MEF
Microfinance Enhancement Facility

Stabilising microfinance markets in developing countries by offering a reliable and flexible source of debt to microfinance institutions

Quarterly Factsheet

June 2018

MICROFINANCE LUXFLAG

A Specialised Investment Fund Supported by:

KFW, IFC International Finance Corporation, OeEB, European Investment Bank, BMZ, FMO, Sida, OFID

PORTFOLIO

Key Figures

	June 2018	Cumulative disbursements
Microfinance investment portfolio	USD 543.4 M	USD 1.765 B
Cash & Time Deposits	USD 103.1 M	
Other short term assets	USD 17.9 M	
Total assets	USD 664.6 M	
Microfinance portfolio as a % of total assets	81.8%	
Total net asset value	USD 569.7 M	
Number of MFIs	107	180
Number of loans	184	524
Number of countries	41	50

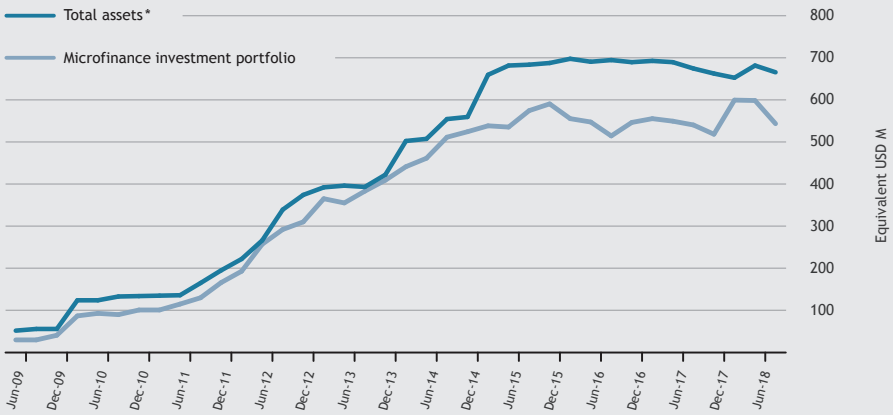
Portfolio Development - Q2 2018

During Q2 2018, the MEF disbursed a total of USD 30.54 M in loans to 10 institutions in 5 countries, including USD 14.54 M in local currencies.

The Microfinance Investment Portfolio amounts to USD 543.4 M at the end of June 2018.

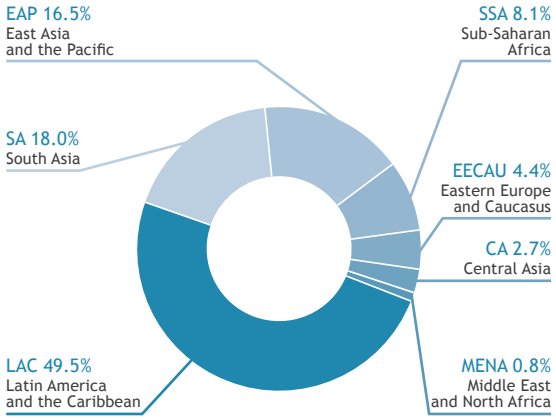
Investment Advisors

Portfolio Evolution



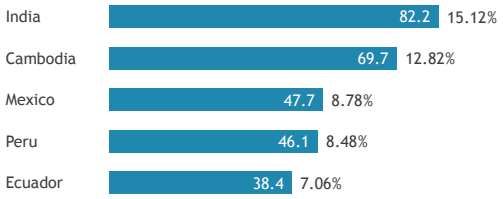
*total assets based on IFRS starting 2017

Regions*

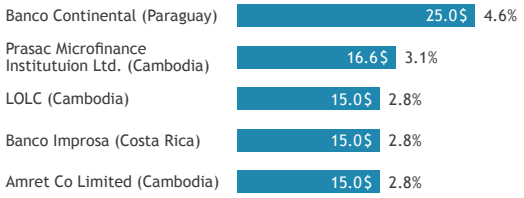


*USD million and percentage of microfinance investment portfolio

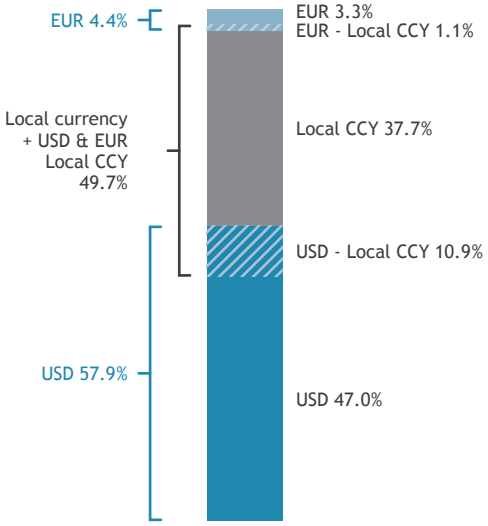
Top 5 Countries*



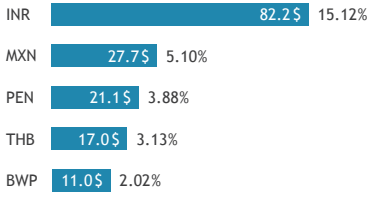
Top 5 Exposures*



Currencies*



Top 5 Local Currencies



Local currencies: AMD, AZN, BWP, CNY, CRC, GHS, HNL, HTG, INR, KGS, KHR, KZT, MXN, NGN, PEN, PLN, RUB, THB, TND, TZS, XAF, XOF, ZMW
EUR - Local CCY: EUR as Legal tender in Montenegro and Kosovo
USD - Local CCY: USD as Legal tender in Ecuador, El Salvador and Panama

All investments hedged to USD

STORY OF THE QUARTER

The USD 1m investment from MEF to Kredit MFI (Cambodia) will be used to grow its microfinance and SME portfolio of mainly rural and semi-urban borrowers, most of them women.

Kredit aims to be a reliable and well-known financial institution that provides diverse and innovative financial solutions to communities, serving and protecting clients while maintaining organisational sustainability with a commitment to the poor.

Kredit is the 6th largest MFI in Cambodia (in terms of assets) with a moderate market share of 4.4%. Key strategic objectives for the next three years are: (i) maintaining the share of rural and semi-urban borrowers of at least 70% and of women borrowers of at least 85%; (ii) targeting loans and savings growth of 25% and 35% per annum, respectively; and (iii) improving profitability metrics.

Products: Kredit provides loans to both individual and group borrowers in three currencies - USD, KHR (Riel, Cambodia), and THB (Baht, Thailand). The loan size ranges from USD 100 to USD 20,000, with a maximum tenor up to 72 months. The average monthly interest rate is 1.5%. Other products offered include savings accounts (for individual, corporate, and partnership), parent-child account (with or without health insurance), term deposit, domestic money transfer and payroll services.

Client base: With a predominantly rural base, the institution's branch network currently covers 20 out of 25 provinces in Cambodia. As of year end 2017, the proportion of rural and women clients stood at 75% and 88% respectively.

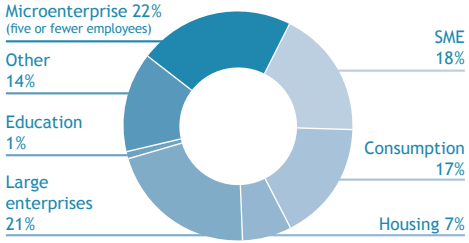
Kredit was certified in 2016 by the SMART Campaign on the Client Protection Principles (CPP), version 1.0. The MFI is also a member of the Social Performance Task Force (SPTF) and the MIX Market Platform, demonstrating Kredit's focus on achieving both financial and social returns through its investments.

SOCIAL PERFORMANCE

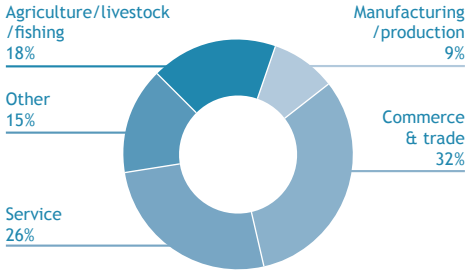
Social Outreach
As of 31 December 2017

- **600,000** Microentrepreneurs reached by funding provided by MEF
- **23.9 M** Microentrepreneurs reached by MEF MFIs (total MFI clients)
- **1,224** Average loan size
- **85%** Women
- **56%** Rural
- **78%** Individual loans
- **18%** Group loans
- **18%** of loan portfolio invested in Agriculture, Livestock & Fishing
- **9%** of loan portfolio invested in Manufacturing & Production
- **76%** MFIs have adopted the Client Protection Principles (CPPs)

Clients
As of 31 December 2017

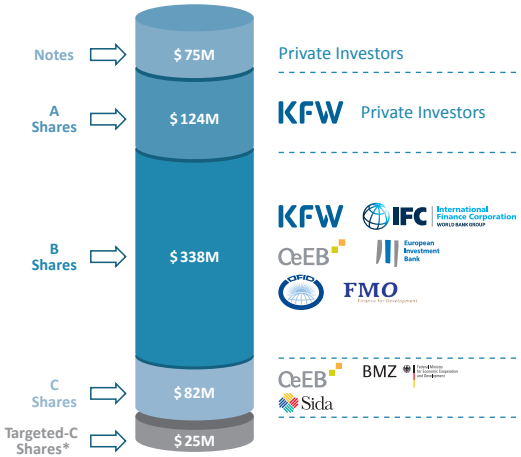


Sectors
As of 31 December 2017



FUNDING STRUCTURE

Investor Structure
Total Assets as of 30 June 2018



Total Assets $ 665 M
incl. other assets

Notes	A Shares
Private investors	KfW Private investors
B Shares	**C Shares**
KfW International Finance Corporation (IFC) Development Bank of Austria (OeEB) European Investment Bank (EIB) OPEC Fund for International Development (OFID) FMO	German Federal Ministry for Economic Cooperation (BMZ) Swedish International Development Cooperation Agency (SIDA) Development Bank of Austria (OeEB) **Targeted-C Shares** German Federal Ministry for Economic Cooperation (BMZ)

General Secretary

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Advised by four leading private Investment Advisors coordinated by MEF's General Secretary:

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LuxFLAG Microfinance label since 2011

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www.mef-fund.com

Disclaimer - All rights reserved. This fund is reserved for eligible investors, meaning, with respect to the Shares, only professional investors as defined under Annex II of the Directive 2014/65/EU of the European Parliament and of the Council on 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, and with respect to the Notes, well-informed investors as defined under article 2 of the Luxembourg law of 13 February 2007 (the "2007 Law") on specialised investment funds, as both the preceding terms may be amended or supplemented from time to time. The distribution of Shares and Notes in this investment fund may be restricted in certain jurisdictions. In particular, Shares and Notes in this investment fund may not be offered, sold or transferred, directly or indirectly, in the USA or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof ('US Persons') other than in accordance with the laws of the United States. The information given in this document does not constitute an offer or solicitation or a product recommendation. It is provided for individual information purposes only. No guarantee is given or intended as to the completeness, timeliness or adequacy of the information provided herein. Past performance is no guarantee for future results. The value of the fund and its share classes is calculated without taking into account any placement or redemption fees and assuming constant reinvestments of dividends. This is not a fund prospectus as specified by the 2007 Law. The investments by MEF are subject to market fluctuations and to the risks inherent in all investments as well as all the specific risks referred to in the Issue Document MEF; accordingly, no assurance can be given that the objectives stated in this document will be achieved. © 2018, MEF. All rights reserved.

MICROFINANCE INVESTMENT PORTFOLIO as of 30 June 2018

Country	Region	Name of MFI	Investment Advisor	Currency of investment	Portfolio Equiv. USD MM	New investments in Q2 2018 USD M	First Disb.	Last Maturity
Albania	EECAU	NOA	BO	EUR	1.17		2015-07	2018-11
Armenia	EECAU	ACBA Credit Agricole Bank CJSC	CY	USD	3.00		2017-08	2021-08
		Finca Armenia	BO	USD	1.25		2016-05	2019-05
Azerbaijan	EECAU	Azercredit	rA	USD	0.00		2016-10	2019-12
		Demirbank	rA	USD	0.00		2015-02	2018-02
		Finca Azerbaijan	rA	USD	0.89		2017-05	2018-06
Belarus	EECAU	Belarusky Narodny Bank	BO	USD	0.75		2015-12	2018-12
Bolivia	LAC	Crédito con Educación Rural - CRECER	BO	USD	6.00		2017-03	2019-05
		Sembrar Sartawi	BO	USD	1.00		2017-06	2020-06
Bosnia and Herzegovina	EECAU	Microcredit Foundation EKI	BO	EUR	1.75		2015-12	2018-12
Botswana	SSA	Letshego Botswana	CY	BWP	10.98		2016-12	2019-12
Burkina Faso	SSA	Coris Bank Burkina S.A.	rA	EUR	11.68		2017-12	2019-12
		Fidelis	rA	EUR	1.17		2018-01	2020-01
Cambodia	EAP	Amret Co Limited	CY	USD	15.00		2015-07	2021-03
		Angkor Mikroheranhvatho Kampuchea Co.,Ltd	BO	USD	0.25		2016-03	2019-03
				THB	0.54		2015-11	2018-11
		Hattha Kaksekar	BO	USD	1.90		2015-09	2018-12
				THB	9.85	4.54	2015-07	2022-04
		Kredit Microfinance	rA	USD	3.40	1.00	2017-11	2020-06
		LOLC Cambodia	CY	USD	15.00	5.00	2015-12	2021-06
		Prasac Microfinance Institution Ltd	BO	USD	10.00		2016-01	2020-02
				THB	6.63		2015-08	2019-01
		Sathapana Limited	CY	USD	5.50		2016-06	2020-12
		Vision Fund Cambodia	BO	USD	1.63		2015-09	2019-03
Costa Rica	LAC	Banco Improsa	BO	USD	15.00		2016-08	2020-12
		Cooperativa Nacional de Educadores R.L.	BO	CRC	6.59		2015-12	2018-12
		Financiera Desyfin	BO	USD	4.50		2017-04	2020-03
Dominican Republic	LAC	Banco Multiple Promerica de la Republica Domincana S.A.	BO	USD	5.00		2016-12	2019-12
DRC	SSA	Advans Banque Congo	BO	USD	1.02		2016-06	2019-06
Ecuador	LAC	Banco D-Miro S.A.	BO	USD	2.87		2017-05	2018-08
		Banco Solidario	rA	USD	12.00		2016-05	2019-07
		FACES	BO	USD	3.50	1.50	2017-10	2020-04
		Fideicomiso primera titularización de cartera comercial pymes ProCredit	BO	USD	2.28		2013-07	2018-07
		Insotec	BO	USD	3.75	0.58	2016-12	2019-12
		PRODUBANCO	BO	USD	12.00		2016-08	2019-07
		Vision Fund Ecuador	SY	USD	2.00		2017-12	2020-12
El Salvador	LAC	AMC de R.L. de C.V.	CY	USD	3.00		2017-09	2020-09
		Banco Atlantida	BO	USD	10.00		2017-12	2021-12
		Banco Hipotecario	BO	USD	5.00		2017-10	2021-10
		Credicampo	BO	USD	0.80		2016-08	2020-01
		ENLACE	BO	USD	0.25		2015-11	2019-05
		Servicios Financieros Optima	BO	USD	0.50		2016-09	2018-09
Georgia	EECAU	CRYSTAL FUND	rA	USD	3.00		2017-10	2020-10
		TBC Leasing	rA	USD	2.50		2015-11	2018-12
Ghana	SSA	Advans Ghana	CY	GHS	2.08		2017-08	2020-08
Guatemala	LAC	Arrend	BO	USD	3.75		2016-11	2020-02
Haiti	LAC	ACME	rA	HTG	1.44		2017-12	2020-01
Honduras	LAC	Banco Financiera Comercial Hondurena S.A. y Subisidiaria FICOHSA	BO	USD	3.33		2017-05	2020-05
		Banco Popular	rA	HNL	1.96		2017-12	2020-06
India	SA	Annapurna Microfinance Private Limited	BO	INR	2.19		2016-11	2018-11
		Asirvad Microfinance Pvt Ltd	BO	INR	10.22		2016-03	2019-03
		Aye Finance	BO	INR	3.79		2017-07	2020-07
		Chaitanya India Fin Credit Pvt Ltd	BO	INR	3.65		2017-06	2020-06
		Indian School Finance Company Pvt. Ltd	BO	INR	4.67		2017-08	2020-08
		Janalakshmi Financial Services Pvt. Ltd	BO	INR	14.30		2015-09	2018-09
		Kinara Capital	rA	INR	2.34	2.34	2018-05	2021-05
		Muthoot	BO	INR	10.22		2016-11	2019-11
		NeoGrowth Pvt Ltd	BO	INR	5.84		2016-11	2019-11
		Pahal	rA	INR	2.92	2.92	2018-06	2020-06
		Saija Finance Pvt Ltd	BO	INR	3.42		2016-07	2019-07
		Satin Creditcare Network Limited	SY	INR	6.57		2017-12	2020-12
		SONATA FINANCE PRIVATE LIMITED	BO	INR	3.50		2016-07	2018-07
		Spandana	rA	INR	4.74		2017-10	2020-10
		SV Credit Line Private Limited	BO	INR	3.79		2015-12	2019-01
Ivory Coast	SSA	Microcred Côte d'Ivoire	BO	XOF	2.08		2016-06	2019-06
Kazakhstan	CA	LLC Microcredit Organization Kazmicrofinance	rA	KZT	5.95		2017-03	2020-09

Region: EECAU: Eastern Europe and Caucasus / CA: Central Asia / LAC: Latin America and the Caribbean / EAP: East Asia and the Pacific / SSA: Sub-Saharan Africa / SA: South Asia
Investment Advisor: BO - BlueOrchard / CY - Cyrano / rA - responsAbility / SY – Symbiotics

MICROFINANCE INVESTMENT PORTFOLIO as of 30 June 2018

continued from previous page

Country	Region	Name of MFI	Investment Advisor	Currency of investment	Portfolio Equiv. USD MM	New investments in Q2 2018 USD M	First Disb.	Last Maturity
Kenya	SSA	Chase Bank	rA	USD	0.00		2014-07	2019-09
		I&M Bank Limited	rA	USD	7.40		2017-12	2020-12
Kosovo	EECAU	Finca International	BO	EUR	2.34		2017-03	2019-04
Kyrgyz Republic	CA	Mol Bulak Finance	CY	USD	5.00		2017-07	2020-07
		Salym Finance	BO	USD	0.50		2016-12	2019-02
		THE FIRST MICROFINANCE COMPANY	rA	KGS	3.05	1.51	2017-12	2021-06
Mali	SSA	Microcred Mali	BO	XOF	0.27		2016-05	2018-11
Mexico	LAC	Alternativa del Sur	rA	USD	10.00	10.00	2018-05	2020-11
		Equipate	rA	MXN	4.66		2018-03	2020-09
		Exitus Capital	BO	MXN	5.29		2017-09	2020-09
		Financiamiento Progresemos S.A. de C.V. SOFOM ENR	CY	MXN	13.54	1.16	2016-11	2021-04
		ITACA	BO	MXN	0.97		2017-11	2019-05
		Operadora de Servicios Mega	rA	USD	10.00		2017-12	2020-12
		ProMujer	BO	MXN	0.43		2015-12	2018-12
		Siempre Creciendo S.A. de C.V.	BO	MXN	2.84		2017-12	2020-12
Moldova	EECAU	I.M. O.M.F. Microinvest S.R.L.	BO	EUR	1.75		2017-04	2020-04
Mongolia	EAP	Khan Bank LLC	BO	USD	10.00		2017-03	2019-03
Montenegro	EECAU	Lovcen banka AD	BO	EUR	3.79		2016-05	2019-07
Nicaragua	LAC	Banco Avanz (Ex Banco Procredit Nicaragua)	BO	USD	8.00		2017-09	2018-09
		Banco de Finanzas	rA	USD	10.00		2017-12	2020-12
		Banco FICOHSA Nicaragua S.A.	BO	USD	10.00		2017-07	2020-07
		Financiera Finca Nicaragua	BO	USD	0.67		2017-04	2020-04
		Financiera FUNDESER	BO	USD	3.00		2016-05	2020-11
		Fondo de Desarrollo Local	BO	USD	0.90		2016-04	2019-04
		FUNDENUSE	BO	USD	0.33		2016-10	2019-10
Nigeria	SSA	AB MF Bank Nigeria	BO	NGN	1.46		2015-04	2019-04
		FORTIS Microfinance Bank	CY	NGN	0.0		2017-11	2018-12
Palestine	MENA	FATEN	CY	USD	4.29		2016-12	2019-12
Panama	LAC	Panacredit	rA	USD	1.00		2016-12	2018-12
Paraguay	LAC	Banco Continental	BO	USD	25.00		2016-03	2019-06
		Vision Banco S.A.E.C.A.	CY	USD	10.00		2015-04	2021-02
People's Republic of China	EAP	Microcred China	rA	CNY	9.97		2017-12	2020-12
Peru	LAC	Acceso Crediticio	BO	PEN	14.92		2017-03	2020-11
		Caja Rural de Ahorro y Credito Crédinka S.A.	CY	USD	15.00		2017-04	2020-09
		Coop Pacifico	SY	USD	5.00		2017-12	2020-11
		COOPAC Fondesurco	BO	PEN	1.03		2016-09	2018-12
		CRAC Raiz	BO	PEN	5.11		2016-10	2019-10
		Financiera TFC SA	BO	USD	5.00		2017-01	2020-01
Poland	EECAU	Inicjatywa Mikro	BO	PLN	0.95		2018-05	2022-09
Russia	EECAU	Finca Russia	rA	RUB	0.79		2017-10	2020-11
Sri Lanka	SA	Bimputh Finance PLC	BO	USD	0.75		2017-07	2019-07
		LOLC	BO	USD	15.00		2016-07	2019-07
Tanzania	SSA	Bayport Tanzania	BO	TZS	4.88		2018-02	2021-02
		Finca Tanzania	BO	TZS	0.96		2016-06	2018-12
				TOTAL OUTSTANDING PORTFOLIO	543.45			
				Total new investments in Q2 2018		30.54		
				Including new investments in local currencies* in Q2 2018		14.54		

*Loans disbursed in local currencies and in countries where either the USD (Ecuador, El Salvador, Panama) or EUR (Kosovo, Montenegro) is the legal tender.

Region: EECAU: Eastern Europe and Caucasus / CA: Central Asia / LAC: Latin America and the Caribbean / EAP: East Asia and the Pacific / SSA: Sub-Saharan Africa / SA: South Asia
Investment Advisor: BO - BlueOrchard / CY - Cyrano / rA - responsAbility / SY – Symbiotics