

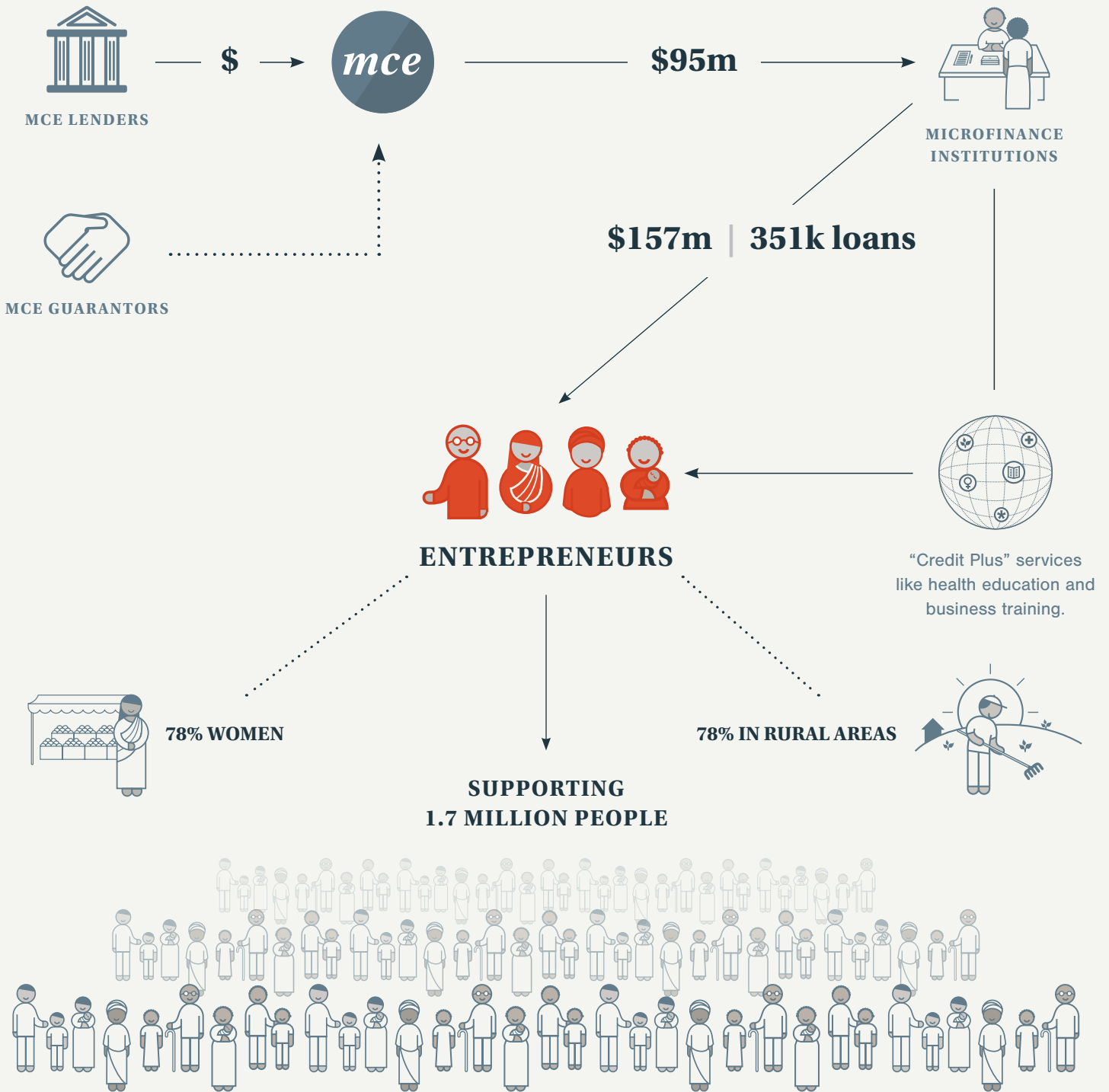


## **YOUR GUARANTEE IN ACTION**

As an MCE Guarantor, you and 79 other global citizens (representing \$97 million in guaranteed capital) are, together, generating economic opportunities for millions of people living in poverty across the developing world. We hope that you enjoy this report detailing the power of your partnership.

# The Power of Your Partnership

Over its nine-year history, MCE has made more than \$95 million in loans to microfinance institutions (MFIs). By recycling this capital over and over, the MFIs have, in turn, made more than 351,000 loans totaling \$157 million, and provided services like health education and business training, to hundreds of thousands of hard-working entrepreneurs around the world. Each loan recipient—the vast majority of whom are women—supports an average of five family members, and as a result your partnership has helped more than 1.7 million people in 30+ countries.

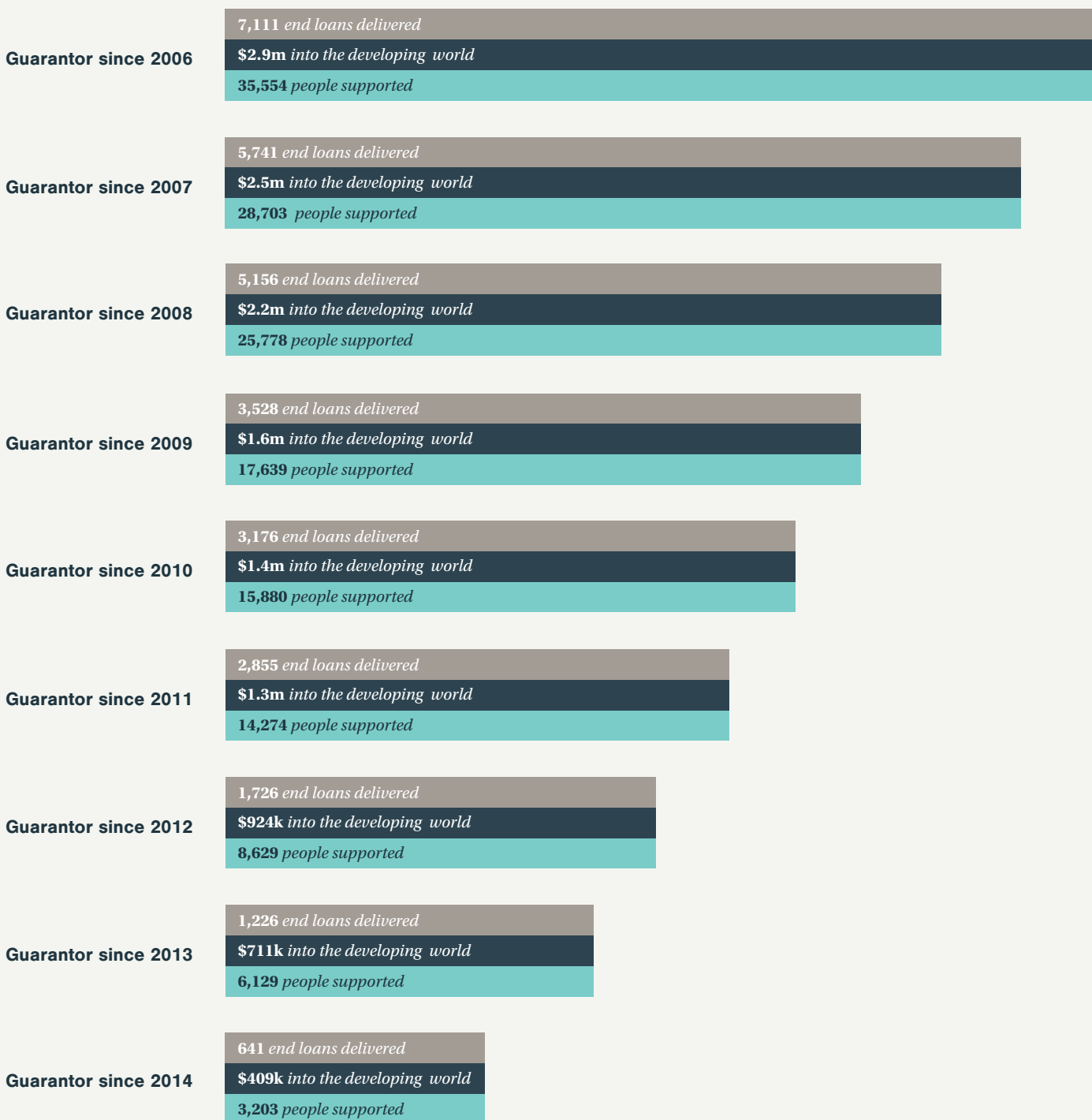




# The Power of Your Individual Guarantee

## THE CUMULATIVE EFFECT OF YOUR GUARANTEE

Your Guarantee never sleeps, it just keeps generating economic opportunity year after year, all without you having to move any money from where it is profitably invested. Below you can match the year that you signed up as a Guarantor with your impressive cumulative impact.



# MCE: Lean, Nimble, and Efficient

Driven by a passionate, meticulous group of professionals and a dedicated Board of Directors, MCE keeps its operating expenses low and its impact high. Here you can see the power of each dollar spent by MCE.

**FOR EVERY DOLLAR MCE SPENT ON OPERATING EXPENSES SINCE 2006**



**MCE FUNDED MORE THAN \$25 IN LOANS IN THE DEVELOPING WORLD**



# People You've Reached

Here are a handful of examples of how your Guarantee is helping determined, talented women take control over their lives.



## MARIA AND GUMERSINDA IN GUATEMALA

With financing from Friendship Bridge—a nonprofit that provides loans and educational services to more than 20,000 women in some of the least developed regions of Guatemala (and MCE client since 2014)—Maria buys high quality fabric to make and sell traditional women's clothing. Another local entrepreneur, Gumersinda, uses her loan and business education from Friendship Bridge to raise and sell pigs and chickens.

## MIR AND RYVI IN THE PHILIPPINES

With a loan and support from Ngosyon Pinoy Finance Corporation (NPFC), an MCE client since 2013, Mir and Ryvi founded an organic soap company that employs out-of-school youth. By financing the “missing middle,” NPFC helps entrepreneurs like Mir and Ryvi generate jobs for those excluded from the formal labor market.



## MAYELA IN COSTA RICA

Mayela—a creative and strong-minded entrepreneur—lives in the mountainous region of Costa Rica. She used a loan from Empresa para el Desarrollo, an MCE client since 2013, to hire an employee to help her with the annual coffee harvest. She also bought a sewing machine so she could make and sell aprons. With profits from these endeavors, Mayela purchased a truck to transport her specially cultivated Christmas trees to the local market.

## SAEEDEH IN TAJIKISTAN

With financing from IMON, an MCE client since 2006, Saeedeh has gone from owning a small kiosk to being the owner of a building with six shops—including a pharmacy, grocery store, beauty supply shop, dentist, bakery, and food stand—employing dozens of people. As part of family culture and tradition, Saeedeh has trained her daughter to help run the business. They plan to build a second story on the building for more shops.



# Frontier Fund

MCE combines its retained earnings (made possible by your Guarantee) with grants and donations to finance its Frontier Fund, which is used to make (a) **non-guaranteed** loans to MFIs operating in particularly challenging parts of the world, and (b) **non-guaranteed** venture debt investments in Small and Medium Sized Enterprises (SMEs) spurring job creation in Sub-Saharan Africa.

## MICROFINANCE INSTITUTIONS IN CHALLENGING AREAS



### SALONE MICROFINANCE TRUST (SMT)



SMT helps microentrepreneurs in Sierra Leone, one of the poorest countries in the world, strengthen and expand their businesses and create employment in rural areas. MCE has worked closely with SMT in 2014 to help the organization survive the Ebola crisis.

#### Client Spotlight

Adama boasts one of the busiest street-side stalls in Waterloo, the second largest city in the Western Area of Sierra Leone. She uses loans from SMT to finance her inventory of shampoo, soda and noodles, which fly off the shelves.



### YEHU MICROFINANCE TRUST (YEHU)



Located in the coastal regions of Kenya, Yehu is recognized for its expansive reach into very rural areas, its commitment to women (who make up more than 82% of its end borrowers), and its innovative loan products. For instance, Yehu offers credit for goat meat, poultry, and water sales, as well as micro-insurance and business education.

#### Client Spotlight

Asya lives in the outskirts of Mombasa and, with financing from Yehu, installed a series of water tanks on her land. Asya now collects rain water for her personal use and for sale. She also uses a loan from Yuhu to finance her successful beauty salon.



### FONKOZE



The mission of Fonkoze is to build the economic foundations for democracy by providing poor women in rural areas access to financial services and business education.

#### Client Spotlight

Myrtha lives in Flon, a rural town outside of Leyogàn in Haiti. Her house collapsed in the 2010 earthquake and ruined the merchandise she had been selling from her home. Never one to give up, she used loans from Fonkoze to fund a business selling hot plates in her neighborhood. Myrtha is determined to set her children up for success: "I would love for them to become an engineer or a doctor."

## SMALL AND MEDIUM SIZED ENTERPRISES IN SUB-SAHARAN AFRICA



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### **KOMAZA**

*Kenya*

A forestry social enterprise operating in the Ganze District of Kenya's Coast Province, Komaza aims to counter entrenched cycles of hunger and create sustainable economic opportunities for farmers living in Africa's semi-arid regions. Komaza provides thousands of rural farmers with a comprehensive set of products, tools and services needed to establish a half-acre eucalyptus farm and eventually sell mature, healthy trees in profitable urban markets. Through what they call "microforestry," rural families can increase their income three-fold over the average tree harvesting cycle, which leads to improved healthcare and sanitation, better education and further economic opportunities.



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### **STARSHEA**

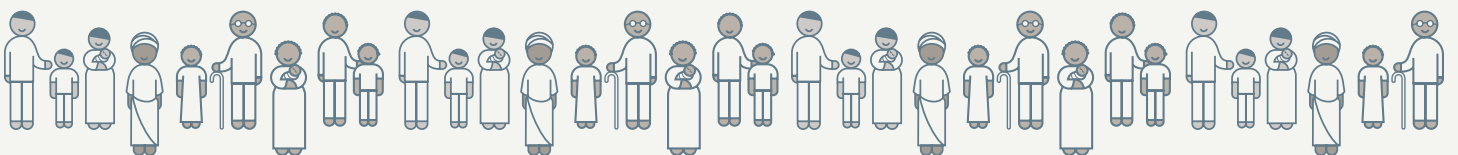
*Ghana*

A social business that connects women who produce Shea nuts in the northern region of Ghana with financial support, business training, and access to international markets, StarShea works with the Star Shea Network (SSN) to support over 15,000 women in Ghana. The sale of Shea nuts and butter supplement the family food budget and helps mothers meet medical or educational expenses for their children. With MCE's support, StarShea plans to have over 20,000 women registered in its supplier network by 2015.



# APPENDIX

*Thank you for your support!*





# Your Guarantee in Action: Underlying Data

MCE Social Capital: All Loans							
Year	Total Loans Disbursed per Year	Total Frontier Fund Loans Disbursed per Year	Total Guaranteed Loans Disbursed to MFIs per Year	Total Dollars of Loans Disbursed from MFIs to End Clients per Year <sup>(1)</sup>	Average End Loan Size per Year (from MFIs to End Clients)	Total Number of End Loans Disbursed per Year (from MFIs to End Clients)	Total People Supported per Year (not including Frontier Fund) <sup>(2)</sup>
2006	\$4,800,000	\$0	\$4,800,000	\$7,920,000	\$340	23,294	116,471
2007	\$4,775,000	\$0	\$4,775,000	\$7,878,750	\$449	17,547	87,737
2008	\$13,390,000	\$0	\$13,390,000	\$22,093,500	\$377	58,603	293,017
2009	\$4,200,000	\$0	\$4,200,000	\$6,930,000	\$505	13,723	68,614
2010	\$4,245,000	\$125,000	\$4,120,000	\$6,798,000	\$415	16,381	81,904
2011	\$16,400,000	\$1,000,000	\$15,400,000	\$25,410,000	\$341	74,516	372,581
2012	\$9,550,000	\$0	\$9,550,000	\$15,757,500	\$426	36,989	184,947
2013	\$15,968,000	\$775,000	\$15,193,000	\$25,068,450	\$516	48,582	242,911
2014	\$24,107,543	\$330,270	\$23,777,273	\$39,232,500	\$638	61,493	307,465
<b>TOTAL</b>	<b>\$97,435,543</b>	<b>\$2,230,270</b>	<b>\$95,205,273</b>	<b>\$157,088,700</b>	<b>n/a</b>	<b>351,129</b>	<b>1,755,646</b>

Per Guarantee Analysis							
Year	Total Number of Guarantees	Dollars of End Loans Disbursed per Guarantee per Year	Dollars of Cumulative End Loans Disbursed per Guarantee (by Year Guarantor Signed PGA)	Number of End Loans Disbursed per Guarantee per Year	Number of Cumulative End Loans Disbursed per Guarantee (by Year Guarantor Signed PGA)	Number of People Supported per Guarantee per Year	Number of Cumulative People Supported per Guarantee (by Year Guarantor Signed PGA)
2006	17	\$465,882	\$2,961,843	1,370	7,111	6,851	35,554
2007	30	\$262,625	\$2,495,960	585	5,741	2,925	28,703
2008	36	\$613,708	\$2,233,335	1,628	5,156	8,139	25,778
2009	39	\$177,692	\$1,619,627	352	3,528	1,759	17,639
2010	51	\$133,294	\$1,441,935	321	3,176	1,606	15,880
2011	66	\$385,000	\$1,308,641	1,129	2,855	5,645	14,274
2012	74	\$212,939	\$923,641	500	1,726	2,499	8,629
2013	83	\$302,030	\$710,701	585	1,226	2,927	6,129
2014	96	\$408,672	\$408,672	641	641	3,203	3,203
<b>TOTAL</b>	<b>n/a</b>	<b>\$2,961,843</b>	<b>n/a</b>	<b>7,111</b>	<b>n/a</b>	<b>35,554</b>	<b>n/a</b>

# Your Guarantee in Action: Underlying Data

Loans to Women					
Year	Percentage of Total End Loans Disbursed to Women per Year	Total Number of End Loans Disbursed to Women per Year	Total Dollars of End Loans Disbursed to Women per Year	Total Dollars of End Loans to Women Generated per Guarantee per Year	Total Number of End Loans Disbursed to Women per Guarantee per Year
2006	0.92	21,431	\$7,286,400	\$428,612	1,055
2007	0.58	10,177	\$4,569,675	\$152,323	450
2008	0.8	46,883	\$17,674,800	\$490,967	1,253
2009	0.66	9,057	\$4,573,800	\$117,277	271
2010	0.78	12,777	\$5,302,440	\$103,969	247
2011	0.82	61,103	\$20,836,200	\$315,700	869
2012	0.84	31,071	\$13,236,300	\$178,869	385
2013	0.77	37,408	\$19,302,707	\$232,563	451
2014	0.78	47,964	\$30,601,350	\$318,764	493
<b>TOTAL</b>	<b>n/a</b>	<b>277,872</b>	<b>\$123,383,672</b>	<b>n/a</b>	<b>5,475</b>

Loans in Rural Areas <sup>(3)</sup>				
Year	Total Number of End Loans Disbursed in Rural Areas per Year	Total Dollars of End Loans Disbursed in Rural Areas per Year	Total Dollars of End Loans Disbursed in Rural Areas per Guarantee per Year	Total Number of End Loans Disbursed in Rural Areas per Guarantee per Year
2006	18,169	\$6,177,600	\$363,388	1069
2007	13,687	\$6,145,425	\$204,848	456
2008	45,711	\$17,232,930	\$478,693	1270
2009	10,704	\$5,405,400	\$138,600	274
2010	12,777	\$5,302,440	\$103,969	251
2011	58,123	\$19,819,800	\$300,300	881
2012	28,852	\$12,290,850	\$166,093	390
2013	37,894	\$19,553,391	\$235,583	457
2014	47,964	\$30,601,350	\$318,764	500
<b>TOTAL</b>	<b>273,881</b>	<b>\$122,529,186</b>	<b>\$2,310,237</b>	<b>5546</b>



## Your Guarantee in Action: Underlying Data

MCE Operating Expenses			
Year	MCE's Annual Operating Expenses	Dollars of End Loans Disbursed for Every \$1 of Operating Expenses	Dollars of Operating Expenses for every \$1 of End Loans Disbursed
2006	\$131,251	\$60	\$0.02
2007	\$274,528	\$29	\$0.03
2008	\$467,486	\$47	\$0.02
2009	\$782,108	\$9	\$0.11
2010	\$806,633	\$8	\$0.12
2011	\$776,480	\$33	\$0.03
2012	\$710,975	\$22	\$0.05
2013	\$888,515	\$28	\$0.04
2014	\$1,108,968	\$35	\$0.03
<b>TOTAL</b>	<b>\$5,946,944</b>	<b>\$26</b>	<b>\$0.04</b>

### Assumptions

1. The average tenor of loans from MCE to MFIs is three years, recycled by the MFI to end borrowers once per year. The recycling of loan capital by MFIs, combined with MCE's standard amortization schedule on loans, means that every \$1 of guaranteed capital MCE disbursed to MFIs generated \$1.65 in loans to end borrowers.
2. Each loan recipient supports an average of 5 family members.
3. Approximately 78% of all end borrowers are in rural areas.