

# Triodos Investment Management

## Microfinance



### **Triodos Bank**

#### **Sustainable Banking**

Triodos Bank finances companies, institutions and projects that add cultural value and benefit people and the environment, with the support of depositors and investors who want to encourage socially responsible business and a sustainable society.

#### **Triodos Bank's mission**

- To help create a society that promotes people's quality of life and that has human dignity at its core.
- To enable individuals, institutions and businesses to use money more consciously in ways that benefit people and the environment, and promote sustainable development.
- To offer customers sustainable financial products and high quality service.

### **INTRODUCTION**

Triodos Investment Management bv is responsible for managing a number of international funds that invest in both developing countries and Europe. Triodos Investment Management is a 100% subsidiary of Triodos Bank, a fully licensed independent Bank with branch offices in The Netherlands, Belgium, United Kingdom and Spain. The bank is a pioneering force in the world of sustainable banking and is well known for its innovative and transparent approach to banking.

### **VISION ON MICROFINANCE**

Since 1994 Triodos Bank has contributed its unique expertise in sustainable banking to the microfinance sector. The Triodos Bank mission guides the activities of the funds under management of Triodos Investment Management. Our vision on microfinance is:

- An all-inclusive financial sector with access for the majority of people is key to sustainable social-economic development.
- Microfinance is best suited as integral part of the financial sector.
- The funds work as a catalyst to (i) encourage microfinance as a long-term, financially sustainable activity and (ii) to accelerate the transition from donor funding to local funding.

Triodos Investment Management manages three funds – Triodos-Doen, Hivos-Triodos Fund and Triodos Fair Share Fund - that provide finance for more than 60 microfinance institutions in developing countries, Central Asia and Eastern Europe. Total portfolio at 30 June 2007 is EUR 100 million. Triodos Investment Management also manages funds that invest in renewable energy and fair trade in developing countries.

All three microfinance funds have similar objectives but different risk profiles and funding structures. The different risk profiles enable finance to be provided to microfinance institutions in different stages of development.

#### *Triodos-Doen*

The Triodos-Doen Foundation started in 1994 at the initiative of the DOEN Foundation and Triodos Bank. Total portfolio at 30 June 2007: EUR 41.3 million.

#### *Hivos-Triodos Fund*

The Hivos-Triodos Fund Foundation, founded in 1994, is a joint initiative of the Humanist Institute for Development Cooperation (Hivos) and Triodos Bank. Hivos is a Dutch non-governmental organisation inspired by humanist values. Triodos Bank and Hivos enable Dutch people to become actively involved in microfinance activities worldwide through special savings accounts with Triodos Bank and by giving guarantees. Total portfolio at 30 June 2007: EUR 35 million.

#### *Triodos Fair Share Fund*

Triodos Fair Share Fund was launched in December 2002 and is one of the first private investment funds in the microfinance sector worldwide. The Fund allows private individuals to invest in the microfinance sector in developing countries. Total portfolio at 30 June 2007: EUR 28.2 million.

**LOANS AND EQUITY**

The three funds provide loans and equity to microfinance institutions.

*Loans*

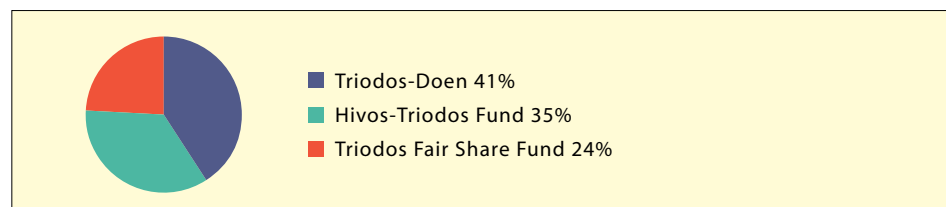
Loans are offered in euros, us dollars and local currencies. Loans usually range from EUR 250,000 to EUR 2,500,000 (or the equivalent in another currency).

Loan periods are up to a maximum of five years. Disbursement and repayment schedules can be structured in different ways, according to the needs of the borrower.

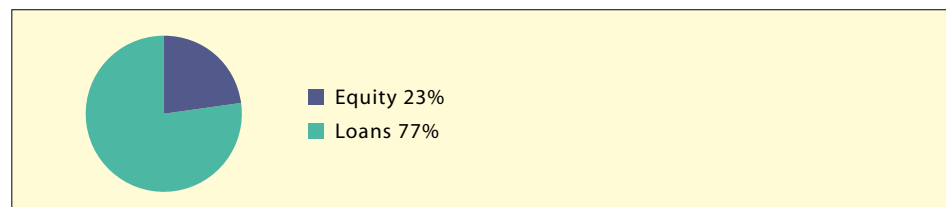
*Equity*

The funds participate in the share capital of financial institutions. Examples include microfinance banks or microfinance NGOs wanting to convert into regulated microfinance institutions and in need of additional capital. Senior Triodos Bank co-workers are represented on the Board of Directors and contribute to the governance of these banks. Our partners value the expertise we bring as a small independent bank with clear social and commercial objectives. We aim for a fair return on investment in line with what can be reasonably expected in the specific market sector.

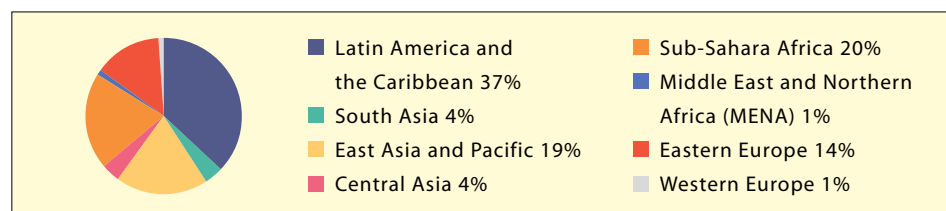
**Distribution over funds, in euros as at 30 June 2007**



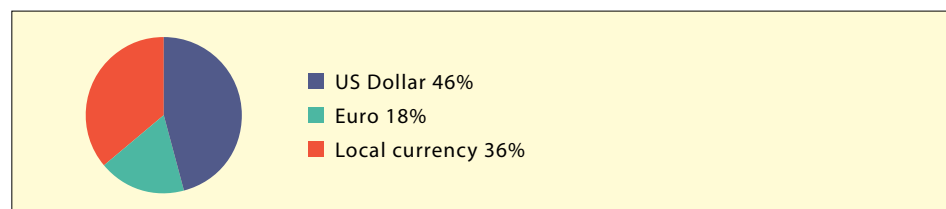
**Distribution over equity and loans, in euros as at 30 June 2007**



**Geographic distribution, in euros as at 30 June 2007**



**Distribution over currency groups, in euros as at 30 June 2007**



*Through its funds under management, Triodos Investment Management is a shareholder in the following micro-finance institutions:*

- AccèsBanque Madagascar (Madagascar)*
- ACLEDA Bank (Cambodia)*
- Akiba Commercial Bank (Tanzania)*
- Banco Solidario (Ecuador)*
- BASIX (India)*
- Bellwether Microfinance Fund (India)*
- BRAC Afghanistan Bank (Afghanistan)*
- CEB (Cambodia)*
- Centenary Bank (Uganda)*
- FFP FIE (Bolivia)*
- FINDESA (Nicaragua)*
- K-Rep Bank (Kenya)*
- Mibanco (Peru)*
- Reliance Financial Services (The Gambia)*
- XacBank (Mongolia)*

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**Triodos  Bank**  
*Where more than money counts*