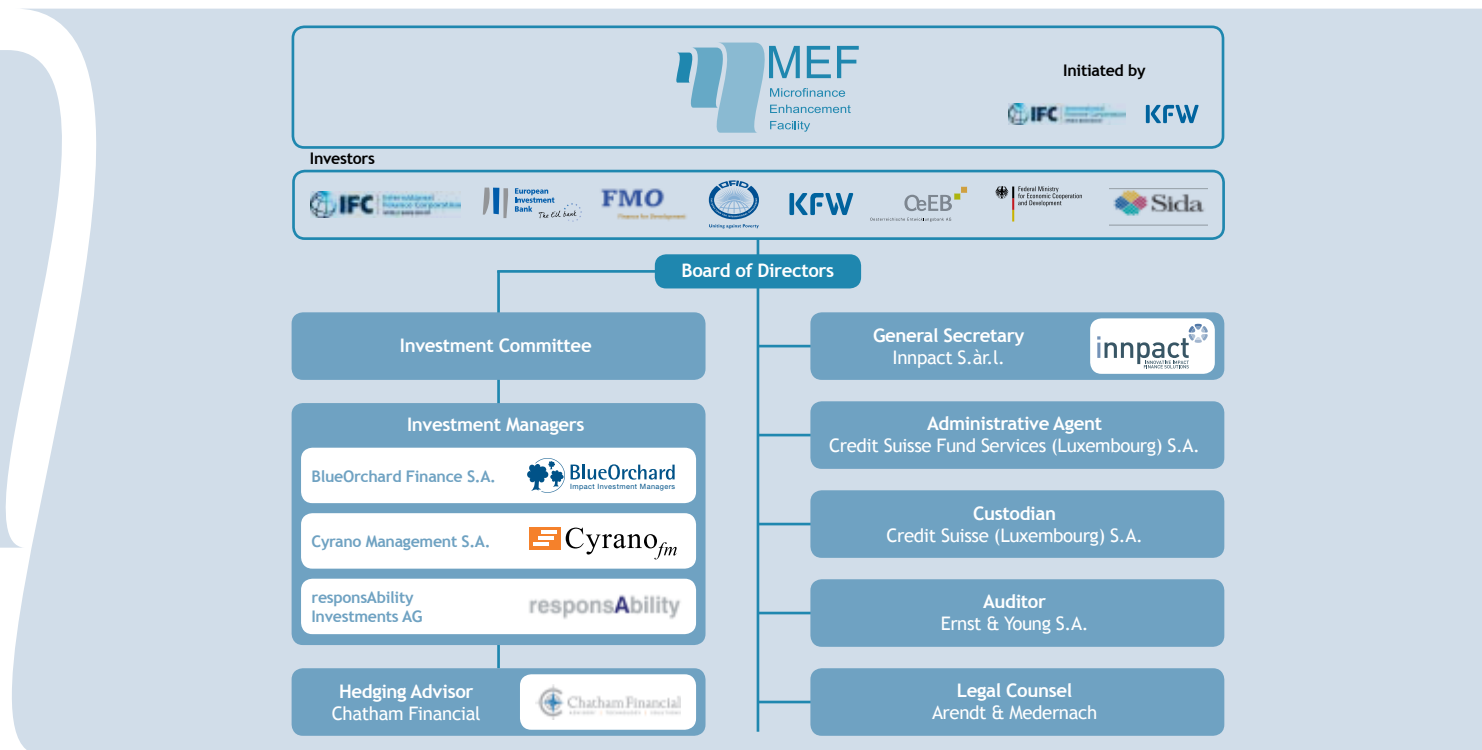
### THE FUND

MEF aims to support economic development and prosperity globally through the provision of additional development finance to micro-enterprises, via qualified financial institutions.

In pursuing its development goal MEF observes principles of sustainability and additionality, combining development and market orientations.



# Structure of the fund



## Board of Directors

### Board of Directors

#### Chairperson

Ms. Monika BECK

#### Directors

Mr. Martin HOLTSMANN

Mr. Robert Peck CHRISTEN

Ms. Andrea HAGMANN

Mr. Tassilo HENDUS (until 9 October 2014)

Mr. Angus MACRAE (from 9 October 2014)

Mr. Karl VON KLITZING

## Investment Committee

### Investment Committee

#### Chairman

Dr. Klaus GLAUBITT

#### Members

Mr. Syed Aftab AHMED

Mr. Karlo DE WAAL

## Letter of the Chairperson



In 2014 the microfinance market worldwide pursued its growth despite a number of challenging events for the industry and its beneficiaries, including the developments in Ukraine and the plunge in the price of oil which have both greatly impacted Russia's economy and, consequently, the economies of Russia's neighbours, many of which are key microfinance markets.

In this challenging context, MEF has pursued its mission and was again able to respond to the strong market demand. MEF increased its portfolio of investments by 22% in 2014, from USD 441 million at the end of 2013 to USD 538 million. Thanks to the excellent track record achieved so far

on financial and developmental results MEF was able to mobilize additional private investors that subscribed for both notes (USD 36 million) and shares (USD 24 million). In parallel, existing shareholders increased their outstanding commitments by USD 53 million which brought the capital commitment of MEF to USD 657 million by 31 December 2014.

As the microfinance sector experienced some degradation, MEF has intensified its risk monitoring in order to provide appropriate support to its partner MFIs and to help them manage risk in the most efficient way. Due to its strong risk management processes, the Fund has incurred no impairments in 2014.

At the end of 2014, the MEF was invested in 87 MFIs in 33 countries and, during the year, expanded its portfolio to three new countries (Ivory Coast, El Salvador and Montenegro) and 16 new MFIs which shows the very high degree of diversification reached by the MEF. In particular in India MEF has pursued its support of the long-term expansion of the microfinance sector thanks to the Reserve Bank of India having been more open to granting new licenses. The local currency portfolio, fully hedged against USD, increased to USD 95 million invested in 17 countries. The total expense ratio (based on the average total assets) has further decreased in 2014 to 1.62%.





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## Letter of the Chairperson

*In this report*, we are pleased to highlight the achievements of three microfinance institutions, Mission Annapurna (India), Financiera Proempresa (Peru) and Chase Bank (Kenya) that have partnered with the MEF. We are also proud to present the stories of a carver in India, a baker in Tajikistan and a fisherman in Ecuador who have benefitted from micro-loans from MFIs funded by the MEF and that show how much can be achieved by supporting and financing entrepreneurs even with small amounts.

*In 2015* MEF will continue playing its active and catalytic role in supporting local financial institutions by providing financing efficiently and responsibly to entrepreneurs in developing countries.

*On behalf* of the Board, I would like to thank the committed investors of the MEF, the service providers and the Partner Institutions for their deep dedication to the Fund's mission and to the development of the MEF in favour of micro-entreprises around the world.



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## Supported by Three Investment Managers

*BlueOrchard Finance S.A.*

BlueOrchard Finance, S.A. is a leading asset manager in Impact Investing, with specific expertise in debt financing for microfinance institutions worldwide. Headquartered in Geneva, Switzerland, BlueOrchard has local offices in Cambodia, Georgia, Peru and Kenya, with a presence as well in Luxembourg and Zurich. Since its inception in 2001, BlueOrchard has made in excess of USD 2 billion in loans to more than 260 microfinance institutions (MFIs) that together reach

30 million clients and is committed to advancing socially responsible financial inclusion worldwide, offering attractive investment products to investors in this dynamic and rewarding field. As a pioneer and leading investment manager in inclusive finance, BlueOrchard works together with investors, microfinance operators and their clients in the growth and development of a sustainable financial system that provides opportunities to the world's poor.



### Portfolio MEF - BlueOrchard

Portfolio managed as of 31 December 2014		
Portfolio	USD	% total MEF portfolio
	198,236,251	36.8%





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## Supported by Three Investment Managers

*Cyrano Management S.A.*

**Cyrano** is a pioneer fund manager specialized in the microfinance industry in emerging markets with more than 15 years experience. Cyrano has developed a rigorous credit methodology to analyze in-situ and to monitor, on a monthly basis, qualitative and quantitative risks of MFIs. Cyrano managed the first microfinance fund worldwide (LA-CIF), created the first mezzanine

fund in microfinance (Solidus) and one of the most successful and solvent global funds (GMF). Solidus and GMF successfully redeemed in 2014 with one of the best returns to investors and with an excellent track record of portfolio quality. Cyrano also manages WMF, a local currency fund fully devoted to MFIs in Ghana.



### Portfolio MEF - Cyrano

Portfolio managed as of 31 December 2014		
Portfolio	USD	% total MEF portfolio
	164,852,170	30.7%





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## Supported by Three Investment Managers

*responsAbility Investment AG*

*responsAbility Investments AG* is one of the world's leading independent asset managers in the field of Development Investments and offers professionally-managed investment solutions to both private and institutional investors. The company supplies debt and equity financing to non-listed firms in emerging economies and developing countries.

*responsAbility* currently has USD 2.4 billion of assets under management that are invested in around 530 companies in more than 90 countries. Founded in 2003, the company is headquartered in Zurich and has local offices in Paris, Lima, Mumbai and Nairobi. Its shareholders include a number of reputable institutions in the Swiss financial market as well as its own employees. *responsAbility* is registered with the Swiss Financial Market Supervisory Authority FINMA.

**responsAbility**

### Portfolio MEF - *responsAbility*

Portfolio managed as of 31 December 2014		
Portfolio	USD	% total MEF portfolio
	174,533,893	32.5%



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## A facility enhancing MFIs

### Key Figures

as at 31 December 2014

#### Portfolio in detail

	December 2014	December 2013	Cumulative figures
Microfinance investment portfolio	USD 537.6 MM	USD 441 MM	USD 906.0 MM
Cash	USD 76.1 MM	USD 50.6 MM	-
Other short term investments	USD 43.7 MM	USD 62.5 MM	-
Total assets	USD 657.4 MM	USD 503.5 MM	-
Microfinance portfolio as a % of total assets	81.8%	87.6%	-
Total net asset value	USD 503.3 MM	USD 410.3 MM	-
Number of MFIs	87	86	107
Number of loans	180	150	297
Number of countries	33	33	36

IFC photo



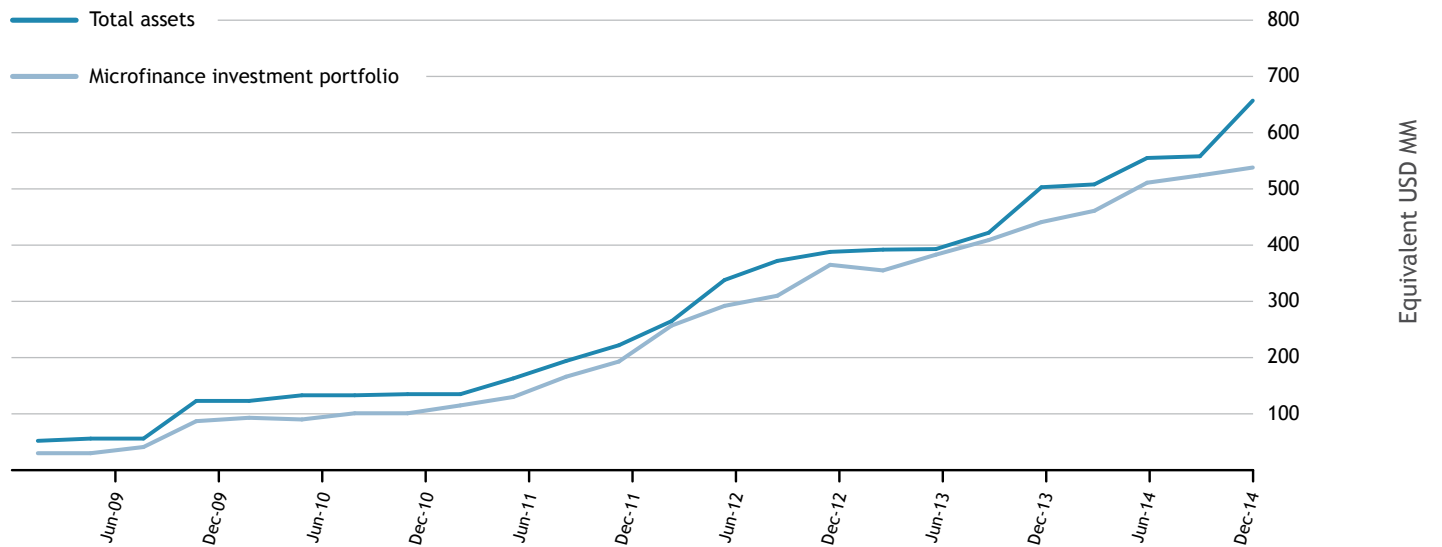
IFC photo

# A facility enhancing MFIs

## Key Figures

as at 31 December 2014

Portfolio evolution since launch

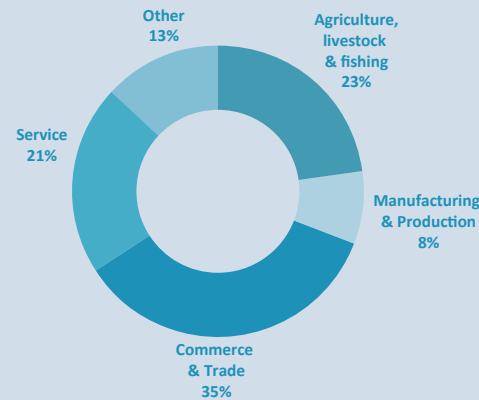




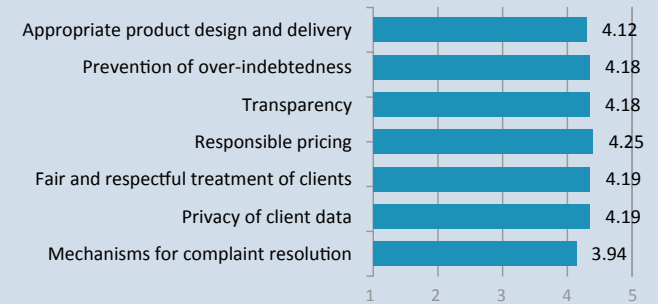
# A facility enhancing MFIs

Impact Indicators  
as at 31 December 2014

## Sector Distribution of Portfolio



## Level of adherence to the Client Protection Principles (self reported)



The diagram highlights the good scores of MEF's MFIs regarding the adherence to the Client Protection Principles.

## Outreach of Microfinance Institutions Financed

Borrowers	
Total, number	457,976
Women, percent	48%
Rural, percent	54%
Loans	
Average loan balance	4,170 USD
Client Type	
Microfinance	74%
Productive loans	70%
Mortgage	5%
Consumer	14%
Other	12%
Product Type	
Direct loans	79%
Group guaranteed loans	21%

## Adherence to social and environmental criteria

Adherence to the CPP	
MFIs having formally adopted the CPP	89%
Adherence to exclusion list	
Violations of the exclusion list	None

All figures are weighted by exposure of each MFI in MEF portfolio. Please note that 84 out of the 87 MFIs in the portfolio as of 31 December 2014 have reported their social and environmental data.



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# Activity Report

*BlueOrchard 2014  
Activity Report*

## MARKET REVIEW

The outstanding performance of microfinance markets worldwide continued its persisting development trends in expansion and scale, during 2014. In particular, 2014 saw African MFIs grow still further, with increasingly successful deposit mobilisation strategies for many of the international networks. Yields reduced in many markets, despite a few volatile opportunities.

In Cambodia, despite the political deadlock following the July 2013 parliamentary elections the microfinance market continues to expand with excellent portfolio quality. In the meantime, the Reserve Bank of India provided opportunities for licensing for Payment Banks and Small Finance

Banks. The new license will allow a healthy long-term expansion of the microfinance sector, which will be able to tap public savings and lower its dependence on bank financing.

While the microfinance market in the above regions continued to evolve, the depreciation of the Russian Ruble resulted in prohibitive hedging costs for a number of MFIs seeking local currency denominated funding in the Caucasus and Central Asia. Overall, the MFI portfolio growth rate in 2014 was in the 25-30% range depending on the respective regions.

## FUND PERFORMANCE

BlueOrchard has continuously built on its strengths and enhanced its capabilities. BlueOrchard disbursed

USD 120 million in 43 loans across 22 countries during the reporting period. Disbursements almost doubled in 2014 when compared to 2013. The BlueOrchard pool reached an outstanding portfolio of USD 198 million as of 31 December 2014.

## MARKET OUTLOOK

The market outlook is positive with the exception of some regions in the influence zone of the Russian Ruble. Overall, the microfinance sector and its financial intermediaries are projected to continue their expansion in a sound sustainable manner (20-30% growth). In certain markets a consolidation of the sector is anticipated (e.g. Cambodia). Other regions will be developed further (e.g. Africa). However, timing in disbursements and maturities sought

will be key factors to continue the growth experienced in 2014. In Latin America the industry will continue its growth regardless of high competition and regulatory complexity.

Global market uncertainties are ahead of us in 2015; the increase in the USD interest rates and drop in EUR rates will have diverse short and long term impacts on the different individual markets. These will need to be closely monitored as MFIs might react by adjusting their cost of funding and/or have lower margins on their loan portfolios.



IFC photo

# Activity Report

## Cyrano 2014 Activity Report

### MARKET REVIEW

The solvency of microfinance sector experienced some degradation in 2014. The very rapid reduction of oil prices and the devaluation of the Ruble affected the economies of Central Asian countries and jeopardized the portfolio quality and solvency of MFIs. In South-East Asia and Latam the negative impact was mainly generated by the slower growth of the economy of China which affected the prices of commodities and reduced the GDP growth of several low income countries. The MFIs were principally affected by the SME lending implying large loan amount exposures. It was confirmed that SMEs may rapidly be affected when macroeconomic performance dramatically decrease.

### POOL PERFORMANCE

Cyrano intensified the monthly risk monitoring of MFIs and prevented risks in early stages. Cyrano negotiated a new Covenant's package with MFIs with the goal of providing them the possibility to restructure non-performing loans and, at the same time, to establish some risk limits to protect MEF.

Some loans of the MFIs were not renewed and some requests to increase loan amounts were rejected. MFIs in Africa were evaluated by Cyrano but the risk profile and the pricing were not in line with MEF's policies.

The portfolio growth was very limited and the criterion of flight to quality was adopted during this time of uncertainties. Cyrano's portfolio pool has not experienced a single day of arrears, nor any defaults. Consequently, no provisions were required.

### MARKET OUTLOOK

Cyrano considers that the following uncertainties in emerging economies may appear in 2015: (i) lower GDP growth in emerging economies which implies that the demand for credits will decrease and the reduction of income for people may jeopardize the portfolio quality of MFIs; (ii) risk of portfolio concentration in some MFIs. In general, biggest MFIs are extending large loan amounts to SMEs presenting some threats for the MFIs, mainly during this time of slowdown of economies, and (iii) over-indebtedness in some urban areas may, in addition, affect portfolio quality of MFIs.

Cyrano will continue to monitor the countries and MFIs in its pool very closely in order to prevent any potential negative impact these factors may have on MEF's portfolio. New loans will be extended based on very conservative criteria.





# Activity Report

responsAbility 2014  
Activity Report

## MARKET REVIEW

Microfinance markets globally achieved the expected sustainable growth rates for 2014. However, there were a number of events that brought challenges to the industry. In India, the Indian central bank granted banking licenses for the first time since 2004. Two MFIs were among the recipients. This is a strong sign that the Indian microfinance market is recovering. Rising reference rates in the U.S. impacted MFIs' refinancing costs. As a result, MFIs now have to pay more for follow-up financings than they did only a few months ago. Developments in Ukraine remained an important area of concern, mainly due to Russia's position in this conflict and, in particular, its implications for the Russian economy and consequently on neighbouring countries. The plunge in the price of oil was a key concern for microfinance investors during the second half of the year, with attention focused on the indirect impact of

oil prices on the macroeconomic stability of numerous countries and the volatility of their currencies. Russia was the most prominently affected country. For the microfinance market, however, the impact on neighbouring countries is more important as they include some of the key microfinance markets. The currencies of many of these countries have already responded with sharp exchange rate fluctuations.

## POOL PERFORMANCE

responsAbility invested a total amount of USD 94 million in MEF during 2014, covering 15 institutions in 9 countries. Some of these investments were done in the local currency of the MFI (i.e. Kazakhstan Tenge and Russian Ruble). The main growth came from existing investees where renewals and follow-on investments could be made.

The main developments of the responsAbility pool were reflected in:

- Portfolio growth of 52% in 2014
- Portfolio growth of ACP countries of USD 25 million
- The addition of 3 new MFIs
- The expansion of the geographical coverage to 15 countries (9 in 2013)

## MARKET OUTLOOK

The global microfinance market should once again achieve growth of 15-20% in 2015. Asia is displaying the strongest growth momentum. A particularly impressive development in this region is the revival of India's microfinance market. Central Asia is being impacted by the economic crisis in Russia, leading to a slight slowdown in financial sector development compared to previous years.

According to the International Monetary Fund (IMF), economic growth in the 20 most important microfinance markets

will increase from 4.4% to 4.8% in 2015. This means that microfinance countries will probably grow at twice the rate of developed economies.

In terms of financing, local sources of financing are becoming increasingly important. International investors continue to play a major role but MFIs are seeking to focus on a smaller number of stronger financing partners.

Certain microfinance markets will likely be somewhat affected by the Russian economic crisis. Moderate falls in demand are forecasted by market experts in the Caucasus and Central Asia as a struggling labor market in Russia could lead to significant declines in monthly transfers of funds by migrants back to their home countries. Caution is therefore needed, even if the microfinance model has proved remarkably resilient in various crises around the world.



# Client story

## Mission Annapurna

### India

Mission Annapurna began as a project by People's Forum, an Indian NGO, in 2005 with the objective of growing the microfinance operations in areas that were excluded from the formal financial system. The project began with just a few staff-members and operations in twelve districts of Odisha.

When the portfolio grew to 250 million Indian Rupees (INR), it was clear that there was a need for commercial funding. Given its status as a charitable organisation, People's Forum had numerous restrictions regarding infusing equity and debt-raising. Consequently, People's Forum acquired a Varanasi based financial company named Gwalior Finance and Leasing Company Private Limited and later changed its name

to Annapurna Microfinance Private Limited (AMPL). The gradual transfer of business between Mission Annapurna and AMPL was completed in 2012.

In 2013, Annapurna received a NBFC-MFI (Non-Banking Financial Company - Microfinance Institution) licence and was graded as a MFI 2 organisation, an improvement from its previous grade of MFI 3+. Gradually BIO, SIDBI, and Incofin joined as shareholders.

The organisation has endorsed the Smart Campaign and received a grade A in the 2013 Code of Conduct Assessment.

At present Annapurna has 768 staff-members and operates 102 branches

in 5 States, catering to client needs with a basket of loan products to address critical issues in rural areas such as water and sanitation, lighting, education and microenterprise. Today, the number of client has increased from 36,903 to 304,401, 99.99% of whom are women. The gross loan portfolio has increased by 87% and the company has a compound annual growth rate of 44% and a PAR>30 of just 0.11%





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## Client story

*Financiera Proempresa*

*Peru*

**IDESI** was one of the first NGOs in Peru that started extending loans to the informal sector in the 80s.

In 1997, IDESI decided to create a regulated financial institution called PROEMPRESA to develop its micro credit activity at a national scale. Thus, PROEMPRESA was created in May 1997 and began operating as a regulated institution in November 1997, with IDESI as the major shareholder. PROEMPRESA is one of the oldest socially-oriented “Financiera” in Latin America.

Over time, PROEMPRESA attracted a large number of socially-responsible European investors in order to increase its share capital and to leverage senior debt.

In August 2012, PROEMPRESA modified its legal structure from a specialised microfinance entity (EDPYME) to a Credit Company (“Financiera”) that allows collection of term deposits.

Currently, PROEMPRESA has assets of USD 130.5 million, has reached 56,900 credit clients through 35 branches and 660 employees. The entity covers the

Andean region and major cities of the Peruvian coast.

MEF has extended three senior loans to PROEMPRESA for a total amount of USD 7.5 million, that were disbursed in April 2013, October 2013 and August 2014, with the aim of consolidating the microfinance portfolio growth.





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## Client story

**Chase Bank**  
**Kenya**

**Chase Bank** (Kenya) Ltd (“Chase Bank”) was established in 1995 as a privately-owned bank. Chase Bank has since strongly positioned itself as a market leader in the retail and micro, small and medium enterprises (“MSMEs”) market segment. The bank offers a wide range of services, including mortgages, trade finance, mobile money as well as savings and deposits products via a network of 38 traditional branches and cash points called Chase Express. Chase Bank serves approximately 31,000 borrowers and 90,500 savers and employs a staff base of 800 employees.

**Chase Bank** is an integral component of the larger Chase Group. The group’s aim is to serve the entire spectrum of the financial sector including microfinance. To reach out to the microfinance segment with tailored solutions and expertise, the Bank established the subsidiary Rafiki Microfinance Bank Ltd (“Rafiki”) in 2009. As of December 2014, Rafiki (meaning “friend” in Kiswahili) managed a portfolio of USD 34.5m with 7,848 borrowers and 97,853 savers.

**Rafiki** serves 4 provinces in Kenya via a network of 18 branches and offers business term loan, asset finance, diaspora and forex services as well as deposits and savings accounts. The average loan size of Rafiki stands at about USD 4,000.

**MEF** disbursed a loan to Chase Bank with the objective to support the group, and Rafiki, in consolidating its positioning in the MSME segment.



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## Client story

Carving

India

**Mrs. Rajni Palta Singh**, 35, is a resident of Bhigopur, Khurda and a member of Maa Mangla SHG. Rajni is a young mother of three and manages a joint family of 8 members.

**Before availing a loan from Annapurna**, her husband was the only earning member in the family. With the medical expenses of her elderly in-laws and the school expenses of young children, it was a great challenge for her to run a household with monthly income of just INR 4000. Her husband's alcoholism only served to further complicate her household management.

**Rajni was sad** and worried about the future of her kids, but her faith in God

and her motivation to do something on her own brought her to Annapurna.

**None** of her family members supported her in the decision to take a loan, but she was determined. Her strong decision to take a loan from Annapurna helped her to sail through her trying conditions and eventually changed her life for the better.

**With her dedication**, Rajni started the business of carving with the first loan cycle of INR 15,000 and started earning INR 2,000-2,500 per month which shoots up to INR 5,000 during festivals.

**After 18 months**, with her timely repayment and positive attitude, she

took another loan of INR 25,000 and used the funds along with some money from her savings to buy a stone carving machine.

**Now**, Rajni and her husband are working together. They are earning INR 15,000 per month and leading a good life. They have started a thrift practice and also hold a savings account in the Bank.

**Rajni says**, "Women must learn to find self-worth within themselves, not through others. It is important to create a niche for oneself. I am thankful to Annapurna that they helped me in creating a secure future and a comfortable space in life for me and my family".





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## Client story

*Pies and pastries*

*Tajikistan*

Nargis Tuichiboeva has been in business since 2006. Before starting her business, the young woman worked in Russia where she learned to cook pies and pastries. Back in Tajikistan, she followed her uncle's advice and started her own business. Her uncle helped her to create a sales point for her pies at the central market. The money Nargis had earned in Russia served as her startup capital. Investing both money and her strengths into her business, Nargis quickly turned her little market stall into a profitable operation with a growing customer base. Today, she has many regular customers, including

retirees, for whom she offers a discount, and she plans to expand her business to be able to cater to her growing customer base.

Having previously obtained a loan from another MFI, Nargis took out her first loan from "IMON INTERNATIONAL", Tajikistan's largest microfinance institution, in 2011. As her profitability increased, she took out a second loan to expand her business and then a third one to build a new house. The first phase of construction has now been completed and Nargis and her husband will soon be able to move into

the house of their dreams. "I am 34 years old. Today I can say that I am a successful entrepreneur and a happy woman," Nargis says.

As a commercially successful female entrepreneur, Nargis represents all that IMON INTERNATIONAL hopes to achieve. By providing private capital to underserved members of Tajikistan's economically active population, the bank strives to foster entrepreneurial success and, ultimately, prosperity and development while generating an adequate return on investment for its investors.





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## Client story

*Fisherman*

*Ecuador*

**Julio Yunez Alarcón** buys fish and sells it on the streets of Esmeraldas, a town 318 kilometers from Quito, Ecuador. Every day at dawn, he drives to the local port on his motorbike to get the best of the day's catch. Together with his closest companion and his wife Caty Rodríguez, he sells his fish - dorado, albacore, and corvine - in the city. His smile and good humor are his best hook and together with his strong work ethic are the drivers behind his success as a microentrepreneur - that and his ability to access the necessary financing when he needed it.

**Julio** is a typical example of the kinds of clients that responsibility investee Banco Solidario serves. The Ecuadorian microfinance institution reaches out to

rural and urban micro-business owners, a section of the population traditionally excluded from the financial sector. By supporting these entrepreneurs' commercial success, the bank helps to drive development and prosperity based on its philosophy of 'believing in people for who they are, not for what they earn'.

**Julio has earned the bank's faith** with his successful micro business. The loan he took out three years ago paid for a refrigerated room in his home. Today, Julio and his wife have regular, as well as random, customers who pay USD 1.20 to USD 1.50, in some cases even up to USD 1.80, for a pound of fish. In addition, they sell some fish to the community kitchen and passenger

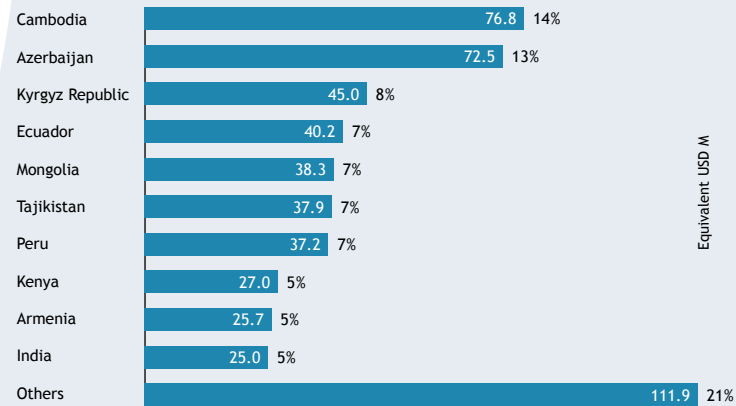
terminal at a lower price. Overall, Julio and Caty take home around USD 20.0 every day and as much as USD 50.0 on good days - enough to cover the household's expenses and repay their loan.

**For Julio**, on-time payments are a matter of course, as is his commitment to providing his customers with the best quality of fish and always fulfilling their orders on time. "If you want to work, you work no matter what", is his advice to anyone looking for a way out of poverty. Who knows, maybe he can soon help others earn a living for themselves by scaling his business: his dream is to buy a truck.

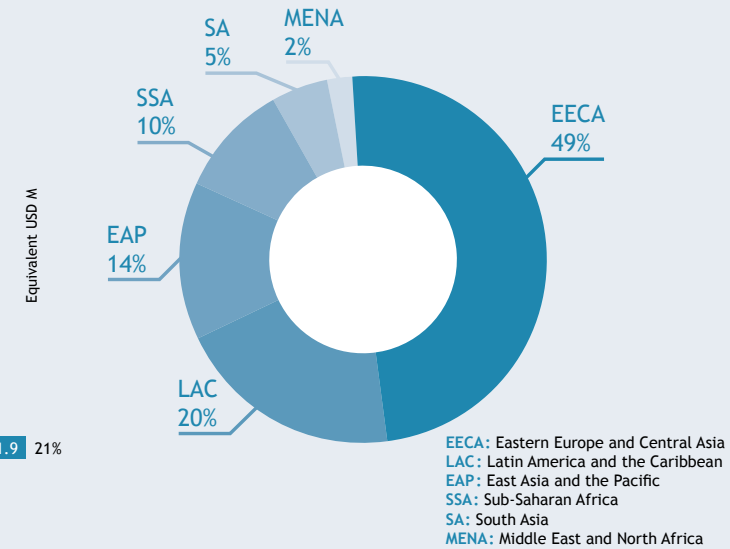
# The Portfolio

as at 31 December 2014

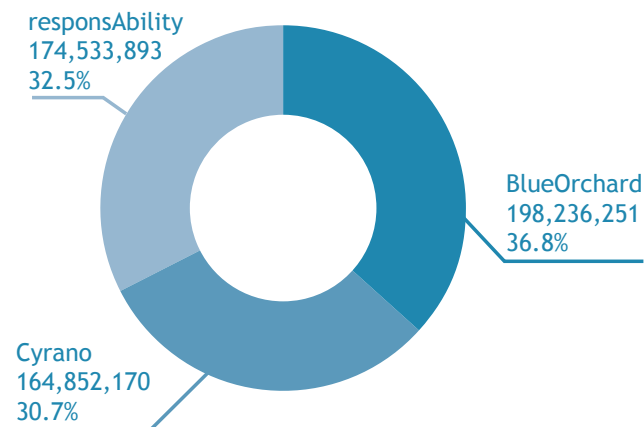
**Country distribution**  
Microfinance investment portfolio  
Equivalent USD MM



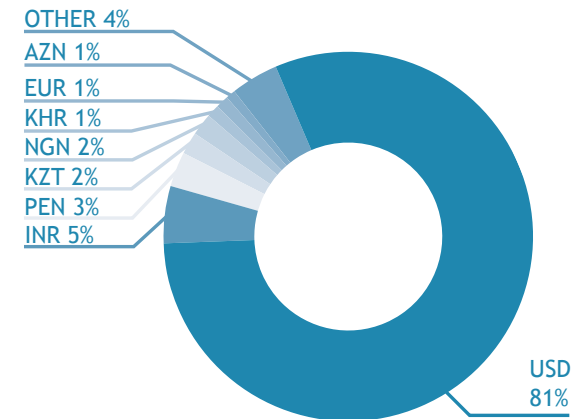
**Regional distribution in %**  
Microfinance investment portfolio



**Investment Manager distribution in %**  
Microfinance investment portfolio - Equivalent USD



**Currency distribution in %**  
Total portfolio  
All investments hedged to USD



Other includes:  
XAF, XOF, ZMW, MXN, THB, AMD, CRC, PLN, RUB



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## The Investors

### Investors



Oesterreichische Entwicklungsbank AG



### Private Investors



Other Private Investors participating via







## Balance Sheet

as at 31 December 2014 - in USD

ASSETS	2014	2013
Loans to MFIs	537,622,314	441,007,904
Current assets	119,677,811	60,166,424
of which: cash & cash equivalent	99,428,439	49,431,930
Other assets	1,503,657	1,268,135
<b>Total Assets</b>	<b>658,803,782</b>	<b>502,442,463</b>
<b>LIABILITIES</b>	<b>2014</b>	<b>2013</b>
Notes	109,990,950	75,000,000
Current liabilities	45,530,796	17,100,364
of which: cash & cash equivalent	17,174,879	14,293,551
Accruals and deferred income	---	---
<b>Total Liabilities</b>	<b>155,521,746</b>	<b>92,100,364</b>
<b>Net Assets</b>	<b>503,282,036</b>	<b>410,342,099</b>



## Income Statement

as at 31 December 2014 - in USD

<b>INCOME</b>	<b>as at 31 December 2014</b>	<b>as at 31 December 2013</b>
Interest on loans	34,695,646	26,927,975
Upfront fees	2,408,105	1,544,662
Other income	245,766	252,745
<b>Total Income</b>	<b>37,349,517</b>	<b>28,725,382</b>

<b>EXPENSES</b>	<b>as at 31 December 2014</b>	<b>as at 31 December 2013</b>
Management fees	(6,340,507)	(4,822,885)
Legal, advisory and audit fees	(459,413)	(501,279)
Administration, custodian and domiciliation fees	(528,397)	(464,457)
Other expenses	(4,711,301)	(1,766,741)
<b>Total Expenses</b>	<b>(12,039,618)</b>	<b>(7,555,362)</b>

<b>NET OPERATING RESULTS</b>	<b>as at 31 December 2014</b>	<b>as at 31 December 2013</b>
Net income from investments	25,309,899	21,170,020
Net realized and unrealized gains/losses on foreign exchange	(5,458,988)	(4,486,156)
Net realized and unrealized gains/losses on swaps and forwards	2,633,815	1,116,599
Value adjustments relating to loans	241,564	260,337
<b>Net increase/decrease in Net Assets as result of operations for the year/period</b>	<b>22,726,290</b>	<b>18,060,800</b>

<b>MOVEMENT IN CAPITAL</b>	<b>as at 31 December 2014</b>	<b>as at 31 December 2013</b>
Subscription of shares	87,388,526	30,000,000
Redemption of shares	---	---
Advance of dividend	(17,174,879)	(14,293,551)
<b>NET ASSETS AT THE END OF THE YEAR/PERIOD</b>	<b>503,282,036</b>	<b>410,342,099</b>

## Board of Directors



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# Microfinance Enhancement Facility SA, SICAV-SIF

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- **Cyrano Management S.A.**  
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- **responsAbility Investments AG**  
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**Innpact**  
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