

Press release

The Microfinance Enhancement Facility reaches USD 2 Billion in loan disbursements and announces the onboarding of Incofin Investment Management as new Investment Advisor since 1 July 2019.



Luxembourg, 5 July 2019

With USD 2 billion disbursed since the Fund was launched in February 2009, the MEF has supported close to 200 financial institutions active in the microfinance space in 54 developing countries worldwide. After 10 years of successful operations, as of 31 December 2018, MEF has an outstanding portfolio of USD 600 million invested in 118 financial institutions reaching to 488,000 final borrowers. MEF's mission is to provide a stable and reliable source of regular debt and liquidity funding to financial institutions which support microfinance and micro-enterprises in developing countries through greater access to financial services.

MEF is also pleased to announce the arrival of Incofin Investment Management as a new Investment Advisor of MEF, as of 1 July 2019, in addition to the existing Investment Advisors BlueOrchard Finance AG, responsAbility Investments AG and Symbiotics SA under the coordination of Innpact S.à r.l, the General Secretary of the MEF. Incofin Investment Management will take over the portfolio of Cyrano Global LLC whose expressed wish was to exit after ten years of fruitful collaboration with MEF.

MEF closed 2018 with total assets of USD 669 million. With its innovative public-private blended finance structure, portfolio growth has been increasingly funded by private investments, a trend which is expected to continue based on strong private investor interest.

The Fund's global mandate, partnership with four leading Investment Advisors, operational nimbleness and committed DFI shareholders all combine to position MEF as a cornerstone of the microfinance industry. In this respect keystone investors in the MEF – the International Finance Corporation (IFC), KfW (Germany's Development Bank) and the Development Bank of Austria (OeEB) – confirmed again in 2017 their confidence in MEF and renewed their funding commitments to 2025. These complement the unlimited duration commitments of the foundational shareholders of MEF, namely the German Federal Ministry for Economic Cooperation (BMZ), the Swedish International Development Cooperation Agency (SIDA) and OeEB.

In aggregate MEF's partner institutions have a strong developmental profile with 80% women borrowers and USD 1,730 as the average outstanding loan amount per end borrower. Of note, MEF continued to de-risk many of its investee institutions from currency fluctuations. MEF has grown the share of local currency lending in its portfolio to 56% in 2018 including 18.8% in countries where the USD or the EUR are legal tender. Moreover, in a challenging environment where market conditions have deteriorated in some regions, the Fund's management has closely monitored critical cases and acted both as negotiator and facilitator of suitable solutions in work-out situations.

About Incofin

Incofin Investment Management is a global independent impact investment firm, focused on rural and agricultural finance, driven by a desire to promote inclusive progress. It is an AIFM licensed fund manager and has over USD 1 billion in assets under management. Incofin has a team of more than 50 professionals spread over the headquarters in Belgium and local investment teams in India, Colombia, Kenya and Cambodia. As a leading impact investment firm, Incofin has invested (via equity and debt financing) over USD 2.1 billion in 257 microfinance/financial institutions across 53 countries in Asia, Africa, Latin America and the Caribbean and Eastern Europe. www.incofin.com

For further information about the Microfinance Enhancement Facility, please consult www.mef-fund.com or e-mail info@mef-fund.com.