



# 2013 *Annual report*





MEF Annual report 2013

page

2

# Content

|  |         |                                   |         |
|--|---------|-----------------------------------|---------|
| The Mission, the Fund                  | page 3  | Client Stories                    | page 16 |
| The Structure                          | page 4  | Edpyme Alternativa                | page 16 |
| Letter of the Chairperson              | page 5  | Small grocery in Peru             | page 17 |
| Supported by Three Investment Managers | page 7  | AMRET                             | page 18 |
| BlueOrchard Finance S.A.               | page 7  | Farmer in Cambodia                | page 19 |
| Cyrano Management S.A.                 | page 8  | AccessBankTanzania Limited (ABT)  | page 20 |
| ResponsAbility Social Investment AG    | page 9  | Crickets farm in Cambodia         | page 21 |
| A facility enhancing MFIs              | page 10 | The Portfolio                     | page 22 |
| a. Key Figures                         | page 10 | · Country distribution            |         |
| Portfolio in detail                    | page 11 | · Regional distribution           |         |
| Portfolio evolution                    | page 12 | · Investment Manager distribution |         |
| b. Impact Indicators                   | page 12 | · Currency distribution           |         |
| Activity Reports                       | page 13 | The Investors                     | page 23 |
| BlueOrchard Finance S.A.               | page 13 | Financial Information             | page 24 |
| Cyrano Management S.A.                 | page 14 | Balance Sheet                     | page 24 |
| ResponsAbility Investment AG           | page 15 | Income Statement                  | page 25 |



## 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 (BlueOrchard Finance S.A., Cyrano Management S.A. and responsAbility Social Investments AG), Microfinance Enhancement Facility S.A., SICAV-SIF (“MEF”) was setup in February 2009 as a USD 500 million 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 opens the possibility to provide financing to more than 100 microfinance institutions in up to 40 countries and to support lending to as many as 60 million low income borrowers in many of the world’s poorest countries.

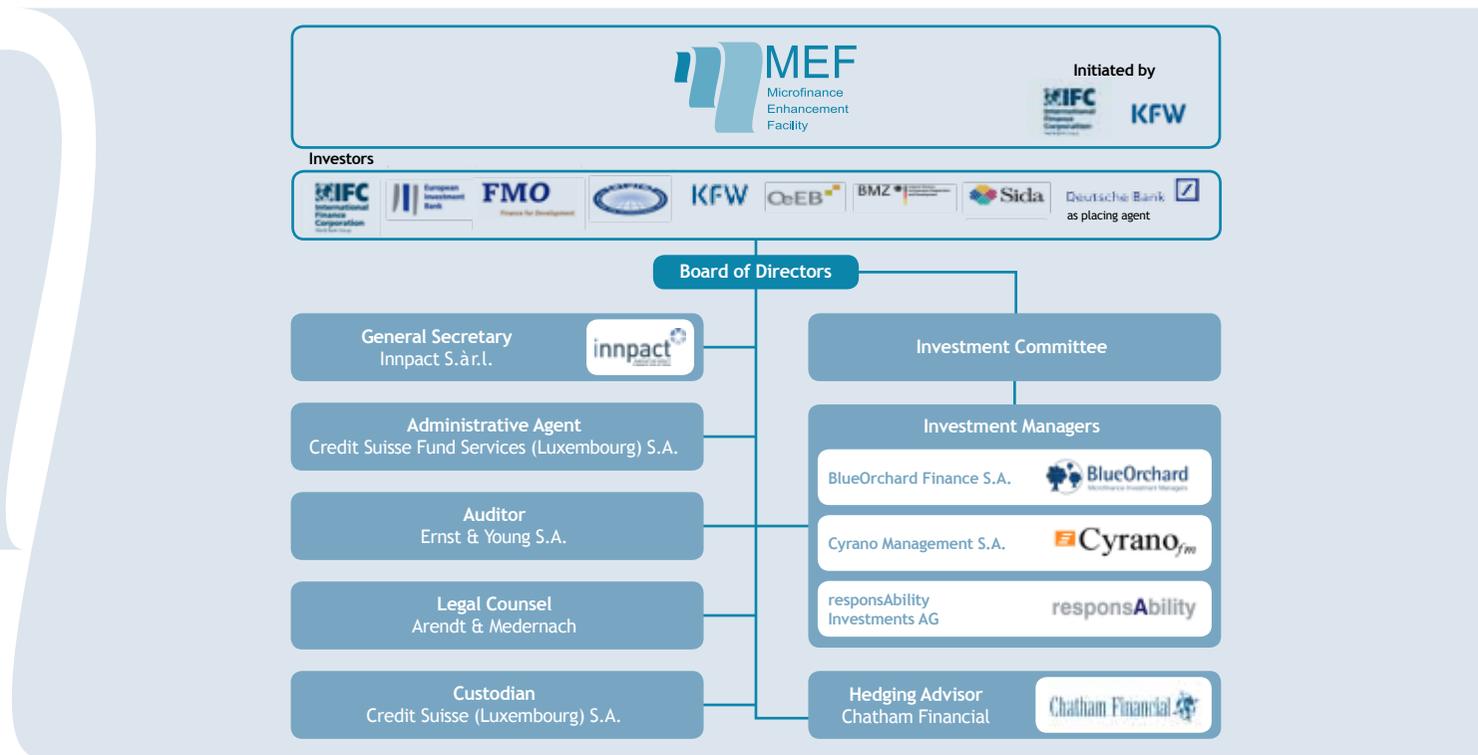
The investment managers are led by MEF’s Investment Committee, convening on a monthly basis and composed of reputable professionals of the microfinance industry, Mr. Syed Aftab Ahmed, Mr. Karlo de Waal, and Dr. Klaus Glaubitt.

### 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.

# The Structure



## Board of Directors

### Board of Directors

#### Chairperson

Ms. Monika BECK

#### Directors

Mr. Robert Peck CHRISTEN

Ms. Andrea HAGMANN

Mr. Tassilo HENDUS

Mr. Martin HOLTSMANN

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



**This** report documents another very dynamic year during which the MEF continued on its strong growth path. Positioned as an efficient microfinance debt fund the MEF was again able to respond to the strong demand of MFIs in 2013. The portfolio grew by 20% in 2013 to USD 441 million up from USD 365 million at the end of 2012. In response to the increasing funding needs of the market and thanks to its innovative and flexible architecture, the MEF successfully attracted substantial investments from the private sector in 2013. With the support of Deutsche Bank, the MEF issued in December 2013 Notes for USD 75 million confirming its role as an efficient public private partnership platform for the microfinance sector.

**Despite** the slowdown of private capital inflows into the emerging markets in mid-2013 and although the continuing recession in the Eurozone weighed on microfinance activity in Southeastern Europe, strong economic growth in Sub-Saharan Africa and developing Asia contributed to the rapid expansion of microfinance activities in these markets.

**Pursuing** the trend from 2012, MFIs have continued their effort to improve their corporate governance and risk management methodology as well as their social performance practices. Credit bureaus, considered as a key element for MFIs, have recently been setup or improved in important microfinance markets such as Cambodia or Azerbaijan. The MEF has followed

very closely these developments and has further increased its focus on responsible finance in particular the prevention of clients' over-indebtedness and on strong risk management in its investment decision process.

**In** 2013, the MEF financed 13 new MFIs in 9 countries. The MEF portfolio shows a very high degree of diversification with its 86 MFIs in 33 countries at the end of 2013 with no investment in default. The total expense ratio (1.73%) remained at low level of industry standard in spite of the adverse effect of the EUR exchange rate. The local currency portfolio, fully hedged to the USD, increased to USD 80 million invested in 17 currencies. Particularly noteworthy in 2013, the MEF realised its first investment in a securitisation



MEF Annual report 2013

page

6

## Letter of the Chairperson

transaction issued by Procredit Ecuador and continued its support to the Indian sector by adding two new MFIs in its portfolio. The MEF played furthermore its market stabilisation role through the financing of microfinance institutions in Cambodia during the liquidity crisis that severely hit the country during the second semester of 2013.

The expected growth of the sector in 2014 and of its strong MFIs reinforces the continued need for efficient lending platforms such as the MEF offering stability to the market. As a consequence, the portfolio of the Fund is expected to continue to rise in 2014 by diversifying its outreach in terms of types of MFIs, countries, and currencies

covered. This is made possible by the strong support the Fund receives from its long term investors and more recently from private sector investors.

In this report, we have highlighted three microfinance institutions, Edpyme Alternativa (Peru), AMRET (Cambodia) and AccessBank Tanzania Limited (Tanzania) that have partnered with the MEF and also the stories of a small grocery in Peru as well as a farmer and a crickets farm in Cambodia who have benefitted from micro-loans from MFIs funded by the MEF.

We look forward to pursuing in 2014 the MEF's 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 take the opportunity to express my thanks to the staff of the Fund's service providers as well as to MEF's investors, stakeholders and partner institutions for their efforts and dedication in supporting the development of the MEF and for their commitment to the Fund's mission.

Ms. Monika Beck  
Chairperson of the Board of Directors



MEF Annual report 2013

page

7

## Supported by Three Investment Managers

*BlueOrchard Finance S.A.*

BlueOrchard Finance S.A. was founded in 2001 as the first commercial manager of microfinance debt investments. Over the subsequent 13 years, BlueOrchard has grown significantly and has to this day deployed up to USD 2bn in loans to microfinance institutions, while handling in-depth market knowledge and relationships with +250 MFIs in more than 50 countries, enhanced by local presence on 4 continents round the Globe.

Investors in BlueOrchard-managed funds include private and institutional investors, supranational institutions as well as renowned foundations. The company employs up to 50 staff internationally including 28 investment professionals in Geneva, Zurich, Luxembourg, Lima, Phnom Penh, Tbilisi and Nairobi.



### Portfolio MEF - BlueOrchard

| Portfolio managed as of 31 December 2013 |             |                       |
|--|-------------|-----------------------|
| Portfolio                                | USD         | % total MEF portfolio |
|  | 164,073,431 | 37%                   |



MEF Annual report 2013

page

8

## Supported by Three Investment Managers

*Cyrano Management S.A.*

Cyrano is a pioneer fund manager specialized in the microfinance industry in emerging markets. Cyrano has developed a rigorous loan methodology to analyze in-situ and monitor on a monthly basis the qualitative and quantitative risks of all portfolio MFIs. Its key strengths are its loan methodology and risk monitoring. Cyrano managed the first credit fund for MFIs in Latin

America (LA-CIF), created the only mezzanine fund in microfinance (Solidus) and one of the most successful and solvent global funds (GMF). Cyrano also manages WMF, a local currency fund fully devoted to MFIs Ghana.

The assets managed by Cyrano overall are currently invested in 29 companies in 17 countries (as at 31 December 2013).



### Portfolio MEF - Cyrano

| Portfolio managed as of 31 December 2013 |             |                       |
|--|-------------|-----------------------|
| Portfolio                                | USD         | % total MEF portfolio |
|  | 163,427,384 | 37%                   |



MEF Annual report 2013

page

9

## Supported by Three Investment Managers

*ResponsAbility Investment AG*

**responsAbility Investments AG** is one of the world's leading independent asset managers specializing in the development-related sectors of emerging economies such as finance, agriculture, health, education and energy. responsAbility provides debt and equity financing to non-listed companies with business models that target the lower-income segment of the population and can thus drive economic growth and social progress. Serving

both institutional and private investors, responsAbility offers professionally-managed investment solutions.

**Founded** in 2003, responsAbility currently has assets under management of USD 1.8 billion, which are invested in over 400 companies in around 80 countries. responsAbility is headquartered in Zurich and has local entities in Paris, Lima, Mumbai and Nairobi. Its shareholders include

a broad range of reputable institutions in the Swiss financial market as well as its own employees. responsAbility is authorized by the Swiss Financial Market Supervisory Authority FINMA.

**responsAbility**

### Portfolio MEF - responsAbility

| Portfolio managed as of 31 December 2013 |             |                       |
|--|-------------|-----------------------|
| Portfolio                                | USD         | % total MEF portfolio |
|  | 113,507,090 | 26%                   |



MEF Annual report 2013

page  
10

## A facility enhancing MFIs

### Key Figures

as at 31 December 2013

#### Portfolio in detail

|   | December 2013 | December 2012 | Cumulative disbursements |
|---|---------------|---------------|--------------------------|
| Microfinance investment portfolio             | USD 441 MM    | USD 364.7 MM  | USD 650.9 MM             |
| Short term investments*                       | USD 62.5 MM   | USD 23.6 MM   | -                        |
| Total assets                                  | USD 503.5 MM  | USD 388.4 MM  | -                        |
| Microfinance portfolio as a % of total assets | 87.6%         | 93.9%         | -                        |
| Total net asset value                         | USD 410.3 MM  | USD 376.6 MM  | -                        |
| Number of MFIs                                | 86            | 77            | 99                       |
| Number of loans                               | 150           | 116           | 214                      |
| Number of countries                           | 33            | 32            | 33                       |

\* Composed of cash and other assets



MEF Annual report 2013

page

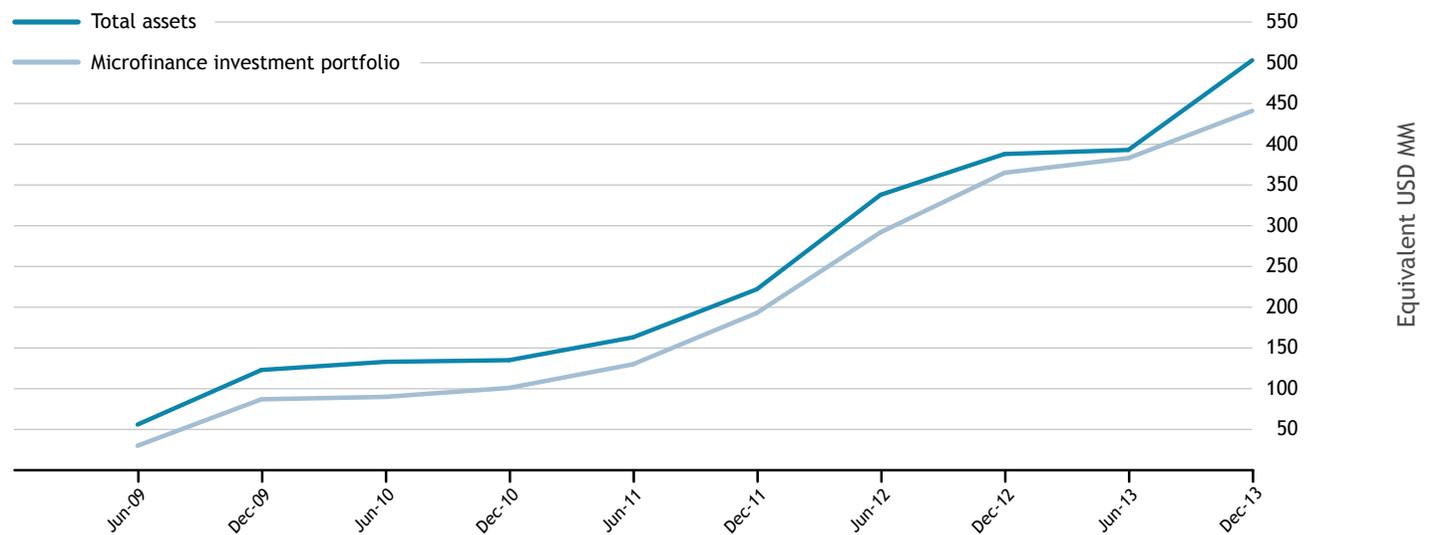
11

# A facility enhancing MFIs

## Key Figures

as at 31 December 2013

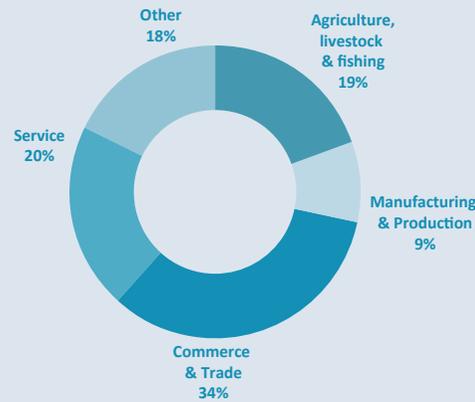
Portfolio evolution since launch



# A facility enhancing MFIs

Impact Indicators  
as at 31 December 2013

## Sector Distribution of Portfolio



NB: Six MFIs out of 77 have not provided the information related to sectors distribution.

## 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.

## Microfinance Institutions Reach

| Borrowers reached                  |         |
|------------------------------------|---------|
| Total, number                      | 339.280 |
| Percentage of women                | 48%     |
| Percentage of loans in rural areas | 50%     |
| Loans                              |         |
| Average loan balance (in USD)      | 3.620   |
| Client Type                        |         |
| Microfinance                       | 73%     |
| Productive loans - USD             | 70%     |
| Mortgage                           | 4%      |
| Consumer                           | 14%     |
| Other                              | 11%     |
| Product Type                       |         |
| Direct loans                       | 84%     |
| Group guaranteed loans             | 16%     |

## Adherence to social and environmental criteria

| Adherence to the Client Protection Principles (CPP) |      |
|---|------|
| MFIs having formally adopted the CPP                | 80%  |
| Adherence to exclusion list                         |      |
| Violations of the exclusion list                    | None |

All figures are weighted by the exposure of each MFI in MEF portfolio.



MEF Annual report 2013

page  
13

# Activity Report

## BlueOrchard 2013 Activity Report

### MARKET REVIEW

Microfinance markets during 2013 continued to evolve with remarkable growth in outreach and scale worldwide. Markets like Central Asia benefited from increasing growth, while others like Eastern Europe were still recovering from the last financial crisis. In the Caucasus concerns were raised about saturation and over-indebtedness in particular in the main urban centres. The microfinance market in Africa was marked by the development and expansion of green-field MFIs in key markets such as Nigeria, Tanzania, Cameroun, Cote D'Ivoire and DRC. These will potentially provide new investment opportunities for MEF in 2014. Overall, the MFI portfolio growth rate in 2013 varied from 20% to 40% depending on the regions.

### FUND PERFORMANCE

The proof of BlueOrchard continuous strive for its local footprint and market coverage was the opening of two new offices in Nairobi and Tbilisi with teams, covering MENA&SSA and Eurasia, respectively.

During the reporting period, BlueOrchard Pool disbursed USD 61.2 million in 25 loans across 16 countries. Innovative transactions like the ProCredit Ecuador securitisation and NCDs in India were also part of the disbursed portfolio. The BlueOrchard pool reached USD 166.1 million as of 31 December 2013.

In 2013 the successful management and completion of a limited number of work-outs in Bosnia Herzegovina and Kosovo was also the result of attentive monitoring and supervision by BlueOrchard.

### MARKET OUTLOOK

The outlook for the microfinance sectors remains favorable supported by expected growth in several emerging market economies, by a continuous movement to improved transparency, and increased regulatory requirements and oversight.



MEF Annual report 2013

page

14

# Activity Report

## Cyrano 2013 Activity Report

### MARKET REVIEW

During 2013 Microfinance Institutions (MFIs) in Cyrano's pool in MEF have maintained adequate levels of solvency and growth despite the uncertainties in international and local economies. In addition, the competition among lenders in some urban markets has resulted in a reduction of portfolio yields and in the corresponding margin generation. Furthermore, large loan amounts extended to small enterprises have the potential to rapidly increase the level of portfolio in arrears.

### POOL PERFORMANCE

Cyrano's portfolio pool has not experienced a single day of arrears, nor any defaults. Consequently, no provisions were required.

### MARKET OUTLOOK

For 2014, Cyrano considers that the following uncertainties in emerging economies pose risks that may affect the solvency of MFIs: (i) some emerging markets may be impacted by the changes in the monetary policy of USA and Europe, (ii) Very strong competition among MFIs in some markets may reduce the assets growth and increase the level of non-performing loans.

This implies that there is a need to take a more conservative position in regards to Capital Adequacy Ratios and to the level of provision protection of the portfolio, (iii) The increasing proportion of large loans extended to SMEs may also jeopardize the portfolio quality.

For these reasons, Cyrano will continue to monitor very closely the countries and MFIs in its pool in order to prevent any potential negative impact these factors may have on MEF's portfolio.



© responsAbility

MEF Annual report 2013

page  
15

# Activity Report

responsAbility 2013  
Activity Report

## MARKET REVIEW

2013 was another year in which the global economy was beset by nervousness, as could be seen mid-year during the abrupt slowdown of private capital inflows into the emerging markets. The announcement itself was hardly surprising but it had a major impact. The prospect of an imminent end to the extremely loose monetary policy in the US caused a flight of capital out of the emerging markets in mid-2013. Investors suffered massive losses on equity and bond investments in emerging economies, and the value of many local currencies fell sharply against the US dollar. As responsAbility predicted last year, the microfinance sector fortunately remained largely unaffected by this climate of uncertainty, with overall loan volumes growing by almost 20%. Although

the continuing recession in the Eurozone weighed on microfinance activity in Eastern Europe, strong economic growth in Sub-Saharan Africa and developing Asia contributed to the rapid expansion of microfinance activities in these markets.

## POOL PERFORMANCE

responsAbility invested a total amount of USD 60 million for MEF during 2013, covering 14 Institutions in 8 countries. Some of these investments were done in the local currency of the MFI (i.e. Kazakhstan Tenge, Peruvian Peso).

The main developments of the responsAbility pool were reflected in:

- Portfolio growth of 71% in 2013
- The addition of 5 new MFIs
- The expansion of the geographical coverage to 13 countries (9 in 2012)

## MARKET OUTLOOK

The global economy is set to grow faster in 2014 than in 2013, while being much less threatened by potential turmoil in the Eurozone or by political paralysis in the US. Compared to the BRIC, smaller developing and emerging economies - where microfinance plays an important role - appear to be much less exposed to negative fallout from major advanced economies due to their lower correlation with the world markets. The IMF's list of the 15 emerging markets with the largest relative general government financing need over the coming year includes only two countries (India and Mexico) that are part of the 15 microfinance markets to which responsAbility's managed portfolio has the largest exposures. This means that even at a macro level - before taking account of the fact that 1) banks in emerging markets

tend to be healthier than banks in advanced economies and 2) the microfinance segment is particularly well rooted in low-income local economies - microfinance markets are less crisis-prone than the countries commonly referred to as "emerging markets". Microfinance countries also grow at a faster rate: according to IMF forecasts for the 15 countries to which responsAbility's managed portfolio has the largest exposures, the GDP of these economies is expected to increase to 5.6% in 2014 from 5.3% in 2013. Moreover, these economies are set to consistently grow by more than 5% until the end of the IMF's forecasting horizon in 2018. There is therefore every reason to expect relentless demand in this sector. In 2014, we expect global growth in the microfinance industry of 15% to 20%. The actual growth rate may vary, depending on the region.

## Client story

### Edpyme Alternativa

Peru



**Edpyme Alternativa** is a dynamically growing microfinance organization which was founded in Lambayeque, a commercially vibrant region in northern Peru. Alternativa has been active in this market for more than 23 years. Today Alternativa is working with a network of ten branches which offer the MFI a solid position in the Microfinance market in the North of Peru.

**Alternativa** was created as a local initiative, starting as a Financial Program and Technical Assistance for micro entrepreneurs and small enterprises promoted by IADB and the Chamber of Commerce and Production of Lambayeque. As a result of the

program's success, in 2000 the Chamber of Commerce and Production of Lambayeque decided to create Edpyme Alternativa. Today, the MFI is supported by additional shareholders, which are the international players Microvest and Microventure and Abaco, an important Peruvian-Japanese Cooperative.

**Alternativa** provides loans to micro and small enterprises through an individual lending methodology. Alternativa has 26,000 clients and the average loan is USD1,000.

**During** 2013, Alternativa experienced a growth of 30% in portfolio and 40% in active clients with a high percentage

of exclusive clients. In addition, the quality of portfolio improved from 11.5% (Dec 2012) to 6.55% (Nov 2013). Alternativa finances different activities as agriculture, production, trade and services. Alternativa has a concentration in trade (46% of the portfolio) and services (34% of the portfolio).

**The** support of MEF is important in the development of the institution because due to the legal form of Edpyme, Alternativa is not allowed to take savings. Therefore, their activities are depending on external funding from local and international sources.



MEF Annual report 2013

page  
17

## Client story

### Small grocery in Peru

*She* is 40 years old. She lives with her family in a town named Moshoqueque located in Northern part of Lima, in Chiclayo, Lambayeque.

*She* began to work with this financial institution in 2012. She was bancarized by Edpyme Alternativa. Until now, she is recognized for being a good payment record in the MFI.

*In 2011*, she had a small grocery in her town with limited products. Now she has a bakery and a small grocery. In addition, her small business has given to Gloria the financial support to give to her three sons a professional education. And also, she finished to build her house.

*She* wants to continue her business and she wants to increase the services that she offers to the community. And also she wants to continue working with Edpyme Alternativa because she feels that it is a company that trusts on her and it is committed to give her a good service.



MEF Annual report 2013

page  
18

## Client story

**AMRET**

*Cambodia*

AMRET was established in 1991 as an experimental project launched by GRET, a French NGO established to deliver micro loans to the rural population of Cambodia. AMRET obtained its MFI license from the National Bank of Cambodia in 2001 and the corresponding authorization to collect deposits in January 2009.

AMRET has the strong support of a very committed group of shareholders conformed by ADVANS, GRET, Proparco and FMO.

Currently, AMRET is the second largest microfinance institution in Cambodia. AMRET has developed financial products and service, especially small scale loan for people in the rural areas and medium scale loan for small and medium enterprises. AMRET offers Solidarity Credit (joint liability group loan) and Individual Credit (mainly business, consumption and home improvement). AMRET has over 300,000 of loans outstanding with 116 branches and 2,556 employees.

Total assets as of Nov-13 reached USD 251 million. AMRET has well managed the growth of savings collection. In two years savings finance nearly half of its portfolio.

MEF has extended three senior loans to AMRET for a total amount of USD 12 million, which were disbursed during 2012 and 2013, with the objective to consolidate the microfinance portfolio growth.



MEF Annual report 2013

page  
19

## Client story

Farmer in Cambodia

**Aunt BY Chhon**, 51 years old, Amret client, residing in Samakum village, Krek commune, Ponhea Krek district, Kampong Cham province, revealed that *“Nowadays, I have a husband, named HUL Thol, 51 years old, a farmer, and three children (one son and two daughters), of whom the oldest daughter, a hairdresser, is widowed and the other two children are working as rubber plant tappers. I therefore bought a plot of land at Phlak Samraong market, Memot district, in order to construct a hair salon for my oldest daughter and I opened this business for her more than one year ago already.”*

**She** also added that, at first, she was a farmer and had two hectares of paddy land and arable land. She did the farming to

support her living as her family livelihood was bad. In 2010, she decided to take out a first loan of USD 1,000 from AMRET in order to expand her agricultural business. Because her agricultural business improved, she took out a second loan of USD 2,000 from AMRET in 2011 in order to further invest in the agricultural sector. Moreover, in the same year, in order for her oldest daughter to have occupational skill and better help support the family livelihood, she decided to take out an additional loan of USD 8,000 from AMRET with the aim of purchasing a plot of land at Phlak Samraong Market and constructing a hair salon for her daughter. The loan did not end then. At the end of 2013, she decided to take out a fourth loan of USD 8,000 from AMRET in order to expand her agricultural sector, in

which she planted rubber seedlings on two hectares of arable land and also expanded her daughter’s hair salon.

To date, her family livelihood has improved and she continues to take out loans from AMRET. At her daughter’s hair salon more clients are coming to have their hair styled and permed, and she is therefore continuing to expand the salon. As for her rubber seedlings, they have also grown well.

**Aunt BY Chhon** showed a happy face and stated that *“I am very proud of my success and improvement nowadays and I express my heartfelt thanks to AMRET for giving loans to me. This is a huge contribution to reducing the hardship I used to face.”*



MEF Annual report 2013

page  
20

## Client story

*AccessBank Tanzania  
Limited (ABT)  
Tanzania*

**AccessBank Tanzania Limited (ABT)** was formed in 2007 as a commercial bank focusing on the microfinance sector. ABT is the largest microfinance bank in Tanzania providing exclusively services to individual customers and small and medium-sized enterprises (MSMEs). The bank seeks to provide its clients with a wide range of suitable financial services through its simplified loan products, fast loan processing and full transparency on pricing.

**ABT** is part of the AccessHolding Microfinance Group which is a globally expanding network of commercial banks with special focus on microfinance and

with 9 affiliates within Africa and Asia. The holding supports its affiliates through technical assistance, capacity building and additional equity injections when warranted.

**ABT** has a network of 10 branches, with 578 employees serving over 24,000 borrowers and 135,000 savers. It leverages on strong network support and thorough credit underwriting procedures to grow its business. ABT's products are aligned to customer needs and the institution is constantly seeking for new ways to improve its products to meet customer expectations. This includes the introduction of an agro product to

meet the financing needs of smallholder farmers and the intended diversification of its network outreach into rural areas. As a Smart Campaign endorser, ABT upholds the principles of customer protection and maintains fairness and integrity in its dealings with its clientele. MEF has an outstanding exposure of USD 4 million in ABT.

## Client story

### Cricket farm in Cambodia



**Cricket**s have been a delicacy in Khmer cuisine for centuries, so starting a cricket farm with a microloan seemed like an attractive business opportunity to Mr. Sophal Ung when he and his wife had their third child, and the family's needs were growing.

**Today**, crickets in different stages of their life cycle occupy the ground floor and the second floor of his house. At a selling price of KHR 8,000 (equivalent of USD 2) per kilogram, Mr. Ung generates attractive revenues - and profits. "The cost of breeding crickets is surprising low, especially as I weld the breeding cages myself," chuckles

the entrepreneur. "You simply need to know your trade, love the animals and protect them against their natural predators." This explains why bowls filled with motor oil can be found underneath each leg of the breeders.

"Ants can't fly, so if you prevent them from crawling up the cages, the cricket eggs will be safe... and their biggest enemy kept at bay".

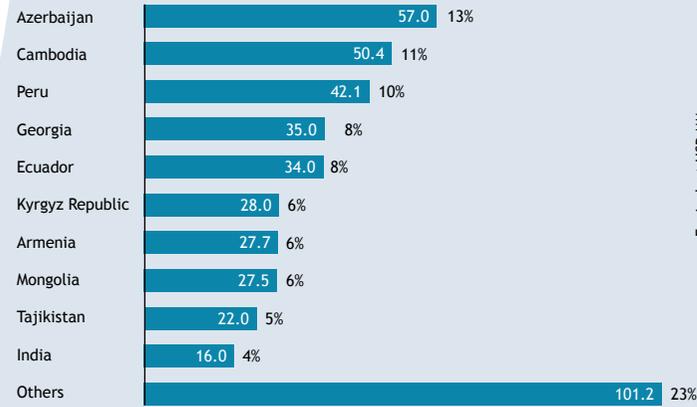
**Despite** his success, Mr. Ung is not ready to stop here. Together with his brother-in-law, he has started producing fish cages for sale to fishermen, and he is contemplating yet

another business in his backyard. His oldest daughter now proudly wears a school uniform, and he and his wife are adamant to send the younger ones to school as well. "All it takes to achieve one's goals is good health, some business ideas, and a loan," says Mr. Ung, a smile on his face and delicious dish of chili-fried crickets on the table.

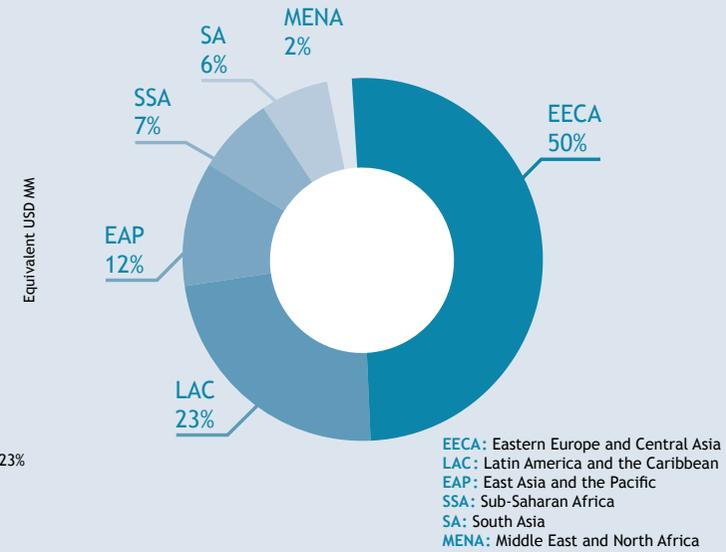
# The Portfolio

as at 31 December 2013

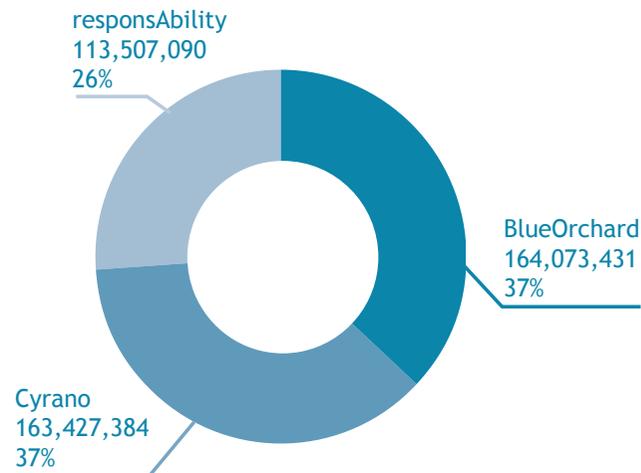
**Country distribution**  
Microfinance investment portfolio  
Equivalent USD MM



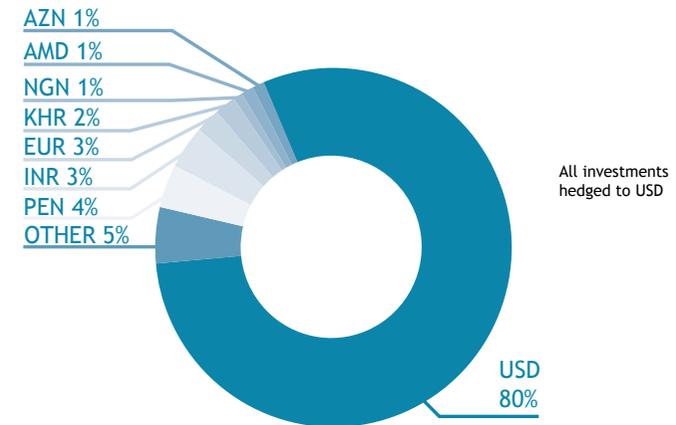
**Regional distribution in %**  
Microfinance investment portfolio



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



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



Other includes:  
COP, MXN, THB, RUB, XOF, GHS, ZMK, XAF, KZT



MEF Annual report 2013

page  
23

## The Investors

**KfW**

**CeEB**

**BMZ** Federal Ministry  
for Economic Cooperation  
and Development

 **Sida**

 **IFC**  
International  
Finance  
Corporation  
World Bank Group

 **European  
Investment  
Bank**

**FMO**  
Finance for Development

 **DFID**  
Department for International Development

**Deutsche Bank**   
as placing agent



## Balance Sheet \*

| ASSETS                           | as at 31 December 2013        | as at 31 December 2012        |
|----------------------------------|-------------------------------|-------------------------------|
| Loans to MFIs                    | 441,007,904                   | 364,704,321                   |
| Current assets                   | 60,166,424                    | 27,322,739                    |
| of which: cash & cash equivalent | 49,431,930                    | 21,173,237                    |
| Other assets                     | 1,268,135                     | 5,430                         |
| <b>Total Assets</b>              | <b>502,442,463</b>            | <b>392,032,490</b>            |
| <b>LIABILITIES</b>               | <b>as at 31 December 2013</b> | <b>as at 31 December 2012</b> |
| Current liabilities              | 17,100,364                    | 15,457,640                    |
| of which: cash & cash equivalent | 14,293,551                    | 10,161,137                    |
| Accruals and deferred income     | ---                           | ---                           |
| <b>Total Liabilities</b>         | <b>92,100,364</b>             | <b>15,457,640</b>             |
| <b>Net Assets</b>                | <b>410,342,099</b>            | <b>376,574,850</b>            |

\* in USD



## Income Statement \*

| INCOME   | 2013               | 2012               |
|--|--------------------|--------------------|
| Interest on loans  | 26,927,975         | 18,797,253         |
| Upfront fees   | 1,544,662          | 2,035,513          |
| Other income   | 252,745            | 105,554            |
| <b>Total Income</b>  | <b>28,725,382</b>  | <b>20,938,320</b>  |
| EXPENSES   | 2013               | 2012               |
| Management fees  | (4,822,885)        | (3,656,707)        |
| Legal, advisory and audit fees   | (501,279)          | (386,211)          |
| Administration, custodian and domiciliation fees                                       | (464,457)          | (399,531)          |
| Other expenses   | (1,766,741)        | (1,443,491)        |
| <b>Total Expenses</b>  | <b>(7,555,362)</b> | <b>(5,885,940)</b> |
| NET OPERATING RESULTS  | 2013               | 2012               |
| Net income from investments  | 21,170,020         | 15,052,380         |
| Net realized and unrealized gains/losses on foreign exchange                           | (4,486,156)        | 2,417,536          |
| Net realized and unrealized gains/losses on swaps and forwards                         | 1,116,599          | (6,672,325)        |
| Value adjustments relating to loans  | 260,337            | (1,009,726)        |
| <b>Net increase/decrease in Net Assets as result of operations for the year/period</b> | <b>18,060,800</b>  | <b>9,787,865</b>   |
| MOVEMENT IN CAPITAL  | 2013               | 2012               |
| Subscription of shares   | 30,000,000         | 160,504,950        |
| Redemption of shares   | ---                | ---                |
| Advance of dividend  | (14,293,551)       | (10,161,137)       |
| <b>NET ASSETS AT THE END OF THE YEAR/PERIOD</b>  | <b>410,342,099</b> | <b>376,574,850</b> |

\* in USD

## Board of Directors



MEF Annual report 2013

page  
26

# 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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