

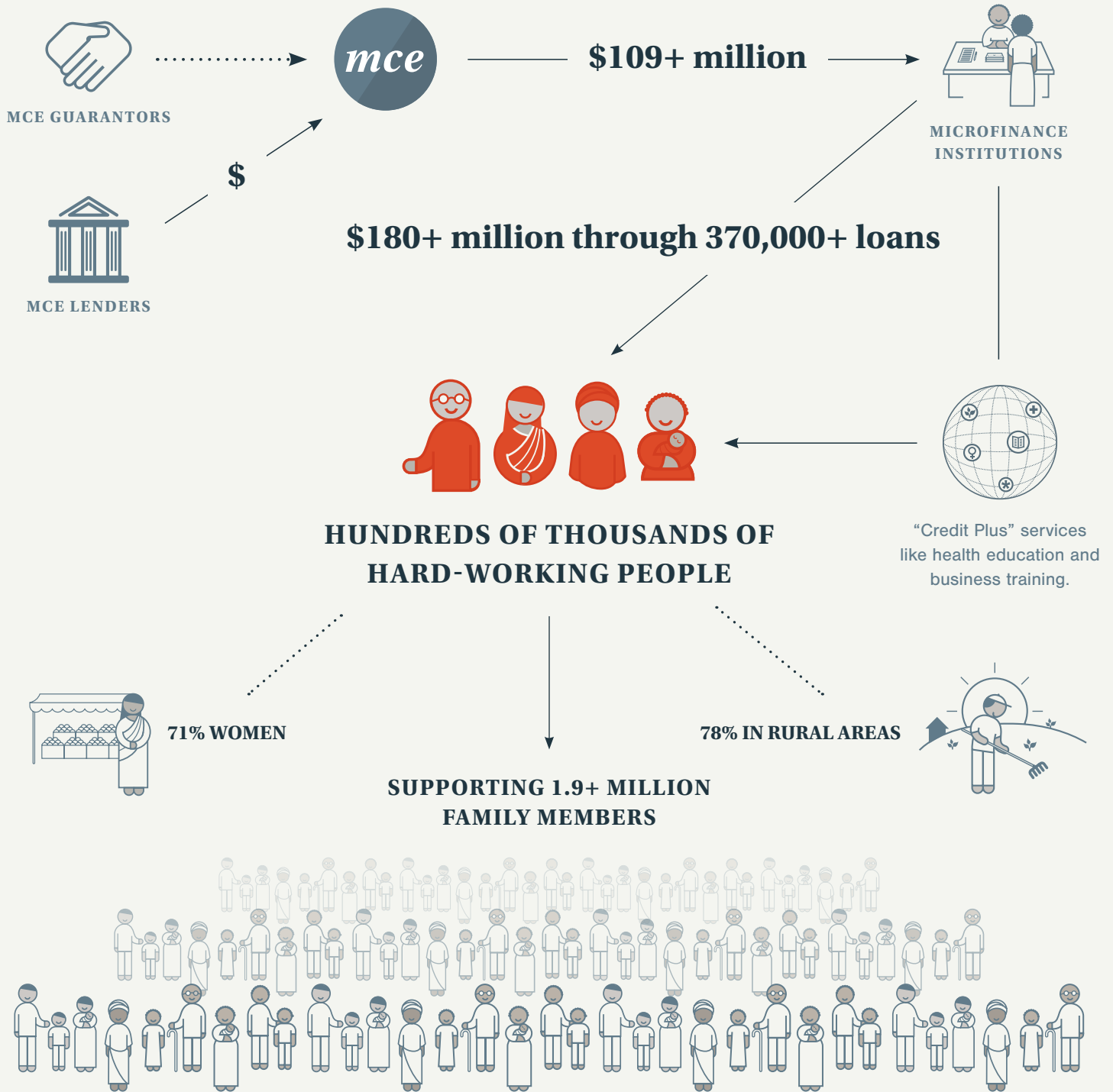


## **YOUR GUARANTEE IN ACTION**

Representing \$109 million in loan guarantees, you and more than 88 other global citizens 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 10-year history, MCE has made more than **\$109 million** in loans to microfinance institutions (MFIs). By recycling this capital over and over, the MFIs have, in turn, made more than 400,000 loans totaling more than **\$180 million**, and provided services like health education and business training to hundreds of thousands of hard-working people 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 **1.9 million** people in 30+ countries.





# The Power of Your Individual Guarantee

## THE CUMULATIVE EFFECT

Your Guarantee never sleeps, it just keeps generating economic opportunity year after year, all without your 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, personal cumulative impact.



# People You've Reached

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

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## OXUS IN THE DEMOCRATIC REPUBLIC OF CONGO (DRC)

OXUS provides reliable financial services to the DRC's working poor, serving over 20,000 borrowers (64 percent are women) and employing over 200 Congolese across its four branches. OXUS offers both individual and group loans, as well as financial education sessions about the product offerings and overall lending process. The sessions provide transparency and help borrowers manage loans, which are most often used as working capital or for the purchase of productive assets.



### CLIENT SPOTLIGHT

With financing from OXUS, Henriette has grown her stand in a large open air market in Kinshasa, where she sells fumbwa leaf stew (a dish made from hardboiled fubwa greens and ground peanuts).



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## FUNDACION ESPOIR IN ECUADOR

Operating in the southern coastal region of Ecuador, Fundacion Espoir serves a diverse regional client base of 100 percent women. Espoir offers both group loans (a single loan disbursed to a group of borrowers who share joint liability and provide mutual encouragement) and a variety of individual loans that are used for business growth, home improvements, family emergencies, and education. Espoir also hosts regular training sessions for its borrowers on topics ranging from financial literacy to preventative health. The Cuenca office for example, includes a medical clinic where nearly 300 entrepreneurs a month receive health services for themselves and their families.



### CLIENT SPOTLIGHT

Financing and training from Espoir allowed Patricia to grow her restaurant, "La Choza," and her profitable cell phone charging station, two successful businesses.



# People You've Reached (cont.)

## CREDICAMPO IN EL SALVADOR



CrediCampo provides inclusive financing and community development services throughout El Salvador's poorest regions. CrediCampo and its network of Associations of Communal Development (ACDs) help those living in rural areas access affordable financing for starting or growing a small business, agriculture & livestock, emergencies, home improvements, and loans dedicated to businesswomen who are heads of households. While CrediCampo provides financial services, an affiliated foundation, Fundación Campo, provides technical assistance, training, and capacity building to community members.

### CLIENT SPOTLIGHT

Don Beto, a 62-year-old farmer, and his family used a loan from CrediCampo to expand their kitchen and add a fourth wall, which now provides adequate protection from the elements.



## FONKOZE IN HAITI

Fonkoze is Haiti's largest microfinance institution and serves more than 200,000 poor and ultra-poor women in rural areas. In addition to financial services, Fonkoze provides access to remittances from abroad, insurance against natural disasters, classes on literacy and business skills, health training, vitamin distribution, and screening for child malnutrition. Driven by its commitment toward the poor, Fonkoze developed the "Staircase Out of Poverty" methodology, which is a series of products and programs designed to meet clients wherever they are and accompany them on their journey out of poverty.



### CLIENT SPOTLIGHT

Marie Andrée Jerome Pierre, who supports her four children, uses financing from Fonkoze to grow her small convenience store business. "What I like the most about Fonkoze," she said, "is that they keep their promises."



## *The Power of 'Credit Plus' Client Services*

Affordable and reliable credit is just one important part of a broader set of services needed by people lifting themselves out of poverty. MCE amplifies its impact by investing in organizations that, in addition to credit, offer their clients services like insurance, savings, healthcare and health education, business education, technical assistance, and social services. These programs help households achieve healthier, more dignified lives and make the transition from every day survival to building a better future.



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*81% of MCE's portfolio delivers credit plus client services*



# Credit Plus Additional Financial Services



**63% of MCE's portfolio delivers additional Financial Services.**

## SAVINGS

The availability of safe but liquid deposit facilities helps households build assets to use as collateral, accumulate funds for future investments, and prepare for periods such as the rainy season when they may have little or no income.

*MUK in Indonesia requires borrowers to establish formal savings accounts, and offers additional savings products for education, ceremonies, and household improvements.*

## INSURANCE

Insurance products—including life insurance, health insurance, crop insurance, and micropension plans—cover lost income in the event of a crisis, such as a family death, ailing health, and natural disasters.

*Credo (an MCE partner since 2012) was the first MFI in Georgia to offer crop insurance (which covers 100% of the loan principal and interest due by smallholder farmers).*

## ENERGY EFFICIENCY

Special products and programs for energy efficient cook-stoves, solar panel kits, LED lighting, and water recovery and purification systems help people living in poverty access low-cost, clean energy.

*IMON's "Green Loan" provides Tajik families the opportunity to purchase and install energy-efficient doors and roofing, glazed windows, heat-insulated floors and ceilings, solar water heaters, and more (most homes in rural Tajikistan have very low thermal efficiency).*

## REMITTANCE SERVICES

For people living in remote areas, microfinance institutions can offer a low-cost opportunity to receive money transfers, which allows them to access critical funds from friends and family living abroad.

*In Nicaragua, where remittances amount to around 10 percent of total GDP, Financiera Fama complements its financial inclusion efforts with remittance and foreign currency exchange services for clients receiving transfers from their families living abroad.*

# Credit Plus Health Education and Services

Illness and inability to access medical care are key factors causing and resulting from poverty. Microfinance institutions and their employees, who frequently travel to poor communities, are uniquely positioned to deliver health related services to those most in need.



*30% of MCE's portfolio delivers Health Education and Services.*



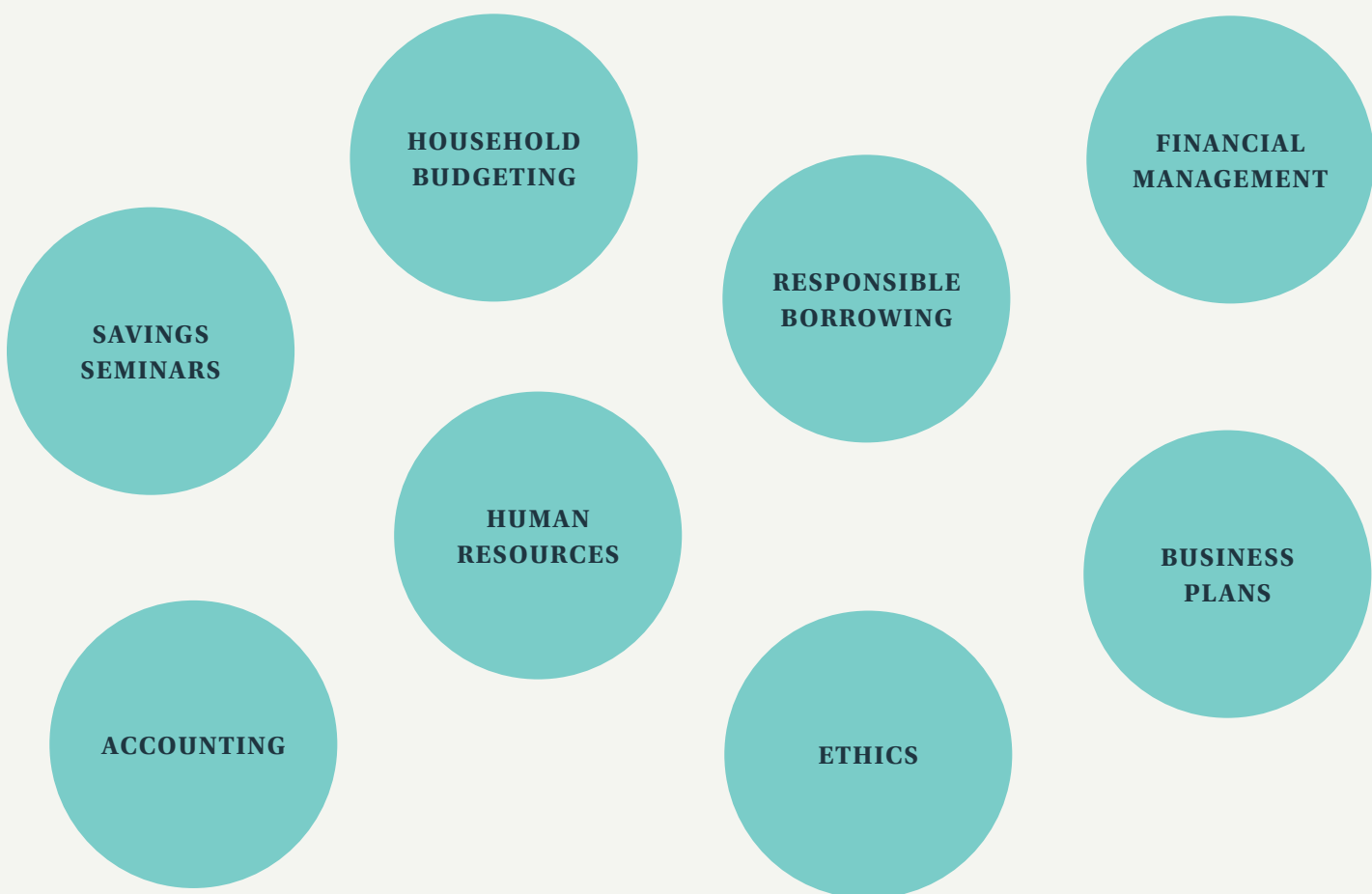


# Credit Plus Business Education & Financial Literacy

Business education and financial literacy training—often delivered by microfinance institutions for free—help entrepreneurs manage loans and expenses, build more profitable businesses, and feel more confident and empowered.



*47% of MCE's portfolio delivers Business Education & Financial Literacy Training.*

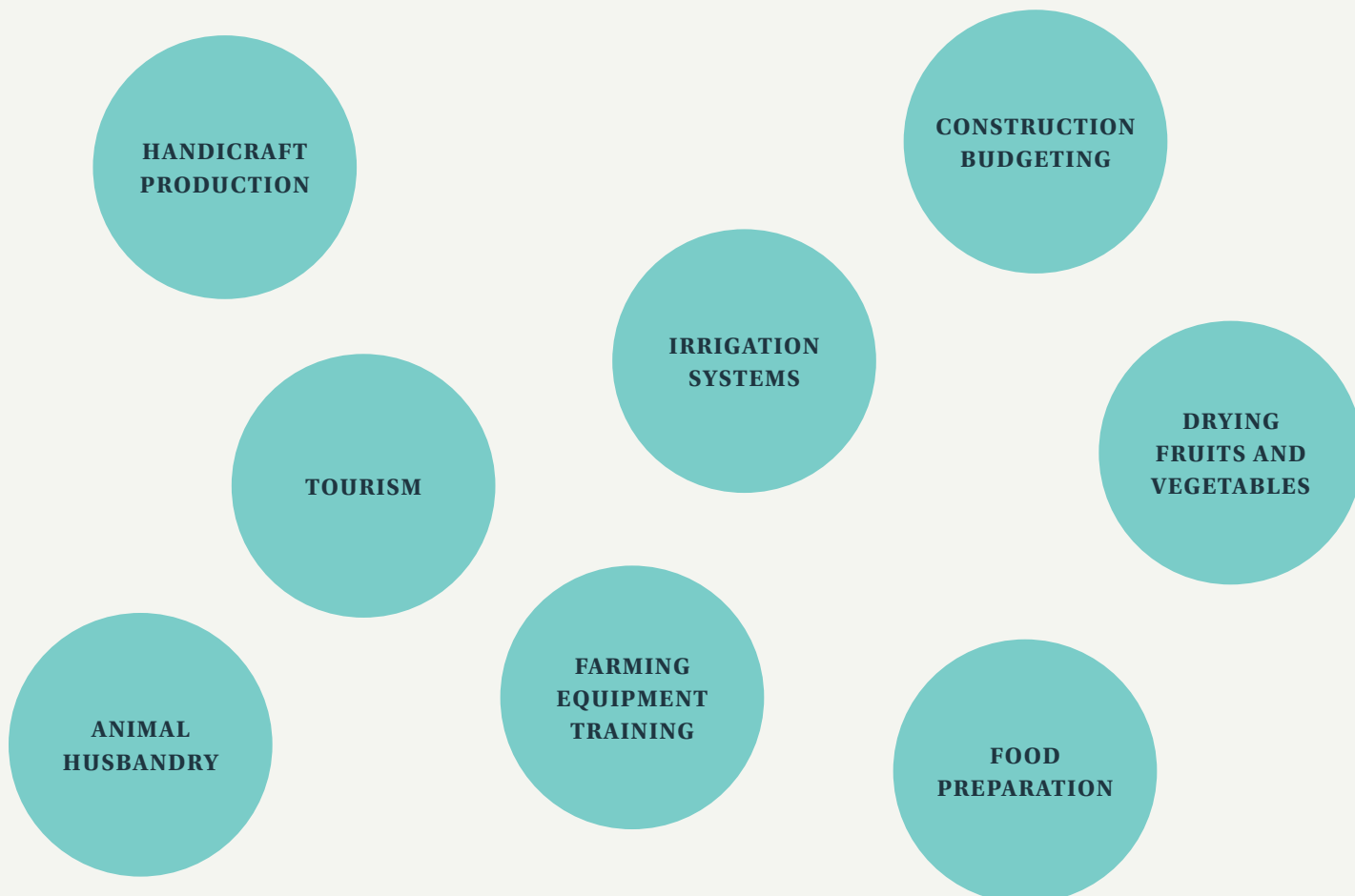


# Credit Plus **Technical Assistance & Skills Training**

Appropriate financing coupled with technical assistance and skills training can help strengthen businesses, increase the wellbeing of rural households, and create more resilient income for families living in poverty.



*23% of MCE's portfolio delivers Technical Assistance & Skills Training.*



# Credit Plus Social Services

Social services contribute to the human and social development of families. This is especially true when these services target women and children, who are among the most vulnerable groups affected by poverty.



*16% of MCE's portfolio delivers Social Services.*



# The Frontier Fund

MCE’s Frontier Fund, which is capitalized with MCE’s retained earnings (not through its loan guarantee model), makes loans to small and medium-sized enterprises (SMEs) that help improve livelihoods for people living in poverty in Sub-Saharan Africa and other challenging areas of the world.



## STARSHEA IN GHANA

StarShea 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 rapidly growing Star Shea Network (SSN) to support more than 25,000 women in Ghana who rely on Shea as a livelihood (up from 16,000 in 2014-2015). Through access to technical assistance and increased bargaining power, these determined entrepreneurs are, among other things, supplementing the family food budget and covering medical and educational expenses for their children.

## KOMAZA IN KENYA

The 200 million people living as subsistence farmers in Africa’s drylands have some of the lowest incomes and highest child mortality rates in the world. Komaza—which operates in the Ganze District of Kenya’s Coast Province—creates income-generating opportunities for thousands of these 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.



*“MCE filled a crucial gap in our long-term funding needs, and Komaza would not be where it is today—working to bring life-changing income to almost 7,000 farmers—without MCE’s support.”*

**— AYESHA WAGLE, PRESIDENT OF KOMAZA**

# The Frontier Fund (cont.)

## CDS IN MAURITANIA

More than two million people living in Mauritania (out of a population of four million) do not have access to clean drinking water and nearly four out of five lack access to electricity. To respond to this need, CDS provides safe water and electricity to nearly 30,000 people in 20 villages in isolated rural areas of southern Mauritania.



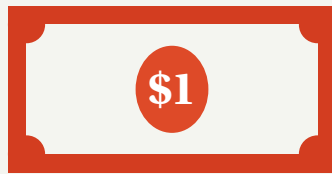
CDS provides access to safe and clean drinking water, which means Mauritians are less likely to succumb to illness from waterborne diseases, which claim the lives of 3.4 million people worldwide every year. CDS also supplies communities with off-grid solar powered equipment, ranging from simple reading lights to more complex solar home systems. This technology not only reduces the carbon footprint of a country largely dependent on non-renewable resources, but by allowing adults and children to work and study after dark, it also significantly contributes to productivity and output. CDS currently employs 35 local staff members, most of whom are young professionals who have been trained internally by CDS, acquiring valuable technical skills.



# *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**





# APPENDIX

*Thank you for your support!*

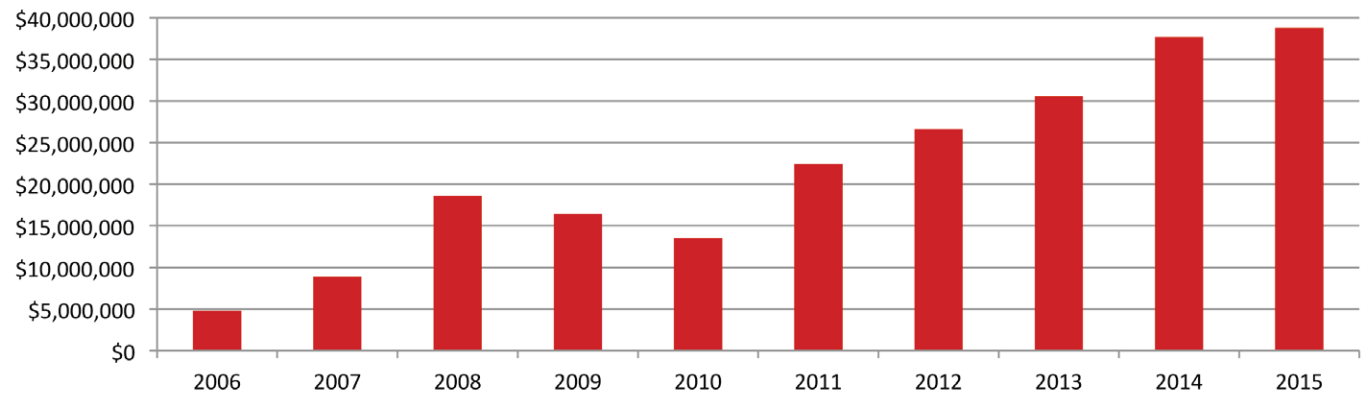


Microfinance Institution (MFI) Loans						
Year	Dollars of Loans MCE Disbursed to MFIs per Year	Dollars of Loans MFIs Disbursed to End Clients per Year <sup>(1)</sup>	MCE's Active Outstanding Portfolio at Year End	Average Loan Size from MFIs to End Clients per Year	Additional Number of People Who Received Loans from MFIs per Year	Additional Family Members Supported by End Clients per Year <sup>(2)</sup>
2006	\$4,800,000	\$7,920,000	\$4,800,000	\$340	23,294	116,471
2007	\$4,775,000	\$7,878,750	\$8,875,000	\$449	17,547	87,737
2008	\$13,390,000	\$22,093,500	\$18,569,421	\$377	58,603	293,017
2009	\$4,200,000	\$6,930,000	\$16,440,255	\$505	13,723	68,614
2010	\$4,120,000	\$6,798,000	\$13,478,441	\$415	16,381	81,904
2011	\$15,400,000	\$25,410,000	\$22,419,111	\$341	74,516	372,581
2012	\$9,550,000	\$15,757,500	\$26,600,000	\$426	36,989	184,947
2013	\$15,193,000	\$25,068,450	\$30,561,547	\$516	48,582	242,911
2014	\$23,777,000	\$39,232,050	\$37,669,727	\$638	61,492	307,461
2015	\$14,263,164	\$23,534,221	\$38,765,297	\$850	27,687	138,437
<b>TOTAL</b>	<b>\$109,468,164</b>	<b>\$180,622,471</b>	<b>n/a</b>	<b>n/a</b>	<b>378,816</b>	<b>1,894,079</b>

1. Average tenor of loans from MCE to MFIs is three years, recycled by the MFI to end client once per year. The recycling of loan capital by MFIs, combined with MCE's standard amortization schedule on loans, means that every \$1 MCE disburses to MFIs generates \$1.65 in loans to end clients.

2. Each end client supports an average of 5 family members.

**Active Outstanding Portfolio**





**Per Guarantee Analysis**

Year	Total Number of \$1m Guarantees as of Year End	Dollars of Loans Disbursed from MFIs to End Clients per Guarantee per Year	Dollars of Cumulative Loans Disbursed from MFIs to End Clients per Guarantee (by Year Guarantor Signed PGA)	Number of Loans Disbursed from MFIs to End Clients per Guarantee per Year	Number of Cumulative End Loans Disbursed from MFIs to End Clients per Guarantee (by Year Guarantor Signed PGA)	Number of Family Members Supported by End Clients per Guarantee per Year	Number of Cumulative Family Members Supported by End Clients per Guarantee (by Year Guarantor Signed PGA)
2006	17	\$465,882	\$3,183,859	1,370	7,372	6,851	36,860
2007	30	\$262,625	\$2,717,977	585	6,002	2,925	30,009
2008	36	\$613,708	\$2,455,352	1,628	5,417	8,139	27,084
2009	39	\$177,692	\$1,841,643	352	3,789	1,759	18,945
2010	51	\$133,294	\$1,663,951	321	3,437	1,606	17,186
2011	66	\$385,000	\$1,530,657	1,129	3,116	5,645	15,580
2012	74	\$212,939	\$1,145,657	500	1,987	2,499	9,935
2013	83	\$302,030	\$932,718	585	1,487	2,927	7,435
2014	96	\$408,667	\$630,688	641	902	3,203	4,509
2015	106	\$222,021	\$222,021	261	261	1,306	1,306
<b>TOTAL</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

<b>MCE Operating Expenses</b>			
Year	MCE's Annual Operating Expenses	Dollars of Loans Disbursed from MFIs to End Clients for Every \$1 of MCE Operating Expenses	Amount of MCE Operating Expenses for every \$1 of End Loans Disbursed by MFIs
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
2015	\$1,180,000	\$20	\$0.05
<b>TOTAL</b>	<b>\$7,126,944</b>	<b>\$25</b>	<b>\$0.04</b>

<b>Frontier Fund</b>	
Year	Dollars of Loans Disbursed by MCE to SMEs or High-Risk MFIs (using non-guaranteed capital)
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$125,000
2011	\$1,000,000
2012	\$0
2013	\$775,000
2014	\$330,270
2015	\$390,000
<b>TOTAL</b>	<b>\$2,620,270</b>

Loans to Women					
Year	Percentage of Total Loans Disbursed from MFIs to Women End Clients per Year	Number of Loans Disbursed from MFIs to Women End Clients per Year	Dollars of Loans Disbursed from MFIs to Women End Clients per Year	Dollars of Loans Disbursed from MFIs to Women End Clients per Guarantee per Year	Number of Loans Disbursed from MFIs to Women End Clients 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	\$30,600,999	\$318,760	493
2015	0.71	19,658	\$16,709,297	\$157,635	201
<b>TOTAL</b>	<b>n/a</b>	<b>297,529</b>	<b>\$140,092,617</b>	<b>n/a</b>	<b>n/a</b>

Loans in Rural Areas <sup>(3)</sup>				
Year	Number of Loans Disbursed from MFIs to End Clients in Rural Areas per Year	Dollars of Loans Disbursed from MFIs to End Clients in Rural Areas per Year	Dollars of Loans Disbursed from MFIs to End Clients in Rural Areas per Guarantee per Year	Number of Loans Disbursed from MFIs to End Clients 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	\$30,600,999	\$318,760	500
2015	21,596	\$18,356,692	\$173,176	204
<b>TOTAL</b>	<b>295,476</b>	<b>\$140,885,527</b>	<b>n/a</b>	<b>n/a</b>

3. On average, 78% of all end borrowers are in rural areas.

Credit Plus Client Services in MCE's Portfolio										
Microfinance Institutions (MFIs)	Country	Savings	Insurance Programs	Mobile Banking	Remittance Services	Health Education and Services	Financial Literacy	Social Services	Technical Assistance	Energy Efficiency
ACF	Kazakhstan									✓
Apoyo Integral	Mexico		✓							
AqrolInvest	Azerbaijan									
ArnurCredit	Kazakhstan									
AzerCredit	Azerbaijan		✓	✓					✓	
CACMU	Ecuador	✓	✓			✓	✓		✓	
Chamroeun	Cambodia		✓			✓	✓	✓		
COMIXMUL	Honduras	✓	✓			✓	✓	✓		
CrediCampo	El Salvador	✓	✓			✓	✓	✓	✓	
CrediMujer	Peru	✓	✓			✓	✓	✓		
Credit Mongol	Mongolia									✓
CREDO	Georgia		✓	✓						
Crystal	Georgia				✓		✓			
EDESA	Costa Rica						✓			
ESPOIR	Ecuador		✓			✓	✓	✓		
Financiera Fama	Nicaragua		✓		✓					
FinDev	Azerbaijan									
Fonkoze	Haiti	✓	✓		✓	✓	✓			
Friendship Bridge	Guatemala					✓	✓	✓	✓	✓
Fundacion Alternativa	Ecuador		✓			✓	✓		✓	
Fundenuse	Nicaragua		✓		✓		✓		✓	✓
FUNDESER	Nicaragua		✓						✓	
GDMPC	Philippines	✓	✓			✓	✓			
HUMO	Tajikistan	✓								
IMON	Tajikistan	✓		✓	✓		✓		✓	✓
Kamurj	Armenia									✓
KREDIT	Cambodia	✓				✓	✓			✓
Lazika Capital	Georgia								✓	
LOMC	Sri Lanka		✓							
MC Mali	Mali	✓	✓							
MC Nan	China									
MC Sic	China									
Microfin	Uruguay									
MIKRA	Bosnia								✓	
MUK	Indonesia	✓	✓			✓	✓			✓
Nor Horizon	Armenia		✓							✓
NPFC	Philippines									
OXUS	DRC						✓			
Sembrar Sartawi	Bolivia		✓					✓		
SMT	Sierra Leone	✓					✓			
Transcapital	Mongolia									
LOLC	Cambodia	✓	✓				✓			✓
VF Cambodia	Cambodia	✓	✓			✓	✓			✓
<b>% of Total Portfolio</b>		<b>33%</b>	<b>51%</b>	<b>7%</b>	<b>12%</b>	<b>30%</b>	<b>47%</b>	<b>16%</b>	<b>23%</b>	<b>26%</b>

Credit Plus Services offered by MCE's partner MFIs						
Any Credit Plus Service	Additional Financial Services	Health Education & Services	Financial Literacy	Social Services	Technical Assistance	Energy Efficiency
<b>81%</b>	<b>63%</b>	<b>30%</b>	<b>47%</b>	<b>16%</b>	<b>23%</b>	<b>26%</b>